

Tuesday, 5th December, 1950

Par S. II. V. 50 (1)

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PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

Volume V, 1950

(15th November to 22nd December, 1950)



THIRD SESSION (FIRST PART)

of the

PARLIAMENT OF INDIA

(1950)

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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PARLIAMENT OF INDIA

Tuesday, 5th December, 1950.

The House met at a Quarter to Eleven of the Clock.

[Mr. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

PROPOSED CORPORATION FOR DELHI

*637. **Shri Deshbandhu Gupta:** (a) Will the Minister of Health be pleased to state whether it is a fact that the Chief Commissioner of Delhi has submitted a draft Bill for the proposed Corporation of Delhi, based on the exclusion of New Delhi from its purview?

(b) If so, when was this draft received and what action has been taken in the matter?

(c) Do Government propose to bring forward any legislation on the subject during this session or in the Budget Session of the Parliament?

(d) Is it a fact that the Chief Commissioner's Advisory Council, the Delhi Provincial Congress Committee and the Delhi Municipal Committee have expressed their disapproval of the idea of excluding New Delhi from the jurisdiction of the proposed Corporation?

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

(b) The draft Bill was received in June 1950. It is under examination in consultation with other Ministries concerned.

(c) It is not possible to introduce legislation on the subject during the current session of Parliament. All that can be said now is that steps for introducing legislation will be taken as soon as Government complete their examination of the draft Bill.

(d) Yes.

Shri Deshbandhu Gupta: May I know, Sir, at what stage of consideration the Bill is at the moment?

Rajkumari Amrit Kaur: I have already stated that the draft Bill has been circulated to all Ministries concerned and they are considering it.

Shri Deshbandhu Gupta: May I know, Sir, whether it is a fact that the Bill as drafted by the Chief Commissioner does not deal with any other subject except municipal?

Rajkumari Amrit Kaur: Well, it is a Bill for the establishment of a Corporation and actually it deals with all matters concerning the formation of a Corporation.

Shri Deshbandhu Gupta: Is it a fact that there are no provisions in the Bill as drafted by the Chief Commissioner which would give any political powers or any voice to the people of Delhi?

Mr. Speaker: Order, order. I do not think this will be a subject matter for a question.

Shri Deshbandhu Gupta: My reason for asking the question is that on the floor of the House it was stated that the Corporation Bill would also give some administrative powers.

Mr. Speaker: It is going into a controversial and argumentative point. He may refer to the Bill.

Shri Deshbandhu Gupta: The Bill is not public property; it has been forwarded only to the Health Ministry.

Mr. Speaker: May be. He may see the Minister and get the information.

Shri Deshbandhu Gupta: May I know whether it is a fact that the Bill is not likely to be taken even in the Budget session?

Rajkumari Amrit Kaur: That is so.

Shri Deshbandhu Gupta: In view of the fact that the Delhi Provincial Congress Committee and the Chief Commissioner's Advisory Council have expressed themselves against the provisions of the Bill, separating New Delhi from Old Delhi, have Government reviewed its own decision in the matter?

Rajkumari Amrit Kaur: Government came to that decision after due con-

sideration and do not see any reason for reviewing that decision.

Shri Frank Anthony: Is there any truth in the newspaper report that the members of the New Delhi Municipal Committee do not take their duties seriously as a result of which it is usually difficult to get a quorum?

Mr. Speaker: Order, order.

NEW DELHI MUNICIPAL COMMITTEE

*638. **Shri Deshbandhu Gupta:** (a) Will the Minister of Health be pleased to state whether it is a fact that the New Delhi Municipal Committee continues to be a wholly nominated body?

(b) Has the Committee been recently re-nominated and the number of its members increased?

(c) What is the number of non-official and official members now?

(d) Is it a fact that three more officials and two non-officials have been added and if so, what were the reasons for raising the number of officials by three?

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

(b) Yes.

(c) 12 Officials and 8 Non-officials.

(d) Yes; three officials and two non-officials have been included but at the same time one official, the Staff Surgeon, New Delhi, is no longer a member. The three new official members are the Superintending Engineer, Central Electrical Circle, the Chairman, Delhi Improvement Trust and the Town Planner of the C.P.W.D. They have been brought on the Committee, as it is considered that, in view of their technical qualifications and the nature of their official duties, their advice would be of value to the Committee.

Shri Deshbandhu Gupta: May I know, Sir, whether it is not a fact that the number of official members who already had a majority has been increased in order to guarantee a safe voice to the official Chairman—to see that whatever the official Chairman wants is dittoed?

Mr. Speaker: Order, order.

Shri Deshbandhu Gupta: I will put it differently. May I know, Sir, whether it is a fact that there is a strong resentment among the people of Delhi against this step of the Government?

Rajkumari Amrit Kaur: That is not so. I have received more than one letter congratulating me on the nominations.

Shri Deshbandhu Gupta: Does the hon. Minister mean to say that she has

been congratulated on increasing the number of officials from eight to ten?

Rajkumari Amrit Kaur: It is not a question of the number of officials. As a matter of fact the proportion of officials to non-officials has been decreased. But the nominations that have been made by the Government have been appreciated by the residents of New Delhi.

Shri Deshbandhu Gupta: Is it a fact that the Delhi Provincial Congress Committee passed a resolution asking their nominees to withdraw or resign as a matter of protest because no popular voice was given to them there?

Rajkumari Amrit Kaur: I believe they did do so.

Shri Deshbandhu Gupta: What action has Government taken?

Rajkumari Amrit Kaur: Government have seen no reason to review the position or change the nominations.

کیا سی - جی - ایس - مسافر - کہا
سرکار کا کوئی ارادہ ہے کہ دہلی میونسپل
کمیٹی کو الیکٹڈ باڈی بنا دیا جائے ؟

[**Giani G. S. Musafir:** Do the Government intend to change the Delhi Municipal Committee into an elected body?]

The Prime Minister (Shri Jawaharlal Nehru): If hon. Members wish to discuss the future of New Delhi we can have a discussion on it. So far as Government is concerned, it considers New Delhi as a very peculiar place where there are Ambassadors and extra-territorial rights. It is mainly an official city. Therefore in their interest, such official cities in every country have to be dealt with in a different way from other places and we propose to continue that policy.

Shri Deshbandhu Gupta: May I understand from the Prime Minister's announcement that he will be pleased to allot some time for this house to discuss this question?

Shri Jawaharlal Nehru: No, Sir.

Mr. Speaker: This question has been discussed more than once and long statements have been made by hon. Ministers.

Shri Deshbandhu Gupta: I want to know whether the Prime Minister means to say that even in the limited sphere of municipal administration, they would not have any elected element as members of the New Delhi municipal committee. Is that his notion of an official city?

Mr. Speaker: I am calling the next question.

**OLD DELHI MUNICIPAL COMMITTEE
(ELECTIONS).**

*639. **Shri Deshbandhu Gupta:** (a) Will the Minister of Health be pleased to state whether there is any proposal to hold the Elections to the Old Delhi, Municipal Committee in April or May, 1951?

(b) If so, what will be the basis of these elections, and the number of seats to be filled?

The Minister of Health (Rajkumari Amrit Kaur): (a) It is proposed to hold the elections to the Delhi Municipal Committee in 1951; no specific date has been fixed so far.

(b) The elections will be held on the basis of adult franchise, joint electorates and revised delimitation of constituencies. The number of seats has not yet been fixed.

Shri Deshbandhu Gupta: In view of the fact, Sir, that the elections to the Parliament have been postponed to November 1951 is it the intention of Government to hold these elections before the General Elections, or defer them to 1952?

Rajkumari Amrit Kaur: If at all possible, and if the delimitation of the wards, etc., is complete, it is the intention of the local administration to hold these elections as quickly as possible and before the General Elections, but with a view to giving enough time lapse between these elections and the General Elections.

Shri Deshbandhu Gupta: What practical steps have so far been taken in this connection?

Rajkumari Amrit Kaur: I believe the Chief Commissioner is doing everything he can to expedite the elections.

Prof. Ranga: But what is he actually doing: is it all left to the discretion of the Chief Commissioner. My hon. friend asked what definite steps are being taken at present to expedite this matter. The hon. Minister replies that the Chief Commissioner is taking all the necessary steps?

Mr. Speaker: She referred to the delimitation of wards.

Prof. Ranga: But has any progress been made in regard to the delimitation of wards and the preparation of electoral rolls, and if so what progress has been made?

Rajkumari Amrit Kaur: The rolls, I believe, are ready and the work in con-

nection with delimitation is going on as rapidly as possible.

PRACTICAL TRAINING OF INDIANS ABROAD

*640. **Shri Kesava Rao:** (a) Will the Minister of Education be pleased to state what are the facilities available for Indians for practical training in Engineering abroad?

(b) How many students on an average are sponsored by Government every year?

منسٹر آف ایجوکیشن (مولانا آزاد)۔
(اے) ہمارے افسر جو باہر کے ملکوں میں ہیں وہ پوری طرح کوشش کرتے ہیں کہ ہلدوستانی و دیارتہوں کی پریکٹیکل ٹریننگ کے لئے آسائیاں پیدا کی جائیں۔ جہاں کے انسٹیٹیوشنس اور سکولری ایجنسیوں کے کوآپریشن سے انہیں مدد ملتی ہے اور وہ ہر ویدیارتہ کی ضرورت کے مطابق اس کی ٹریننگ کا انتظام کرتے ہیں۔ ٹیکنیکل سمجھیٹنس کی پوہائی بغير اس کے پوری نہیں ہو سکتی کہ تہیوریتکل کورس کے ساتھ ساتھ پریکٹیکل ٹریننگ بھی دی جائے۔

(بی) اوورسیئر سکالرشپ کے لئے کوئی خاص اسکیم تہراہی ہوئی نہیں ہے۔ جس برس چاہئے فلڈس مل سکتے ہیں اس حساب سے اسکالرشپ دئے جاتے ہیں۔ ایک اسٹیٹمنٹ ہاؤس کی تہیل پر رکھ دیا جاتا ہے اس سے معلوم ہو جائے گا کہ سڈ ۱۹۳۵ سے لے کر اس وقت تک کتے اسکالرشپ دئے گئے۔

[See Appendix VI, annexure No. 13.]

The Minister of Education (Maulana Azad): (a) Our officers abroad arrange training facilities in co-operation with institutions and Governmental agencies, and effort is made in the case of each student to help him in obtaining practical training. Practical training forms an integral part of the theoretical courses in all technical subjects.

(b) The Overseas Scholarships Scheme is sanctioned on an year-to-year basis. The number of students

sponsored each year depends upon the availability of funds sanctioned for the scheme. A statement showing the number yearwise is laid on the Table of the House. (See Appendix VI, annexure No. 13.)

Shri Kesava Rao: May I know what are the countries that are giving practical training to our students?

مولانا آزاد باہر کے جن ملکوں میں ہمارے وڈیارتھی زیادہ تر بھیجے جاتے ہیں وہ یو۔ کے۔ اور یو۔ ایس۔ اے ہیں بعض مضمونوں کے لئے یورپ اور دوسرے ملکوں میں بھیجے گئے ہیں۔

[Maulana Azad: The foreign countries to which our students are being mostly sent are U.K. and U.S.A. Moreover some of them have been sent to the other European countries for certain subjects.]

Shri Kesava Rao: May I know whether any Indian students have been given training in the foreign countries by the Governments concerned?

مولانا آزاد - نہیں ہیں جہاں تک سمجھ سکتا ہوں ایسا نہیں ہے۔

[Maulana Azad: No, so far as I can understand, it is not so.]

Shri Kesava Rao: May I know whether any students have gone to foreign countries for training at their own expense?

مولانا آزاد - ہاں بہت سے۔

[Maulana Azad: Yes, many students go.]

Shri Dwivedi: उन में से खेती बाड़ी का काम सीखने को कितने विद्यार्थी बाहर गए हैं ।

[Shri Dwivedi: How many students among them have gone to receive training in Agriculture?]

مولانا آزاد - اس سوال کا تعاقب کھیتی باڑی کی تعلیم سے نہیں تھا۔ عام تربیت کے لئے تھا۔

[Maulana Azad: The question did not pertain to Agricultural training; it was about general training.]

Shri A. S. Singh: गवर्नमेण्ट स्कालरशिप से जो विद्यार्थी दूसरे देशों से

टेकनिकल ट्रेनिंग पाकर यहां लौटे हैं उन सब को क्या काम में लगा दिया गया है ?

[Dr. R. S. Singh: Have all those students, who have returned from abroad after receiving their technical training on Government Scholarships, been given employments?]

Mr. Speaker: Order, order. This question has been put a number of times.

Shri Munavalli: May I know what are the expenses incurred during 1949 and 1950 on such students?

مولانا آزاد - میں ابھی یہ نہیں بتا سکتا گا۔ اس کے لئے نوٹس کی ضرورت ہے۔

[Maulana Azad: I cannot tell you this thing at this time. I require notice for it.]

Shri T. N. Singh: मैं यह जानना चाहता हूँ कि अलावा एड्युकेशन डिपार्टमेंट गवर्नमेण्ट के किन किन अन्य डिपार्टमेंट्स से इस तरह के इन्तजामात होते हैं जिन में कि स्टूडेंट्स बाहर ट्रेनिंग पायें और क्या कभी आपके डिपार्टमेंट ने यह सोचा है कि इस प्रकार के काम को एक कोऑर्डिनेटेड ढंग से एक डिपार्टमेंट करे ?

[Shri T. N. Singh: I would like to know which of the Government Departments other than the Education Department arrange to send students abroad to receive training? Have your Department ever given thought to the point that this sort of work should be done by a single Department in a co-ordinated manner?]

مولانا آزاد - میں سمجھتا ہوں انڈیپنڈنٹ ڈیپارٹمنٹس میں ہیں کہ یہ کام بہت سی ڈیپارٹمنٹس میں ہوتا ہے۔ یہ بات نہیں ہے۔ ایجوکیشن ڈیپارٹمنٹ نے ایک خاص شاخ اس کام کے لئے رکھی ہے۔ یہاں بھی اور باہر بھی وہی شاخ ان کاموں کا انتظام کرتی ہے۔

[Maulana Azad: I presume that the hon. Member is under the impression

that this work is divided among different Ministries. It is not so. The Education Ministry has set up special branch for this purpose. These affairs are managed by this very branch here as well as abroad.]

Rev. D'Souza: Is the hon. Minister aware that a fairly good number of students in the United States do not find that the allowances given to them in the matter of dollar exchange are sufficient and are sometimes in relatively serious difficulties?

مولانا آزاد - یہ معاملہ گورنمنٹ کے سامنے آچکا ہے اور گورنمنٹ نے اس کو طے کر دیا ہے -

[**Maulana Azad:** This issue has already come before the Government and they have settled it.]

श्री द्विवेदी : ऐग्रीकल्चर इंजीनियरिंग के लिये कोई तालिमइलम गया है ।

[**Shri Dwivedi:** Has any student gone abroad to receive training in Agricultural Engineering?]

مولانا آزاد - میں یہ ابھی نہیں بتا سکتا -

[**Maulana Azad:** I cannot give this information just now.]

पंडित मुनीश्वर दत्त उपध्याय : मिर्केनिकल और सिविल इंजीनियरिंग के लिये कितने लोग गए हैं ?

[**Pandit Munishwar Datt Upadhyay:** How many students have gone to receive training in Mechanical and Civil Engineering?]

مولانا آزاد - میں ابھی اس بارے میں کچھ نہیں بتا سکتا -

[**Maulana Azad:** I cannot say anything in this connection just now.]

UNDER SECRETARIES (APPOINTMENTS)

*642. **Shri Kesava Rao:** (a) Will the Minister of Home Affairs be pleased to state whether it is a fact that the Selection Board constituted for the purpose of selecting Under-Secretaries for the Central Secretariat has drawn up lists of persons to be employed in that capacity?

(b) Is it a fact that some of the Ministries have refused to accept the list?

(c) Is it a fact that persons irrespective of their rank in the lists are being appointed?

The Minister Without Portfolio (Shri Rajagopalachari): (a) Yes. The reference, it is presumed, is to the Special Recruitment Board.

(b) No.

(c) All persons approved for appointment on a permanent or probationary basis who wish to be appointed to the service and are available are being appointed. As regards persons approved for appointment on trial the exigencies of service are taken into account in making appointments. It is not due to any recalcitrance on the part of the Ministries concerned, as suggested.

Shri Kesava Rao: May I know how many people have been selected for posts of Under Secretaries and how many have so far been appointed?

Shri Rajagopalachari: Officers suitable for confirmation and officers suitable and fit for appointment on probation are less than the total number of permanent vacancies which is 180. These two classes that I referred to total 132.

Shri Kesava Rao: May I know whether all the persons who have been selected by the Special Recruitment Board have been appointed?

Shri Rajagopalachari: I have already explained that those who have been selected and found suitable for confirmation and those who are found suitable for appointment on probation, have found appointments. Those who have been found suitable for trial are awaiting opportunities and exigencies of the service.

Shri Rathnaswamy: May I know if in filling up these Under Secretaries' posts due consideration is given to the claims of Scheduled Castes?

Shri Rajagopalachari: I believe so, Sir, but I should not like to guess.

Shri B. Das: Is it a fact that Under Secretaries are being recruited from persons in superior jobs, that the posts of Assistant Secretaries have been abolished by the recommendations of the Gopaldaswami Ayyangar Report and that subordinates who used to be promoted as Assistant and Under Secretaries are not getting any chance?

Mr. Speaker: Order, order. How does this arise out of the question?

Shri B. Das: Let me put it differently. Arising out of the answer given by the hon. Minister that 180 persons are being appointed as Under Secretaries, may I know whether for these Under Secretaries' jobs the old time Assistants

are being promoted? That is all my question.

Mr. Speaker: Did the hon. Minister refer to Under Secretaries? I thought he referred to permanent jobs and jobs on probation.

Shri Rajagopalachari: The Under Secretaries are included in that.

Mr. Speaker: But the reply was as regards people who were to be recruited permanently and people to be recruited on probation.

Shri Rajagopalachari: Yes, Sir, to those places.

Mr. Speaker: It is a comprehensive reply.

Dr. M. C. Reddy: May I know if there were any lady candidates that were found suitable and what were the reasons for their non-selection?

Mr. Speaker: This was once asked and replied to.

GOVERNMENT HOUSING FACTORY

*643. **Shri Kamath:** Will the Minister of Health be pleased to state:

(a) whether it is a fact that the monthly journal *Building* of January 1950, published in England, had a note on the Government Housing Factory, Delhi, wherein the following words occurred: "the native believes that if the devil comes in at one door, he will pass out at the other without disturbing the occupants"; and

(b) whether the Editor of the magazine has since offered an apology for these offensive remarks about Indians?

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

(b) He has written a letter of apology in which he has made it clear that no offence was meant.

Shri Kamath: Is it a fact that the devil has managed to enter these prefab houses and now refuses to get out?

Mr. Speaker: Order, order.

Pandit Balkrishna Sharma: Has the hon. Member seen the tail of it?

Shri Kamath: What is the text of the apology?

Rajkumari Amrit Kaur: "Dear Sir—My attention has been drawn to a reference made by Shri H. V. Kamath in the Indian House of Representatives on the 10th of August to an article in the January number of *Building*. I cannot too emphatically assure you that

we intended no mockery in this. We wrote the words in this office from what we thought to be one of the facts influencing the planning of your people's housing, and I may say our own English homes, in their planning and equipment, are still in many instances the legacy of many of the traditions (shall I say folk-lore) of the people native to this land. I cannot express too deeply my concern that any words which have appeared in my journal should have caused, however inadvertently, such hurt, and I am very readily prepared to retract and endeavour to set right any mis-statement made by us.—With every expression of goodwill toward you and the aspirations of your people, I respectfully remain, Sir, Yours very sincerely."

Shri Kamath: With reference to the sentence in the last paragraph which the hon. Minister has not read out, has any letter from her been sent so as to enable the Editor to retract and endeavour to set right any mis-statement made by him, because the Editor asked for a personal letter on the point from the Ministry for publication?

Rajkumari Amrit Kaur: After the receipt of this letter, we did not consider it advisable to insist on the publication of any apology or of any reply in the paper because we felt that this would merely be attracting unnecessary attention to an incident which in itself is not of very great importance.

Shri Kamath: Has the journal corrected its mis-statement in any subsequent issue?

Mr. Speaker: Order, order. It is proceeding on an argument.

TRUST BY RULER OF BARODA

*644. **Dr. M. M. Das:** (a) Will the Minister of States be pleased to state whether it is a fact that the former Ruler of Baroda has formed a Trust for the disposal of crores of rupees worth of properties?

(b) Is it a fact that the Union Government was consulted and had given its consent to the setting up of this trust?

The Minister Without Portfolio (Shri Rajagopalachari): (a) His Highness the Maharaja of Baroda has created two Public Trusts of Rupees one crore each for the benefit of the Baroda University and for rural uplift.

(b) The Government of India were consulted and agreed to the Trust being constituted.

Dr. M. M. Das: May I know, Sir, whether the properties that have been entrusted in the hands of the trust were private properties and if it belonged to

the Maharajah of Baroda why it is at all necessary to consult or to take the consent from the Central Government.

Shri Rajagopalachari: It is private property of which he has made a trust and, I think, he did very well in consulting the Government of India. There is no question of right.

Dr. M. M. Das: May I know whether Government has got information at their disposal that similar trusts are being set up or will be set up by rulers of other Indian States?

Shri Rajagopalachari: In the old days these rulers looked after their families in their own right. In the changed position many rulers think that they ought to create trusts of this kind in order that there may be a permanent provision for the members of their families.

Dr. M. M. Das: May I know whether in all cases the advice of the Central Government is sought?

Shri Rajagopalachari: Wherever it is sought for, advice is given. We cannot forestall how many will in future ask us.

Shri Deshbandhu Gupta: May I know whether Hyderabad has also recently created a trust, and if so, what is the value of that?

Mr. Speaker: I am afraid the question is going beyond the scope of the present question.

Prof. K. T. Shah: May I ask whether this trust made by the Ruler of Baroda was really a continuation of the trust made by his grand-father Sir Sayaji Rao, the Jubilee Trust, and therefore it is not quite a private property.

Shri Rajagopalachari: As far as I can say from the papers it is not a continuation of any previous trust but two new trusts have been created for the educational objects mentioned and the rural welfare objects mentioned for the area of Baroda which now is merged in Bombay.

Prof. K. T. Shah: Is it not provided in the recital of the trust in the preamble that it is a continuation of the Jubilee Trust?

Shri Rajagopalachari: If it is so, the hon. Member is better informed than myself.

Shri Deshbandhu Gupta: My question did not relate to the other property. I want to know whether the Nizam of Hyderabad has also formed a similar trust, if so, details of the same?

Mr. Speaker: The hon. Member will see that the question is restricted to Baroda. The question of Hyderabad does not arise.

HOME SCIENCE IN LADY IRWIN COLLEGE, NEW DELHI

*645. **Dr. M. M. Das:** (a) Will the Minister of Education be pleased to state whether Government propose to introduce B.Sc. and B.T. classes in Home Science in the Lady Irwin College, New Delhi?

(b) Is it a fact that for the introduction of the above two classes, Rs. 1,27,000 recurring and Rs. 6,11,000 non-recurring to be spent during a period of three years are required?

(c) What is the total number of students studying Home Science in the Lady Irwin College, during the current year?

منسٹر آف ایجوکیشن (مولانا آزاد)۔

(اے) ایڈمی ارون کالج میں بی۔ ایس سی۔ اور بی۔ تی۔ کلاسوں ہوم سائنس ای کھول دی گئی ہیں۔ ہوم سائنس کا تگری کورس پہلے برس اور دوسرے برس کی کلاسوں کا ایک سائٹ ۱۶ اگست سنہ ۱۹۵۰ء سے شروع کر دیا گیا ہے۔

(بی) پورا خرچ چوتھ تین برس کے اندر ہوگا ایک لاکھ ستائیس ہزار تئالیس ریکننگ اور چار لاکھ گھارہ ہزار نان ریکننگ ہے۔
(سی) ہوم سائنس کے وڈیازنیوں کا ٹوٹل نمبر آچکل ۳۱۲ ہے۔ اس میں ۳۵ بی۔ ایس سی۔ کلاس کے ہیں۔ ۲۷ پہلے برس کے ۱۸ دوسرے برس کے۔

[The Minister of Education (Maulana Azad): (a) The scheme relating to the introduction of B.Sc. and B.T. classes in Home Science in Lady Irwin College has already been implemented. The Degree Course in Home Science started on 16th August, 1950, with the first and second year classes simultaneously.

(b) The total expenditure to be incurred during three years is Rs. 1,27,043 recurring and Rs. 4,11,000 non-recurring.

(c) The total number of students studying Home Science in Lady Irwin College for the current year is 312, out of which there are at present 45 students in the B.Sc. classes, 27 in the 1st year and 18 in the 2nd year.]

Dr. M. M. Das: May I know whether the degrees conferred by the Lady Irwin College will be regarded as equivalent to similar degrees on other subjects in other Universities for purposes of Government appointment?

مولانا آزاد : جی ہاں ان کی یہی
حیثیت ہوگی -

[Maulana Azad: Yes, they will bear a similar recognition.]

Dr. M. M. Das: May I know whether the introduction of M.Sc. course and arrangement of doctorateship in Home Science in the Lady Irwin College are under the active consideration of Government?

مولانا آزاد : نہیں گورنمنٹ کے سامنے
ابھی کوئی ایسی تجویز نہیں ہے -

[Maulana Azad: No; no such proposal is under the consideration of Government at present.]

Dr. M. M. Das: In view of the fact that the use of spurious cosmetics are damaging the health of our girls may I know whether the proper use of cosmetics is included in the curriculum of Home Science?

Mr. Speaker: Order, order.

INCOME TAX INVESTIGATION COMMISSION

*646. **Shri Jhunjhunwala:** Will the Minister of Finance be pleased to state:

(a) the total amount, assessed by the Income Tax Investigation Commission till 1st November, 1950, which has not been disputed by the assesseees;

(b) the total amount assessed by them till 1st November, 1950 which has been disputed by the assesseees;

(c) the total amount realized (i) out of the undisputed assessment and (ii) out of the disputed amount till 1st November, 1950; and

(d) the total amount spent on the Income Tax Investigation Commission from 1st March, 1950 to 1st November, 1950?

The Minister of Finance (Shri C. D. Deshmukh): (a) The amount of concealed income reported by the Income Tax Investigation Commission on the basis of settlement, i.e., in respect of cases not disputed by the assesseees, was, upto 1st November 1950 Rs. 618 lakhs involving a tax of Rs. 316 lakhs.

(b) The amount of concealed income on which supplementary assessments have been made or are to be made on the basis of reports made by the Commission on regular investigation upto

1st November 1950 is Rs. 311 lakhs involving a tax estimated at Rs. 209 lakhs. It is presumed that these are the disputed cases referred to in the question.

(c) (i) Rs. 52 lakhs.

(ii) Rs. 33 lakhs.

(d) Rs. 5,60,680.

Shri Jhunjhunwala: May I know what are the reasons for the tax not being realized in cases of settlement?

Shri C. D. Deshmukh: Because the assesseees have not got the ready means available to pay the tax. After all it is assessment in arrear and after so many years.

Shri Jhunjhunwala: What steps are the Government taking to secure that these taxes will be realized?

Shri C. D. Deshmukh: We are doing the best that we can by giving instalments according to the expected paying capacity of the assesseees.

Shri Jhunjhunwala: Have the Government taken away any property or anything as security for the same?

Shri C. D. Deshmukh: No property has been taken as security.

Shri Syamnandan Sahaya: Is it a fact that these assesseees are willing to give their properties in lieu of the taxes to the Government?

Shri C. D. Deshmukh: I want notice of this question, Sir.

Prof. K. T. Shah: Will the hon. the Finance Minister be pleased to state what are the number of cases still remaining to be investigated and reported upon?

Shri C. D. Deshmukh: 1,096.

Dr. R. S. Singh: Is it a fact that the Income-tax Investigation Commission has allowed the assesseees to evade, during the past 15 months, to the extent of Rs. 10,25,00,000.

Shri C. D. Deshmukh: That is the sum of the figures which I have given here: 618 and 311.

Shri T. N. Singh: May I know, in the case of instalments, what is the total period in which all these amounts will be recovered?

Shri C. D. Deshmukh: No period is prescribed; it differs according to the merits of each case.

Shri Joachim Alva: I believe the term of appointment of the Income-tax Investigation Commission will be over by 31st March 1951. If the cases, 10,000 and odd, as stated

Shri Sondhi: 1,000.

Shri Joachim Alva: as stated by the hon. Minister, are not over by that period, will the term of the Commission be extended?

Shri C. D. Deshmukh: I would draw the Member's attention to my answer to part (b) of Starred Question No. 280 for the 22nd November, 1950 in which I stated that it is not expected that the work of the Commission will be completed by 31st March 1951 and that the question of extending the term of the Commission will have to be considered by Government in due course.

SCHOLARSHIPS TO INDIAN PERSONNEL

*647. **Prof. K. T. Shah:** (a) Will the Minister of Education be pleased to state what steps are being taken by Government to provide fully qualified Indian Personnel to staff the various higher Research Institutions, and Scientific or Technological Laboratories established in the country?

(b) Have any Foreign Scholarships been awarded to train such personnel?

(c) If so, what is the amount of such scholarships?

مستتر آف ایجوکیشن (مولانا آزاد)۔
(اے) اس بات کیلئے گورنمنٹ نے جو
کچھ کوشش کی ہے وہ یہ ہے۔

(ب) جن سمجھوتوں کے اونچے درجے
کی پڑھائی اور تریلنگ کا بھارت میں
سامان نہیں ہے ان کے لئے چلے ہوئے
قابل تہذیبوں کو اسکالرشپ دیا جاتا ہے
تاکہ وہ باہر کے ملکوں میں جا کر
اونچے درجے کی اسٹڈی اور رسرچ سے
فائدہ اٹھائیں۔

(۲) انڈین انسٹی ٹیوشنوں میں
باہر کے ایکسپٹ رکنے گئے ہیں جو
ہلڈنوس انہوں کو اونچے درجے کی تعلیم
دیتے ہیں۔

(۳) ایک ہائر ٹیکنیکل انسٹی
ٹیوشن کھڑکیور میں کھولا گیا ہے
جہاں ہائسٹ اسٹڈنٹس کی تریلنگ
دی جائے گی۔

(۴) یونیورسٹیوں کے پوسٹ گریجویٹ
اور رسرچ ڈیپارٹمنٹس کو گرانٹس آن ایڈ
جانی ہے تاکہ وہ اپنی تعلیم کا درجہ
اونچا کریں۔

(۵) چلے ہوئے نان گورنمنٹ
انجینڈرینگ اور ٹیکنیکل انسٹی
ٹیوشنوں کو بھی گرانٹس دی جا رہی ہے
تاکہ وہ اپنی پڑھائی کے درجے کو زیادہ
سے زیادہ اونچا کریں۔

(۶) یونیورسٹیوں اور دوسرے انسٹی
ٹیوشنوں کے وڈیارتھیوں کو جو اونچے
درجے کی تعلیم چاہتے ہیں کوشش
کی جاتی ہے کہ رسرچ اسکالرشپ دیا
جاسکے۔

(بی) ہاں۔ سنہ ۵۰-۱۹۴۹ء کی
نئی اوورسیز اسکالرشپ اسکیم کے اندر
۲۳ اسکالرشپ اس طرح کے نئے گئے
ہیں۔

(سی) اسکالرشپ اسکیم کا توٹل
خرچہ دو لاکھ ۶۷ ہزار ہے۔

[The Minister of Education (Maulana Azad): (a) The Government are taking the following steps for staffing the various Higher Scientific and Technological Institutions by fully qualified Indian personnel:

(1) Scholarships are awarded to teachers of proved merit and ability for advanced studies and research abroad in selected subjects for which such facilities do not exist in the country.

(2) Suitable Indians are trained by the foreign experts employed in the Institutions.

(3) A Higher Technological Institute is being established at Kharagpur to provide training of the highest standard in a number of subjects.

(4) Certain Post-graduate and Research Departments of Universities are being given grants-in-aid for their development.

(5) Selected non-Government Engineering and Technological Institutions are being given grants-in-aid for their improvement and strengthening.

(6) Research Scholarships are being awarded to students in Universities and other institutions of higher learning for advanced work.

(b) Yes. 23 scholarships have been awarded for varying periods under the modified Overseas Scholarships Scheme, 1949-50.

(c) The total cost of training abroad is estimated at Rs. 2,67,000.]

Prof. K. T. Shah: May I ask whether the teachers selected for such scholar-

ships and sent abroad are left to themselves to get the instructions that they need where and how they can, or do Government make provision for securing such instructions in advance for them?

مولانا آزاد : مختلف کیسوں میں گورنمنٹ کا مختلف طرز عمل رہتا ہے - بعض کیسوں میں خود گورنمنٹ یہ دیکھ کر کہ کن کن سبجیکٹ کی ضرورت ہے ان سبجیکٹوں کو سلیکٹ کرتی ہے اور پہلے سے اسکا انتظام کر لیتی ہے سبجیکٹوں کی تعلیم کے لئے باہر کے ملکوں میں آسانیوں حاصل ہوجاتی ہیں -

[Maulana Azad: Government handles various cases in different ways. In certain cases the Government themselves select those subjects which they think necessary and accordingly make arrangements before hand so that facilities of training in these subjects abroad may be available.]

Prof. K. T. Shah: Do Government make any arrangements with the countries or manufacturers from whom we buy machinery or apparatus or equipment for equipping these institutions to train any number of such selected teachers?

مولانا آزاد : ہاں گورنمنٹ نے اس کی کوشش کی ہے -

[Maulana Azad: Yes, the Government have tried for this.]

Shrimati Durgabai: May I know what is the present practice or procedure followed in the matter of recruiting teaching personnel to these institutions and laboratories?

مولانا آزاد : اس میں مختلف انسٹی ٹیوشنوں نے مختلف طریقے اختیار کئے ہیں گورنمنٹ انہیں مشورہ دیتی رہتی ہے - بعض صورتوں میں سلیکشن کے لئے کمیٹیاں بنائی گئی ہیں -

[Maulana Azad: Different institutions have adopted different methods. Government gives them advice from time to time. In certain cases Special Selection Committees have been set up.]

Shrimati Durgabai: My question is, what is the present practice in the

matter of recruitment of teaching personnel to the institutions. Are they going before the U.P.S.C. or is the recruitment done by committees appointed for that purpose?

مولانا آزاد : اس کا تعلق الگ الگ یونیورسٹیوں سے ہے اور مختلف یونیورسٹیوں نے اپنا مختلف تہذیب رکھا ہے -

[Maulana Azad: It concerns the various universities separately and they have laid down their own different procedures.]

श्री टी० ए० सिंह: क्या यह बात ठीक है कि यूनीवर्सिटीज से आपके पास शिकायतें आई हैं कि जो तरीका टेकनिकल ट्रेड स्टाफ का रिसर्च इंस्टीट्यूशनो में श्रीर इन सबजेक्ट्स को लेने का है उसकी वजह से खुद उनको ट्रेड परसोनल पाने में दिक्कत हो रही है ?

[Shri T. N. Singh: Is it a fact that you have received complaints from the different universities to the effect that the method of handling these subjects by the technically trained staff of the research institutions produces such results by which they themselves are facing the difficulty of getting trained personnel.]

مولانا آزاد : کوئی ایسی شکایت گورنمنٹ کے پاس نہیں آئی ہے -

[Maulana Azad: No such complaint has been received by the Government.]

REFORMATORIES

*648. **Shri Raj Kanwar:** Will the Minister of Education be pleased to state the total number of Reformatories in the Centrally Administered Areas opened by the Central Government for the detention, care and reformation of juvenile offenders and where are they located?

منسٹر آف ایجوکیشن (مولانا آزاد) - سنٹرلی ایڈمنسٹریٹڈ ایریا میں اس وقت تک اس طرح کا کوئی کام نہیں کیا گیا ہے - اسکا تہہ داد بتلانے کا سوال پیدا نہیں ہوتا -

[The Minister of Education (Maulana Azad): None.]

Shri Raj Kanwar: Have Government under consideration any scheme of Prison Reform in the country especially in the Centrally Administered areas, and if so, at what stage, does the matter stand?

مولانا آزاد - ایجوکیشن منسٹری نے پچھلے برس اس بات پر سوچ وچز کرنے کیلئے ایک کانفرنس بلائی تھی۔ اس کانفرنس نے ایک کمیٹی بنائی تھی کہ وہ ایک مائل پیش کرے جو اسٹیٹ گورنمنٹوں کو بھیجا جائے اور سلٹرل گورنمنٹ بھی سلٹرلی ایڈمنسٹرٹو ایویا کیلئے اس کو کام میں لائے۔ وہ کمیٹی اپنا کام پورا کر چکی ہے۔ بل تیار ہو چکا ہے امید ہے کہ ہم بہت جلد اسے پیش کریں گے۔

[**Maulana Azad:** The Education Ministry convened a Conference last year to consider this matter. The Conference set up a Committee to prepare a model Bill which could be sent to the various State Governments and which the Central Government itself could enforce in the Centrally Administered Areas. The Committee has completed its deliberations. The Bill is ready and we hope to introduce this Bill quite soon.]

श्री राज कंवर : वह बिल कब तक पार्लियामेंट के रूबर पेश हो सकेगा ?

[**Shri Raj Kanwar:** When will it be possible to introduce the Bill in the Parliament?]

مولانا آزاد - امید کی جاتی ہے کہ جلد پیش کیا جا سکتا -

[**Maulana Azad:** It is hoped that the Bill would be introduced quite soon.]

Shrimati Durgabai: May I know whether the attention of Government has been drawn to the Prison reform that has already been effected by the Government of Bombay and also to the proposals under the consideration of the U. P. Government?

مولانا آزاد - اسٹیٹ گورنمنٹوں کے متعلق ہیں اس وقت کچھ نہیں

کہہ سکا لیکن بمبئی کے کام سے سلٹرل گورنمنٹ بے خبر نہیں ہے -

[**Maulana Azad:** I cannot say anything at this time with regard to the State Governments but the Central Government is not unaware of the work done by the Government of Bombay.]

شری دیپ بندھو کہتا - دہلی میں جو ریفارمٹری تھی کیا وہ بند کر لی گئی ہے ؟

[**Shri Deshbandhu Gupta:** Has the reformatory functioning in Delhi been closed?]

مولانا آزاد : جہاں تک گورنمنٹ کو معلوم ہے دہلی میں نہیں تھی - دہلی میں صرف چلڈرن ایڈ سوسائٹی کا ایک پرائیویٹ ہوم ہے جو یہ کام کر رہا ہے اور گورنمنٹ مدد دیتی ہے -

[**Maulana Azad:** So far as the Government are aware there was none in Delhi. There is only a private Home run by the Children's Aid Society in Delhi and it is doing this work and the Government also gives help to it.]

श्री टी० ए० सिंह : मैं यह जानना चाहता था कि मौजूदा हालत में जो जुवेनाइल्स सेंट्रली एडमिनिस्टर्ड एरियस में हैं उनको किस जेल में या किस रिफार्मेटरी में इस वक़्त रखा जाता है और उनका क्या इन्तज़ाम है ?

[**Shri T. N. Singh:** I wanted to know in which jails or reformatories the juveniles of the Centrally Administered Areas are being kept in the present set up and how are they managed?]

مولانا آزاد : چونکہ - اس طرح کا کوئی خاص انتظام یہاں نہیں ہے - اس لئے نتیجہ یہی نکلتا ہے کہ وہ جیل میں رکھے جاتے ہیں۔

[**Maulana Azad:** As there are no such special arrangements existing here at present so it is concluded that ordinarily they might be keeping them in jails.]

Mr. Speaker: I am going to the next question.

HEALTH MINISTERS' CONFERENCE
(RECOMMENDATIONS)

*649. **Dr. V. Subramaniam:** (a) Will the Minister of Health be pleased to state the main recommendations of the Health Ministers' Conference held at Delhi on the 31st August, 1950?

(b) Do Government propose to place a copy of the recommendations on the Table of the House?

The Minister of Health (Rajkumari Amrit Kaur): (a) and (b). The recommendations of the Health Ministers' Conference held in August-September 1950 are contained in their Resolutions, a copy of which is placed on the Table of the House. [See Appendix VI, annexure No. 14].

Dr. V. Subramaniam: Have the resolutions passed in the Health Ministers' Conference been communicated to the different State Governments and their views obtained on the recommendations?

Rajkumari Amrit Kaur: Yes; the resolutions were circulated at once to all the State Governments. Some of them have replied; some of them have taken action on many of them. Everything is under consideration by them.

Dr. V. Subramaniam: Under item No. 4, have Government established a Central Council of Health under the provisions of article 263 of the Constitution, and if not, when will action be taken on this resolution?

Rajkumari Amrit Kaur: It has not yet been established. We are awaiting replies from all the States.

Dr. V. Subramaniam: Regarding research, what action has been taken by Government, so far, and what amount has been set apart for this year, and what amount has been utilised?

Rajkumari Amrit Kaur: Is the hon. Member referring to research in the indigenous system of medicine?

Dr. V. Subramaniam: Yes.

Rajkumari Amrit Kaur: Well, the hon. Member is a member of the committee whose report we are still awaiting, and he knows exactly the position in which the matter now is. As soon as the recommendations of the committee are received, we will see what can be done.

Shri S. C. Samanta: May I know what concrete steps Government propose to take on the unanimous recommendations of the enquiry committees, and the recommendations of the Health Ministers' conference?

Rajkumari Amrit Kaur: I have already replied to the question.

Shri S. C. Samanta: Do Government propose to bring in any Bill or Resolution to implement those recommendations?

Rajkumari Amrit Kaur: On receipt of the replies from the State Governments, Government will take such action as may be necessary.

Dr. M. M. Das: May I know whether the Health Ministers' Conference held in Delhi recommended and requested the Minister of Health to invite foreign experts to come to this country and solve the health problems of this country?

Rajkumari Amrit Kaur: There was no such resolution passed at that conference.

Shri Kamath: Sir, what steps have been taken or are being taken by the Centre towards the co-ordination of the work of the Health Ministers of the States?

Rajkumari Amrit Kaur: The Centre is in an advisory position. We keep very closely in touch with all the health programmes of the various States and we are in constant communication with them through the means of these Health Ministers' conferences and in other ways also.

DISCOVERY OF A CONSTRUCTION
OPPOSITE THE 'TAJ'.

*650. **Prof. S. N. Mishra:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that a massive brick-and-stone construction on the left bank of the Jamuna at Agra opposite the 'Taj' has been discovered; and

(b) if so, the facts relating to the discovery?

مستسر آف ایجوکیشن (مولانا آزاد):

(ا) جو چیز نکلی ہے وہ کوئی اینڈ

اور پتھر کی بلائی ہوئی عمارت نہیں

ہے۔ بلکہ لال پتھر کا ایک ٹکڑا ہے جس

پر کھدائی کا کام کیا گیا ہے اور جو ایک

چھوٹے سے ٹکڑے کے اندر کا حصہ معلوم

ہوتا ہے۔ خیال کیا گیا ہے کہ کوئی

چھتری کے رُوپ کی برجی ہوگی جس کا یہ ٹوٹا ہوا ٹکڑا ہے - اس کے ساتھ اور کچھ ٹکڑے اور پتھر بھی ملے ہیں -
(ہی) ایک بیدراگی فقیر نے یہ جگہ کھودی تھی -

[The Minister of Education (Maulana Azad): (a) No, Sir, it is not a massive brick-and-stone construction that has been excavated, but only a carved red sandstone fragment of the intrados of a small dome possibly belonging to a collapsed *chhatra* and a few other architectural members and rubble stones that have been dug out.

(b) The low mound was excavated by a *Bairagi faqir*.]

प्र० ऐस० ऐन० मिश्र : क्या माननीय मंत्री यह बतला सकेंगे कि वह तारीखी तौर पर कब की बतलाई जाती है ?

[Prof. S. N. Mishra: Can the hon. Minister say as to what period of history they belong?]

مولانا آزاد : چونکہ یہ چیز چار باغ کے قریب نکلی ہے اور چار باغ کا ذکر بابو نے اپنی سوانح عمری میں کیا ہے - اس لئے غالباً اسی زمانے کی کسی عمارت کا یہ حلیہ ہے - یہ بات کہی جا سکتی ہے کہ شاہ جہانی پھیرد کا نہیں ہے -

[Maulana Azad: As it has been discovered near Char Bagh, and as Charbagh has been mentioned by Baber in his autobiography, so it is presumed that it was probably the debris of some building of that age. It can be said that it does not belong to Shahjahan period.]

प्र० ऐस० ऐन० मिश्र : क्या माननीय मंत्री यह बतला सकेंगे कि इस में खुदाई का काम अभी भी जारी है या बन्द कर दिया गया है ?

[Prof. S. N. Mishra: Can the hon. Minister say whether the excavation work of this site has been stopped or it is still continuing.]

مولانا آزاد : ابھی وہاں کھدائی نہیں ہو رہی ہے - بیدراگی فقیر نے شائد کسی خزانہ کی تھونڈ میں وہ کھدائی کی تھی جس سے یہ پتھر نکلے ہیں - جب یہ بات آرکھولوجیکل ڈیپارٹمنٹ کے علم میں آئی تو اس نے اپنا آدمی بھیجا - اور اس پتھر کی جانچ پڑتال کی گئی -

[Maulana Azad: No excavation work is in progress there. Perhaps that *Bairagi Faqir* did that digging in search of some treasure trove with the result that these stones were found. When this thing came to the knowledge of the Archaeological Department, they sent their own man there and the said stone was thoroughly examined.]

ASSAULT BY MILITARY PERSONNEL
IN JUBBULPORE

*651 Shri Kamath: Will the Minister of Defence be pleased to refer to the answer to my Starred Question No. 183, asked on the 3rd August, 1950 regarding assault by military personnel in Jubbulpore, and state:

(a) whether it is a fact that, after the Court of Enquiry came to the finding that the incident did not call for any disciplinary action against the personnel involved, the local Police chaledan the military personnel before a Magistrate under Sections 448, 506, and 337 of the Indian Penal Code;

(b) whether it is a fact that subsequent to the institution of the aforesaid proceedings against the military personnel, the Army authorities asked for the withdrawal of the case on the ground that proceedings by Court Martial would be ordered; and

(c) if so, what has been the result of the Court Martial?

The Deputy Minister of Defence (Major General Himatsinghji): (a) and (b). Yes.

(c) A Summary of Evidence has been ordered to be recorded against the officer and according to the latest reports, evidence of five witnesses has been recorded so far.

Shri Kamath: Sir, on what date did the Police file the case in court, and on what date after that did the Army

Authorities ask for the withdrawal of the case?

Major General Himatsinhji: The date was some time in August. The Army authorities when they heard that the Police were making a *prima facie* case, decided to review the case, under the Indian Army Act, 1950, section 125 which empowers the appropriate Military authority, in this case the Sub-Area Commander, Jubbulpore, to do so, and they decided to have a court of enquiry and Summary of Evidence recorded under the Military Law.

Shri Kamath: Sir, does not the Army Act prescribe any period within which the Court Martial should be held?

Major General Himatsinhji: It does not. The delay has been very much regretted, but there are certain reasons for this delay which the hon. Member might not agree that I should detail here. First of all, when the enquiry was going on, this officer was sent on a course of training at Mhow and during the course there, was injured. Therefore he did not return to the Station till about the 28th September 1950. That was one reason for the delay. The second reason for the delay was, while the Summary of Evidence was being carried out, the chief witness—Shri Yadav was summoned three times, once in October and twice in November, but he refused to come. At last he came on 22nd November and during the giving of the evidence he refused to comply with the rules of procedure according to the Military Law and withdrew.

Shri Kamath: Sir, have instructions been issued to expedite and speed up these Court Martial proceedings?

Major General Himatsinhji: They have been in direct touch by means of telephone and by post, and they have been asked to expedite and complete this Summary of Evidence, and if considered necessary by the competent authority, the Court Martial, as soon as possible. I would like to tell the hon. Member that if the military action, whatever it may be, Court Martial or otherwise, is not satisfactory to the civil authorities, then they have the right under Section 127 of the Army Act, to appeal to the Central Government to re-try the case in the civil court. In other words, the civil authorities and the hon. Mr. Kamath have the last word.

Shri Kamath: Sir, what is the position under the Army Act after the police case has been withdrawn at the request of the Army authorities?

Mr. Speaker: Order, order, that will be a discussion about the interpretation of the law.

Babu Ramnarayan Singh: Sir, I could not follow the answer. What is the maximum period of time allowed for a case to be decided by court martial?

Major General Himatsinhji: I have answered it, Sir.

Babu Ramnarayan Singh: I did not follow the answer, Sir.

Mr. Speaker: No time limit.

OVERSEAS SCHOLARSHIPS

*653. **Pandit Munishwar Dutt Upadhyay:** Will the Minister of Education be pleased to state the number of overseas scholarships available for the years 1951 and 1952 and the subjects for which they are available?

مسٹر آف ایجوکیشن : (مولانا آزاد):
سنہ ۵۲ - ۵۱ کی اورریز اسکالرشپ
اسکیم پر ابھی گورنمنٹ غور کر رہی ہے۔
اس لئے اس بارے میں ابھی کچھ
نہیں بتایا جا سکتا۔

The Minister of Education (Maulana Azad): Details regarding the Overseas Scholarships Scheme for the financial year 1951-52 are under consideration of Government.]

Shri B. K. Das: May I know if the scholarships are given to persons who are already in Government service, in order to give them a refresher course?

مولانا آزاد : ہاں نئی اسکیم جو اب
چلائی گئی ہے اس میں یہ بات بھی
دیکھی گئی ہے گورنمنٹ سرورس میں
جو افسرس ایسے ہیں کہ قابلیت
بڑھانے کے لئے انہیں باہر بھیجنا مناسب
ہوگا انہیں باہر بھیجا جائیگا۔

[**Maulana Azad:** It has been laid down in the new scheme which has been given effect to. Those officers of the Government who would be required to be sent abroad for adding to their qualifications would be sent.]

Shri B. K. Das: How many persons have been sent in this manner, this year, 1950?

مولانا آزاد : یہ تعداد میں ابھی
نہیں بتلا سکتا۔

[**Maulana Azad:** I cannot give their number just now.]

पंडित मुनीश्वर दत्त उपाध्याय : प्रत्येक विद्यार्थी को कितना मासिक विद्यार्थी शुल्क दिये जाने का प्रस्ताव है ?

[Pandit Munishwar Datt Upadhayay: How much money per month is proposed to be given to every student as stipend?]

مولانا آزاد : ایک رقم نہیں ہے - مختلف ملکوں میں بھیجے جاتے ہیں اور وہاں کا خرچہ دیکھ کر ان کے لئے رقم مقرر کی جاتی ہے -

[Maulana Azad: The amount is not the same. As the students are sent to different countries so keeping in view the cost of living of those countries the amounts of stipends are accordingly fixed.]

श्री द्विवेदी : क्या सेन्ट्रली ऐडमिनिस्टर्ड ऐरिया के लिये कुछ लड़कों या विद्यार्थियों के लिये कोई जगह सुरक्षित रक्खी जायेगी ?

[Shri Dwivedi: Will any seats be reserved for the students of the Centrally Administered Areas?]

مولانا آزاد : اسٹالرشپ کا فیصلہ صوبوں اور اسٹیٹ کی ہلدا پر نہیں کیا جاتا اس لئے یہ سوال نہیں پیدا ہوتا -

[Maulana Azad: Scholarships are not being awarded on provincial or state basis, therefore this question does not arise.]

PRIVILEGE OF MEMBERS OF PARLIAMENT FOR HOLDING ARMS.

*654. Shri V. K. Reddy: (a) Will the Minister of Home Affairs be pleased to state what are the reasons for withdrawing the privilege of the Members of Parliament for holding Arms without licence?

(b) What are the other categories of persons who can keep Arms without taking any licences?

The Minister Without Portfolio (Shri Rajagopalachari): (a) and (b). This was done as part of a general policy drastically to curtail the categories of persons who enjoyed the privilege of exemption from taking out a licence. In pursuance of that policy exemption has been limited mainly to Heads of States, Rulers of Indian States and certain members of their families. The hon. Member's attention is invited to the Press Note dated the 22nd May, 1950, issued by the Ministry of Home

Affairs explaining the policy underlying the restriction of exemptions. Copies of the Press Note and of the Home Ministry Notification of 28th April, 1950, are laid on the Table of the House. [See Appendix VI. annexure No. 15.]

Shri V. K. Reddy: Sir, what are the reasons for the exemptions given allowing the fire-arms to the rulers?

Shri Rajagopalachari: They are mostly in accordance with the privilege given in the Constitution, under which the privileges of these Rulers have been guaranteed.

Shri V. K. Reddy: May I know whether any Member has misused before the privilege given?

Shri Rajagopalachari: I am not able to answer the question as to misuse, Sir.

Pandit Krishna Chandra Sharma: May I know if any abuse of the privilege by Members of Parliament has been reported?

Mr. Speaker: Order order,

Dr. M. M. Das: As this question relates to the privileges of the Members of Parliament, may I know if the Speaker has been consulted about the matter?

Shri Rajagopalachari: As regards the privileges of Members of Parliament the position stands thus. In accordance with the new principle of equality in our Constitution it is not considered fair to take special privileges on behalf of the Members of Parliament.

Prof. Ranga: Only for Ministers!

Shri Rajagopalachari: Not even for Ministers.

Sardar B. S. Man: What is the practice in the House of Commons so far as this privilege is concerned? Are we following here the same practice as in the House of Commons?

Mr. Speaker: What privilege is the hon. Member referring to? Does he mean privileges of the House?

Sardar B. S. Man: I want to know whether this privilege of possessing arms without licence is extended to the Members of Parliament in the House of Commons or not.

Shri Rajagopalachari: The general position with regard to the right of carrying arms differs from country to country and the hon. Member is aware of the peculiar size and nature of our country. We cannot follow every thing that is done in England.

Mr. Speaker: Next question.

आसाम की आदिम जन जातियां

* 655. श्री ओरांव : यह कार्य मंत्री यह बतलाने की कृपा करेंगे कि :

(ए) क्या आसाम के संयाल, ओरांव, मुंडा, गोंड एवं खोंड जातियों को आसाम की आदिम जन जातियों में सम्मिलित किया गया है ; तथा

(बी) १९४१ की जन गणना के अनुसार आसाम की आदिम जन जातियों की संख्या क्या है ?

ABORIGINAL TRIBES OF ASSAM

[*655. **Shri Oraon:** Will the Minister of Home Affairs be pleased to state:

(a) whether the Santhals, Oraons, Mundas, Gonds and Khonds of Assam have been included in the list of aboriginal tribes of Assam; and

(b) the number of aboriginal tribes in Assam according to the 1941 Census?]

The Minister Without Portfolio (Shri Rajagopalachari): (a) There are no lists of 'aboriginal tribes' as such. So far as Assam is concerned, the tribes referred to in the question have not been included either in the list of 'Scheduled Tribes' specified in the Constitution (Scheduled Tribes) Order, 1950, or in the list of 'Backward Tribes' specified in the Thirteenth Schedule to the Government of India (Provincial Legislative Assemblies) Order, 1938.

(b) The total number of persons who were enumerated as members of tribal communities in Assam in the 1941-Census was 26.07 lakhs.

श्री ओरांव : सभापति महाशय, मुझे यह हिन्दी में समझा दिया जाय ।

[**Shri Oraon:** Mr. Speaker, Sir, it should be explained to me in Hindi.]

Shri Rajagopalachari: If I had known enough Hindi I should have answered the question in Hindi itself.

Mr. Speaker: Perhaps the hon. Minister for Parliamentary Affairs or some other Minister might be able to translate the answer in Hindi.

(The answer was translated in Hindi.)

श्री ओरांव : सन् १९४१ के जन गणना में यह जातियां आदिम जातियों में गिनी गई है या नहीं?

[**Shri Oraon:** Were these tribes included in the aboriginal tribes in 1941 census or not?]

Shri Rajagopalachari: These tribes that have been referred to are mostly non-Assamese tribes that have been working in the tea gardens. There has been a change in the policy with regard to the classification of the labourers in the tea gardens. At present the question of including them in the Scheduled Tribes would involve political consequences of representation in the local Assembly and this would raise fresh questions. The inclusion of these among the backward classes does not raise such questions, because there is no question of representation for them. The Government of India have gone into considerable discussions with the Government of the State and they have come to certain results on the report of the special committee appointed. They are treated as backward classes for the purposes of article 340 of the Constitution but they are not classified as falling within the Scheduled Tribes for the purpose of representation. This, they think, should be confined to the indigenous inhabitants of Assam. That is the position, Sir. If any further elucidation is wanted on this question I would ask the Member to go to the office of the Home Ministry rather than ask questions of one who is deputising

(The answer was translated in Hindi.)

श्री ओरांव : क्या माननीय मिनिस्टर यह बतलायेंगे कि उड़ीसा, सी० पी० और बंगाल में ओरांव, मुंडा, संयाल, इत्यादि जो बिहार से जाकर बसे हैं उनका आदिम जातियों में गिनती हुई है या नहीं?

[**Shri Oraon:** Will the hon. Minister be pleased to state whether the Oraon, Munda, Santhal and other tribes who after migrating from Bihar have settled in Orissa, C.P. and Bengal have been included in the aboriginal tribes or not?]

श्री श्री प्रकाश (बाजिबुध मंत्री) : इस मामले में गवर्नमेंट आफ इंडिया ने पूरी तौर से तहकीकात की थी और ऐसे कुछ लोग जो

उड़ीसा या बिहार में शेड्यूल्ड ट्राइब के हैं उनको आसाम गवर्नमेंट ने मजासिब नहीं समझा कि अपने स्टेट को शेड्यूल्ड ट्राइब की फहरिस्त में दाखिल करें। बिहार की कुछ शेड्यूल्ड जातियों को अपने यहां पिछड़ी जाति (बैकवर्ड ट्राइब) में उन्होंने दाखिल किया है। और आसाम गवर्नमेंट की राय ले कर यह फहरिस्त बनाई गई है।

[The Minister of Commerce (Shri Sri Prakasa): The Government of India had investigated this matter fully and the Assam Government did not think it proper to include some of the members of the backward or schedule castes of Orissa and Bihar in the list of Scheduled Tribes of the Province. Nevertheless they have included some of the schedule castes of Bihar in their own list of Backward Tribes. This list has been prepared after consulting the Government of Assam.]

श्री ओरांव : माननीय मंत्री क्या यह बतलायेंगे कि यह सेन्ट्रल गवर्नमेंट की चीज है या प्राविन्सल गवर्नमेंट की है ?

[Shri Oraon: Will the hon. Minister be pleased to say whether this is a provincial or a Central subject?]

श्री श्री प्रकाश : यह मामला सेन्ट्रल गवर्नमेंट का ज़रूर है लेकिन सेन्ट्रल गवर्नमेंट ने यह फेहरिस्त स्टेट गवर्नमेंट से राय ले कर बनाई है।

[Shri Sri Prakasa: This subject certainly relates to the Central Government but the Central Government has prepared the list after consulting the State Governments.]

Shri Jaipal Singh: May I know whether these tribes mentioned in this question are equally backward with the so-called indigenous tribes of Assam that have been scheduled?

Shri Rajagopalachari: There is difference in backwardness. But, as I have already said, these are included among the backward classes for purposes of article 340 of the Constitution. The question arises whether they should be included in the Scheduled Tribes. If they are included in the Scheduled Tribes, I see from the information placed at my disposal and as the hon. Member will agree, many anomalies will result. One result would be that out of 12 representatives in the House of the People six would have to be for the backward classes. This

would result in a terrible anomaly. The whole thing has been considered and every concession is given which should be given for the backward classes but it is a different question whether they should be included among the Scheduled Tribes of Assam.

Mr. Speaker: The question hour is over.

Short Notice Questions and Answers

MIDNAPUR AIR ACCIDENT

Shri Syammandan Sahaya: (a) Will the Minister of Communications be pleased to state whether the attention of Government has been drawn to the news published that an Aircraft, belonging to the Kalinga Air Ways forced-landed at Midnapur?

(b) If so, have Government instituted any enquiry into the causes of this mishap?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) No aircraft of Kalinga Airlines force-landed at or near Midnapur. Perhaps the hon. Member has in mind a small mishap during the landing of Norseman aircraft belonging to the Government of Orissa, on the river bank at Chandbali, on the Orissa coast, between Calcutta and Cuttack, on the 24th November, 1950.

(b) The Government have already obtained a report which shows that the aircraft, while landing, struck a soft patch of ground so that one wing and a propeller were damaged. There was no injury to any passenger or crew.

Shri Syammandan Sahaya: Did this happen on a landing ground or at any other place?

Shri Khurshed Lal: It was not a regular air-strip maintained by the D.G.C.A., but then the hon. Member perhaps knows that only a scheduled service is required to land at such a landing ground.

THE MISSING DAKOTA AIRCRAFT

Shri Syammandan Sahaya: (a) Will the Minister of Communications be pleased to state whether the attention of Government has been drawn to the news published in the Press that a Dakota freighter air craft, operating on a non-scheduled chartered flight from Calcutta to Assam has been missing since the 25th of November, 1950?

(b) If so, has further information been received and has the plane been traced?

(c) Do Government propose to institute an enquiry into this matter?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Yes Sir.

(b) The information so far received shows that the aircraft belonged to Messrs. Indamer Company Limited. It had left Barrackpore for Gauhati with freight on the morning of the 25th November, 1950. At 7 P.M. on the same day the plane was seen to be burning at Kitokha in Bhutan about 5 miles from Buxa near the Indian border. The flames did not subside until the morning of the 27th November, 1950. The body of one of the members of the crew was found burnt near the wreckage. There were two other members of the crew on board but their bodies have not been traced.

(c) Yes Sir.

Shri Syamnandan Sahaya: In view of these recurring mishaps to these air services, do Government propose to look into the matter and find out ways and means to avoid them?

Shri Khurshed Lal: Sir, I don't accept the assumption that they are recurring mishaps. Some accidents are inherent in all forms of transport and there is no abnormality about it.

Shri Syamnandan Sahaya: Is it not a fact that these mishaps, during the last three or four months, have been many more than what they used to be in the past?

Shri Khurshed Lal: No, Sir.

WRITTEN ANSWERS TO QUESTIONS

POLITICAL PENSIONS

*641. **Shri Sidhva:** (a) Will the Minister of States be pleased to state whether the political pensions paid by the Central Government to various persons are governed by certain treaties?

(b) If so, in how many cases the pensions are governed by treaties and in how many by conventions and ordinary letters?

(c) What is the total amount paid towards these pensions?

(d) Do Government propose to consider the necessity or otherwise of continuing these pensions?

The Minister Without Portfolio (Shri Rajaopalachari): (a) Yes, in certain cases.

(b) and (c). I am afraid this will involve a scrutiny of each individual item of pension. The time and labour involved in such scrutiny would not

be commensurate with the results likely to be achieved.

(d) As I have stated in this House earlier, the cases of these pensions are being examined on merits to determine how far they need be continued.

GUARDING DUTY ON PAKISTAN FRONTIER

*652. **Prof. S. L. Saksena:** (a) Will the Minister of Finance be pleased to state whether it is a fact that there is no *Pahara* (Guarding) duty on the Pakistan Frontier (Customs line) at night time in the Suigam Circle (Kathiawad)?

(b) What action has been taken on the suggestions to stop smuggling on the Pakistan Frontier, made by the Central Excise Employees' Union on the 16th November, 1949?

(c) Is it a fact that there is no *Pahara* on frontiers when the work of the "Working Party" is in process?

(d) Is it a fact that on a number of occasions the *Pahara* is withdrawn on Southern Frontier (Goa Frontier) and constables are asked to do odd jobs, keeping the entire line unguarded?

The Minister of Finance (Shri C. D. Deshmukh): (a) Adequate arrangements exist for sentry duty at night time for the purpose of prevention of smuggling on the section of the Frontier referred to by the hon. Member. There is however no regular sentry during the monsoon months when no smuggling is possible because of the flooding of the Runn.

(b) The Union's letter dated 16th November 1949 containing the suggestions referred to was duly considered by the Collector of Central Excises, Bombay, to whom it was addressed. On a careful examination of the matter he was of the view that the existing arrangements for the prevention of smuggling on the Frontier were quite satisfactory, having regard to the terrain and most effective disposition of man-power.

(c) and (d) The so-called work of the "working Party" and "odd jobs" mentioned in the question consist mainly of repairing the patrol pathway on the Frontiers used by the customs establishment, whitewashing chowkies etc. As the men employed on repairing the patrol paths work on the path itself and as the work is done for some days only just after the monsoon, it is not correct to say that the Customs line is left unguarded. As far as possible, only men who are off duty are utilised for repair work and the sentries are not withdrawn.

FORT OF CHITTORGARH

*656. **Shri Balwant Sinha Mehta:** (a) Will the Minister of Education be pleased to state whether Government are aware that the fort of Chittorgarh is in a dilapidated condition?

(b) If so, do Government propose to repair it and take it over into their own charge?

The Minister of Education (Maulana Azad): (a) The fort of Chittorgarh is not in good state of preservation.

(b) The question of repairs to this fort has already been considered by Government. In August last the Director General of Archaeology has visited the fort and submitted his report. As the transfer of the fort has not yet been effected, Government could not undertake any repair work. It is hoped that the transfer will soon be made and as soon as it is done the repair work will be undertaken.

INCOME-TAX INVESTIGATION COMMISSION

*657. **Shri Kishorimohan Tripathi:** Will the Minister of Finance be pleased to state:

(a) whether Government have completed the consideration of the report of the Income-Tax Investigation Commission;

(b) which of their more important and basic recommendations have been accepted by Government; and

(c) how Government propose to implement the recommendations which have been accepted?

The Minister of Finance (Shri C. D. Deshmukh): (a) Yes.

(b) and (c). Government have accepted practically all the recommendations of the Commission and will shortly introduce a Bill to implement them, in so far as the recommendations require amendment of the Income-tax Law.

हिन्दी में पुस्तकें

*६५८. श्री इन्द्र विद्यावाचस्पति: क्या शिक्षा मंत्री १० मार्च, १९५० को तारांकित प्रश्न संख्या के सम्बन्ध में शानी गुरुमुख सिंह मुसाफिर द्वारा पूछे गये अनुपूरक प्रश्न के उत्तर को निदिष्ट कर के यह बतलाने की कृपा करेंगे कि हिन्दी की सरल पुस्तकें प्रकाशित करने केलिये स्थापित परिषद ने अब तक कितनी पुस्तकें प्रकाशित की हैं।

BOOKS IN HINDI

[*658. **Shri Indra Vidyavachaspati:** Will the Minister of Education be pleased to refer to the answer given in reply to the supplementary question put by Giani Gurmukh Singh Musafir on the 10th March, 1950, on starred question No. 771 and state how many books have been published up till now by the Board for publishing easy Hindi books?]

The Minister of Education (Maulana Azad): In my reply to the question referred to by the hon. Member I spoke only of text-books. The Government of India have recently set up a Board of Scientific Terminology for the preparation of text-books on science subjects. The meeting of the Board will be held on 11th December. The question of publication of books in Hindi on scientific subjects will be considered by this Board.

बैज्ञानिक परिभाषाओं का शब्दकोष

*६५९. श्री इन्द्र विद्यावाचस्पति: (ए)

शिक्षा मंत्री यह बतलाने की कृपा करेंगे कि क्या सरकार हिन्दी में बैज्ञानिक परिभाषाओं का शब्दकोष संकलित करने तथा पाठ्य पुस्तकें लिखने का कार्य हाथ में लेने का विचार करती है ?

(बी) यदि ऐसा है, तो इस कार्य के पूर्ण होने में कितना समय लग जायेगा ?

DICTIONARY OF SCIENTIFIC TERMS

[*659. **Shri Indra Vidyavachaspati:** (a) Will the Minister of Education be pleased to state whether Government propose to take in hand the work of compiling a dictionary of scientific terms and writing of text-books in Hindi?

(b) If so, how long will it take to complete the work?]

The Minister of Education (Maulana Azad): (a) The Government of India have set up a Board on Scientific Terminology to compile a dictionary on scientific terms and for preparing text-books in Hindi on scientific subjects.

(b) The first meeting of the Board is being held on 11th December 1950 in Delhi and it will be requested to expedite its work as much as possible.

सेन्य कार्य के लिये अकान

*६६०. श्री जांगड़े: (ए) क्या रक्षा मंत्री बतलाने की कृपा करेंगे कि मध्य प्रदेश

के रायपुर नगर के समीप कांपा स्थान पर बने रक्षा मंत्रालय के नियंत्रण आधीन मकान किस काम में लाये जा रहे हैं ?

(बी) क्या कांपा में इस समय भी बहुत से ऐसे मकान हैं जो खाली पड़े हैं तथा जिनकी अवस्था समय बीतने के साथ बिगड़ रही है ?

(सी) क्या उक्त मकानों को साधारण नागरिकों को दिया जा सकता है ?

(डी) क्या यह सत्य है कि चक्करमट्टा, जय रामनगर तथा तित्दा (बी० एन० रेलवे पर स्थित) में सेना के लिए बनाए गये बहुत से मकानों की अवस्था बिगड़ रही है ?

HOUSES FOR MILITARY PURPOSES

[*660. **Shri Jangde:** (a) Will the Minister of Defence be pleased to state what use is being made of the houses under the control of the Defence Ministry at Kampa near Raipur, Madhya Pradesh?

(b) Are there many such houses at Kampa that are still lying vacant and which are deteriorating as the time goes?

(c) Can these houses be given over to ordinary civilians?

(d) Is it a fact that many houses built for military purposes in Chak-karmatha, Jairamnagar and Tilda (on B. N. Railway) are deteriorating?]

The Deputy Minister of Defence (Major General Himatsinhji): (a) The military accommodation at Kampa is being used for housing an Engineer Stores Depot and the personnel employed there.

(b) There is no military accommodation lying vacant at Kampa. The buildings are being properly maintained and none of them is deteriorating.

(c) Does not arise.

(d) There are at present no houses in the places mentioned by the hon. Member which belong to the Defence Services. The accommodation there which was formerly used by the Defence Services was handed over to the Government of Madhya Pradesh and to certain private individuals sometime ago.

NURSING EDUCATION

*661. **Shri Balmiki:** Will the Minister of Health be pleased to state:

(a) the number of nurses sent abroad for further studies in between 1949 and 1950; and

(b) what measures Government are taking to impart nursing education in the country?

The Minister of Health (Rajkumari Amrit Kaur): (a) The number of nurses sent abroad for further studies during 1949 and 1950 is 18.

(b) I would invite the attention of the hon. Member to the reply given by me on the 6th of April, 1949 to Shri V. C. Kesava Rao's Starred Question No. 1675.

UNION OF RULERS OF INDIAN STATES

*662. **Shri Raj Kanwar:** (a) Will the Minister of States be pleased to state whether it is a fact that some Rulers of Indian States have recently formed an Organisation of their own known as the Union of Rulers of Indian States or by some such name?

(b) If so, how many Rulers are members of this Union?

(c) Have Government accorded or propose to accord recognition to this Union?

(d) What are the aims and objects of this Union?

The Minister Without Portfolio (Shri Rajagopalachari): (a) Yes; the name of the organisation is the "Union of Rulers".

(b) On the formation of the "Union of Rulers" 17 members constituted the Union but there is a provision for other Rulers joining the Union subsequently.

(c) This question does not arise since the Union have not asked for any kind of recognition by the Government.

(d) According to the Constitution of the Union it has been formed to safeguard the common interests and well-being of the Rulers as well as to promote social and cultural development of themselves and their families and to serve the motherland in accordance with their best traditions in harmony with the progressive and stable elements in the country.

SECRETARIAT RE-ORGANISATION

36. **Shri Kamath:** Will the Minister of Home Affairs be pleased to state:

(a) whether under the Secretariat Re-organisation and Reinforcement Scheme the various Ministries and Attached Offices included in the Scheme will have a single cadre for

each of the grades of Under-Secretary, Superintendent, Assistant Superintendent and Assistant;

(b) whether it is a fact that in certain establishments, as a result of reduction, candidates declared eligible for appointment as Assistant Superintendents and above under the Scheme have been reverted to posts lower than Assistant's, whereas in other establishments ineligible candidates continue to hold posts of Assistant and above; and

(c) whether in view of the delay in the implementation of the Scheme, Government would ensure that candidates eligible for appointment under the Scheme are not reverted to grades lower than that of Assistant's so long as ineligible candidates hold such higher posts in any of the Ministries or offices included within the Scheme?

The Minister Without Portfolio (Shri Rajagopalachari): (a) Yes. In the initial constitution of the Service selections to all these grades will be on an all-Secretariat basis but in the

future maintenance of the Service it will be partly Ministrywise and partly on an all-Secretariat basis in respect of the grades of Superintendent, Assistant Superintendent and Assistant.

(b) I have no definite information but in view of the reply to part (c) the question does not seem to arise.

(c) So far as the grade of Under-Secretaries is concerned lists of persons approved for appointment to the grade have been published and only such persons are entitled to be employed in the grade. They will, as far as possible, be retained in preference to persons not so approved.

Selections for other grades are not yet complete and no distinction is possible between candidates eligible for consideration for appointment at the Initial Constitution stage and others. Discharges and reversions are governed by the Instructions for Retrenchment, a summary of which was laid on the Table of the House on the 22nd November 1950 in reply to Starred Question No. 254.

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PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

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THE
PARLIAMENTARY DEBATES
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PARLIAMENT OF INDIA
Tuesday, 5th December, 1950

The House met at a Quarter to Eleven
of the Clock.

[MR SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

LEAVE OF ABSENCE FROM THE
HOUSE

Mr. Speaker: Before the House proceeds with any other business, I would like to inform hon. Members that Shri B. Shiva Rao has requested for leave of absence under Article 101(4) of the Constitution as he has gone to the U.S.A. to attend the meetings of the General Assembly of the United Nations.

Is it the pleasure of the House to grant him leave?

The leave was granted.

PAPERS LAID ON THE TABLE

DECLARATIONS OF EXEMPTION UNDER
REGISTRATION OF FOREIGNERS ACT

The Minister Without Portfolio (Shri Rajagopalachari): On behalf of my hon. colleague, the Minister of Home Affairs, I beg to lay on the Table copies each of the following Declarations of Exemption issued under the Registration of Foreigners Act, 1939, namely:

(1) No. 1/34/50-F.I., dated the 4th August, 1950.

(2) No. 1/35/50-F.I., dated the 5th August, 1950.

(3) No. 1/37/50-F.I., dated the 31st August, 1950. (2 Declarations.)

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(4) No. 1/38/50-F.I., dated the 7th September, 1950.

(5) No. 1/39/50-F.I., dated the 19th September, 1950. (2 Declarations.)

(6) No. 1/41/50-F.I., dated the 20th September, 1950.

(7) No. 1/42/50-F.I., dated the 3rd October, 1950. (2 Declarations.)

(8) No. 1/40/50-F.I., dated the 5th October, 1950. (2 Declarations.)

(9) No. 1/43/50-F.I., dated the 5th October, 1950.

(10) No. 1/44/50-F.I., dated the 10th October, 1950. (4 Declarations.)

(11) No. 1/45/50-F.I., dated the 12th October, 1950.

(12) 1/46/50-F.I., dated the 16th October, 1950.

(13) No. 1/48/50-F.I., dated the 26th October, 1950. (2 Declarations.)

[Placed in Library. See No. P-119/50.]

AUDIT REPORT (DEFENCE SERVICES) AND
APPROPRIATION ACCOUNTS

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of each of the following papers, in accordance with the provision of Article 151 of the Constitution:

(1) Appropriation Accounts (Civil), 1947-48 (for the period 15th August, 1947, to 31st March, 1948) and the Audit Report, 1949.

[Placed in Library. See No. IV.O.J.(1).]

(2) Commercial Appendix to the Appropriation Accounts (Civil), 1947-48 and the Audit Report, 1949.

[Placed in Library. See No. IV.O.J (50).]

[Shri C. D. Deshmukh]

(3) Appropriation Accounts (Posts and Telegraphs) 1947-48 (for the period 15th August, 1947 to 31st March, 1948) and the Audit Report, 1949.

[Placed in Library. See No. IV.M.O.(6).]

(4) Appropriation Accounts of the Defence Services for the year 1947-48 (for the period 15th August, 1947 to 31st March, 1948).

[Placed in Library. See No. IV.O.I.(94).]

(5) Commercial Appendix to the Appropriation Accounts of the Defence Services for the year 1947-48 (for the period 15th August, 1947 to 31st March, 1948) and the Audit Report thereon.

[Placed in Library. See No. IV.O.I.(96).]

(6) Audit Report, Defence Services, 1949.

[Placed in Library. See No. IV.O.I.(95).]

AMENDMENTS IN UNION PUBLIC SERVICE COMMISSION (CONSULTATION) REGULATIONS.

Shri Rajagopalachari: Sir, I beg to lay on the Table a copy of Notification making certain further amendments in the Union Public Service Commission (Consultation) Regulations, in accordance with clause (5) of Article 320 of the Constitution.

[Placed in Library. See No. P-121/50.]

PART B STATES TAXATION LAWS AND CONCESSIONS ORDER

Shri C. D. Deshmukh: Sir, I beg to lay on the Table a copy of each of the following Orders:

(i) The Part B States (Taxation Concessions) Order, 1950.

[Placed in Library. See No. 120/50.]

(ii) The Taxation Laws (Part B States) (Removal of Difficulties) Order, 1950.

[Placed in Library. See No. P-120-A/50.]

INDIAN TARIFF (FOURTH AMENDMENT) BILL—contd.

Mr. Speaker: The House will now proceed with the further consideration

of the following motion, namely:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

As the House knows, we were in the midst of discussion of some points raised by Mr. Tyagi, and then we adjourned just to enable the hon. Commerce Minister and hon. Members to have a chance of informal discussion and coming to agreement if possible. What has happened about that?

The Minister of Commerce (Shri Sri Prakasa): Sir, as very kindly suggested by you when you were pleased to adjourn the House yesterday, I got in touch immediately with a large number of hon. Members who were interested in this problem, and they were kind enough to give me their assistance, advice and co-operation in the matter. We have now drafted an agreed amendment notice of which I have just given to your office. I regret that it could not be given earlier. At the appropriate time I shall move this amendment in the House.

Mr. Speaker: So, the position comes to this then, that nothing further has to be said or done in respect of the point of order, and I do not think I need proceed with any ruling on that point.

Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration".

I would like to know whether hon. Member, Mr. Tyagi, who had given notice of an amendment to refer the Bill to the Select Committee wishes to move his amendment.

Shri Tyagi (Uttar Pradesh): Yes, Sir, I intend to.

Mr. Speaker: Then he may move it.

Shri Tyagi: I beg to move:

"That the Bill be referred to a Select Committee consisting of the hon. Shri Sri Prakasa, the hon. Shri C. D. Deshmukh, Pandit Thakur Das Bhargava, Shri Ramnath Goenka, Dr. P. S. Deshmukh, Prof. K. T. Shah, Shri Prabhu Dayal Himatsingka, Shri Arun Chandra Guha, Shri Satish Chandra, Shri O. V. Alagesan, Dr. Syama Prasad Mookerjee, Shri M. Ananthasayanam Ayyangar, Shri B. P. Jhunjhunwala, Shri Deshbandhu Gupta, Shri Raj Bahadur, Pandit Balkrishna Sharma, Syed Nausheralli, Shri Manik Lal Gupta,

Shri B. L. Sondhi, Shri B. K. Das, Shri H. C. Heda, Shri S. N. Mishra and the Mover, with instructions to report.....

Here, Sir, I am prepared to accommodate the date which my hon. friend, the Commerce Minister, suggests for his convenience.

Mr. Speaker: What is the date?

Shri Tyagi: Shall I have to give the date just now?

Mr. Speaker: Yes.

Shri Tyagi: Then I would say, "before the 15th December, 1950."

Sir, with regard to tariff duties I have my own personal ideas which I think I should bring on record. I feel that these tariff duties should not be levied primarily from the point of view of realising revenue. In my own way, I would very much prefer that there should be only one tax, the income-tax, and the rest of the taxes must be realised in the interests of the State, because it is now a welfare State. So, this customs duty must be a welfare duty and should go towards the welfare of the trade. Only that much should be realised as helps us, in protecting indigenous industries against the invasion of foreign industries, or it may be realised for encouraging industries in India. Duties should be levied only from that point of view. There may be other considerations too. To realise these duties with a view to mop up the benefits that accrue in a foreign land is, to my mind, a queer idea. A duty to be levied only because a certain commodity is fetching a good price is all right for income purposes, but I think it is not a very healthy practice and we should not consider the question of the incidence of duties from this point of view alone. Now, slowly and slowly I find that the Government is veering round to a policy of making these customs duties a source of their revenue for the purpose of meeting their budgetary expenditure. For instance, I am reliably informed that this Government imported into India brandy worth Rs. 50 lakhs, not because there was any demand for it but because they felt that they were short of revenues and they could have more earnings for the Government through this. Therefore, they permitted this import of brandy to earn revenues to the tune of Rs. 150 lakhs. It is all right that these Rs. 150 lakhs came to the coffers of the Government but then we had to lose to the tune of Rs. 50 lakhs. It comes to this, that to earn Rs. 150 lakhs for Government, we gave a sort of a commission of Rs. 50 lakhs

to the foreign country. We levied a tax on Indians to the tune of Rs. 150 lakhs—that is the total earning we made—and for this purpose we gave a sort of a commission of Rs. 50 lakhs to a foreign country. In fact, these Rs. 150 lakhs were in India and remained in India, but the other Rs. 50 lakhs—the actual price paid for the brandy—was a loss to India. This sort of practice puts India as one unit, as a whole State including the people, to a loss. It may be a gain to the Government coffers all right, but Government plus the people put together have undergone a loss of Rs. 50 lakhs. It is only by way of an instance that I have quoted this. Otherwise, it is off the point.

What I want to put before the House are my views on the levy of customs duties. In order to decide customs duties etc., we should not look at it from the consideration of earning Government's revenues. That is not a very healthy consideration. This is a tariff Bill. I do not want to touch that point which my hon. friend Shri Sri Prakasa seems to have resolved. It will come before the House and we shall have a discussion again when the proposal comes before the House. We shall see as to how he has now arranged about the delegation of power of the Parliament, and how these duties will be increased in the absence of Parliament. That point I leave out of discussion for the present. I come to the Bill.

12 Noon.

The Bill seeks to regularise the enhancement of duties made only lately by means of an Ordinance. According to the Ordinance, they have raised the duty of 30 per cent. on wool and 50 per cent. on cotton waste, and other enhancements have been made and many others may be in the offing. Sir, I will take wool first, for I feel that wool industry is the oldest in the world. If you go deep down into the dark ages, you will see a shepherd grazing his sheep in the forest. That is the only trace of history which we find in those dark days.

Shri Sri Prakasa : How do you see him in the dark?

Shri Tyagi: There are shadows these days. Although they are dark, they are visible. Now, Sir, wool is an agricultural industry. Thirty per cent. of export duty on wool—it is for the first time that the country is faced with the problem. So high a duty on the export of wool was never heard of up till now. There are, in our own country, 56 million lbs. of wool being produced.

[Shri Tyagi]

Out of these 56 million lbs., 25 million lbs. are exported outside. Now, Sir, 60 per cent. of this wool is consumed by the carpet industry. This wool is of special quality and is more useful in the carpet industry. It is known in Liverpool as the 'East India wool'. It fetches a good price. It is sold in Liverpool market by means of auctions. There are periodical auctions, during which there evolves a regular market price for this wool. It is put to auction there, not here. So, the price that this East India wool will fetch depends on the auction price of Liverpool. Now, the duty that we are levying here is *ad valorem*, that is to say, it is on the value of the wool which will be ultimately decided in the auction market in Liverpool, but the duty is to be realised before the wool is exported.

[MR. DEPUTY-SPEAKER in the Chair]

How will this *ad valorem* duty be realised—on what basis and at what point will it be realised? There is, in the neighbourhood in the East, Australia which produces perhaps the largest amount of wool. They have also levied duties, but their duty is realised at the point of the trader purchasing from the producer. It is realised at that point. On that value, they realise the duty, i.e., at the value at which the producer sells to the businessman in their own country. They realise 20 per cent. duty, but it is collected at the purchasing point and it is not spent in Government expenditure as is the custom in India. Every little pie recovered from the people goes always and as a rule into Government expenditure in India. In Australia it is not so. This money is credited to the account of the producer.

Shri T. T. Krishnamachari (Madras): May I inform my hon. friend that the position of Australian wool is undergoing a rapid change and my hon. friend may be completely off the mark.

Shri Tyagi: I would request my friend to take his chance and participate in the debate so that he can contradict me if I am wrong. That is my information. I am basing it on authentic sources that I tapped. But if my hon. friend thinks that I am wrong, then he might correct me when he gets his chance. Even if that was the practice up till now that would serve my purpose. So, they credit this amount to the account of the produce and it is ultimately adjusted at the time of realising income-tax from those producers. So, it is in effect an advance payment of his income tax. An extra 7½ per cent. is

realised from the producers for reserve price fund for compensating fall in prices. If there is a fall in prices the producers get compensation to that extent. The Government of Australia by realising these duties mean to encourage production of wool. The duty is realised with a view primarily to keep the industry alive. They take upon themselves the guardianship of the industry, so to say, and the duties are realised and utilised for the sake of the well-being of the shepherd.

Now, Sir, among the classes in India the shepherd is the poorest, because he goes about in the forest grazing his sheep. Now to fleece the poorest of the poor is really not good. Now, in this case let us see on whom the incidence of this export duty will fall. At present the shepherd is realising only 60 per cent. of the actual export price; the other 40 per cent. goes to the traders and the middlemen. Now if this duty is raised, the result would be that the price in the wool market will go up. Mr. Deshmukh will correct me if I am wrong, because I always plead my want of knowledge and it is only by means of pilfering from here and there that I have collected some knowledge. In my opinion articles of the nature of wool which are universally used and produced practically in every country cannot be put on the same level as articles like mica and jute, in regard to which we hold a monopoly. We can demand any price we like and it depends upon the need of others to purchase it. But wool, for instance, is produced in every country in the world. So, enhancement of export duty either by you or by Australia will not affect the actual world market price of wool, because the international market will be guided by the one foremost cardinal principle of supply and demand. Of course if you are going to keep back supply and are not going to send it to the world market, I could understand prices would be affected. But if the whole commodity is going to the international market, the incidence of duty in one country or the other will not affect the totality of prices which will be determined by the play of forces of supply and demand. So in such case unless a commodity becomes too abundant the prices cannot go down; unless a thing becomes scarce the price cannot go high. Duties realised by you here will not give a higher price in Liverpool. If it could be possible for you to realise a higher cost in Liverpool, I can well understand your imposing a duty. But duty on this wool, although it goes to Liverpool is not paid for by Liverpool. Wool goes not only to Liverpool, but it goes to the whole

world pool and in the universal pool, Liverpool prices alone cannot count. My submission, therefore, is that the incidence of this duty will ultimately fall on the shepherd. This 30 per cent. which you are proposing to realise will fall on the poor shepherd. The merchant, instead of taking the risk of collecting this extra money from Liverpool, will naturally reduce the price he pays to the man at the bottom, that is the shepherd. Of course, the shepherd lives by fleecing the sheep. So, you fleece the shepherd, the shepherd fleeces the sheep and the sheep will suffer. We have incorporated a Chapter on Fundamental Rights for human beings in our Constitution. But as far as sheep are concerned, I think the Prevention of Cruelty to Animals Act might apply on both the hon. Ministers: Commerce and Finance.

I am afraid I have taken quite a lot of time on wool alone. I now come to cotton. There is an important consideration here that Mahatma Gandhi taught us that there must be self-sufficiency. He wanted self-sufficiency for every individual and unit from bottom to top and not from top to bottom. I am sure if this Government had not flouted Gandhiji's teachings and had stuck to what he taught us we could have achieved cumulative self-sufficiency by now. If we had started from the beginning in a spirit of organisation of society on the basis of self-sufficiency, I am sure we would have been better off and the day when any such Government comes into power that will scrupulously abide by what Gandhiji taught us. I am sure the day of our salvation will not be far off. To base self-sufficiency on all items will not do. Achievement of self-sufficiency should be on individual basis. The whole of India must be self-sufficient in cotton; she must be self-sufficient in rice, in jute, and in iron, etc.; each Minister wants our country to be self-sufficient in items of which he is in charge. Our Finance Minister Mr. Deshmukh wants us to be self-sufficient in gold; our Agriculture Minister wants us to be self-sufficient in wheat, rice and jute.

So let us not commit that error by basing our politics on self-sufficiency of everything. Now, for instance, there are countries which are not self-sufficient in many things, but still they are thriving and are more prosperous. For instance the whole of England practically lives on rations got from outside. But even then they are quite prosperous.

In the matter of cotton we are trying to be self-sufficient. Sometimes we

are restricting exports because otherwise there will be no cloth here and we want to clothe our own people. In the matter of importing cotton we are stingy. We feel how shall we arrange for the foreign exchange and say we will have the least imports into India. We do not want to import more cotton because we feel how will we pay. This is a stingy policy, I must say. We must import as much cotton as we can if we have the power to manufacture. If we have no cotton, it does not matter, let us import and then manufacture. That is the policy of prosperity. I must submit that the Government has been very lethargic and has been very halting in the matter of importing cotton. Today after years has come a day when India is not only self-sufficient in textiles but India is exporting on quite a big scale to foreign countries. Many of the foreign markets have become our markets. Are we going to lose them within a year or in the second year? There are nations who have captured markets once, and who have gone to the extent of fighting wars with a view not to lose their markets. That is the way industry thrives. How can we without any considerations give up a market?

Sir, in 1948 our mills produced 4,319.3 million yards, plus enough yarn for our weavers. This was the prosperity of this industry in 1948 as reported in the government paper. In 1949, that is within one year, let us see to what pass this industry has come. In 1949 instead of the 4,319.3 million yards the production came down to 3,904.2 million yards—a drop of 415 million yards. Sir, my figures may be corrected if they are wrong. 415 million yards was the drop in production in the industry, not because there was any Bombay strike intervening—it came later on. Not because the mills stopped working, but because there was scarcity of cotton. Cotton was not available.

Shri Sondhi (Punjab): It has gone down much further this year.

Shri Tyagi: My hon. friend Mr. Sondhi says that it has gone down much further this year. Is it not a failure on our part to starve the mills? The mills are there, the capital stands invested, the machines are there. But neither the machines are worked fully nor the capital put to full use. This was a time when we had the markets. It was because—and that is the salient point—the Ministry could not come to a decision. Not that they did not realize it. They realized the scarcity of cotton. But then they realized it on paper—on their files. The Government could not really come to a decision in time.

Shri B. K. P. Sinha (Bihar): May I know what has all this discussion got to do with the Bill?

Shri Tyagi: According to the rules of parliamentary procedure—I am sorry I have not got the book with me today—when a matter relating to Tariff is considered, all policies with regard to the industries which are taken under the Tariff are fully discussed, and therefore I am entitled to discuss it.

My submission therefore is that foreign markets are hungry for cloth, but our supply of cotton and the shortage are responsible for our losing foreign markets. This is what the Government themselves admit in their record:

“There is scarcity, and we have permitted exports of coarse and medium counts of cloth, to soft currency countries for shipment during January—June 1951. It will be licensed only to the extent of 100 million yards. That is the rule for the future. We have placed no restrictions on export to hard currency areas, no restriction on fine and superfine cloth and handloom cloth and other textile manufactures, except yarn.”

This is the position in which my hon. friend Mr. Sri Prakasa stands today.

Even in spite of this shall I tell my hon. friend that it is not only a question of our losing our markets in foreign lands, but there is another important question that he is going to face very soon—I am afraid, though it may not be as big a debacle as the sugar one was, there will, however, be scarcity in the country itself. The markets of cities and towns have already begun to feel the scarcity and the prices are now rising a little, because there is wide scarcity of cloth in our own markets. We are losing our foreign markets, and we are losing our own markets. This is the pass to which this industry has come only because of want of supply of cotton to the country in time.

I think, Sir, that this too I should give up now and come to the third item. Coming to jute, my hon. friend has in very plain language put the case of the jute industry before this House. I must congratulate my friend Mr. Sri Prakasa for he has come at a time when there were many misgivings about the administrative policy of his Ministry. And I assure him that whoever may criticize the policy, there is not one Member in this House who would ever think of attributing any

motive to Mr. Sri Prakasa himself. He has been on these benches and accustomed to the voice of this House since long. Since long people have been familiar with him. But whatever he said to the Treasury Benches then, now, since he has gone that side, he must be prepared to listen to the resound of his own voice from these benches.

Shri Sondhi: He is sporting enough, do not worry.

Shri Tyagi: Our jute was once a monopoly to the extent of 99 per cent. when we were undivided. Even today after the division our total exports were to the tune of 4,532.1 million rupees, and jute alone has fetched us 1,715.3 million rupees. This means that 38.8 per cent. of our total exports comprised jute goods only. More than one-third of our exports, Sir, goes to the credit of jute. From the financial point of view, I think the jute industry has greater importance than even the Government of India. In fact the whole structure of the Government practically today stands on the strength of jute and my hon. friend wants me to hang myself with it.

Let us see what is happening to the most important industry of India. I think this industry deserves the best energy and best attention from the Government. If this industry goes, we have nothing else to sell in the market worth the name.

Prof. Ranga (Madras): Are we to defend the merchants then?

Shri Tyagi: By ‘industry’ I do not mean the merchants. Prof. Ranga is not a cultivator of jute but he cultivates tobacco in his estate. It was once an absolute monopoly but now we are exporting up to 90 per cent. of hessian. 70 per cent. of the cost goes to the cultivator. This is the recognized figure. The cultivators are producing raw jute, both Hindus and Muslims and both in Pakistan and here. I must confess that my love for people in Pakistan is still as much as it used to be. No geographical imaginary line has made any physical difference nor has it made any difference in my affection. It is just an imaginary line. To me a peasant in Pakistan whether he is a Hindu or a Muslim is as affectionate as a peasant here in India. The policy of the Indian Government originally was to go on purchasing at a fair price from the peasant in Pakistan his raw jute, manufacture it here and send it to foreign markets and thus earn for them 60 per cent. of the total cost. India was only acting as an agent for sending money to Pakistan. That was the original

intention of India because the raw material came mostly from Pakistan. Most of the money we hoped to fetch from foreign countries through this trade would naturally go to Pakistan and we expected that we both together would continue to enjoy the monopoly. But our hopes were frustrated because Pakistan did not actually co-operate with us; they stopped all exports to India; they wanted more prices and our industry came to a crisis. I do not know what the Government did in the matter. It is for them to say but according to my limited knowledge all the credit for keeping alive this industry goes to the Indian Jute Mills Association; in the days of crisis they so managed their affairs that they stopped the work in the larger mills to some extent; they sealed some of their looms because they were faced with this debacle of having no raw material from Pakistan. Pakistan was supplying raw material to America and other countries freely with the result that jute was going to the places where we used to sell our hessian. Our price of hessian on the other side was threatening to go down and our raw jute purchase price was coming up. That was a great crisis and no industry can ever face it, but, as I said, the Indian Jute Mills Association managed it so well. They stopped some of their looms from working, and they managed to get on some how or other. Then there came a crisis in Pakistan because of accumulations of raw jute there. There was disaffection in Pakistan because they could not find enough markets. So the price of jute in Pakistan began to go down. The Pakistan Government just read the writing on the wall and knowing how social and economic forces were working, they immediately organized a Jute Board to keep up the price of raw jute in Pakistan and not only that. They also organized village banks which they call "national banks" to advance money to those traders who wanted to purchase on some price fixed. It was not the maximum; they fixed the minimum price. They said that nobody shall purchase for less than this much. That was how they came to the rescue of the peasant in Pakistan but they kept the prices high. Again there came a difficulty for the industry but, I believe, this was with the consent of the Government, the industry stopped work for a week in a month and in this way a great crisis had to be tided over by both the industry and the Government. The result of this was that there again came a crisis in the raw jute market in Pakistan. Pakistan jute went down to Rs. 10 per maund and the peasant ultimately

suffered on account of these differences in policies between the two neighbouring countries. When all this was going on our Government came to the rescue of the peasant and arrived at a pact with Pakistan in which they probably agreed to purchase from Pakistan 40,000 bales. The Government, thereby, helped the price to go up a little. The industry was contending against these difficulties and it is a matter of credit to the industry and also to the Government that helped the industry. For this, I must congratulate the Government.

Then came the agreement with Pakistan. In spite of the Agreement, Pakistan did not send its supplies of jute regularly. Not only that; they stopped even that jute which was purchased by the Indian citizens, whether that jute was in the barges or in the godowns. They further went to the extent of detaining the jute that we were getting from Assam, on the way. The policy of Pakistan has practically been to kill the industry altogether, not knowing, and not realising the fact that after all this hessian manufacture industry in India was ultimately being run sixty per cent. in the interests of the Pakistan peasants themselves. I now hear that Pakistan has ordered two jute mills to be put up in Pakistan. Our monopoly of jute manufacture is being endangered by Pakistan because they intend to manufacture hessian, putting up their own mills. They are a potential competitor with us in the world markets. They might as well succeed. This is one danger that we have to face today.

Another danger which has been pointed out in many of the notes by the Government themselves is the development of substitutes, paper or cloth bags, by U.S.A. which are the biggest consumers of our product. This plea has always been put up by the Ministry whenever any faults were pointed out to them.

Let us see how the Ministry and the Government behaved in the face of these two threats. The Government first controlled the industry by fixing the price of raw jute at the bottom level, and thereby gave an impetus or encouragement to the peasants here in India to grow more jute. The result was, as the hon. Minister has already said, our part of India produced in 1947, 17 lakh bales, in 1948, 21 lakh bales, in 1949, 30 lakh bales. Now, the hon. Minister has been modest enough when he said that he expected 40 or 42 lakh bales this year. My information is that there is every hope of getting 46 lakhs of bales in India.

Shri Sri Prakasa: Our estimate is 41 lakhs.

Shri Tyagi: I give you 5 lakhs more. This increased production is due to the policy of our Government for which, again, I should congratulate them, in that by fixing the price of jute at the bottom level, they encouraged the production of raw jute in this country, thereby making it self-sufficient, and not allowing us to remain slaves of Pakistan, which has behaved with us rather badly. It is a very good thing that in this industry which does not exist anywhere else we have tried to be self-sufficient. I wish the hon. Minister godspeed and hope that we shall soon be successful because he says that with 16 or 17 lakhs of bales more, we shall be self-sufficient absolutely. I was not for self-sufficiency. But, since Pakistan does not co-operate, we have no other alternative but to see that we are self-sufficient in the matter of jute.

Then, let us see how we have behaved in regard to the other question. Here comes my grievance. I hope my hon. friends on the Treasury Benches will pardon me for saying this. I have, and everybody has, his own scruples, and our own ideas of scruples. My feeling is that a man who holds a ministerial job, or any other job of responsibility, whether he is a Minister or a Member of Parliament, or even in private organisations, should try to do things as scrupulously as he possibly can, and must confess his failures. I am glad, in the two or three years of my career as a Member of Parliament, for the first time, the hon. Shri Sri Prakasa came forward yesterday and confessed that on account of their not being able to mop up the benefits which the hessian trade was enjoying in America, they have suffered a loss to the extent of 12 crores. That was a pleasant surprise to me in one way. I never expected a Minister to get up and make a confession like this. In fact, I felt that through him the Government came in sack cloth and ashes and made a confession that that was so. But, there are men in the country who claim that that is many times more than twelve crores. Therefore my grouse is legitimate. Even if it is not many times more than twelve crores, I think it is a matter which my hon. friend would be better advised to enquire into and make sure as to how much loss we have incurred on account of their negligence. I would suggest to him that in such matters nobody should be pardoned. It is a matter of loss to the nation and it is an unpatriotic act. An unpatriotic act whether it is by volition or

omission, should not be allowed to go unpunished. Then, if only we start this practice of taking the concerned people to task and sacking them,—your jute manufacturers have large quantities of sacks—why not sack such persons as are responsible for this loss; you have no need for sacks, you have got sacks in ample.

An Hon. Member: Sex.

Shri Tyagi: I am sorry, I did not say sex; I say sacks; sex was no question.

It is said that they wanted to mop up the high prices. They allowed hessian to go to America cheap and to be sold cheaply in the U.S.A. because they were afraid of substitutes coming up. Again they said that they could stop the substitutes if the market price of hessian was kept low. Now, let us examine the position. After devaluation, our rupee, as compared with the dollar had gone down, it was a fallen coin. It did not continue to enjoy its original position. Its value was reduced in the American market, so to say, by 44 per cent. Now, this could act both ways. When the values get changed, then the coins try to catch each other. That is to say, even though the distance between them is increased, still both the coins try to catch each other, and they do catch each other at one point. That point gets decided by actual trade. Now, in this struggle of the dollar and the rupee, which point was the point of catch? In the matter of hessian, we had the monopoly and so we managed to see that although the rupee was reduced, even though the rupee was degraded, even then we did not allow it to go down on bended knees before the cent. On the other hand, we made the dollar eat the humble pie. Because we had the monopoly in hessian in our hands, we did not allow our rupee to yield. We made the dollar yield and eat the humble pie. Here the market was not disturbed. The hessian market here was not disturbed. We kept the market as it was. What did we do? We got the same amount of dollars from there as we did before. —In fact, if our ratio were to be translated into commercial transactions, then the dollar price of hessian should have been reduced to the extent of 44 per cent. After devaluation we should have received lesser dollars for our hessian if it were exactly translated into practice. But in spite of the devaluation the price in dollar did not go down. It rather went up. I shall assume for the sake of the present argument that it remained where it

was, even after the devaluation. If that was the case, then 100 dollars must give us 44 per cent. more rupees here, when translated into our coin. If we have failed to get this 44 per cent. extra money in rupees, then it is clear that we have actually lost to the extent of 44 per cent. on this account. Now, let us examine this question of devaluation. Forty-four per cent. is the margin which we got by devaluation and which we should have taken the fullest advantage of in the trade in hessian. Let us see the position. I am at present discussing only the situation created by the devaluation of the rupee, in the matter of the hessian trade. There is a margin of 44 per cent. which we earn on this account. For the sake of earning this 44 per cent., we immediately raised our duty first. Our duty was raised from Rs. 80 to Rs. 350 which means an addition of Rs. 270 per ton and this our Government received out of this margin of 44 per cent. And this comes to 14 per cent. Therefore, out of this 44 per cent., we received 14 per cent., leaving a balance of 30 per cent. 5 per cent. was taken up by the rise in the shipping charge or commission. I have my own objection to this rise of 5 per cent. Up till late the shipping charge, or commission used to be only $\frac{1}{4}$ per cent. or $\frac{1}{2}$ per cent., and now from $\frac{1}{2}$ per cent. it has been raised to 5 per cent. That is a very great jump. Sir, before I proceed further, lest I forget it, I would like to know the figures or basis on which this charge of 5 per cent. has been arrived at. On what is it based, I would like to know. I would also like to know from the hon. Minister how much money in rupees we had to pay on this account, by way of shipping charges. I would like to know to how many lakhs or crores of rupees it comes, on account of this enhanced rate of shipping charge. Well, Sir, taking this 5 per cent. as a genuine charge, we only make up 19 per cent. So out of the 44 per cent. resulting on account of the devaluation, we received back only 19 per cent., and still there remains 25 per cent. This 25 per cent. calculated on the whole of our trade in hessian with the United States of America will come to a much larger amount than Rs. 12 crores. I want figures to be calculated on this basis, and I doubt if we will arrive at so low a figure as Rs. 12 crores. And I would like to know where all this profit has gone. Variations in the American prices apart, the most logical variation in prices on account of the devaluation comes to 44 per cent., and I am afraid we have not been able to mop up this amount which was a defined amount.

Dr. Pattabhi (Madras): What does the hon. Member mean by "we"? Does he mean the Government or the producer?

Shri Tyagi: I mean the Government. It was for the Government to see that they got the profit. Whosoever runs the trade, it is ultimately the Government responsible for it, because it is an external trade, it is export. It is for the Government to see that this export is properly done. I would not have minded if the Government had allowed the private trade to earn this profit. But even they, even the share-holders of these companies did not earn any additional profit. They only got the profit that had been fixed for them already. Nor the Government did get it. They abnegated themselves. They voluntarily gave it up. Though the American people were prepared to pay more, they did not charge more, and why? Because there is this danger of substitutes coming in. That was the fear, the fear of substitutes, and so they sold hessian cheap. Sir, I may submit that as far as prices are concerned, sometimes there is this special phenomenon that even though there is a lot of demand, the prices do not necessarily go up. There may be the possibility of the prices remaining low. Therefore there can be high demand and low prices and low demand and high prices too. That also is possible in trade. Let us see how the prices ranged and on what basis. Hessian is a commodity which is in demand only for the purpose of packing and sacking. Whenever sack cloth is needed, hessian prices go high.

Pandit Balkrishna Sharma (Uttar Pradesh): And where is the ash?

Shri Tyagi: Yes, somebody is reducing something into ashes.

As I was saying, demand for hessian goes up when there is demand for packing and sack materials. And so the demand for hessian and its price in America depend upon the productive activities of America, both agricultural and industrial. More grain is produced, more bags are needed to pack them. The greater the industrial activity, the greater the demand for packing cloths and materials in America. And during these days there has been a great deal of such activities in America and it is on account of that and not on account of anything else, that the price of hessian has been rising in the U.S.A. They need our hessian.

There are substitutes even today. I have got cuttings from American papers, for which I am thankful to

[Shri Tyagi]

my American friends and I have got all the figures there. In America also our Government fixes the prices. You said that the goods went to the consumer but actually it did not go there; it went to another industrial brother, the man who manufactures the sacks. Just as there are hessian manufacturers in India there are sack manufacturers in America and the agriculturists do not manufacture the sacks. You sold on these cheap terms the hessian only to the sack manufacturers. At what price the sacks were purchased depended upon the agricultural activity of U.S.A. In fact the price of hessian in U.S.A., depended actually upon their own needs. During those days America was badly in need of hessian and hence the rise in prices was natural. The substitutes could be only in paper or cotton cloth. I made enquiries about both of them and both are more costly than hessian. My hon. friend said that even in spite of the high price of hessian it is 32 cents per yard today. The landed cost after paying Rs. 1,500 per ton as duty comes only to 22·7 cents and this includes shipping also at an inflated rate.

Shri Sri Prakasa: May I add that that is the price of hessian on the spot; the price of hessian that has already reached there.

An Hon. Member: What difference does it make?

Shri Sri Prakasa: That makes a difference, because that should not be confused with what the price will be in the Calcutta market now after the new duty has been imposed.

Shri Goenka (Madras): May I inform the hon. Minister that for things afloat, things which can be put on the ship today, the price is 31 cents. If the goods are selling at a lower price it is due to the fact that buyers are not certain whether they will be able to receive the goods, owing to Government controls coming in one form or another hereafter.

Shri Tyagi: The market price is 32 cents. Since my friend has disputed my figures naturally I feel that he must have up to date information. I will leave the point here for another occasion during the debate, when I will be absolutely sure about the figures after enquiries. The purpose of the point was that we had neglected to mop up the benefit of devaluation to the extent of 25 per cent. and also the fluctuations of the natural market.

The Deputy Minister of Commerce (Shri Karmarkar): May I ask my hon. friend whether it is his considered opinion that even after the devaluation of the rupee in relation to the Dollar we should have adopted this means of increasing the price of hessian to make up what we would have otherwise lost?

Shri Tyagi: That is not my meaning. He has not fully understood me. I said in the very beginning that in spite of devaluation, because of the advantageous position we held, since we were the sole sellers of hessian, that devaluation did not come into actual practice. Instead of the rupee going down in the exchange market in the matter of hessian I said in a metaphorical manner that we made the Dollar eat the humble pie and the price was not reduced. Supposing we were getting 100 dollars before devaluation on the sale of hessian and after devaluation if we sold the same quantity in rupees we should get more: it should be 44 per cent. more.

Mr. Deputy-Speaker: May I know how long the hon. Member will take?

Shri Tyagi: I do not know my own mind, Sir.

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

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. SPEAKER in the Chair]

Shri Tyagi: Sir, before we rose for Lunch, I was talking about the profits that were being earned in America on account of the rise in prices of hessian there. I was examining as to what percentage of those profits was coming to India.

The system adopted by the Government after the Korean war began was that instead of allowing free trade with America—instead of allowing the shippers to take their consignments to America as they were doing in the past—the Director-General of Exports directed those consignments to allottees. In practice, the system was that all orders received from the U.S.A. were pooled together and then consignments were allotted by the Director-General, not in exact accordance with the orders but in accordance with his own arrangement. For instance, if A from America sent an order here to B for goods worth, say, five lakh dollars, B was not allowed to send it to A according to the order he had received, but the Director-General could direct B to send that consignment to C or F in U.S.A.,—to some other third person—so that there

was no chance for the shipper here to come in tow with the consumer in the U.S.A. and have some private dealings in the black-market. All these arrangements were made to ensure that our hessian was supplied to those consumers—the sack manufacturers—at our controlled prices. The attempt of the Government has been to see that the sack manufacturers get it at exactly the controlled prices. That was the only effort the Government made.

That was after the Korean war began. Before the Korean war consignments were going in their natural course and shippers were having direct dealings with their customers abroad. But in both these times the position has been that the middleman's profit was enjoyed either by the shipper here who took the goods to the U.S.A., or by the sack manufacturer in U.S.A. The actual consumer of hessian sacks was never touched by us. The consumers—the agriculturists who use the sacks for sacking their grain and other commodities—never took any advantage of it. Instead of giving the consumers the advantage, we gave a few industrialists in America the advantage of the market rise. Even the natural fluctuation in price on account of the supply and demand position was not allowed to be affected in our prices. But ultimately that fluctuation had its effect. The result was that the Americans took advantage of it after the introduction of control, and prior to the beginning of the Korean war our own shippers and the Americans together took advantage. Sir, the Committee appointed to enquire into State-trading has reported that they have got evidence to the effect that there was quite a good amount of under-invoicing of the goods from India. Supposing goods worth five lakh dollars were to be consigned, they were under-invoiced for four lakhs. I am giving these figures arbitrarily just to explain my argument; these are not figures which are taken from any book. So, in this manner the whole trade went to U.S.A. under-consigned. The consignment was for a lesser sum.

An Hon. Member: You mean under-invoicing?

Shri Tyagi: I am sorry, it is under-invoicing. The bill was for less than its actual worth. And the bill was at the actual controlled price while in practice the commodity was sold in America at the market price. That was the position in the past. The margin of profit of 25 or 26 per cent, or even 30 or 40 per cent—God knows how much—was put in the shape of dollar deposits in American banks.

That also everybody knows. Millions of dollars have been deposited in that way. If the trade had the advantage, and if it were free trade, then I could understand it. They would have been taking advantage of the controlled price and that advantage would ultimately have gone to the trade itself and to the manufacturers here, which means to the shareholders. But the shareholders did not know anything about it because the shareholders can get the advantage only when the dollar deposits come to India. But those deposits cannot come here openly. And therefore, the shareholders of all these jute mills could not take advantage. Neither the producer of the raw jute nor the Indian manufacturer could get it. It is the managing agents who get the advantage, because from $\frac{1}{2}$ % the shipping charges have been raised to 5% and this also comes to crores. These charges also do not go to the shippers, because it is the industry itself which ships most of the goods to the U.S.A. and the managing agents get the benefit.

Pandit Balkrishna Sharma: You say that it comes to crores. How many crores, may I know?

Shri Tyagi: I have not calculated. I only envisaged this amount by some sort of round calculation about the figures. If Rs. 100 crores worth of goods have gone, at 5% it will come to Rs. 5 crores.

Shri M. A. Ayyangar (Madras): The figures as given out show that the total export from July to September is Rs. 40 crores.

Shri Tyagi: If it is Rs. 40 crores, then at 5% it will come to Rs. 2 crores. I am weak in mathematics; therefore, you may not rely on my figures, but the percentage is the thing which matters, and it is 5% and you can calculate for yourself. All this benefit went, in fact, to persons in America. You will remember, Sir, that some questions were also put on this subject in this House. Some persons from U.S.A. who were connected with the jute trade, when they came to India, were found in possession of smuggled gold worth several lakhs of rupees. They were caught officially. Either they brought the profits in the form of gold when the opportunity presented itself, or they got the dollars deposited. The amount of dollars deposited was not enough to them. Dollars were always in demand in India, and therefore, they sold away dollars. They sold them at premiums of 5% or 6%. Then they got some further black market money by disposing of that dollar amount here in India. In this way, those persons who were connected with the trade made heaps of money

[Shri Tyagi]

on account of these transactions. Our Government did not take full advantage of all this.

Babu Ramnarayan Singh (Bihar): They were sleeping.

Shri Tyagi: That is what I want to have an explanation about. Was it or was it not possible for us to mop up these profits? They were trying to mop up the rise of prices. Why not mop up all this? In fact, what has happened is this. Our control has taken with it, as the shadow goes with the sun, its own curse to America. As with the sun goes the shadow, so with the control always goes corruption. Control carries corruption and other shadows. We went to U.S.A. with our control, and with it went our corruption also, with the result that we corrupted the sack manufacturer. He got it cheap from us and sold it at a black market price to his own people, because in America there is no control. I can understand it if the American Government also were armed with certain types of controls. In that case, we could have had State to State transactions. We could have said then that we obliged the U.S.A. and therefore we should derive some advantage. But that obligation of ours did not actually reach the consumers in the present case and the American Government was not in the least obliged to us. When the chance came for us to buy cotton from them, we got it at inflated prices. We never got our cotton at any concessional rate. Arrangements were made by us to supply hessian to them at cost price, but when we got cotton from them we got it at the inflated market price. In whatever we get from America, there is no consideration shown for the gentlemanly way in which we were treating these people in the matter of our commerce. I can understand if the advantage could be returned to us in our exchange trade but even in our imports there was no consideration shown.

As I have already spoken for a long time and there are friends anxious to speak, I do not want to go on talking about all these matters, but one or two points I wish to stress. I am going to finish now. There was an idea of State trading. For some time, the air was thick with rumours of the new Minister, Shri Sri Prakasa, being wedded to State trading.

Pandit Balkrishna Sharma: He has divorced.

Shri Tyagi: I do not know whether he has divorced it. The Hindu Code Bill has not been passed yet. So the air was thick with a rumour like this.

There was also a talk that he has gone to Calcutta—or that these men have gone to Calcutta—and that soon State trading was going to be started and the Commerce Ministry is for State trading. All of a sudden, we were told 'No'.

Shri Sri Prakasa: That, Sir, is one of the many wrong notions that my hon. friend has.

Shri Tyagi: Now, it may be wrong, but there it was. Our hopes were like this and they were frustrated. By means of State trading, we can have complete control over the trade and we can completely mop up all this profit. As I have already said, the jute industry is the biggest industry from the point of view of our exports. It is an industry which is not spread over the whole of India. It is not a cottage industry either. It is confined to a certain geographical area and our raw jute is also produced round about that area. From the point of view of State control, if there can be any industry or trade which can be properly controlled by the State, it is this jute industry alone, and none else. That is my submission. If at all our nation is to start State trading, it has to be started first not in motor cars or other things—it can best be done in the jute industry. Even if this were taken over I do not want that the whole of the industry should be taken over. Let the industry go on. Let the agents also go on as they are. I do not want to create any unemployment. But control it at the U.S.A. end. At present the position is this. To other countries, we have allowed free competition. There is no control in sterling areas. In sterling areas, they are having quite a good freedom of sending as much as they are allowed. The consignments do not go to the allottees in sterling areas. So people in sterling areas are having a grouse that after all why they should alone be treated differently. On account of our sending jute to U.S.A. at control price, the sterling area suffers, because they are paying high prices. There, prices have not been controlled. This also is wrong. But if there is freedom of export to sterling areas, then is it not a fact that we have trade relations with them also, and we should pay attention to them also? My submission, therefore, is that if State trading in America alone were taken, then at that point where we sell our biggest export commodity, we can control. We can see the fluctuations of the market and according to the fluctuations we can fluctuate our prices, and thus keep a full view of the trade and we might then be able to take notice of the requirements of sterling areas also.

Government would then be fully in possession of the trade and not a pie would go to any third party. It would come here. I would even go to the length of saying that on the profit which we would earn we should allow a margin of profit to the industry. If you do not want to control it absolutely, you can have a Corporation. Only a three-men's Commission could do it. One representative of the trade, one of the industry, and one non-official member who is well aware of the trade—these three people could sit in U.S.A. and receive all consignments and auction them and see that the trade is done. There are also our Trade representatives already. Why not utilise them? I think State control is the best cure for the situation. Otherwise, how long can the industry face individually the crisis of raw jute prices, raw jute supply and other things? Do not leave it to the industry. The industry alone will not be able to cope up with the situation. If the jute industry is going to thrive, it can thrive as a rule only with the help and patronage of the Government. Therefore, my only request is that even if you are not going to take over the whole control, do please take charge of at least the trade and commerce in U.S.A. so that you can control at the U.S.A. source. That is my concrete suggestion.

Now the President of the I.J.M.A. has been appointed as Controller of Jute. Now I.J.M.A. is a private concern; it is an organisation of private jute mills, which controls the jute industry. Now to appoint him—I am sorry I do not know his name—as the official Controller of Jute is not very healthy.

Mr. Speaker: Order, order. I may point out to the hon. Member that his argument so far as the non-advisability of raising the duty on jute will certainly include a general discussion of the policy on which Government is at present working. But the entire question of jute industry and controls is not the subject matter of this Bill. Otherwise, we will not be in a position to know where to draw the line. The point that he is advancing is perfectly relevant, because one of the proposals is to increase the duty on jute. But the extent to which he should go into details is just the point to which I would like to invite his attention. I have been hearing him for a pretty long time and I feel that he is going into details, which he need not, so far as the relevancy of this Bill is concerned.

There is another point to which I may refer. He said more than twice

that on another occasion he will perhaps advance his arguments more in detail. Is it his idea to repeat these arguments when the clauses come up for consideration? If that is so, it is another additional reason why he should not go into these details at the consideration stage. The Bill is a small one and the essential points involved are the same in both the stages. All that I say is that there shall not be a double debate. As he believes his arguments to be correct, I do not think he need take the trouble of repeating them.

Shri Kamath: (Madhya Pradesh): But is it not within the scope of the Bill to go into the policy of control, failure of private enterprise and State trading?

Mr. Speaker: The points are certainly relevant to the extent of being mentioned in passing. The hon. Member is perfectly entitled and within his limits to say that the duty should not be raised. But to go into all the details as to how this trade is being carried on, and the alternatives as to how it should be carried on in the best interests of the consumer or the producer in India, all that will be practically put in the Bill in cold storage. I do admit that it is very difficult to draw a line of demarcation. That was why I allowed him to go on. But for that, I would have stopped him much earlier.

Shri T. T. Krishnamachari: May I point out that the type and the extent of that duty is so high that it is quite possible that the entire trade might have to be cast in a different mould; controls will have to be radically altered. There is therefore an advantage in the question being discussed at greater length because of the effect of this particular Bill.

Mr. Speaker: That position, I am not contesting. I have made it very clear. So far as these general policies are concerned, they will be relevant, but the question is to what extent one should go into details. After all you must not forget that what is before us is the Bill and its scope. It is not the entire policy of the Government of India on the question of controls that is under discussion. That is how I look at it. There should be some limit somewhere.

Shri Goenka: May I just submit a point for your kind consideration? The hon. the Commerce Minister in his speech raised the issue of State trading, decontrol and export duty and said that export duty was considered by the Government as the best of the three

[Shri Goenka]

methods. For the purpose of refuting that argument—I am not questioning your ruling, I bow to it—I wish to point out that there is another aspect of the question.

Mr. Speaker: I know that Members have always been good enough in co-operating with me in accepting my rulings. But I do not want that they should accept them, because the rulings come from the Chair. I want them to intelligently accept them and understand the view-point which I am urging. I never said that the points urged by the hon. Member are not relevant. From the very beginning, I think I have made that position clear. The very fact that the hon. Member has got more than an hour and a quarter to elaborate his points is itself a conclusive proof that, his points have been treated as relevant. But the only question is how far, to what extent and into what details he should go. The hon. the Commerce Minister when he referred to State trading, controls and export duties was more concerned with giving the House a background of the decision of Government. He did not want to enter into details of facts and figures. He made a short reference to them. To the extent to which it requires a reply, hon. Members can touch them. After all, every Member will agree with me that, there should be a time sense of the discussions. I do not want to place any time-limit. But the hon. Member was going with the same point for nearly an hour or over and I thought it necessary to invite his attention to this important aspect of the limitations of the debate and the extent to which details may be gone into. I do not, for a moment, mean to suggest that it was irrelevant. It was perfectly relevant. But supposing this perfectly relevant point is going to be repeated by half-a-dozen Members, will that be permissible, because the points are relevant?

Shri Tyagi: Sir, I am grateful to you to have pointed out your personal views about the conduct of business and the nature of the speeches on a Bill. I consider the suggestion about State trading is the most relevant and important part of my speech and I cannot but request and appeal to you to permit me, because this is an important alternative.

Mr. Speaker: The hon. Member again misses the mark. I never said that it is irrelevant and that he cannot go into that question. I have, on the contrary, said that it is perfectly relevant and he is entitled to go into it. The only point is to what extent and

what length he should go into details. There, he will bear the limitations and the scope of the Bill, in mind.

Shri Tyagi: Thank you Sir; I am perfectly convinced. What I was saying was that the State itself should have taken to this trade and should not have left it to the industry. At present our Government has left it to the industry and the President of the I.J.M.A. has been appointed as Controller of Jute. I have in fact complimented the achievements of the President of the I.J.M.A. and all the rest. They have done very well in the past. I have no criticism or grouse against them.

[SHRI HIMATSINGKA in the Chair]

I may say they must have done very well. Otherwise the Government would have rejected them already. But it is not on merits as to how they manage their affairs that I base my objection. My objection is on principle that no private person or a person belonging to the trade should be allowed to represent and have the seal of the Government with him. The President, howsoever responsible he might be—and he must have done very well and also been patriotic to the country—my objection is to the appointment on behalf of the State of the President of the Millowners' Association as our Controller, just as it used to be done in the British days. Somebody used to be appointed as the Controller-General of Iron and Steel. The man belonging to that industry will be the Controller of that industry. The man belonging to petrol will be the Controller of Petrol. In this manner we are distributing away our portfolios very cheaply. If everybody belonging to a particular trade is to have our seal with him, it is not a healthy practice. I therefore submit that the President of the I.J.M.A. should not be our Chief Controller in this matter. We must take it over even at this end. Any one of the efficient members of the Government can be deputed to control it directly. That is one point.

3 P. M.

My second submission is this. Sir, the Chair had just ruled that I should not take more time because I had thrown a hint that I intend to speak a second time. I have no intention of taking the time of the House twice and therefore I thought I should say whatever I wanted to say on this very occasion. That is why I have taken so much time. I have nothing else to press except to ask whether, instead of raising these duties or trying to mop up the vagaries of the market by these means—because the market is very vagarious, it fluctuates every now and then and the raising and reducing

of duties every now and then will be a horrible hell of a job, it will not be possible for any Minister to do it nor to control it—it will not be possible to give full powers to our representatives in America to deal with it. My submission is let our representatives be there in America, let them take complete control of the trade in America, and that Commission or whichever has charge of the trade there in America may be given full powers of reacting to the vagaries of the market. That will be the only way in which we can in a cent-per-cent manner mop up the vagaries of the market and realize profits.

With this submission, Sir, I move my amendment.

Mr. Chairman: I will now place the amendment before the House.

Shri Tyagi: Sir, I wanted to add the names of Mr. T. T. Krishnamachari and Shrimati Renuka Ray if you would permit me at this stage.

Mr. Chairman: There is no objection.

Amendment moved:

"That the Bill be referred to a Select Committee consisting of the hon. Shri Sri Prakasa, the hon. Shri C. D. Deshmukh, Pandit Thakur Das Bhargava, Shri Ramnath Goenka, Dr. P. S. Deshmukh, Prof. K. T. Shah, Shri Prabhu Dayal Himatsingka, Shri Arun Chandra Guna, Shri Satish Chandra, Shri O. V. Alagesan, Dr. Syama Prasad Mookerjee, Shri M. Ananthasayanam Ayyangar, Shri B. P. Jhunjhunwala, Shri Deshbandhu Gupta, Shri Raj Bahadur, Pandit Balkrishna Sharma, Syed Nausherahli, Shri Manik Lal Gupta, Shri B. L. Sondhi, Shri B. K. Das, Shri H. C. Heda, Shri S. N. Mishra, Shri T. T. Krishnamachari, Shrimati Renuka Ray and the Mover, with instructions to report before the 15th December, 1950."

Shri Goenka: Sir, my friend Mr. Tyagi has made my task a little easier. I will not cover the points already made by the previous speaker. Our friend the hon. the Commerce Minister with his fine gifts of imagination and his facility for graceful expression compared himself to a man approaching the gallows, already feeling the twist of the rope round his neck. We feel he is totally wrong, as wrong as he is in his appreciation of the trade situation in the country. We have no desire to hang him or any one else in the Treasury Benches. Far from looking upon him as a condemned criminal, we, who differ from him with

regard to the economic situation in the country, look upon him as our favourite son-in-law! We all like him. We cherish him with affection and when the occasion presents itself we desire to honour him. He wrongly imagines that a rope is twisted round his neck to hang him. We assure him that we only wish to put a garland of flowers round his neck. But at the same time we do wish to warn him that the garlands which we, his friends, put round his neck are not twisted by events and interested persons into gallows' rope for hanging our dearly esteemed Commerce Minister.

Our Government has had to face gigantic tasks. No one can say that they have not achieved signal success in dealing with many major difficulties. In the sphere of foreign policy, though we are entirely new to it, the strength and sincerity of our stand is realized and our prestige stands high, far greater and higher than our own military or material strength might warrant.

Shri Jangde (Madhya Pradesh) कथा

माननीय मेम्बर अपना भाषण पढ़ रहे हैं ?

[Is he reading a speech?]

श्री गोयनका: मैं पढ़ नहीं रहा हूँ, आप

चिन्ता न करें, अभी आप देखेंगे।

[You need not worry. You will presently see that I am not reading].

Shri B. K. P. Sinha: I have another point of order to raise. What is the occasion for referring to the wisdom of our foreign policy in this debate?

Shri Goenka: I will compare it with our economic policy and try to prove that while we have succeeded in other matters, so far as matters economic are concerned we have failed and failed miserably. And that is what I am going to prove.

It is only when we come to consider the economic position in the country that we fear that the country's interests, the Government's own interests, the people's own interests do not get the care and attention which they deserve and which we are in dire need of today. Our economic affairs in regard to industry, trade and commerce leave very much to be desired. The hon. the Commerce Minister stated yesterday that his predecessors had behaved in a manner better than even what Manu had ordained. Sir, this reminds me of a story. Like the three saintly monkeys of China they sit with their eyes, ears and mouths closed. They see no evil.....

Pandit Balkrishna Sharma: They are Japanese monkeys.

Shri Goenka: Japanese or Chinese makes no difference. They see no evil, they hear no evil and they speak no evil. Similarly the Commerce Minister sees no evil, the Industries Minister hears no evil and our Food and Agriculture Minister reports no evil! All these are virtues when we are on the road to heaven. But we live on earth, and I want to remind the Commerce Minister that we do live on earth. We want to live, and live well.

An Hon. Member: We have to live on rice.

Shri Goenka: How does our economic position square up with our needs and desires? There is a dangerous complacency in the higher levels of our administration, a complacency made partly of inertia and partly of ignorance. I want to impress here and impress upon the House the question of ignorance. More than inertia this complacency fortifies itself with the aid of closed eyes, closed ears and closed mouths. This is dangerous. If this inertia and ignorance are not removed one must despair of the future. Today, Sir, our economic position is deteriorating and tomorrow we may find ourselves ruined. Our economic affairs would be such that we would automatically find ourselves blessed with *Moksha*, no trade, no commerce and no wealth to call our own. This will be the state of affairs.

Now, Sir, when I charge our ministers with inertia and ignorance, I am not indulging in flights of imagination as my hon. friend the Commerce Minister has tried to do. I speak from painful experience, experience as a Member of this House, experience that every Member of this House has shared, the experience of trade and the experience of the people

Take the record of the Ministries. Take the budget speech of the hon. Finance Minister year after year and you will find expectations roused and promises made but is it not a fact that nine out of ten of them have not been realized?

Some arguments and reasonings and sometimes stories are given in favour of those expectations created and promises made. When they are not realized, another set of arguments, another set of reasonings are given and there is always one man to blame, that is God Almighty, that he was not kind and therefore the expectations were not realized.

In this state of affairs what is going to happen to us is a problem and this

is the problem which I would like to discuss today.

Sir, the ignorance of our Government, the inefficiency of our Government goes to such an extent that you will remember that in the budget speech of the year 1949-50 in regard to the actuals of 1948-49 we were given a figure of Rs. 80 to Rs. 90 crores as being the deficit in our foreign trade. After a few months they became Rs. 215 crores. Remember that it is a Government which does not know even its own actuals. I ask how the difference could go to the extent of Rs. 125 crores? What will you attribute that to is a pure and simple question. It is I suppose your inertia or inefficiency or whatever you may like to call it. In fact, the fact remains that this Government made a mistake in regard to its own actuals.

I will come to jute now. With this background, let me tell you in what colossal ignorance the Government is living today so far as jute is concerned. For this purpose I will take only one case. We wanted certain questions to be answered because we had not had at that time the materials.

Pandit Balkrishna Sharma (Uttar Pradesh): May I request the hon. speaker to just move to the jute?

Shri Goenka: Am I not audible? Sir, these answers to my questions are the most positive evidence of ignorance which is enshrined in this Ministry. I will take these answers one by one.

Shri Sondhi: Is it the other Minister or the old minister?

Shri Goenka: I am talking of the Ministry and so far as the hon. Minister is concerned, I have named him as my son-in-law. We have on page 2 here the prices given to us in dollars, ruling from January 1949 to September 1950. These prices will show that up to October 1948 the hessian prices were roundabout 17 dollars and not higher than 17 dollars. After October in America the price of hessian was not lower than 17 dollars. In October it was 17 dollars, in November it was 17-50 dollars, in December 19-35 dollars, in January 19-25 dollars until we come to July-August when it was 23-50, in September 25-30 dollars, and today it is round about 32 dollars. These are the figures which have been given to us officially and these are on the basis of certain journals published in the U.S.A. and I take it that they are correct prices.

From the middle of October price control came. Therefore at the time when these prices were ruling we went for depreciating our currency by

44 per cent. I can understand our fixing the prices at a lower level, if the prices in the United States came down. It has been the phenomena of this de-valuation that the sterling prices went up to meet the dollar prices and the dollar prices did not come down to meet the sterling prices as was the case in 1931 de-valuation. As you will remember, Sir, when in 1931 de-valuation took place the dollar prices dropped down to the level of the sterling prices but this time it was the sterling prices which went up to meet the dollar prices and there was no drop in the dollar prices at all. The price which was ruling at that time was 15.90 or 16.75 but after de-valuation it was 17.50, 19.35 and the American price was 2 dollars or 1 dollar lower and certainly not lower than the price ruling before the de-valuation. What does it mean? For those dollars we will get 44 per cent. more. Now, did we not have to pay for all our imports 44 per cent. more for those which we purchased from the U.S.A.? Whatever purchases we made from the dollar areas, we had to pay 44 per cent. more. Not only that; even for the grains we purchased from Australia, we had to pay 44 per cent. more because it was a part of our contract with Australia that the price will be paid in dollars. Whatever it may be, how is it that this country failed to take advantage of that 44 per cent? It would have been a different matter as I said, if the price itself had gone down; naturally we could not have taken any advantage. Now, my hon. friends the Finance Minister and the Commerce Minister may say that this 44 per cent. was divided between the industry, the middlemen and the like. I will go into each of these facts and prove to your satisfaction that this money neither went into the hands of the industry, nor went into the pocket of the merchants over which my hon. friend the Finance Minister could lay his hands. It went and created a pot, a pot which is really frightful, which is the fountain source of all economic evils in this country, the pot of the black-market. Whenever we talk of de-control of any commodity, the question arises that there is a lot of black-market money round about the country, and that the black-market money will be used by the black-marketeters in concerning the goods and therefore de-control is unthinkable. Now, Sir, on the one side you go on pumping money into the black-market with your eyes open, and on the other side, you say that this is the fountain source of all evils in the country and because of this evil, we are not able to do certain things which

we would have, otherwise, done. That is the state of affairs. Let me tell you something more about it. Before I go to the other question, I will say this. So far as this stage is concerned, it is absolutely clear that there was 44 per cent. more which we got for our exports after devaluation. Of that 44 per cent., the duty was 15 per cent. That certainly we mopped up. We gave five per cent. to the shippers. What was the result of giving 5 per cent. to the shippers? Ten thousand people went out of employment one fine morning. When we talk of retrenchment, Government comes forward and says that we would be creating unemployment. Notes will be put before the Cabinet. Are we prepared to face the contingency of unemployment in trade and industry? What happened was, the old shippers practically were washed out of existence by the fixing of this 5 per cent; not the mill-owners, not the mills, but the managing agents of the mills became the exporters themselves. I will refer to only one case. I did not get the necessary answers to my questions; I did not get the answer because the Commerce Ministry had no figures. But, these figures are published month after month in Calcutta and every detail is given here. I will take the year 1949. I will read out the names of all the main exporters of jute goods in this country. I shall also read out the answer which was given by one of the spokesmen of the Ministry of Commerce before the Estimates Committee giving the Committee the names of the recognised shippers in the country. You will find that after devaluation, many more mills or their managing agents became shippers, and the poor shippers who used to be the regular shippers practically went out of existence. One of the biggest shippers which emerged out of this business was Mr. Walker's firm itself, McLeod Co. They were not shippers in the year 1949. Here is the list and I will present it to the hon. Minister of Commerce. I will give you the list for 1950. These lists can be had by the hon. Minister of Commerce. Let him compare, and find out for himself and let him be satisfied whether it is not a fact that because of this five per cent., the regular shippers went out of existence and new shippers came into being, the new shippers being those powerful mill owners and their managing agents, who started to take shipping in their hands for the sake of this five per cent. So, out of this 44 per cent., to the extent of 15 per cent. a duty was levied and the balance of 29 per cent. remained, either with the merchants, or with the mill-owners or their counterparts in the U.S.A. &

[Shri Goenka]

certainly did not go to the consumers. I shall prove it to you when the time comes that not a farthing of it went to the actual consumers of bags in U.S.A.

Shri Tyagi: How much was the total?

Shri Goenka: For a year, this 5 per cent. will come to 6 or 7 crores. This five per cent. is not only on hessian; I presume it is on all jute goods, but I am not sure. So far as hessian is concerned, I am certain about it. If it is only hessian, this five per cent. will come to 2 crores.

That being the case, then what happened? My hon. friend in the months of July, August and September introduced what was called directional control. What did this directional control mean? If I entered into a contract with X and you entered into a contract with Y, X and Y will go to the Controller and the Controller will say, Z will supply to X and A will supply to Y. The validity of the contract is not questioned. The money comes when the contract is entered into. It does not matter who supplies the goods. After all, the premium is paid on the goods. When the goods are sold, the money is paid. Who supplied the goods, and how these goods were supplied these are immaterial. After all, who is the Controller of jute? One of the 86.

Shri Tyagi: What is 86?

Shri Goenka: He is personally interested in the trade. One of the 86 or 88, whatever it is, one of them, is supposed to be the Directional Controller. How far this directional control has worked I do not know; but I am told that this directional control also has not worked very satisfactorily.

Then, I will take up the other answer namely that it is estimated that not more than 10 per cent. of the shipments from July onwards found its way into the free market. What is the evidence which the Commerce Ministry has to give that figure of ten per cent? It is one of my old theories. Sir, that to meet a particular situation, a set of answers are given. I will refer to a note BURLAP prepared in compliance to a request from the Committee on Finance of the Senate and the Ways and Means Committee of the House of Representatives in U.S.A., by the Tariff Commission. This Book gives me all the wealth of information which you require in regard to the jute industry in the world. This is a book from which I can derive any information which I cannot get from the Commerce Ministry. You

will find that the use of jute in U.S.A. is like this:

For the manufacture of bags—78.6 per cent.

As components of belt in the automotive industry—4 per cent.

Furniture, upholstery and mattress industries—5.7 per cent.

Textile industry—2.9 per cent.

Carpet lining and felt industry—2.4 per cent.

Cordage industry—1 per cent.

Meat packing industry—9 per cent.

Rubber industry—2 per cent.

Miscellaneous 4.31 per cent.

Now, Sir, is the Commerce Ministry seriously suggesting that in the case of all these industries which are scattered far and wide in the United States of America and which naturally buy from the open market, directional control can work? Now, what happens? Firstly, this directional control was defective. It did not work satisfactorily and the contracts were in fact kept up. Now apart from that, if the Commerce Ministry had said that 90 per cent. of the bag industry which takes up 75 per cent. of the total export has been met from this export, I probably would have had no case to refute because I have no figures. But so far as the other industries are concerned, I say this is simply not possible.

Sir, then I come to the other point, regarding the increase of the duty to Rs. 750 in October. The duty was increased to Rs. 750 on October 21st and the landed cost at New York came to 18.25 and simultaneously this directional control was abandoned. Then on October 21st, according to the figures of the Commerce Ministry itself and about which there is no doubt at all, the price came to about 29 to 30 cents. But then, how is it that when the duty is as much as Rs. 750 the price has come only to something like 19 dollars? If the price here is only 19 dollars when the price was 29 dollars there, the difference should have come to Rs. 1,700 per ton; the hon. Minister for Commerce can take my word for it. One cent per yard is equal to Rs. 70 per ton. And if it was the intention of the Commerce Ministry to see that these goods reached, at least in their imagination, the actual consumers in the U.S.A. at a lower price, what was the point, in cancelling this directional control which they thought had worked wonderfully well during the months of August and September? That is one point I want to know.

And then, Sir, the duty was increased to Rs. 1,500 on 20th October and with the introduction of this Bill the landed cost was 22.75 and to-day's price being 31, it exactly works out to Rs. 3,600 duty. That is to say, the cost, plus 5 per cent, plus the freight and insurance plus Rs. 3,000 will come to 31 cents. So there is still Rs. 1,500 per ton to be shared. And shared between whom? I do not know. But it is an open secret both in the Calcutta market and with the Americans that this money does go into the black market. Sir, I know of cases where American brokers who are usually importers, come to this country, pay cash, buy contracts and I know of cases of contracts being sold to the dealers, and the dollars are kept in the U.S.A. Naturally whenever there is black market and money is going, no one can enjoy the 100 per cent. booty. That booty has always to be shared, and in what proportion it is shared would depend upon the ingenuity of the persons concerned. Maybe that sometimes the Americans may be enjoying the larger share of the booty, or sometimes my Indian counterparts may be enjoying the larger share of the booty. But the fact remains that this booty is enjoyed between these persons.

Now, Sir, let me deal with this question of 5 per cent. for shipping charges, before I deal with the other points. We had evidence before the State Trading Committee in Calcutta of which you also were a member and when the witnesses were asked the question about the shipping charges, they all said it is $\frac{1}{2}$ to $\frac{1}{2}$ per cent. That is the evidence on record and I drew the attention of Government to this fact. I drew the attention of the hon. Commerce Minister who was at that time not here. On page 62 of the State Trading Committee's report, it is stated:

"Under the Jute Goods (Export Control) Order, Government have fixed the commission to shippers at 5 per cent. The Committee was told that the normal rate was $\frac{1}{2}$ to $\frac{1}{2}$ per cent., except for certain destinations like Hong Kong, Singapore and China. It has been suggested to the Committee that if it is possible to earn commission at as much as 5 per cent., it would pay Government to undertake exports of jute goods on its own account. The Committee is of the opinion, however, that the Commission fixed by Government is unduly high and should be brought down in the long-term interest of the jute

goods trade. The fact that buyers abroad are prepared to pay this high commission is entirely due to the present shortage. Once production of jute goods reaches the normal level, the forces of competition will tend to bring down the commission to the usual rate of $\frac{1}{2}$ to $\frac{1}{2}$ per cent., unless, in the meantime, Government themselves reduce it in the interest of shippers who, the Commission understands, are being eliminated from the trade by mills who have found it profitable to start direct exports of jute manufactures to overseas markets."

Now, I do not want to weary the House by quoting the evidence recorded by this Committee in this respect. As I said, when the question was put, the answer given was that forward price came to 21 cents. And then I interjected with my submission. The fact of the matter is that this price of 24 or 25 cents forward delivery is not a binding contract. It is on the basis of the contract that if they are able to deliver, they will do so at that rate. It is not definite. If it is a definite contract, sales can be had at 30 to 32 cents even to-day. America is short of hessian just now.

And there is one more matter which I would like to mention, though it may seem a small matter. To the question, what was the total quantity that will be required, if work is done for 45 hours, the answer was 65 lakhs bales. But from my own enquiries and calculations and according to the information that I have from the members of the industry, they have themselves estimated it—the figure should be 60 lakh bales. But that is a very small matter into which I need not go for the time being.

I asked a question as to what was the internal consumption of sacking and hessian. The answer was roughly 20 per cent. sacking and 5 per cent. hessian were consumed internally. These figures are published monthly regularly in the IJMA Bulletin. That Bulletin gives the figures regarding the total production, the total exports and the internal consumption.

The total production of hessian in a year was 450,000 tons and the total consumption in this country is 11,800 tons. It works out at only quarter per cent., whereas the answer given to me was that we were consuming as much as 5 per cent. of hessian internally. I am only trying to show, Sir, to your satisfaction the complete ignorance in which the Commerce Ministry is

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functioning so far as the jute trade is concerned. These figures published by the IJMA are the most authoritative figures going.....

The Minister of Finance (Shri C. D. Deshmukh): How is it quarter per cent?

Shri Goenka: The total production is 450.7 thousand tons, the consumption is 11.8 thousand tons.....

Some Hon. Members: It is 2½ per cent.

Shri C. D. Deshmukh: It is slightly larger than a quarter per cent.

Shri Goenka: I am very sorry I made a mistake in calculation. I asked what was the breakdown figures for hessian and sacking.

Pandit Balkrishna Sharma: Is it 2½ per cent?

Shri Goenka: My friend it is 2½ per cent.

Pandit Balkrishna Sharma: What was the departmental figure?

Shri Goenka: 5 per cent. Anyway it was not a bad thing at all. It is only 100 per cent. mistake, which does not matter.

I wanted the breakdown figures of hessian and sacking. I was told that they were not readily available. Here are lists which are printed, published and sold regarding the export of jute and jute cloth from Calcutta to the rest of the world. There are breakdown figures month to month. When I did not get the figures from the Ministry I had to telephone to Calcutta and get the figures. If with a Government which is charged with the biggest industry in this country from the export point of view and over which depends the fortunes of our foreign exchange, these bare minimum facts of breakdown figures regarding sacking and hessian are not readily available, I do not know what is available with them. But worse things are to come yet.

I wanted the price of hessian from the Ministry. They gave me these prices. The IJMA publish these figures and they vary widely.

Shri Tyagi: Does not the IJMA give figures only about their own mills?

Shri Goenka: The price given by the Ministry for the month of December 1948 is a correct price. In January the price given to me was 52/10 but actually the price ranged

between 48/15 and 52/2. The price given for February was 50/2 whereas it ranged between 45/14 and 48/2. The price given for March was 49/14 whereas it ranged between 46/5 and 48/1. The price for April given to me was 46 whereas it ranged between 42/3 and 44/6. The price given for May was 44/4 whereas it ranged between 41/4 and 42/4. For June it was given as 44/4 whereas it ranged between 40/4 and 41/9.

The Minister of State for Transport and Railways (Shri Santhanam): It may be inclusive of duty.

Shri Goenka: There was no duty at that time. The duty was only Rs. 80 and even if it is included in the prices it will not amount to anything like that. If these publications of the IJMA were with the Government I would not have got the answer I actually got. The breakdown for hessian and sacking, all the price factors, all the figures of import and export, every one of these things is given in these publications.

Shri Karmarkar: If I may interrupt my friend before he proceeds further the prices which he has quoted are good for mill prices.

Shri Goenka: These are weekly prices of hessian or the market price of hessian and I have yet to learn that the difference between the market price and the mill price is anything like Rs. 4. In hessian the duty is half anna and one anna, which is within your own personal knowledge, Sir.

Then there is the question of fixation of controlled prices for hessian and sacking. This is one of the things over which I lay very great stress. I wanted to find out the cost of production. The answer was that they could not give the cost of production. The answer was in these words:

"Fixation of controlled prices for hessian and sacking was done after taking into account previous reports on the costs of the industry, an examination of which was undertaken during the war....."

A lot of water has flown under the Jumna since the war. Then it continues:

"...the actual relationship between market price of jute goods and raw jute and other known factors."

What are the "known factors" known to the Ministry? I do not know. Then the answer says:

"Since cost of production for each unit of the industry is different, in some cases the profit margin will be higher than others depending upon the efficiency or otherwise of each Mill."

Sir, the Commerce Minister comes before me for sanction of an export duty of Rs. 1,500 per ton. I do not know what the cost of production of the mill is. I do not know what is the margin of profit in the price of Rs. 55 fixed for hessian. Sir, I personally know it. I will immediately place before this House all the facts which have come to my knowledge, but I am entitled to ask the Government that before they come to me for any taxation measure they have to give me full facts and figures in regard to everything pertaining to that. Otherwise this House is not prepared to agree to the motion. Sir, we have impressed times without number upon the Government that whenever they come before this House with any tariff bill,—be it on the recommendation of the Tariff Board, or be it otherwise—they must give complete facts and figures for this House to come to the right conclusion. But what happens in actual practice? No facts are given, no figures are given. We are given an abstract proposition in the shape of a Statement of Objects and Reasons, which unfortunately is required to be given in every statutory measure—otherwise that also would not have been there. With a bare bill the Government come forward and say, "Pass it. Otherwise tomorrow, such-and-such things will happen. Therefore, you have to pass it immediately." This has been the state of affairs in the past. I am not suggesting it in the case of this Bill. Here the Ordinance is already there. They are collecting the tax. Therefore, they are not in a hurry in regard to this Bill as to whether it is passed today or tomorrow. But we have instances in which a Bill comes up in a hurry and we are asked to pass in a few hours—otherwise the heavens will fall! Sir, this is a state of affairs which we take great exception to. My straight question to the Commerce Minister is, what is the basis on which you have fixed this Rs. 55? If you are not able to answer that question, and that too satisfactorily, you are out of court. You have then no business to come before this House and ask for taxation measures to be passed, or demand taxation on the export of goods before you tell us what is the cost of pro-

duction of the goods which you are exporting. That is the most essential thing in this. Without that nobody can ever come to the right conclusion, and certainly not this House because none of us are jute merchants, none of us have dealt in jute.

Pandit Balkrishna Sharma: My God, you are more than that.

Shri Goenka: My friend, thanks to the Committee on State-trading. It is that Committee which brought this evidence before us. Then I wanted to look into it and study the facts and figures. Certainly I have gone into the history of the jute trade over the last 22 years and I can speak with authority in regard to published facts. I can talk only of published facts—I do not know what happens. Certainly I have gone to Calcutta just before coming to Delhi. I went there to gather the latest figures and learn the latest situation in regard to the jute trade, and I have enquired from many persons, and the conclusion is practically the same.

An Hon. Member: What is it?

Shri Goenka: I am coming to the conclusion: ignorance, that you do not know your job. If you force me to tell you, I must tell it.

The other question is this. How is this 5 per cent given? What is its basis? The answer given is:

"A 5 per cent. commission was fixed for the shippers after taking into account the following factors:

(a) shippers have to incur certain expenses, including brokerage or commission paid to intermediaries or shipping agents or selling agents abroad."

Sir, you know what it is, whether it really exists. Then:

"(b) the margin of profits to shippers of jute goods has been a variable one because of speculative changes in jute prices and also because some markets which had small quotas gave a higher profit margin to the shippers than markets for which liberal quotas were fixed by the Government."

I know of the quotas fixed by Government. I know gunny bags were sold abroad at Rs. 275. I know the price here was Rs. 225. I know that left a difference of Rs. 50. I also know the fortunate ones who got the quotas. These facts we know too well. Sir, the third factor was—

"(c) the shippers in view of the cut in production were to exist on a much smaller volume of the business than before."

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Poor fellows! They live on no volume at all!

Now, what is happening? The Government accepted the recommendations made by the trade. Trade is there to get the best advantage out of the Government. Traders will not be traders unless they like to get the best advantage out of everybody. That is the main function of a trader. Now, Sir, are we to go by the stories of the traders let out to us from time to time? Sir, I will go into various aspects and then I will satisfy you that we have even been duped by these mill-owners, managing agents, traders and the like. How do we know all these facts? How does the Commerce Ministry get the various statements from various interests? Because there is only one interest that is getting the money, that is, the managing agents. Shippers are not making money. Balers are not making money—they have gone out of employment. Unless the shippers are prepared to pay back 4½ per cent. to the managing agents privately, the goods are not given to the shippers for shipping. The shippers do the dirty job and get just ½ per cent. and the other 4½ per cent. goes to the managing agents. The forward market has been stopped. Very naturally it must be stopped in the present circumstances. Ten thousand people, as you know, were working in Calcutta in the forward market. Ten thousand were employed in the shipping trade. Ten thousand were employed in the baling trade. They are all unemployed now. For that nobody will shed a tear because the rich are happy and the Government is only worried about the rich, the I.J.M.A. Government are not worried about the 30,000 people who have been thrown out of employment. And when the I.J.M.A. comes with a story that State-trading will put 20,000 people out of employment, Government believe it. Immediately the Government let out the story that so many people live on this trade who will go out of employment, and therefore we will not have it. This is a story which is given by the powerful. From what appears, the policy of the Government is to make the rich richer and the poor poorer.

Then, Sir, from the answer that has been given no conclusions can be reached. I can collect better answers from the publications of the I.J.M.A. and from newspapers, thanks to one friend in the newspaper business who was able to give me all these I.J.M.A. reports. Otherwise I would not have got these figures.

Sir, this House, as you are aware, is not new to such debates on jute. This matter of jute had been raised before this House times without number. And the Government, for reasons best known to them, have never liked to take this House into their confidence.

4 P.M.

Sir, I would only refer to one or two aspects of the question and even at the cost of repetition, even at the cost of being misunderstood, and even at my personal expense, I will read that story to the House again. At the time of devaluation, when the motion for the acceptance of devaluation was brought before the House, this House insisted that since devaluation had been agreed to—and very rightly and naturally agreed to by the executive—because there had been no time to take the House into confidence, the House would like to have the right to go into every detail of every matter that was affected by devaluation. Then, Government made a promise in these terms:

“.....an ad hoc committee of the House will be appointed to look into the problems created by devaluation and watch the eight-point policy announced by the hon. Minister of Finance.”

Certainly, jute, tea and cotton which account for more than 65 per cent. of our total export trade were affected by devaluation. I am not suggesting that they were affected adversely, but they were affected. Whether we took advantage of devaluation or not is the matter to which I wish to refer to. This ad hoc committee came into existence.

Shri Sondhi: And you were a member.

Shri Goenka: Unfortunately, I raised the question that since we had a large adverse balance of trade, it was necessary to take the largest advantage out of this devaluation and that advantage could only be taken in regard to the commodities which we export, and the three main commodities were jute, tea and cotton. The first meeting was a preliminary meeting. In the second meeting, I raised this matter. With your permission, I would like to quote what actually happened.

Shri Sondhi: I would very much ask the hon. Minister who is present here whether it will be in the interests of the proceedings here to allow the proceedings of a high-power committee to be quoted here.

Shri Goenka: There is no secrecy. It has been quoted before when the hon. the Speaker was presiding. Well, the promise was made that—

“H. M. Commerce would have the matter examined and a note would be circulated for the next meeting.”

Again, in regard to tea, it was said that:

“H. M. Commerce promised to look into the matter.”

Now, Sir, this promise never materialised—not up to this date. I raised this matter in the Budget debate and the then Commerce Minister replied to me that he would like to compete with the black-marketeers. This is what he said:

“He said that we buy raw jute at the highest prices and sell jute goods at the lowest prices. Both these propositions are absolutely in-accurate. In the first place the price we fixed for jute is not much higher than the price that was actually paid by us just on the eve of devaluation and I may tell the House that if it is really anxious to make this country self-sufficient in the matter of raw jute supplies, any lower price than this will not enable us to carry out the programme that we have set before us. In fact we have been told on occasions that the price is not enough to act as an encouragement to the Indian growers to expand their jute cultivation. Therefore, it is not a question of our deliberately paying a higher price. My friend says that we are selling jute at a very cheap price to America and I want to tell the House that that is our deliberate long-term policy that we have adopted because we have been yielding ground to substitutes in America and it is our policy to make jute goods available in America at a lower price. That is our long-term policy, not a policy of making whatever money you can just taking advantage of the occasion.”

It is the most laudable objective and may I remind the House what happened during 1940-46? There was a control of jute goods down in this country and control of jute goods down in the U.S.A. In spite of the large demand in America, the price in America veered round on the same basis as in India—about 12 dollars.

Immediately the control was removed on 1st October 1946, bang went up the price to 18 dollars in America and nearly double that down here. If, as my friend Mr. Tyagi said, the prices were controlled in this country and they were also controlled in the other country, there might be a spark of black marketing in U.S.A., but control cannot function if you have control in one country and you have no control in the other country. Human nature being what it is, assuming that the demand is at Rs. 55, I would like to know who will be the trader who will sell at Rs. 45? Is it business to sell at Rs. 45?

Sir, so far as competing factors are concerned in regard to this trade they are paper or cotton bags. Paper is not the real competitor as this report will point out. The real competitor is cotton and in regard to these cotton bags there is a quality of cotton bags which is called osnaburg, which is sold at the same price. The report submitted to the Committee on Finance of the U.S. Senate and the Committee of Ways and Means of the House of Representatives says:

“The 8-ounce 40-inch burlap, weighing eight ounces per linear yard, may frequently be employed in the same uses as the 40-inch 3.50-yard osnaburg, and before World War II these two fabrics were sold at fairly similar prices per yard. Prices remained close during the war, when all these fabrics were under wartime controls. In 1947 both have been very much higher than when under price control, but the spread between them has changed only moderately.”

If you go into the figures you will find that the price of osnaburg and burlap are practically the same. They change very moderately now. What is the percentage of burlap and osnaburg which is used in the U.S.A.? These cotton bags are sold almost at the same price, with the result that they are competing with our burlaps. The total million yards of burlap consumed were 1490 million yards in 1939, 1490 million in 1940, 1546.6 million in 1941, 1489.0 million in 1942, 1656.3 million in 1943, 1785.2 in 1945 and the percentage has been 45, 40, 40, 18, 24, 37 and 46; the percentage of cotton fabric being 55, 60, 60, 82, 76, 63 and 54. This goes to show that the consumption of cotton bags is higher than burlap.

Shri C. D. Deshmukh: To which years do these figures relate?

Shri Goenka: From 1939 to 1945. This book was published in 1947.

Shri C. D. Deshmukh: May I tell the House, Sir, that the position seems to have changed. In 1948 burlap was 21.8 per cent. out of 100 having dropped from 38.3 in 1939; cotton bags fell from 49.3 in 1939 to 19.1 per cent. in 1948 and multi-wall paper rose from 17.8 per cent in 1939 to 59.1 per cent. in 1948. These figures have been taken from the American Textile Bag Manufacturers Association publications.

Shri Goenka: I know; I was coming to that point of percentage between burlap and cotton bags. These are the percentage of all the bags, inclusive of paper bags. Paper bags are separately dealt with here. The figures I read out only relate to percentage between burlap and cotton. Paper is a separate proposition altogether to which I will come presently. My hon. friend the Finance Minister gave the figures of the percentage of paper bags, the percentage of burlap bags and the percentage of cotton bags. I am only referring here to burlap and cotton bags' percentage. I am not touching the question of paper at all.

Shri C. D. Deshmukh: I must explain that I intervened, because I heard the hon. Member to say that as a competitor burlap paper bags were not important, but cotton bags were. The figures that I have given show that it is paper bags which are seriously competing with burlap.

Shri Goenka: What I said was that direct competition was from cotton bags. Indirect competition is of course from paper—we all know that. I am coming to paper very soon.

In regard to cotton and burlap, if the price of burlap was higher, naturally cotton bags will sell. If the price of cotton was higher, naturally burlap will sell. Paper of course plays an important part. But so far as this report is concerned—this is the authoritative report given to the Finance Committee and the Ways and Means Committee of the Senate and the House of Representatives—paper plays only an indirect part in this bags trade. From the facts which have come to my notice, I have no doubt about that.

I will next take the Finance Minister's point of view that paper is an important competitor. Sir, does the Government know that after devaluation the price of wood pulp and other types of pulps went up by 125 per cent? Does he also remember that the price of cotton has practically

doubled? If the price of paper has gone up by 125 per cent., which is the case today, and if there has been a continuous process of rise after devaluation, I would expect the Government of India to watch what is happening in regard to the paper industry, what is happening in regard to the cotton industry and how the paper and cotton is competing with our burlap, and on the basis of that we should lay down our policy. Our policy cannot be divorced from the other factors. Those factors are the price of pulp, the price of cotton and the price of jute.

Sir, all trade journals will tell you that so far as fibrous materials are concerned, there is a definite shortage of them in the world today and consequently the prices have practically doubled. But what is our Government doing in regard to jute? Has the price doubled after devaluation? Has the price gone up even by one per cent. after devaluation? The price before devaluation was Rs. 55 according to the figures given by the Commerce Ministry itself. It is Rs. 55 today. The price of raw jute was Rs. 35 before devaluation. It is again Rs. 35 today. We cannot ignore the various factors which affect us directly or indirectly in regard to our trade.

Pandit Balkrishna Sharma: May I put one question to the hon. Member? As the hon. the Finance Minister has pointed out, the paper boxes have come in for a very serious competition with our burlap and the figures quoted for 1949 go to show that near about 50 per cent. of the manufacture of bags in America has been from paper and to that extent our trade may stand in danger of losing the market. It is for that reason that the Government wanted to keep the price low. These are the arguments.

Shri Goenka: I am aware of each one of these arguments. I will not sit down until I meet each one of them. I am not asking them to raise it from Rs. 1,500 to 3,000 and mop up these profits. My idea is that we must adopt a policy which will not bring about the ruin of the present jute industry, which will result in a loss to this country of the foreign exchange of Rs. 165 crores—something like 35 per cent of the total export of this country. We should not lose them one fine morning. I see the danger ahead and that is the reason why I am advancing these arguments. Otherwise it is immaterial what happens. But I see before my very eyes that this industry is on the verge of ruination by the policy we adopt today, and therefore it is that I am asking with all the emphasis at my command to

make the mountains move. But the mountains have not moved so far. If I am able to convince a fair-minded gentleman like the Finance Minister and also the Commerce Minister, if my arguments have any valid reasons behind them, they will certainly listen to what I say. It is in that spirit and with that point in view that I am discussing this aspect of the question and canvassing the idea in support of what I have to say.

Let me clear one point with regard to what my friend Pandit Balkrishna Sharma said. Paper has not come into competition just this year or last year or the year before that. Paper has always been a competitive factor. In fact this year the consumption in the United States of America of our burlap has been higher. Up to the year 1947, as this Report shows, and since then it has been 600 and odd million yards. But last year it was 800 and odd million yards. Sir, I am not trying to pick up my papers and give the exact figures, but I am sure that my memory is not deceiving me for the time being. So the consumption of burlap in the United States has gone up by about 25 per cent. That is due to one main factor and that factor is that there is a shortage of cotton crop in that country this year. Print which is the name of the cotton cloth which is used in the production of this osnaburg is the barometer of the cloth or the cotton trade in the United States of America, because this one single quality of cloth uses the largest quantity of cotton. So, print, as it is called, is the barometer of the cotton and textile industry in the United States of America. On that price moves the price of burlap and the price of burlap goes up or down. I am going only by this Report. Paper no doubt has replaced, even before 1939 and during the war, certain of the jute bags which were being used before. But this Report again goes to show that costly machinery has been installed for the manufacture of paper bags and therefore the trade that has been lost in favour of the cotton bags is revived again. But apart from that burlap can take whatever excess requirements of the United States of America may be, based upon their trade and industry. If their trade and industry and business moves, then there is more demand for bags, and in that increased demand of bags burlap can play a very important part.

So far as paper is concerned, as I have said, paper competes indirectly. But there is no doubt about the fact that paper does compete, and paper cannot but compete. The report says:

"Competitive products and substitutes.—Burlap and cotton fabrics, chiefly osnaburg and coarse sheetings, frequently compete with each other in the bag and baling trade. Recently, however, a more important competitive factor has been the increased use of paper in containers and wrapping materials at the expense of both burlap and cotton fabrics. Under some conditions it becomes economical to use containers of corrugated cardboard or wood, or to ship in bulk. The equipment required for handling bulk goods at shipping and receiving points has tended to limit bulk shipments, but since the end of the war, bulk shipping has been increasing, particularly for wheat and other grains."

Again they say:

"The bag-manufacturing industry uses more than three-fourths of the total burlap consumed in the United States".

I will come to my point. Assuming that we keep our policy what it is and the prices in the United States continue to be what they are, what will be the fate of our industry? There is raw jute available in Pakistan. India may be the monopolist, and in fact is the monopolist, so far as international trade in jute goods is concerned. But certainly India is not a monopolist of the manufacturing industry. Out of 1,15,000 looms that exist in the world India claims to have only about 67,000 looms. In the total, the loomage of India is only 60 per cent. The remaining 40 per cent. of the looms are distributed all over the world. It is reported that at Dundee, at any rate part of the looms of Dundee, are working three shifts. If we do not see to it that we put all our industry on a full-time production basis, it will be impossible for us to hold on to this industry, because Pakistan will supply the raw jute and the world mills will manufacture the hessian required for the United States of America, and the trade of India will disappear in due course.

Sir, it is well-known to you that 12½ per cent. of looms are today sealed. We work only for 42½ hours, i.e., we are only working to the extent of 75 per cent. of our capacity and this is all that 16,000 looms working three shifts can produce. What prevents one from making 18,000 or 20,000 looms work three shifts a day and taking their raw material from Pakistan and manufacturing all the

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goods that are required by the U.S.A. and other countries of the world? What prevents you from doing so? It was perfectly all right during a normal period when the profits of the jute mills were small and when the margin between the cost of production and the selling price has been small. That was a totally different matter but today the difference is 200 per cent. Your cost of production is round about 48 or 45 and the price which you get in the U.S.A. is about Rs. 130 or 135 and it is three times the cost of production today. At that cost of production any mill in the world can manufacture this hessian and supply it to the U.S.A. and the U.S.A. need not wait upon the pleasure of India to supply these goods at exorbitant prices. That is a problem which we cannot lose sight of. That is a problem which is uppermost in my mind today. What is the remedy? The remedy I had suggested already and I suggest now again. The remedy lies in forcing the mills to work 48 hours and make them not seal their looms. That will give them 25 per cent. more production and with that 25 per cent. more production the prices are bound to come down and if not to normalcy, it will be reduced to a considerable extent. I know the next question will arise: "Where is the raw material to come from to work 48 hours and three shifts?" I have got the figures of the I.J.M.A. in regard to this raw material. Before I go to these figures, let me make a point. You remember, Sir, I was mentioning about the Devaluation Committee and the promise held out there was never carried out. The hon. Commerce Minister said in his speech that since other people are black-marketing the Government would not like to compete with black-marketeers. The hon. the Commerce Minister in answer to a question very quietly said that the difference would have gone into the pockets of the traders. What an admission? At that time in early December when the meeting took place and when I argued the case for one hour before them, I thought they were convinced. They wanted me to prepare a note for them and give them that note for them to consider. I had no acknowledgment of the report so far. I do not know what happened. They think that we are slaves, that we are at their beck and call and that we are at their mercy and they did not have even the courtesy to acknowledge the note which they asked us to prepare at great personal sacrifice and cost. That is beside the point. What have I said in that report?

Shri C. D. Deshmukh: When was this note sent?

Shri Goenka: This was in December 1949 immediately after this Devaluation Committee met, when this matter was raised. Then I was asked to prepare a note and submit it to the hon. the Commerce Minister. In this report that I submitted I pointed out all the facts as I saw them. I told them, Sir, that their position in regard to jute was not unhappy. Sir, you take the figures of production for the year 1949. There is no serious suggestion from anybody that before devaluation we had any trouble with Pakistan in regard to the import of raw jute from them. Nobody suggests that. What happened? Immediately the profit goes down and the I.J.M.A. decides to seal 12½ per cent. of the looms and when further prices had been raised, they work for 3 weeks out of 4. They cut down their production by 37½ per cent. At a time when nobody can seriously suggest that there was shortage of raw jute, there was any difficulty in getting raw jute from Pakistan, it was done to boost up the prices and what happened? The price was boosted up from Rs. 40 to 55. I have got all those figures which I will present to the hon. the Finance Minister and hon. the Commerce Minister, who, I have no doubt will apply their fresh minds to the subject again.

Sir, at that time I told them that the stock position of raw jute in this country is not as bad as it was generally represented to be. All the jute mills working for 48 hours a week were consuming about 50-55 lakh bales of raw jute every year. The following is a rough estimate of the stock of raw jute in the country for the year 1949-50:

Carry over from previous year—13 lakh bales.

Indian production including Mesta—32 lakh bales.

Quantity already imported from Pakistan before devaluation—5 lakh bales.

Quantity smuggled out of Pakistan after Devaluation—5 lakh bales.

It is an open secret that smuggling goes on in and out of the country. Cloth is smuggled out of this country and jute is smuggled into this country. This smuggling will go on and no power on earth can prevent it. The only question is at what cost?

Quantity likely to be further smuggled out of or imported from the stocks lying on India account in Pakistan—10 lakh bales.

Total 65 lakh bales.

The report of the I.J.M.A. at that time gave the total as 66 lakh bales. The opening stock there was 12-60 lakh bales and in my report I said it was 13 lakh bales. After this figure of 67 lakh bales the total consumption has been 52 lakh bales. Unfortunately before devaluation we exported 6 lakh bales. Had we not exported this 6 lakh bales our position would have been still more comfortable but we exported at a time when jute was there and we could make money. After consuming and after exporting our carry over is 7-56 lakh bales. According to the hon. Minister for Commerce we are producing 41 lakh bales. That makes for 49 lakh bales. I estimate that they have to purchase a certain quantity of jute in return and a certain quantity has been smuggled into this country. Both these come to 15 lakh bales. The total comes to 63 lakh bales. This is the quantity that we had for this year. These figures, except the production figures, are the IJMA books. The IJMA for reasons best known to them, I do not know why, from November 1949, have discontinued giving figures for raw jute, all the figures which they used to give in regard to the arrival of raw jute at the mills, at the railway stations, etc. So, unfortunately, I have not got figures on which I could go upon. I can go on only on such figures which are at my disposal and these figures come to 63 lakh bales, over which, there is no difference of opinion so far as the members of the trade are concerned, namely, the carry over is 7-56 lakhs; 41 lakhs we are going to produce. Supposing 41 lakh bales production is not there, it is not my fault; it is the figure given by the Government of India and I have got to go upon a figure given by the Government of India. This is the estimate of the Government of India. Fifteen lakhs have certainly arrived in this country from Pakistan after June 1949. If we are only able to take the goods through our own Railways from Assam to Calcutta, we can get plenty of jute. The unfortunate part of it is that although the Railway system has come into existence, owing to the ferry bottleneck at Manihari ghat, and owing to the incapacity of the railway to handle all the goods, we are not able to bring to India all the goods that we could get from Assam.

Shri Santhanam: We have transported all the last year's stock.

Shri Goenka: You may have transported; but the complaint of the trade is there. If you could give me wagons, I shall be grateful. It is a general complaint that 25 lakh maunds of jute are lying in Assam and they

are not able to transport it. That is the general complaint of the industry as I understand it, subject to correction as the hon. Mr. Santhanam says.

Shri Santhanam: It would come to 60,000 bales.

Suri Goenka: No; 25 lakh maunds comes to 5 lakh bales, if it is any information to you. You are talking of the Madras maund.

It has to be noted that for the last three months, the mills have been working only three weeks out of four and even from 1st December, the Mills are working only 42½ hours a week instead of 48 hours. So, the total quantity of raw jute required will be about 50 lakh bales. In spite of this satisfactory stock position, the mills have been decreasing their production by reducing the working hours, sealing some of the looms, not because of shortage of raw jute, but in order to pump up prices and earn as much profit as possible without caring for the interests of the country. The position is that the looms were sealed and working hours were reduced. I presume, with the concurrence of the Government of India at a time when we wanted more production. Anyway, that was done. This was before devaluation, when the Pakistan market was open to us for the purchase of as much raw jute as we wanted. From the 1st of December, the mills work 42½ hours a week throughout the month, which would mean an increased working of 25½ hours every four weeks, i.e., working 3½ weeks every four weeks. So, the decrease in working hours in July was not due to the shortage of raw jute, but purely to pump up prices. That would be evident from the fact that while in June, the price of hessian was Rs. 40 and B-Twill bags Rs. 116, immediately on the announcement of the closing down of the mills for one week out of every four weeks, the prices reached Rs. 60 for hessian and Rs. 166 for B-Twill bags. On the date of the devaluation, it came down to Rs. 55 and it was fixed as the control price. This price which jumped from Rs. 40 to Rs. 60, which was fixed at Rs. 55 was an inflated price. That is the reason why I wanted to know the cost of production. If the cost of production was given to me, I would have known whether it was an inflated price or not. From the enquiries that I have made, I will give you the cost of production.

A statement showing the cost of production and stocks for the period January to October 1949 is available

[Shri Goenka]

which will show how the production has been curtailed during the months of July, August and September. This is given from a statement. This will show conclusively how by cutting down stocks the prices were pumped up. These mills by working lesser number of hours and by giving wages to the coolies without any work at all, were adding to the cost of production. They were interested in the profits which they would get by creating a shortage of goods. They were not interested in more production. This was the result.

Then, what happened? There has been no black-marketing in raw jute at all. Raw jute prices were fixed on the basis that there was no black-marketing in raw jute. This has been clearly stated in the evidence before the Committee on State Trading. It is agreed that in the manufactured goods, 70 per cent. of the cost represents raw materials. We asked a question of the representatives of the Indian Jute Mills Association.

Shri Santhanam: Smuggling was in the white market?

Shri Goenka: Smuggling is absolutely white market both in Pakistan and India. It may be white, blue or grey, I do not know.

In the production of gunny bags only bottoms and other inferior quality of jute are used. The price fixed for bottoms is Rs. 25 per maund. For producing one ton of gunny bags, about 28 maunds of raw jute will be required and the price of 28 maunds of raw jute would be Rs. 950. The manufacturing cost would be Rs. 350. The total cost will be Rs. 1,300 taking the highest price which the manufacturer would have to pay for raw jute required for the manufacture of gunny bags. The Government of India have fixed Rs. 1,550 as the price at which the mills can sell these jute products, namely, gunny bags. This works out at a profit of 17 per cent. to the mills. This is a rough and ready calculation which I got from the merchants from Calcutta.

Then, the cost of hessian would be as follows. For raw jute, you have to use middles and tops, a higher quality of jute for the production of hessian. A cost of Rs. 40 per maund may be taken as the average price of the middles and tops which would be used for this purpose. The cost of 28 maunds of raw jute would be Rs. 1,120 and manufacturing cost would be Rs. 500. Thus, a ton of hessian would cost Rs. 1,620. The price fixed

by the Government of India for hessian is Rs. 1,980 per ton. This gives a profit of 22 per cent. to the mills. In each mill on an average two-thirds of the production are gunny bags and one-third hessian. It will therefore be seen that even on the prices fixed by the Government, the mills would be making a profit of 19-20 per cent. on every ton of jute goods produced. It may be 19 per cent; it may be 15 per cent. or it may be 16 per cent. I cannot swear by these figures because these figures have been given to me by the trade. In the absence of any figures given by the Government of India, I cannot say one way or the other whether these figures are correct or not. But, the fact is that taking the cost of a loom as Rs. 10,000, the turn over is almost double the capital expenditure. You can by producing double the amount of your capital make about 40 per cent. of your capital or 30 per cent. as the case may be.

It has been further disclosed in the evidence before the Committee on State Trading that although the price of B-Iviii gunny bags is fixed at Rs. 155-12-0, the black-market price is Rs. 160 per hundred bags and the price of hessian in the black-market is Rs. 64, whereas the price fixed by the Government is Rs. 55. The price of hessian in America is Rs. 75. This difference between the price fixed by the Government and the price actually prevailing in the market both in India and outside is being appropriated by the Managing agencies in various ways without bringing them into the account of the jute mills. This has been practically admitted by Mr. Kennedy, Mr. Sutherland and Mr. Dhandania in their evidence before the Committee. The evidence of the Committee is there for any one to see. In the evidence tendered on behalf of the Indian Jute Mills Association, it was stated that the shipper does nothing except presenting documents and such other formal things. The usual profits which the shippers were making were something like $\frac{1}{4}$ to $\frac{1}{2}$ per cent. But the Government of India have now fixed 5 per cent. as shippers charges. The result is the Mills themselves have taken over the shipping of the goods, eliminating all the usual trade channel. Even where the normal shippers services were utilised, it was stated that they were paid only 1 per cent. and the balance of 4 per cent. was retained by the Mills or the managing Agents. And this is not denied by the Indian Jute Mills Association. Thus large amounts of illegal profits are being made by the Jute Mills and the merchants.

My own view is that due to devaluation, these jute mills, managing agents and middlemen are making huge profits, the major portion of which is not brought into account and therefore not assessed to tax.

Therefore, I suggest that the present export duty on manufactured jute goods may be increased to absorb this difference in price between the manufacturing cost of jute goods and the selling price. At that time all the fibrous materials of the world, like paper, cotton and other things were going up owing to devaluation. Therefore it would have been safe to have increased the duty and appropriated this profit to the State and to the exchequer. Sir, I have worked out these figures of the loss that we have incurred as a result of our bungling in this matter. I have worked it out day by day and week by week. There have been huge losses on the basis of the prices fixed down here and the prices in the U.S.A. and we get an astonishingly large figure. I do not say that this amount has gone into the black-markets of this country. It has been shared by every one, and the figure that I give will be as accurate as you can ever hope to get.

Duty on Hessian before Devaluation was Rs. 80 per ton; on devaluation it was raised by Rs. 270 thus the total export duty at present is Rs. 350 per ton. The increased duty of Rs. 270 represents only 15 per cent of the cost of Hessian, and even assuming that American prices are remaining stationary, by devaluation the Indian merchants have gained an advantage of 44 per cent, whereas the increased export duty is only to the extent of 15 per cent. This leaves a gap of 29 per cent, which is now being taken by the mills and the merchants. Now the export duty should be increased to cover this gap of 29 per cent. Similarly an increase in export duty may be effected on the export of gunny bags also.

One other factor also I have to point out, namely, that the prices were fixed at the inflated rate which obtained due to cutting down of production by decreasing the hours of work, in July and after sealing some of the looms manufacturing hessian and gunny bags.

By the increase of the export duty as suggested by me, the export trade of jute goods will not in any way be affected. The illegal profits which are being earned by the managing agents and others during the course of the trade would be absorbed by the State and would go to the State exchequer. But this was not done,

though I pointed this out in a note as early as the 7th December, 1949. Every word that I said then in December, 1949 is correct to-day as it was at that time.

Sir, I will state only one or two points for I have already taken a lot of time, and I would crave your indulgence for a few more minutes in this matter. I have tried to be within the limits of the discussion permitted by this Bill as far as is humanly possible to do so.

I will just mention this question of losses already incurred, on which everybody is interested. The export of gunny bags and hessian from October to June—9 months is there. October to June was not an abnormal period and there was no abnormal rise. In terms of rupees the rise was 20 to 24—a small rise over and above this 17 dollars prevailing in America. In the course of the nine months the total export was 208,000 tons of hessian and 2,98,000 tons of gunny bags. Taking a safe average of 25 per cent.—it may be a little more, but I take the safe average of 25 per cent; it comes to 3 cents or Rs. 500 per ton and it will come to a little over 10 crores and 5 per cent. on gunny bags comes to Rs. 2 to 3 crores. That is the average in the case of gunny bags. In shipments to China there is something like 20 per cent. Taking the profit in gunny bags at 5 per cent. and on hessian 25 per cent. up to June, the black-market money, or the money which went to the black-market was Rs. 10 crores in hessian and Rs. 2 to 3 crores in gunny bags. After June the story is certainly different. Figures of export only for July are available at present. Taking the figures for the months of August, September, October and November on the same basis as for the previous period for July the figure comes on that basis to 125,000 tons of hessian. Here the margin of undisclosed profit must be to the extent of Rs. 2,000 per ton and that is borne out by facts. As you know even after levying an extra duty of 1,150 rupees, the price comes to 22.75. If we levy an extra duty of Rs. 2,700, bringing it to Rs. 3,000 then only do we come to the present level of prices, namely, 31 cents. And the figure for hessian comes to Rs. 25 crores and for gunny bags Rs. 4½ crores making a total of about Rs. 30 crores. And with Rs. 13 crores during the previous nine months, the total comes to as much as Rs. 42 or Rs. 43 crores. And then after allowing 1 per cent. for the shippers, on the other 4 per cent. that goes to the others, whatever you may call them, we get another Rs. 5 crores.

[Shri Goenka]

And so there is a total loss of about Rs. 48 crores that has gone in the way I have just now mentioned.

Mr. Chairman: Is the hon. Member likely to finish soon to-day?

Shri Goenka: I will require only another 25 minutes.

Mr. Chairman: Then we adjourn now till 10·45 A.M. to-morrow.

The House then adjourned till a Quarter to Eleven of the Clock on Wednesday the 6th December, 1950.
