

Friday  
11th March, 1949

# THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

## (PART I—QUESTIONS AND ANSWERS)

Friday, 11th March, 1949

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

### STARRED QUESTIONS AND ANSWERS

#### (a) ORAL ANSWERS

##### STAFF CARS OWNED BY MINISTRIES OF FOOD AND AGRICULTURE

\*1051. **Shri R. K. Sidiya:** (a) Will the Honourable Minister of Food be pleased to state the number of staff cars owned by the Ministries of Food and Agriculture, together with their recurring and non-recurring expenditure?

(b) Was any new car purchased during the year 1948?

(c) What use is made of these cars?

**The Honourable Shri Jairamdas Doulatram:** (a) Three cars are owned by Ministries of Food and Agriculture. The recurring and non-recurring expenditure in respect of these cars is as follows:

Recurring—Rs. 1,250 including the pay and allowances of the drivers.

Non-recurring—Rs. 733-9-0.

(b) Yes, in the Ministry of Food one new car was purchased in August, 1948, against which two old cars were sold by public auction through the Director General Disposals, the sale proceeds realised being Rs. 4,400. The new car was purchased at a cost of Rs. 6,485/12/-.

(c) The cars are used by officers for journeys on official duty. The use of staff car is also permitted under rules prescribed by the Ministry of Finance to officers of certain status for non-duty purposes at a schedule rate provided such use does not interfere with official requirements.

**Shri R. K. Sidiya:** May I know whether the officers are entitled to car allowance even when they use the staff cars?

**The Honourable Shri Jairamdas Doulatram:** I shall enquire.

**Prof. M. G. Banga:** The car allowance is made only for city movements. Is that so?

**The Honourable Shri Jairamdas Doulatram:** I would not be able to say that straight-off. They have to go on office duty, for example for inspection of food depots or they have to go to the station to receive people coming to attend various committees and conferences.

**Shri R. K. Sidiya:** My question was in respect of their coming to the office from home.

**The Honourable Shri Jairamdas Doulatram:** It is not intended for owing from residence to office.

**Dr. P. S. Deshmukh:** What were the years of the manufacture of the two cars sold?

**The Honourable Shri Jairamdas Doulatram:** I would not be able to say that, but they were purchased in 1944-45. One of the cars had run 42,000 miles and another 50,000 miles. For five months they were declared unfit and the repairers wanted Rs. 8,000 for their repairs without guaranteeing the period for which they will be serviceable.

#### LOSS TO GOVERNMENT IN SALE OF IMPORTED FOODGRAINS

\*1052. **Shri E. K. Siddha:** (a) Will the Honourable Minister of Food be pleased to state what percentage of the loss sustained in 1948 in selling imported foodgrains to consumers was contributed by each Provincial Government?

(b) What was the total loss to Government in 1947 and what was the amount of loss contributed by Provincial Governments during 1947?

(c) What was the total quantity of grain produced from lands newly brought under cultivation in the years 1947 and 1948?

(d) How much money was spent by the Government of India and the various Provincial Governments for bringing this area under cultivation?

**The Honourable Shri Jairamdas Doulatram:** (a) The honourable member is presumably referring to the subsidy paid by the Government of India for providing for the sale of imported foodgrains to the public at lower rates than their cost. The subsidy on this account during the financial year 1948-49 (from 1st April, 1948 to 31st March, 1949) is estimated to be 26.52 crores of rupees. The subsidy was shared by the Central and Provincial Governments in the proportion of 2:1 upto 20th September, 1948; and in the proportion of 3:1 from 1st October, 1948 to 31st March, 1949. With effect from 1st October, 1949, the States were also admitted to the benefits of the subsidy on a 50:50 basis.

(b) The total subsidy paid by the Government of India in the Financial year 1947-48 (1st April, 1947 to 31st March, 1948) amounted to 17.12 crores of rupees. Upto 31st December, 1947, the entire subsidy was borne by the Central Government. During the period from 1st January, 1948 to 31st March, 1948, the subsidy was shared between the Central and the Provincial Governments in the proportion of 2:1.

(c) and (d). A statement is laid on the table of the House.

#### STATEMENT

Province-wise acreage of cultivable waste land brought under cultivation during 1947 and 1948 and additional Food Grain produced therefrom.

| Name of Province | Total quantity of food grains produced (in thousands). |               | Total expenditure incurred during 1947 and 1948 (in rupees.) |                    |
|------------------|--|---------------|--|--------------------|
|                  | 1947   | 1948          | Provincial Governments                                       | Central Government |
|                  | 2  | 3             | 4  | 5                  |
| Bihar            | 52,500   | 2,54,250      | 6,10,981   | 1,12,000           |
| U. P.            | 62,505   | 2,55,280      | 50,83,000  | 1,12,000           |
| Orissa           | 18,378   | Not available | 1,24,000   | 1,60,000           |

|                 | 3             | 3             | 4         | 5         |
|-----------------|---------------|---------------|-----------|-----------|
| C. P. and Berar | 1,26,441      | 7,71,039      | 3,62,867  | 3,79,073  |
| Assam           | 2,79,288      | 3,10,878      | 1,65,336  | 1,66,336  |
| East Punjab     |               | 51,770        |           |           |
| Bombay          | Not available | Not available | 14,633    | 14,633    |
| West Bengal     |               | 970           | 21,000    | 9,000     |
| Medras          | 11,514        | 7,972         | 5,14,240  | 11,45,568 |
| TOTAL           | 6,48,624      | 16,04,369     | 68,89,847 | 18,73,510 |

**Shri R. K. Sidhva:** May I know whether this proportion of 2:1 means 2 for the Central Government and 1 for the Provincial Government?

**The Honourable Shri Jairamdas Doulatram:** Yes.

**Shri R. K. Sidhva:** With reference to the statement laid in the table in respect of parts (c) and (d) of the question, may I know whether that statement includes both totally non-reported area and partially non-reported area?

**The Honourable Shri Jairamdas Doulatram:** It relates only to Provinces and in the case of Bombay we have not been able to receive the figures yet.

**Shri R. K. Sidhva:** Are there any figures available for the totally non-reported area?

**The Honourable Shri Jairamdas Doulatram:** No figures are available.

**Shri R. K. Sidhva:** May I know the reasons for their not being available?

**The Honourable Shri Jairamdas Doulatram:** Because non-reporting areas do not report.

**Shri R. K. Sidhva:** May I know whether any steps have been taken by Government to get reports as to what is the quantity grown there?

**The Honourable Shri Jairamdas Doulatram:** We wrote to the Provinces and States but the administration in some States is in such a condition that they are not able to give us the figures.

**Shri R. K. Sidhva:** Can Government enlighten the House as to the quantity grown there so that we may know the extent of the shortage?

**The Honourable Shri Jairamdas Doulatram:** It can be done if the Central Government sends its own agency in these States and the agency remains there for a number of months to make full inquiries and calculations. Where a particular State is at a low level of administration it is difficult to get proper figures. I may inform the House that over a number of years with regard to the non-reporting areas a certain figure is taken as the production from those areas. This figure is based on the results achieved in the neighbouring States. A kind of rough calculation is made.

**Shri R. K. Sidhva:** Who decides the subsidy? Is any bonus also given?

**The Honourable Shri Jairamdas Doulatram:** Bonus is given only in the case of a Province which procures grain from within its own area and also if a surplus Province exports grain for the use of a deficit area. The subsidy is given really to the consumer—that is, everybody who has a ration card is enabled to purchase from the ration shop at a certain controlled rate. So the benefit does not go to Government; it goes directly to the consumer.

**Dr. P. S. Deshmukh:** Who takes the decision with regard to the proportion of the subsidy; is it the Honourable Minister or the whole Cabinet?

**The Honourable Shri Jairamdas Doulatram:** This was approved by the Cabinet.

**Dr. P. S. Deshmukh:** Was the change that was made in the proportion of subsidies referred to this House at any time?

**The Honourable Shri Jairamdas Doulatram:** I do not know whether it was specifically referred, but all the statements have been placed before the House.

**Shri Mahavir Tyagi:** After giving subsidy is the cost of the food grain which is imported from foreign countries as much as the price of the food grain we pay to the cultivator here in procurement?

**The Honourable Shri Jairamdas Doulatram:** Between the price at which we have to purchase from outside countries and the price at which we sell at the ration shop is only included the expenses of landing, bagging and transporting.

**Shri Mahavir Tyagi:** What is the difference between the overall prices of the food grain when it is given to consumers and the prices we pay to cultivators when we procure their grain?

**The Honourable Shri Jairamdas Doulatram:** There are different prices in different Provinces. I am able to give the House a table giving all this information, as I have not got all the information with me now. There are different prices for different grains in different provinces.

**Shri B. P. Jhunjhunwala:** What is the approximate percentage of this rise in price when it is procured and when it is sold to the consumers?

**The Honourable Shri Jairamdas Doulatram:** I will not be able to give the percentage straight-off.

**Shri Mahavir Tyagi:** Did Government consider the possibility of adding to the procurement price by transferring the subsidy there, that is, instead of giving the subsidy to the consumer of giving it to the producer and thereby getting more grain from the producer?

**The Honourable Shri Jairamdas Doulatram:** Attempts are made by the Provinces to secure as much as possible and we cannot procure more. If we pay a higher rate it is possible that the producers will not immediately supply the grain to Government but wait for the higher rate. Therefore we have got the fixed rate and begun to procure from the producers.

**Dr. P. S. Deshmukh:** Will the Honourable Minister be pleased to place this question of subsidies before the Standing Committee so far as the next year's subsidy is concerned?

**The Honourable Shri Jairamdas Doulatram:** Yes, certainly.

**Shri O. V. Alagesan:** Are Government aware that the difference between the purchase price and the sale price of paddy in Madras is as much as 48 per cent., and will the Honourable Minister make enquiries into it and bring it down?

**The Honourable Shri Jairamdas Doulatram:** I will make enquiries.

**Shri Upendranath Barman:** Will the Honourable Minister please give us an idea as to the prices at which a Province procures and the prices at which it gives to the consumers—a rough idea?

**The Honourable Shri Jairamdas Doulatram:** It is very difficult to give an approximate figure. All that I can say is that in the case of different grains the prices are entirely different in the different Provinces. But what is included after purchasing from the producer is the expense incurred by the Government in procuring and storing and then again re-distributing. But I am prepared to give specific figures if enquiries are made about a particular Province.

#### HIGH PRICES OF SALT

\*1956. **Shri R. K. Sidhu:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware that the price of salt in many parts of the country is very high and that in some places it is not available in sufficient quantity?

- (b) What are the reasons for the high prices?  
 (c) Have Government taken steps to increase the number of salt pans under their control?

(d) What was the quantity of salt produced in the year 1948, as compared with the years 1946 and 1947 and what were the prices prevailing during these three years?

**The Honourable Dr. Syama Prasad Mukherjee:** (a) The price and stock situation is generally satisfactory in the major part of the country. But prices are on the high side in certain parts of Orissa, North Bihar and Bombay. Stocks in these areas are not so good as they should be.

(b) The high prices are mainly due to the following reasons:

(i) In Orissa—Low production in 1948, owing to bad weather.

(ii) In North Bihar—Transport difficulties via Pakistan.

(iii) In Bombay—High labour charges and the recent cyclone which badly damaged the salt works.

(c) Yes; the number of salt pans at Sambhar is being increased by 400, at Pachchhadra by 52 and at Kharagodha by 166.

(d) A statement is placed on the table of the House.

#### STATEMENT

*Production and price of salt during the years 1946, 1947 and 1948*

Production—

|      | Lakh Mds. |
|------|-----------|
| 1946 | 479       |
| 1947 | 518       |
| 1948 | 635       |

price—

| Name of province     | Place    | Average price per md. during 1946 | Price per md. during 1947  | Price per md. during 1948 |   |
|----------------------|----------|-----------------------------------|----------------------------|---------------------------|---|
| 1. East Punjab       | Ambala   | 3 13 0                            | 2 60 to *7 00              | 2 60 to 2 12 0            | *Due to disturbances during 3rd quarter of 1947 |
| 2. United Province   | Kanpur   | 3 10 0                            | 3 14 0                     | 2 6 0                     |   |
| 3. Bihar             | Patna    | 4 6 0                             | 3 60 to 4 00 to 6 00       | 4 6 0                     |   |
| 4. West Bengal       | Calcutta | 7 6 0                             | 3 4 0 to 2 13 0 to 7 0 0   | 4 8 0                     |   |
| 5. Assam             | Gauhati  | 8 14 0 to 10 0 0                  | 5 0 0 to 6 12 0 to 7 4 0   | 6 6 0                     |   |
| 6. Orissa            | Cuttack  | 5 10 0                            | 1 12 0 to 3 0 0 to 4 3 0   | *5 1 0                    | *Due to low production.                         |
| 7. Central Provinces | Nagpur   | 4 13 0                            | 3 0 0 to 3 12 0 to 6 8 0   | 5 6 0                     |   |
| 8. Bombay            | Kolaba   | 4 11 8                            | 4 0 0 to 3 0 0 to 5 0 0    | 4 8 0                     |   |
| 9. Madras            | Madras   | 3 3 0                             | 1 11 to 1 60 to 2 10 0     | 1 12 0                    |   |
| 10. Delhi            | Delhi    | 3 13 0                            | 2 8 0                      | 1 12 0 to 2 2 0           |   |
| 11. Coorg            | Mercara  | 4 0 0                             | 4 8 0 to 4 8 0 to 5 0 0    | 5 8 0                     |   |
| 12. Ajmer Marwar     | Ajmer    | 2 14 0                            | 1 10 0 to 1 10 0 to 1 14 0 | 1 13 0                    |   |

**Shri R. K. Sidhva:** May I know whether the Government have received any representation from the Salt Merchants Association of Sambhar Lake stating that they are prepared to reduce the prices if their scheme is accepted? If so, have Government considered that?

**The Honourable Dr. Syama Prasad Mookerjee:** They have sent a number of representations but we are not inclined to modify the zonal scheme just now.

**Shri R. K. Sidhva:** I am not referring to the zonal scheme, nor am I referring to a number of petitions—I am referring to the particular petition from the Merchants Association. Is it a fact that the Association represented saying that they are prepared to bring down the prices if the packing charge of one anna per maund given is withdrawn?

**The Honourable Dr. Syama Prasad Mookerjee:** I do not know how it refers to this question.

**Shri R. K. Sidhva:** Because it refers to the bringing down of prices.

**Mr. Speaker:** I gather from the Honourable Minister's reply that consideration of that question involves some interference with the zonal system. That is how I have followed that answer.

**Shri R. K. Sidhva:** Am I to understand, Sir, that this question will be held up until the zonal scheme comes into force?

**The Honourable Dr. Syama Prasad Mookerjee:** I am prepared to examine the matter in due course.

**Mr. Frank Anthony:** Is it not a fact, Sir, that the benefit of the abolition of the salt tax has not been passed on to the consumer, and that the consumer, in fact, now pays more than before the abolition of the salt tax?

**The Honourable Dr. Syama Prasad Mookerjee:** Not entirely. Cost of production, freight charges have increased. Owing to this the consumers have not been able to get the full advantage.

**Prof. N. G. Ranga:** Is it not a fact that the salt-producing capacity of Orissa and the Northern part of Madras Presidency bordering on Orissa is not fully exploited?

**The Honourable Dr. Syama Prasad Mookerjee:** That is true.

**Prof. N. G. Ranga:** What steps are Government taking in order to exploit it to the fullest extent so that the prices in Orissa can come down?

**The Honourable Dr. Syama Prasad Mookerjee:** Steps have been taken to increase the production of salt in Orissa in the course of 1949.

**Shri H. V. Kamath:** Is it not a fact that Honourable Ministers are the salt of the earth?

**Mr. Speaker:** Order, order.

**The Honourable Dr. Syama Prasad Mookerjee:** Honourable members of the House also are.

**Shrimati Dakshayani Velayudhan:** What are the restrictions that are placed on individual manufacturers of salt?

**The Honourable Dr. Syama Prasad Mookerjee:** Without licence we are now allowing people to manufacture salt up to ten acres—in that we are not putting any restrictions at all. Beyond that a licence is necessary.

**Shri R. K. Sidhva:** What is the total production of Sambhar Lake?

**The Honourable Dr. Syama Prasad Mookerjee:** The total production of Government factories in 1948 was 155 lakhs of maunds.

**Shri Lakshminarayan Sahu:** What are the causes of low production of salt in Orissa?

**Mr. Speaker:** The Honourable Minister has stated it in his reply but he may as well repeat it.

**The Honourable Dr. Syama Prasad Mookerjee:** It was mainly due to bad weather that the production in 1948 fell by 41 per cent.

**Shri Lakshminarayan Sahu:** Is it due to hoarding also?

**The Honourable Dr. Syama Prasad Mookerjee:** On account of hoarding there could not have been reduction in production.

**Shri Lakshminarayan Sahu:** But prices have gone up.

**Mr. Speaker:** Order, order. I am calling the next question.

#### LEVY OF A CESS ON SUGAR CANE

\*1054. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Agriculture be pleased to state whether Government are aware that the Government of Bombay have levied a cess of six annas per Bengal Maund on sugarcane going into the sugar cane factory?

- (b) Does similar cess exist in other provinces?
- (c) What are the ceiling prices of sugar and sugar cane fixed by Industries?
- (d) Are these ceiling prices strictly maintained in all provinces?
- (e) What are the ruling rates of sugar in important towns in various provinces?
- (f) Does this introduction of cess affect the consuming public in the rise of prices of sugar?

**The Honourable Shri Jairamdas Doulatram:** (a) No. The Government of Bombay have not levied a cess of six annas. They have enacted legislation authorising levy of a cess upto a maximum of six annas per maund of sugar cane going into the sugar factory. But they do not intend to levy this year a cess exceeding three annas per maund.

- (b) In U.P. and Bihar provinces.
- (c) The prices of sugarcane in most areas are not fixed by the Industry, but by the respective Provincial and State Governments. Only minimum prices for sugarcane are being fixed and not ceiling. A statement (No. I) showing the cane prices fixed by various Governments or paid by manufacturers is laid on the table.

As regards the price of sugar since de-control the ex-factory price of sugar is being fixed as a result of discussion between the Indian Sugar Syndicate and the Provincial Governments of U.P. and Bihar and the Government of India. As other areas in India are either deficit or just self-sufficient in sugar, the U.P. and Bihar ex-factory price becomes operative throughout India. For the current year the sugar price has been fixed at Rs. 28.12-0 ex-factory for D24 grade sugar against Rs. 35/7/- last year.

- (d) The prices statutorily fixed for sugar cane and the ex-factory price for sugar are both being observed by the factories.
- (e) A statement (No. II) showing the wholesale and retail prices of sugar in important markets in India is laid on the table of the House.
- (f) Yes. The item of cess enters into the cost of production of sugar. In Bombay, however, the cess merely appropriates part of the margin between the cost of production of the Bombay factories and that of the U.P. and Bihar factories on which the all-India sugar price is based.

## STATEMENT I

Cane prices fixed by the various Governments or paid by the manufacturers.

|                |                  |  |
|----------------|------------------|--|
| 1. U.P.        | 1 10 0 per maund | Statutory  |
| 2. Bihar       | 1 13 0 per maund | for factories over 1200 tons crushing capacity.            |
| 3. Madras      | 1 11 9 per maund | for factories between 300 and 1200 tons crushing capacity. |
|                | 1 11 9 per maund | for factories less than 300 tons crushing capacity.        |
|                | 1 8 8 permaund   |  |
| 4. Orissa      | 1 8 8 permaund   | for local and Madras cane.                                 |
| 5. " Bombay    | 1 9 8 per maund  | for irrigated cane.  |
| 6. West Bengal | 1 13 0 per maund | Factories have their own cane plantations.                 |
| 7. East Punjab | Not fixed.       | Average market price.                                      |
| 8. Mysore      | Not fixed.       |  |
| 9. Ranipet     | 1 10 0 per maund | fixed by Government.                                       |
| 10. Gwalior    | 1 10 0 per maund | fixed by Government.                                       |
| 11. Hyderabad  | 1 12 0 per maund | fixed by Government.                                       |

## STATEMENT II

Minimum and maximum wholesale and retail prices of sugar in various Indian markets.

| Markets                  | Date    | Wholesale per maund |         |         |         | Retail per seer |         |         |         |
|--------------------------|---------|---------------------|---------|---------|---------|-----------------|---------|---------|---------|
|                          |         | Maximum             | Minimum | Maximum | Minimum | Maximum         | Minimum | Maximum | Minimum |
| <i>Punjab.</i>           |         |                     |         |         |         |                 |         |         |         |
| 1. Ambala                | 1-3-49  | 32 8 0              | 31 4 0  | 0 13 6  | 0 13 0  |                 |         |         |         |
| 2. Amritsar              | 28-2-49 | 33 12 0             | 31 4 0  | 0 13 6  | 0 12 6  |                 |         |         |         |
| 3. Jullundur             | 1-3-49  | 30 11 0             | 30 6 0  |         |         |                 |         |         |         |
| 4. Delhi                 | 2-3-49  | 33 8 0              | 32 0 0  | 0 14 0  | 0 13 0  |                 |         |         |         |
| <i>United Provinces.</i> |         |                     |         |         |         |                 |         |         |         |
| 5. Agra                  | 1-3-49  | 31 10 0             | 31 4 0  | 0 13 0  | 0 13 0  |                 |         |         |         |
| 6. Hapur                 | 2-3-49  | 30 12 0             | 30 12 0 | 0 12 6  | 0 12 6  |                 |         |         |         |
| 7. Kanpur                | 1-3-49  | 32 4 0              | 31 10 0 | 0 14 0  | 0 12 6  |                 |         |         |         |
| 8. Mathura               | 2-3-49  | 32 4 0              | 32 4 0  | 0 13 0  | 0 13 0  |                 |         |         |         |
| 9. Meerut                | 28-2-49 | 32 0 0              | 30 4 0  | 0 13 0  | 0 12 6  |                 |         |         |         |
| 10. Muzaffarnagar        | 28-2-49 | 31 2 0              | 31 2 0  | 0 12 6  | 0 12 6  |                 |         |         |         |
| <i>Bihar.</i>            |         |                     |         |         |         |                 |         |         |         |
| 11. Patna                | 1-3-49  | 37 1 5              | 33 0 0  | 0 14 0  | 0 13 6  |                 |         |         |         |
| <i>Bengal.</i>           |         |                     |         |         |         |                 |         |         |         |
| 12. Calcutta             | 24-2-49 | 36 0 0              | 30 6 0  | 0 15 0  | 0 12 5  |                 |         |         |         |
| <i>Assam.</i>            |         |                     |         |         |         |                 |         |         |         |
| 13. Gauhati              | 28-2-49 | 35 0 0              | 35 0 0  | 0 15 0  | 0 15 0  |                 |         |         |         |
| <i>Madras.</i>           |         |                     |         |         |         |                 |         |         |         |
| 14. Coonoora             | 26-2-49 | 32 5 3              | 32 5 3  | 0 14 0  | 0 14 0  |                 |         |         |         |
| 15. Madras               | 1-3-49  | 34 9 0              | 34 2 0  | 0 14 0  | 0 13 0  |                 |         |         |         |
| <i>Bombay.</i>           |         |                     |         |         |         |                 |         |         |         |
| 16. Bombay               | 1-3-49  | 38 8 9              | 32 1 5  | 1 0 0   | 0 14    |                 |         |         |         |
| 17. Bhavnagar            | 25-2-49 | 37 8 0              | 33 4 0  | 1 0 0   | 0 14 0  |                 |         |         |         |

**Shri R. K. Ghosh:** May I know whether the Provincial Governments consult the Central Government before fixing this cess, and if so, whether the Central Government takes into consideration the high prices that prevail for the consumers?

**The Honourable Shri Jairamdas Doulatram:** We have asked the Bombay Government to consult us before they come to a decision.

**Mr. Frank Anthony:** Is it a fact that in view of the wide margin of profit enjoyed by those growing sugarcane, much of the land formerly used for the production of food grains is now being turned over to the growing of sugarcane?

**The Honourable Shri Jairamdas Doulatram:** This is the belief not with regard to all Provinces but possibly with respect to U.P.

**Dr. P. S. Deshmukh:** Have the Governments of Bombay and Madras fixed any sugarcane prices?

**The Honourable Shri Jairamdas Doulatram:** Yes, they have fixed them.

**Dr. P. S. Deshmukh:** What are those, Sir?

**The Honourable Shri Jairamdas Doulatram:** In the case of Bombay I think Bombay sugar factories have got their own sugarcane farms.

**Dr. P. S. Deshmukh:** They also buy from others.

**The Honourable Shri Jairamdas Doulatram:** That price I understand is Rs. 1-4-0. With regard to Madras the prices are Rs. 1-11-9 for factories which can crush over 1,200 tons and Rs. 1-11-0 for factories which have got a crushing capacity of 300 to 1,200 tons, and Rs. 1-8-8 for factories which have got less than 300 tons crushing capacity.

**Dr. P. S. Deshmukh:** Is it a fact that the Bombay rates are lower by nine annas per maund as compared with those prevailing in U.P. and Bihar?

**The Honourable Shri Jairamdas Doulatram:** I do not know whether it is nine annas, but it is certainly lower. As I said, many of the Bombay factories have got their own sugar-cane farms. But what I understand the honourable member to suggest is that sugar-cane is cheaper in Bombay than in U.P.—that certainly is so.

**Prof. N. G. Ranga:** What is the reason for fixation of three prices in Madras—the highest price for the smallest factories and the lowest price for the biggest factories?

**The Honourable Shri Jairamdas Doulatram:** No; it is just the opposite. It is Rs. 1-11-9 for the bigger factories, that is whose crushing capacity is over 1,200 tons, it is Rs. 1-11-0 for the medium size factories and Rs. 1-8-8 for small factories.

**Shri Mahavir Tyagi:** Is it a fact that owing to the high price of sugar, the Government of Pakistan has refused to purchase sugar from us this year?

**The Honourable Shri Jairamdas Doulatram:** The high price of sugar is a factor with regard to the purchase of sugar by Pakistan.

**Shri Mahavir Tyagi:** Can the Honourable Minister give an idea as to how much sugar used to go to Pakistan every year?

**The Honourable Shri Jairamdas Doulatram:** It is calculated that round about two lehks of tons used to be consumed by the regions now constituting Pakistan.

**Shri B. P. Jhanjhunwala:** What was the object with which this levy of cess was conceived? Was it for revenue or for any other object?

**The Honourable Shri Jairamdas Doulatram:** The cess was, I think intended for the purpose of increasing revenue resources. Because, between the price

of sugarcane and the price of sugar there was a margin which the provincial Government obviously wanted to tax for the purpose of increasing revenue resources for the development of the sugar industry and sugar cane cultivation.

**Shri Dashbandhu Gupta:** What is the percentage of sugarcane produced by the farms belonging to the factories in Bihar and U.P.?

**The Honourable Shri Jairamdas Doulatram:** I do not know. I am not aware if the U.P. Government have got any farm of their own. Even if they have, it must be very small percentage.

**Shri Dashbandhu Gupta:** Is there any difference in the price paid for the sugarcane got from these farms and obtained from private farmers?

**The Honourable Shri Jairamdas Doulatram:** Obviously, there can be a difference. It is their own farm. No rate is fixed.

**Shri Ajit Prasad Jain:** Was it one of the principal reasons for the imposition of the cess that a major portion of it will be spent on the improvement of sugar cane, but it has not been so spent?

**The Honourable Shri Jairamdas Doulatram:** I would not be able to speak on behalf of the Provincial Governments. I will have to make enquiries.

**Dr. P. S. Deshmukh:** Has the Honourable Minister received any complaints with regard to low payment for the sugarcane from the factory in Nasik?

**The Honourable Shri Jairamdas Doulatram:** Yes; the Government have received complaints.

**Shri Mohan Lal Gautam:** What steps are the Government taking to bring down the price of sugar so that it may be competitive as far as world prices are concerned?

**The Honourable Shri Jairamdas Doulatram:** We intend to have a very early investigation into the cost of sugar production by a Committee set up as is being recommended by the Tariff Board. The best solution for reducing the cost of sugar is to increase the yield of cane per acre and to increase the sugar content of sugarcane.

**Mr. Speaker:** I am proceeding to the next question.

**Shri R. K. Sidhva:** May I know what profit the sugar manufacturers have earned during the last year?

**The Honourable Shri Jairamdas Doulatram:** I think very huge profits.

**Shri Mahavir Tyagi:** Only one question, Sir.

**Mr. Speaker:** Next question. I think this has been sufficiently debated.

#### REMODELLING OF NEW DELHI RAILWAY STATION

\*1055. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the whole yard of the New Delhi Railway Station is proposed to be remodelled?

(b) If so, what is the total estimated cost and when will the work be started?

(c) Are Government aware that no waiting rooms for any class of passengers are provided at New Delhi station?

(d) Is it contemplated to construct the new station with all conveniences for the travelling public?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) No; only the Goods yard is being remodelled.

(b) The estimated cost of remodelling New Delhi Goods yard is Rs. 28 lakhs, and the work is in progress.

(c) Yes.

(d) A scheme for constructing a new station at New Delhi is under consideration.

**Seth Govind Das:** Why is it, Sir, that trains coming from the Calcutta side do not come to New Delhi station? I want to know whether it is because the New Delhi station is not well modelled?

**The Honourable Shri N. Gopalaswami Ayyangar:** Yes; as soon as we have provided more accommodation in New Delhi, that matter will be considered.

**Shri R. K. Sidhva:** May I know what are the ancillary arrangements in this New Delhi yard after the doubling of the line from Ballabgarh to New Delhi?

**The Honourable Shri N. Gopalaswami Ayyangar:** The doubling of the line is intended to speed up movement. So far as the bottle-neck in the yard itself is concerned, that can be relieved only by the works that are now in progress.

**Shri R. K. Sidhva:** May I know how long will it take to complete the New Delhi Yard construction work?

**The Honourable Shri N. Gopalaswami Ayyangar:** It is expected that it will be completed, practically, by the end of this financial year.

**Shri H. V. Kamath:** Arising out of the answer to part (d) of the question, when the new station is built, will it be renamed Newer Delhi or Greater Delhi?

**Mr. Speaker:** Order, order.

**Shri Deobandha Gupta:** Is it proposed to retain the ceremonial platform or will it be merged in the main station?

**The Honourable Shri N. Gopalaswami Ayyangar:** The ceremonial platform will be thrown into the pool from which the new New Delhi station will emerge.

**Mr. Speaker:** Next question.

**Shri R. K. Sidhva:** Only one question, Sir. Is it contemplated to have double lines between Muttra and Ballabgarh?

**Mr. Speaker:** This does not arise. Next question.

#### DOUBLING OF MUTTRA DELHI RAILWAY LINE

\*1056. **Shri R. K. Sidhva:** Will the Honourable Minister of Railways be pleased to state whether the doubling of Muttra-Delhi railway line has been completed?

**The Honourable Shri N. Gopalaswami Ayyangar:** Stage 1 of the partial doubling between Mathura and Delhi, comprising a length of 23·21 miles between Ballabgarh and New Delhi, was completed and opened to traffic on 12th February, 1949. Stage 2 of the work extending over 20·25 miles between Mathura and Hodal is in progress, and is expected to be completed during 1949-50.

#### INCREASING THE PRODUCTION OF SALT

\*1057. **Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether India is self-sufficient in common salt?

(b) If not, what quantity has she to import to make up the deficit?

(c) What quantity of common salt has been exported to Pakistan during the year 1948?

(d) Have Government any plan for the increased production of salt in the near future and if so, what are they?

<sup>t</sup>Answer to this question laid on the table, the questioner having abstained his quota.

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Not yet, but arrangements are in hand to make the country self-sufficient in two or three years' time.

(b) About one crore maunds.

(c) About sixteen lakh maunds.

(d) Yes. A Salt Experts Committee is recommending long-term measures to increase production. As a result mainly of abortive plans already implemented, production in 1948 was about twenty per cent. more than in 1947.

**Dr. Mono Mohan Das:** Is there any Government owned salt factory in West Bengal?

**The Honourable Dr. Syama Prasad Mookerjee:** No.

**Dr. Mono Mohan Das:** Is there any scheme for opening such a factory?

**The Honourable Dr. Syama Prasad Mookerjee:** I understand a scheme is under preparation which the West Bengal Government is supposed to initiate. It has not yet formally come to me.

**Dr. Mono Mohan Das:** What are the sources and the total quantity of production of rock salt in India?

**The Honourable Dr. Syama Prasad Mookerjee:** We do not produce any rock salt.

**Shri O. V. Alagesan:** Have the Government received any representation from the Gandhi Irwin Salt Manufacturers' Association, Tuticorin that small manufacturers who manufacture salt within ten acres are now asked to conform to the Factory Regulations, to take out licences and asked to pay salt duty?

**The Honourable Dr. Syama Prasad Mookerjee:** We have received some representations and the allegation referred to by the honourable member has been made. But, there have been some instances of evasion also. The matter is now under our examination.

**Shri O. V. Alagesan:** Since they have manufactured salt in terms of the communiqué issued by the Government last April, will the Honourable Minister see to it that no restrictions are imposed on them in order to expedite more production of salt?

**The Honourable Dr. Syama Prasad Mookerjee:** We will give all facilities to those who manufacture salt upto ten acrea:

**Prof. N. G. Ranga:** What progress has been made since the Honourable Minister made the same statement that he has made in answer to part (a) during the last year, that arrangements are being made to make India self-sufficient in salt?

**The Honourable Dr. Syama Prasad Mookerjee:** Since last year, we have increased production by twenty per cent.

**Sarimati Daksayani Velzyndhan:** What is the difference in price between the salt imported into India and that exported to Pakistan?

**The Honourable Dr. Syama Prasad Mookerjee:** If it is imported salt which is exported to Pakistan, obviously there is no difference in price. I believe what the honourable member refers to is the difference in price between salt manufactured in India and salt which is imported into India.

**Mr. Speaker:** Is that what the honourable member wants? The honourable member is, I think, satisfied with the answer.

**Srijut Kuladhar Chalha:** What is the price per maund of salt exported to Pakistan from the salt imported into India?

**The Honourable Dr. Syama Prasad Mookerjee:** The price of imported salt is about Rs. 225 per 100 maunds; cost of handling charges, bags and so on bring this up to about Rs. 300. Salt manufactured in India, should not be more than Re. 100 to Rs. 150. The price of salt which is sent to Pakistan depends on the kind of salt which is sent.

**Srijit Kalsdhar Chailka:** What is the price charged for export to Pakistan?

**The Honourable Dr. Syama Prasad Mookerjee:** That depends on the merchants.

**Seth Govind Das:** In view of the fact that there is a large increase in production, is it due to transport difficulties that the provinces are not getting sufficient quantities?

**The Honourable Dr. Syama Prasad Mookerjee:** I have explained the position in answer to a previous question. There have been difficulties with regard to transport in some areas like Assam and Bihar where the line passes through Pakistan.

#### PLANS TO INCREASE PRODUCTION OF COCONUTS

\*1058. **Shri V. G. Kesava Rao:** (a) Will the Honourable Minister of Agriculture be pleased to state what are the plans of the Central Indian Coconut Committee to grow more cocoanuts?

(b) What is the target figure fixed for cocoanut growing and when is it to be achieved?

(c) Has the proposed Regional Cocoanut Station in East Godavary District been opened and if not, when is it to be opened?

**The Honourable Shri Jairamdas Bonalalram:** (a) A statement containing the required information is laid on the table of the House.

(b) A target of additional 1,000 million nuts to be achieved in five years but the period will actually depend on the response of a very large number of small growers.

(c) The proposed Station has not yet been opened. The scheme for starting this Regional Station in East Godavari has been approved by the Committee. A revised statement of expenditure has been called for from the Madras Government who have also been requested to acquire the site for the Regional Station. As soon as revised statements are available the necessary sanction will be obtained.

#### STATEMENT

*Plans of the Central Indian Coconut Committee to Grow More Cocoanuts and the target figure for coconut growing.*

The present production of cocoanuts in India is of the order of 3,000 million nuts, producing 1,05,000 tons of coconut oil per annum. It is estimated that in the next five years India will require an additional 1,02,000 tons of coconut oil. This will mean the production of 1,000 million nuts in addition to the present production of 3,000 million nuts.

The Committee has both short range and long range plans to achieve the above target. As the predominantly coconut growing areas are practically all fully planted up, and no new areas can be brought under coconut cultivation owing to the necessity of utilising such areas, if any, for growing food crops, the only way to increase the production under the short range plan is to give the existing trees proper care and thus increase the yield per tree. The following measures are being taken by the Committee in this connection:—

(1) Systematic propaganda through the monthly bulletin issued in English and Malayalam languages; the quarterly 'Indian Coconut Journal' in English, through demonstration plots on cultivators' lands and by personal contacts by the Officers of the Committee with the cultivators regarding coconut culture with particular emphasis on the following:

(a) Regular Intercultivation.

(b) Manuring, particularly with green manure such as *Crotalaria Sertata*, *manihot*, and leguminous cover crops.

(c) Adoption of prophylactic measures such as spraying with Bordeaux mixture against diseases.

(d) Adoption of measures against ravages by pests such as the Rhinoceros Beetle and rat.

(2) Schemes have been sanctioned for the multiplication and distribution among growers of seeds of *Crotalaria Striata*, a leguminous weed which has been found to be an excellent green manure for coconut gardens.

*Long range plans*.—The Committee has started coconut nurseries in collaboration with Provincial/States Governments with a view to supplying seedlings of guaranteed quality to the growers. There are 15 such nurseries at present and seven more already sanctioned by the Committee will start functioning within a few months' time. There are two Central Coconut Research Stations, one at Kasargod for undertaking fundamental research on coconut and the other at Kayankulam to investigate the diseases of coconut. Three Regional Stations have been set up in Travancore and three more being set up in Madras and one in Orissa to conduct experiments on the cultural and managerial aspects of coconut cultivation and to advise coconut growers on problems of local nature.

The target referred to above can be achieved in the course of five years also if all the coconut growers followed the methods of cultivation advocated by the Committee. But there are innumerable small farms who do not always follow the instructions of the Committee and so it may actually take long to achieve the target.

**Shri V. C. Kesava Rao:** May I know the total acreage under cocoanut cultivation?

**The Honourable Shri Jairamdas Doulatram:** About 15 lakhs of acres.

**Shri V. C. Kesava Rao:** May I know whether the introduction of prohibition has improved the production of cocoanuts?

**The Honourable Shri Jairamdas Doulatram:** I could not say.

**Shri A. Karunakara Menon:** Is the Honourable Minister aware that from this year onwards the Madras Government propose to treat cocoanut which is a food article as a commercial article and impose sales tax on the very first sale itself, by the producer, thereby retarding the cultivation of cocoanuts on the west coast?

**The Honourable Shri Jairamdas Doulatram:** The Government are aware of it.

**Shri Lakshminarayan Sahu:** Have the Government any plan for growing more cocoanuts in Bengal and Orissa?

**The Honourable Shri Jairamdas Doulatram:** I am not aware of any such plan for Orissa. But there are plans for expanding cultivation in Bengal. I find there is a proposal for having a research station for conducting experiments in cocoanut cultivation in Orissa.

**Shri H. V. Kamath:** In view of the large South Indian population here, do Government propose to see that cocoanuts are made available in Delhi all the year round?

#### CONTROL ON PAPER

\*1059. **Shri V. C. Kesava Rao:** Will the Honourable Minister of Industry and Supply be pleased to state whether there is any proposal to lift the control on paper?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, Sir. The question whether and to what extent the control on paper can be lifted in the present circumstances is under consideration in consultation with the Provinces and States.

**Shri Deshbhandhu Gupta:** May I know whether the prices of paper are falling rapidly and that the imported paper is in some respects much better than what is produced here?

**The Honourable Dr. Syama Prasad Mookerjee:** The selling price of imported paper is Re. 0.15-6 and the price of Indian paper recently fixed is Re. 0.10-1.

**Seth Govind Das:** Is it a fact that in spite of the fixation of prices, the price of imported paper is lower than the prices of indigenous paper?

**The Honourable Dr. Syama Prasad Mookerjee:** Not in all cases. In some cases perhaps it is so.

**Shri R. K. Sidhva:** As the last stock of paper in Bombay has run out, has the Indian Merchants Chamber, Bombay made a representation to lift the ban on imports immediately?

**The Honourable Dr. Syama Prasad Mookerjee:** I do not think so. There is some representation about imported paper.

**Shri R. K. Sidhva:** What about the representation from the Bombay Merchants Chamber?

**The Honourable Dr. Syama Prasad Mookerjee:** There is no control over distribution of imported paper. It is only in regard to ceiling prices of such paper that there is control.

**Shri V. C. Kesava Rao:** May I have figures regarding the total production of paper in India?

**The Honourable Dr. Syama Prasad Mookerjee:** Total production last year was 74,912 tons. The maximum capacity of Indian production will be somewhere about 1,00,000.

**Mr. Frank Anthony:** Is it a fact that in spite of the availability of mill paper, the manufacturers in this country are not able to meet the demand on account of the complete uncertainty of rail transport?

**The Honourable Dr. Syama Prasad Mookerjee:** That is so.

**Shri V. C. Kesava Rao:** What about the production of paper in Government projects in this country?

**The Honourable Dr. Syama Prasad Mookerjee:** We have approved the establishment of a number of projects. We have approved the construction of eight more mills which will increase our production by about 70,000 tons. In the Central Provinces the mill will shortly start production.

**Seth Govind Das:** Out of the eight mills how many are for producing newsprint?

**The Honourable Dr. Syama Prasad Mookerjee:** Only one.

**Shri V. C. Kesava Rao:** May I know whether any factories have been sanctioned for Madras?

**The Honourable Dr. Syama Prasad Mookerjee:** We have sanctioned I think two for South Indie—one in Coorg and one in Papanasam.

**Shrimati Q. Durgabai:** Will the Honourable Minister tell us what the total production of hand-made paper is and whether there are any hand-made paper manufacturing institutions under the control of Government?

**The Honourable Dr. Syama Prasad Mookerjee:** There is no control over hand-made paper.

**Seth Govind Das:** May I know how much newsprint is imported from outside and what efforts are made so as to make the country self-sufficient in this respect?

**The Honourable Dr. Syama Prasad Mookerjee:** I am prepared to give the answer. But I do not know whether it arises out of this question.

**Mr. Speaker:** If the information is readily available it may be supplied.

**The Honourable Dr. Syama Prasad Mookerjee:** So far as newsprint is concerned, the newsprint factory which is going to be established in the Central

Provinces will produce 30,000 per annum and we have allowed 88 lakhs of rupees worth of machinery to be imported for the purpose.

So far as newsprint import is concerned, we allow newsprint to be imported from non-Dollar areas freely. But we have imposed a limit with regard to Dollar-area which are mostly confined to the use of newspapers. Here again we have a much larger supply now and we have permitted ordinary publications to be also printed on newsprint paper.

#### IMPORT AND MANUFACTURE OF BICYCLES

**\*1060.** Shri R. K. Sidiha: (a) Will the Honourable Minister of Industry and Supply be pleased to state the number of bicycles imported into India during the years 1943, 1944, 1945, 1946, 1947 and 1948 each year separately and what is the total value of the same?

(b) What was the production of cycle factories in India during those years and what was the value thereof?

(c) What is the total annual requirement of this commodity in India?

(d) What is the manufacturing cost of a cycle in India and what is the selling price as compared with the prices of foreign cycles in India?

**The Honourable Dr. Syama Prasad Mukherjee:** (a) and (b). Two statements are laid on the table of the House.

(c) About three lakhs.

(d) About Rs. 125. As regards price, I would refer the honourable member to the reply given by me to part (a) of starred question No. 644 on 23rd February, 1949.

#### STATEMENT I

*Number of cycles imported, entire or in sections*

| Financial year               | Number of cycles imported | Value in Rs. |
|------------------------------|---------------------------|--------------|
| 1943-44                      | 28,355                    | 18,82,355    |
| 1944-45                      | 37,391                    | 38,15,718    |
| 1945-46                      | 76,141                    | 64,77,208    |
| 1946-47                      | 212,554                   | 1,80,87,800  |
| 1947-48                      | 261,358                   | 2,49,99,340  |
| April 1948 to November 1948* | 96,007                    | 91,18,862    |

\*Figures for the month of December 1948 are not available at present.

Note.—Figures according to calendar year are not recorded in the Sea-Borne Trade Returns.

#### STATEMENT II

*Production of bicycles in Indian factories*

| Year | Number | Value (including parts) in Rs. |
|------|--------|--------------------------------|
| 1943 | 12,000 | 15,00,000                      |
| 1944 | 15,000 | 18,15,000                      |
| 1945 | 18,500 | 21,85,000                      |
| 1946 | 30,000 | 35,00,000                      |
| 1947 | 48,287 | 48,92,662                      |
| 1948 | 64,746 | 64,73,858                      |

\* Answer to this question laid on the table, the questioner having exhausted his quota.

## THROUGH TRAINS FROM DELHI TO BOMBAY, CALCUTTA AND MADRAS.

\*1061. **Seth Govind Das:** (a) Will the Honourable Minister of Railways be pleased to state what is the number of through trains running from Delhi to Bombay, Calcutta and Madras?

(b) Have Government got any plan to increase the number of through trains to Madras?

(c) Do Government propose to consider the advisability of running sleeping cars for long journey passengers wherever there is more than one through train?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) The number of through trains running from Delhi to Bombay is five, to Calcutta four, and to Madras one.

(b) This is not contemplated.

(c) In addition to Class I sleeping accommodation, Class II sleeping accommodation is available on a number of night trains and more is to be provided as circumstances permit. It is not possible at present to provide more sleeping cars owing to shortage of stock.

**Seth Govind Das:** Is it not a fact that sleeping accommodation in Class II can only be reserved from those stations from where the trains start and if so whether the Government propose to make such arrangements even on way-side stations if there is accommodation in that class?

**The Honourable Shri N. Gopalaswami Ayyangar:** It is always difficult to reserve accommodation in way-side stations. Wherever accommodation is available, passengers will be assisted to get the accommodation.

**Seth Govind Das:** Does the Honourable Minister not know that even if there is accommodation, and if a passenger wants to have reservation at way-side stations, the railway authorities do not permit it?

**Mr. Speaker:** I cannot allow that question.

**Shrimati G. Durgabai:** May I know whether there is any proposal to increase the number of through trains running from Delhi to Madras?

**The Honourable Shri N. Gopalaswami Ayyangar:** Unfortunately, from a statistical point of view, it does not seem to be justified at present.

**Shri Brajeshwar Prasad:** Is there any direct train from Delhi to Jubbulpore? If not, why not?

**The Honourable Shri N. Gopalaswami Ayyangar:** The matter is so serious that I want notice of the question.

**Dr. V. Subramaniam:** May I know how many carriages are reserved for through journey from Madras to Delhi in the G.T. Express?

**The Honourable Shri N. Gopalaswami Ayyangar:** I am afraid I must ask for notice of that too.

## FACILITIES FOR THIRD CLASS PASSENGERS

\*1062. **Seth Govind Das:** (a) Will the Honourable Minister of Railways be pleased to state what are the extra travel facilities given to third class passengers in the recent re-organisation of railway classes?

(b) What is the free luggage allowance given for lower and upper classes?

(c) What steps are being taken to improve third class travel?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) At important starting stations one compartment in every through train is provided for passengers travelling over 300 miles on the broad gauge and 200 miles on the metre gauge.

This is shortly to be increased to a separate bogie, and Conductor Guards will travel in these bogies to ensure that they are occupied only by those for whom they are intended. Separate booking office windows for the issue of tickets to long distance passengers, are also provided at important stations.

(b) The free luggage allowances for the new classes is as follows:

Class I—50 seers.

Class II—30 seers.

Class III—25 seers.

(e) The steps being taken to improve Class III travel include, in addition to what has been stated in reply to part (a) the reduction of overcrowding by the provision of additional rolling stock of improved design, details of which were given when the Railway budget was presented; the accelerated completion of works sanctioned under the Betterment Fund for the provision of amenities for passengers; the provision of fans in third class compartments, commencing with ladies' compartments, as materials become available; the introduction of express trains with Class III only as and when possible; and an examination of the extent to which it is possible at an early date to introduce advance booking for Class III passengers. The assistance provided by Social Guides is also mainly for the benefit of Claes III passengers.

**Seth Govind Das:** With respect to part (o) of the question, may I know if any definite steps are being taken to provide greater facilities in the present coaches by having fans and improving the lavatories especially?

**The Honourable Shri N. Gopalaswami Ayyangar:** As regards the fans, I have already given the answer, that, as and when materials become available, fans will be provided in third-class compartments. Directions have been issued that these improvements should start in the ladies' compartments.

**Mr. Frank Anthony:** What is Government's estimate of the number of extra coaches that would be necessary to give third-class passengers at least seating accommodation?

**The Honourable Shri N. Gopalaswami Ayyangar:** It is difficult to give approximately an accurate estimate about it. But I think we shall have to add from 25 to 33 per cent. in the shape of coaches in order to make third-class travel comfortable in any proper sense.

**Mr. Frank Anthony:** How much of this percentage is it intended to make up in the coming year?

**The Honourable Shri N. Gopalaswami Ayyangar:** In the coming year, the number we propose to make up is 450 to 500 coaches.

**Mr. Frank Anthony:** What is the percentage?

**The Honourable Shri N. Gopalaswami Ayyangar:** I think one-fifth of the requirements.

**Prof. N. G. Ranga:** Have the Government in the Railway Ministry been informed by the Ministry of Industry and Supply that there is much unused capacity for manufacturing these coaches in the Hindustan factory?

**The Honourable Shri N. Gopalaswami Ayyangar:** There may be capacity for manufacturing but we want raw materials as well.

**Seth Govind Das:** Is there any proposal to give sleeping accommodation to third-class passengers also for long journeys on extra payment?

**The Honourable Shri N. Gopalaswami Ayyangar:** At present there is no provision for that sort of thing but it is one of those problems which I propose to tackle as soon as conditions permit me to do so.

**Srijut Robini Kumar Chaudhuri:** in view of the fact that a large number of third-class passengers do not get seating accommodation, is it under contemplation by Government to remove the benches altogether from the third-class compartments?

**Mr. Speaker:** Order, order.

**Shri H. V. Kamath:** Have instructions been issued to railway station authorities to stop the issue of third-class tickets when carriages are packed to capacity?

**The Honourable Shri N. Gopalaswami Ayyangar:** Station authorities are generally instructed not to issue tickets when they know that a train is coming over-crowded. But as the honourable members know, it is not always possible to enforce that very rigidly.

**Shri H. V. Kamath:** What is the difficulty in the way of its enforcement?

#### NEW WORKS ON SOUTH INDIAN RAILWAY

\*1063. **Shri O. V. Alagesan:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that provision to the extent of Rs. 23,60,000 was made for 18 new works on the South Indian Railway to be taken up in 1948-49 for which provision was also made in a previous budget?

(b) How many among the above works were actually taken up in 1948-49 and what is the amount spent on them up till now?

(c) If none, what are the reasons for not taking them up?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) Provision was made in the Open Line Programme of the S.I. Railway in 1948-49 for 11 New Works costing more than Rs. 1 lakh each to the extent of Rs. 23·14 lakhs. These items had also been provided in 1947-48 Programme but the work could not be taken in hand in that year.

(b) None of these works is likely to be taken up before the end of the current financial year. Material for one work is being received and a sum of Re. 15,000 is expected to be spent on this account before 31st March, 1949.

(c) A statement detailing the reasons is laid on the table of the House.

STATEMENT  
List of new works for which provision was made in 1948-49 budget and for which provision had also been made in a previous budget.

| S.No. | Item No.<br>in Pink<br>Book<br>for<br>1948-49 | Particulars of works  | Anticipated<br>cost<br>for<br>1948-49 | Onlay<br>proposed<br>for<br>1948-49 | Remarks   |
|-------|---|---|---------------------------------------|-------------------------------------|---|
| 1.    | 2   | 3   | 4                                     | 5                                   | 6   |
| 1     | 5   | Conversion of flag station, Bhagavathi-<br>puram on the ShenonabahQuilon sec-<br>tion into a crossing station.  | 1,28,000                              | 60,000                              | The Travancore Government's approval to the estimate applied<br>for in November, '48 is still awaited.  |
| 2     | 6   | Improvements to watering arrangements<br>at Dindigul Junction.  | 2,60,000                              | 1,60,000                            | No reliable source of water supply satisfying the demands of yield<br>and quality has yet been discovered. The [Dindigul] Munici-<br>pality who have been engaged during the last several years to<br>find out a source of water supply for their needs are making their<br>investigations on a large scale through the Sanitary Engineer to<br>the Government of Madras but they have not so far succeeded.<br>Investigations are on hand by means of trial borings at suitable<br>places to find out such a source. It is hoped that the trial borings<br>will enable a fairly satisfactory scheme for the Railway needs<br>to be evolved within the next six months. |
| 3     | 37  | Remodelling Chingleput Junction   | *                                     | 7,72,000                            | 1,00,000 { These works were programmed contingent on the proposed elec-<br>trification between Tambaram and Chingleput and between<br>Chingleput and Arakkam. A Preliminary report on the proposed<br>electrification was received from the General Manager, S. I.<br>Railway. The Board asked the Railway Administration to review<br>the scheme and to submit a revised one which has just been reci-<br>ved. As the proposed electrification will take time to materialise,<br>these works have been deferred for the present.   |
| 4     | 38  | Short Link from main line (Tambaram-<br>Chingleput section) to Arakkam Branch<br>near Chingleput.   | \$ 10,000                             | 1,00,000                            |   |
| 5     | 39  | Remodelling Conjeevaram   |                                       | 6,72,000                            | 1,00,000  |
| 6     | 40  | Conversion between Podanur and Nanjim-<br>dapuram of mixed gauge in to a Broad<br>Gauge provision of a separate Metre Gauge<br>line and proposed island platform with a<br>loop for M. G. at Podanur Junction | 3,15,000                              | 2,03,000                            | The available resources are being utilised on more urgent works<br>and as an anti-inflationary measure the work has been deferred<br>for the present.   |

6

5

3

2

1

Rs.

41 Remodelling Tuticorin stations as an exclusively goods station and reopening of a passenger station at Tuticorin as improved modern passenger stations and provision of additional facilities at both.

Rs.

42 Remodelling the yard at Coimbatore North 28,00,000 0,00,000

Rs.

43 Conversion of the level crossing at Mr. Nicholl's road at Chettai into an over bridge.

44 Removing single wire standard Interlock 5,46,000 1,96,000 The work could not be taken up due to non-availability of materials. Materials promised by Messrs. Baxty & Farmer are not expected before 31.3.49, but materials from local manufacture are being received and a sum of Rs. 16,000/- is expected to be spent on this account before 31.3.49.

45 Madura Junction—Improvements to the Passenger facilities. 6,70,000 1,60,000  
 $\frac{23,14,000}{24,14,000}$

This has been deferred in view of the need for economy as an anti-inflationary measure. It is proposed to include this work in the works programme for 1960-61.

**Note.—** Works under S. No. 1, 2 and 10 are included in the Budget for 1949-50 vide items 26, 8 and 22 respectively of the **Plut Book for S. I. Railway.**

**Shri O. V. Alagesan:** Why is it that these works which have been provided for in two or three consecutive budgets have not been provided for in the next year's budget?

**The Honourable Shri N. Gopalaswami Ayyangar:** So far as 1947-48 is concerned, it was due to causes over some of which we had no control. With regard to the others, the estimates were not ripe for execution. In 1948-49, also, as the honourable member will find from the statement given, there were adequate reasons as to why progress could not be made. I must point out that, towards the latter half of the year, it became necessary for us to curtail our programme of work in pursuance of the policy of fighting inflation—cutting down expenditure. As regards 1949-50, three of these works have been included in the budget for that year and every effort will be made to see that those three are carried out.

**Shri O. V. Alagesan:** In view of the great utility and small cost of these schemes, will Government see to it that they are provided for in the next year's budget and the works begun?

**The Honourable Shri N. Gopalaswami Ayyangar:** As a matter of fact, the budget for 1949-50 has already been settled. If it is possible in the course of the year to find more money for works of this sort, the honourable member's suggestion will be borne in mind.

**Prof. N. G. Ranga:** Are we to understand that although the schemes were included in the budget for 1947-48 the estimates for them were not ready even in 1948-49?

**The Honourable Shri N. Gopalaswami Ayyangar:** Some of them!

**Prof. N. G. Ranga:** How is that? What are the reasons for not providing the money?

**The Honourable Shri N. Gopalaswami Ayyangar:** I will mention one reason: for instance, the remodelling of the station yards at Chingleput and Arkonam. They were dependent on our coming to a conclusion about the electrification of the line between Madras and Chingleput and Chingleput and Arkonam. The electrification schemes themselves have not been settled. The estimates received have been sent back for revision and we will take them into consideration as soon as they are settled. We can then think of remodelling these yards.

**Prof. N. G. Ranga:** Isn't it the policy of the Government to make provision in the budget for these schemes for which estimates are ready?

**The Honourable Shri N. Gopalaswami Ayyangar:** That is I think the *Shashtra* of budget-making. But as the honourable member knows, the actual making of the budget does not always conform to the precepts in the *Shashtra*.

**Prof. N. G. Ranga:** That is wrong.

**Shri O. Subramanian:** May I know whether the construction of overbridges in place of the level crossings in the Gengu Reddy Road and MacNicholl Road in the city of Madras is likely to be taken up during the course of the next year?

**The Honourable Shri N. Gopalaswami Ayyangar:** It does not seem likely in 1949-50. We will certainly consider that for 1950-51.

#### ELECTRIFICATION OF RAILWAY LINES BETWEEN TAMBARAM, CHINGLEPUT AND ARKONAM ON M. AND S. M. RAILWAY

\*1064. **Shri O. V. Alagesan:** (a) Will the Honourable Minister of Railways be pleased to state whether there is a proposal to electrify the Railway lines between Tambaram and Chingleput and Chingleput and Arkonam on the South Indian Railway and the line between Madras and Arkonam on the Madras and Southern Mahratta Railway?

(b) If so, when will the work be taken up and in what stages?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) There is a proposal to electrify the Railway lines from Tambaram to Chingleput and Chingleput to Arkonam on the S.I. Railway. There is no proposal, however, to electrify the line between Madras and Arkonam on the M. and S. M. Railway.

(b) The electrification scheme on the S.I. Railway is under investigation. A report on the electrification of Tambaram to Chingleput and Chingleput to Arkonam was received from the S.I. Railway. After scrutiny the Railway was asked to review the scheme and submit a revised report which is still awaited. It is not possible to say at present when the scheme will be taken up.

**Shri O. V. Alagesan:** Is it a fact that the South Indian Railway Administration has sent a revised estimate for 1½ crores for electrifying the railway line between Tambaram and Chingleput and if so, will Government consider taking up the work as soon as possible?

**The Honourable Shri N. Gopalaswami Ayyangar:** As a matter of fact a scheme was received from them—I forget whether it was a revised one—and we had to return it for further modification and revision and the report of the South Indian Railway after such modification and revision has so far as I know not been received here.

**Shri O. V. Alagesan:** Will the work be taken up next year or at least a start be made with it?

**The Honourable Shri N. Gopalaswami Ayyangar:** That would still depend on the same considerations as I explained in connection with the other works to which the honourable member has made reference.

**Shri V. C. Kesava Rao:** May I know whether it is a fact that the conference of the Engineers recommended the electrification of all the trains? If so, may I know what steps are being taken in this regard?

**The Honourable Shri N. Gopalaswami Ayyangar:** Not all the railway lines but certainly the particular lines referred to in this question are. I believe, included in that resolution.

**Shri R. K. Sidhva:** May I know whether this conference of engineers in Delhi recommended the electrification of the railway line from Veraval to Ahmedabad and Poona to Bhusawal? If so, what steps do Government intend to take in this connection?

**The Honourable Shri N. Gopalaswami Ayyangar:** I believe the resolution has not yet been officially received by the Railway Board. When it is, we will certainly take note of it and examine the matter as soon as we are in a position to do so.

**Prof. N. G. Ranga:** Is it not a fact that the Wedgwood Committee and also the Public Accounts Committee on several occasions had complained that Government had spent too much money on the general layout in regard to the electrification of the railways?

**The Honourable Shri N. Gopalaswami Ayyangar:** I do not quite remember; possibly they did.

**Prof. N. G. Ranga:** Are Government keeping mind this objective *i.e.*, of keeping down the cost as much as possible, when they carry out this electrification even on the S.I. as well as M. and S.M. Railways?

**The Honourable Shri N. Gopalaswami Ayyangar:** Of course they will do that. As a matter of fact I can tell the honourable member that a particular railway expert from abroad who came over to see me told me that we should not go too fast in the matter of electrification.

**Dr. V. Subramaniam:** On lines where electric trains are run is there sufficient electricity available for the purpose of running them?

**The Honourable Shri N. Gopalaswami Ayyangar:** At present where there is electric traction there is enough electricity available for what we are doing. As regards extension of such electric traction we will certainly make sure that adequate electricity will be available before we sanction such works.

#### REMODELLING CHINGLEPUT AND CONJEEVARAM RAILWAY STATIONS

\*1065. **Shri O. V. Alagesan:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that provision was made in the Budget for 1948-49 for remodelling Chingleput and Conjeevaram stations on the South Indian Railways?

(b) If so, what steps have been taken so far in the direction?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) Yes.

(b) Remodelling of the Chingleput and Conjeevaram stations is required in connection with the proposed extension of electrification from Tambaram to Chingleput, and on to Arkonam. As the electrification schemes are still under consideration, the remodelling of these stations has been deferred.

#### WAITING ROOM FACILITIES FOR THIRD CLASS PASSENGERS.

\*1066. **Shri O. V. Alagesan:** Will the Honourable Minister of Railways be pleased to state what steps have so far been taken and what steps are proposed to be taken in the near future to provide better waiting room facilities for third class passengers?

**The Honourable Shri N. Gopalaswami Ayyangar:** Railways have been asked to increase the seating accommodation in Class III waiting halls and platforms to 40 seats per 100 passengers as against 20 seats per 100 passengers which was in vogue previously. Instructions have also been issued to provide electric fans in Class III waiting halls and covered platforms subject to the availability of electric power and equipment. The post-war programme of Railways under "amenities for Class III passengers" includes waiting rooms and halls at more stations, extension of waiting sheds, construction of pilgrim sheds, bathing facilities for the convenience of Class III passengers and the like.

**Shri C. Subramaniam:** May I know why no provision has been made for the improvement of latrines on the S.I. Railway in the next year's budget? I find that no amount has been allotted for this purpose.

**The Honourable Shri N. Gopalaswami Ayyangar:** I must refer to the pink book for that: but I can tell the honourable member that, whether such necessary works are provided for in the budget or not, I have already given instructions to General Managers to pick out all works of amenities which are required at stations and start them even without waiting for prior sanction from the Railway Board.

**Shri O. V. Alagesan:** May I know in how many stations have electric fans been provided in third class waiting rooms?

**The Honourable Shri N. Gopalaswami Ayyangar:** I must ask for notice of that question.

**Sarimati G. Durgebai:** Are Government aware that the second class waiting rooms at some stations like Bezvada on the M. and S.M. Railway are now being converted into first class waiting rooms and the second class passenger has no waiting room to stay in?

**The Honourable Shri N. Gopalaswami Ayyangar:** I do not know about the particular condition in Bezwada but I do not think what the honourable member refers to is a general phenomenon on the railways, even after the introduction of the new classification.

**Shri H. V. Kamath:** For how many years now have third class railway passengers been fed on fond hopes and encouraged to dream of better times?

**The Honourable Shri N. Gopalaswami Ayyangar:** I believe for half a century.

**Shri Raj Bahadur:** Do Government propose to provide bath rooms and lavatories in third class waiting rooms similar to those provided in upper class waiting rooms?

**The Honourable Shri N. Gopalaswami Ayyangar:** Yes, I think in the new type of waiting rooms that will be constructed bath rooms will also be provided.

**Prof. N. G. Ranga:** Is it the policy to combine the first and second class waiting rooms into one, so that passengers of both the classes can have the same amenities?

**The Honourable Shri N. Gopalaswami Ayyangar:** The distribution of the accommodation available in the old first and second class waiting rooms between the present first and second class passengers will depend upon the accommodation available at each station.

**Shri Mohan Lal Gautam:** What steps do the Government propose to take to protect the third class passengers from rain and storm in the waiting rooms?

**The Honourable Shri N. Gopalaswami Ayyangar:** We have a programme for covered platforms and the waiting rooms will also be covered ones.

**Shri Mohan Lal Gautam:** Will there be any enclosing walls in the waiting rooms or only a shed over their heads?

**The Honourable Shri N. Gopalaswami Ayyangar:** We have waiting halls: they are generally open and not provided with doors and windows unlike other waiting rooms. But we provide seating accommodation more generously than we used to do previously.

**Shrimati G. Durgabai:** Will the Government make an enquiry into this matter and also ascertain whether the same is true with regard to the refreshment rooms also?

**The Honourable Shri N. Gopalaswami Ayyangar:** Certainly I will make the enquiry.

**Seth Govind Das:** Is there any definite scheme for improving the present third class waiting rooms and fitting them with baths and better lavatories?

**The Honourable Shri N. Gopalaswami Ayyangar:** Works are undertaken by the General Managers in consultation with the Local Advisory Committees. If these two sets of people think that the present rooms should be improved in any way it will be taken up as a work and executed as if it were in the programme of amenities for passengers.

### (b) WRITTEN ANSWERS

#### MANUFACTURE OF TEA CHESTS

\*1067. **Srijut Kuladhar Chalisa:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government have considered the question of opening Saw Mills for manufacturing tea-chests?

(b) What is the quantity of tea-chests required for the Tea Industry in Assam?

(c) What are the quantities of tea-chests imported from abroad and what was the amount spent on such imports in the years 1947-48 and 1948-49?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Teacheests are not manufactured in Saw Mills but they manufacture wooden battens required for making tea-chests.

(b) 2.9 million tea-chests approximately.

(c) 2.1 million tea-chests valued at Rs. 10,878,000 and 2.9 million tea-chests valued at Rs. 14,884,000 were imported in 1947-48 and from April to December, 1948 respectively.

#### CATTLE SHOWS

\*1088. **Shri Moturi Satyanarayana:** (a) Will the Honourable Minister of Agriculture be pleased to state:

(a) the criteria for fixing up venues for cattle shows;

(b) the part played by the Cattle Show Committee in the organization of these shows;

(c) the results achieved by holding these cattle shows; and

(d) particularly the benefits derived by the farmers from these shows?

**The Honourable Shri Jairamdas Doulatram:** (a) and (b) (i). Venues of the cattle shows which are held in the various Provinces and States are fixed by the local authorities concerned according to local convenience. All-India Cattle Show Committee offers prize money and technical assistance.

(ii) The Western Regional Cattle Show and the Southern Regional Cattle Show are held in that Province or State which is considered suitable in its respective region and which offers to meet a substantial share towards the expenses of the Show and agrees to provide other facilities by way of staff and accommodation.

These shows are organised by the All-India Cattle Show Committee which also meets, a part of the expenditure involved.

(iii) The venue for the All-India Cattle Show has so far been Delhi as it was considered a central place.

The All-India Cattle Show Committee which organises this Show and entirely finances it too, has however now decided that the All-India Show will henceforth be held in different Provinces and States by rotation.

(c) These shows have aroused a keen sense of healthy competition and have helped in developing the breeds of the country. They also offer excellent opportunities for Provinces and States which have no established breeds of their own to examine the various well known breeds with a view to introducing them in their own Provinces and States.

(d) Cattle Shows provide stimulus and encouragement to the farmers to attend the welfare of their cattle and are also of educative value. In addition, they provide an opportunity to farmers to exchange ideas regarding breeding and care of cattle.

#### PRODUCTION OF VANASPATI AND ITS EFFECT ON HEALTH

\*1089. **Shri Moturi Satyanarayana:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the total amount of vanaspati ghee manufactured during the year 1948-49;

- (b) the total quantity of Indian oil diverted for manufacturing Vanaspati;  
 (c) the total quantity of oil imported, if any, for being used in this industry;  
 (d) the total amount of vegetable oil, margarin or other fats imported into India for our consumption;  
 (e) the expert medical opinion that Government have gathered on the use of vanaspati ghee; and  
 (f) the steps Government propose to take for preventing the use of vegetable ghee in the country?

**The Honourable Shri Jairamdas Deshmukh:** (a) The total quantity of Vanaspati manufactured during the year 1948 is 1,29,691 tons.

(b) The total quantity of oil consumed in 1948 for manufacture of Vanaspati is nearly 1,40,000 tons.

(c) Nil.

(d) A statement of various fats imported during the period April to October, 1948 is attached.

(e) Expert scientific opinion so far available is not conclusive. Further investigations are in progress.

(f) The present policy of Government is not to encourage the expansion of the Vanaspati Industry beyond what Government were already committed to. Government have reserved their final decision about the future of the Vanaspati Oil Industry till they are in possession of conclusive evidence about its effect on the human health or other drawbacks of Vanaspati which are under investigation by a committee of Scientists. As regards the proposal to stop hydrogenation, the question will be considered from all points of view.

#### STATEMENT

*Various fats imported into India during the period April to October, 1948*

| Commodity                        | Quantity       | Value          |
|----------------------------------|----------------|----------------|
|                                  |                | Rs.            |
| (1) Margarine                    | Not available. | Not available. |
| (2) Butter                       | 102 cwt.       | 24,279         |
| (3) Ghee                         | Not available  | 104            |
| (4) Fish oil                     | 129 cwt.       | 5,050          |
| (5) Other animal oils            | 40018 gallons  | 2,29,639       |
| (6) Vegetable Non-essential Oils | 78,589 cwt.    | 49,18,798      |
| (7) Tallow                       | 38,692 cwt.    | 36,51,181      |
| (8) Stearin                      | 339 cwt.       | 40,134         |
| (9) Other animal fats            | 268 cwt.       | 18,498         |

#### IMPORT OF PURE GHEE AND BUTTER

\*1070. **Shri Moturi Satyanarayana:** Will the Honourable Minister of Food be pleased to state:

- (a) whether any offers have been received by Government from any country for the supply of pure ghee and butter to India;  
 (b) if so, what was the quantity offered and the price quoted;  
 (c) if not, whether Government have explored the possibilities of importing pure ghee and butter into this country;

(d) whether Government have included pure ghee or butter in their food imports into India and if so, in what quantities; and

(e) what is the total quantity of ghee or butter available in the country and whether any steps are being taken by Government for increasing the production and reducing the cost of pure ghee and butter in India?

**The Honourable Shri Jatramdas Doulatram:** (a) No.

(b) Does not arise.

(c) Yes for butter only.

(d) No.

(e) The total quantity of ghee available in the country is estimated at 11·4 million maunds and of butter 2·8 million maunds. Two schemes are in hand in different parts of the country to increase the production of butter and ghee. They are (i) Cooperative Ghee Union in Jhalar forest area in the C.P. for ghee production, and (ii) Cooperative Creamery Society, Karnguzli, Madras for production of butter. In addition the Government of India have in hand a comprehensive five-year plan which envisages additional ghee production to the extent of 2·694 lakh maunds. Increase in the output of butter and ghee through development of dairy industry on a planned basis can help to bring down the prices of butter and ghee.

#### DEVELOPMENT OF CEMENT INDUSTRY

\*1071. **Shri G. Nagappa:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government have surveyed the possibility of developing Cement Industry in the country?

(b) What parts of the country have been selected for locating new factories?

(c) What action have Government taken to increase the Cement production?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) to (c). Yes, Sir; with the partition of the country in 1947, nineteen cement factories with a total capacity of 2·245 million tons per annum fell in the Indian Union. The Government of undivided India had sanctioned new schemes out of which 29 with a total capacity of 2·82 million tons were to be located in the Indian Union. Since then the position was reviewed and five of the old schemes were cancelled whilst seven new ones were sanctioned. The present rated annual capacity of the existing works stands at 2·4 million tons and an additional capacity of 1·7 million tons is expected to come into production by 1952. A statement showing the location and capacity of all these factories is laid on the table of the House.

Government is giving all possible assistance to the cement industry to implement its expansion schemes by releasing building materials. High priority is accorded to the transport of the raw materials and finished products.

#### STATEMENT

| Cement Works         | State or Province  | Present Rated Capacity Tons | New Capacity Tons/Year | Completion |
|----------------------|--------------------|-----------------------------|------------------------|------------|
| <i>A.C.C.:</i>       |                    |                             |                        |            |
| Banor . . . . .      | Gwalior . . . . .  | 60,000                      | ..                     | ..         |
| Bhopal . . . . .     | Patiala . . . . .  | 200,000                     | ..                     | ..         |
| Coimbatore . . . . . | Madras Pr. . . . . | 180,000                     | 100,000                | 1949       |

|                          | 1                     | 2           | 3   | 4   |
|--------------------------|-----------------------|-------------|---|---|
| C. P. (Kymore)           | C. P.                 | 350,000     | ..  | ..  |
| Dwarka                   | Baroda (Kathiawar)    | 180,000     | 65,000                                    | 1951                                      |
| Khalari                  | Bihar                 | 100,000     | ..  | ..  |
| Kistna                   | Madras Pr.            | 80,000      | 100,000                                   | 1950                                      |
| Lakheri                  | Burdia                | 225,000     | 125,000                                   | 1950                                      |
| Porbandar                | Porbandar (Kathiawar) | 42,000      | 52,000                                    | 1952                                      |
| Shahabad                 | Hyderabad             | 240,000     | ..  | ..  |
| Chaiabasa                | Bihar                 | 200,000     | ..  | ..  |
| Sevalia                  | Bombay Pr.            | ..          | 200,000                                   | 1951/52                                   |
| Assam                    | Assam                 | ..          | 100,000                                   | (Not possible to estimate at this stage). |
| <b>Dalmia</b>            |                       |             |   |   |
| Dalmianagar              | Bihar                 | 150,000     | 150,000                                   | 1949/50                                   |
| Dalmiapuram              | Madras Pr.            | 70,000      | 150,000                                   | 1949                                      |
| Dalmia Dadri             | Jhind                 | 40,000      | ..  | ..  |
| Dalmia Jaipur            | Jaipur                | ..          | 150,000                                   | 1951                                      |
| Dalmia Orissa            | Orissa                | ..          | 150,000                                   | 1950                                      |
| <b>Others</b>            |                       |             |   |   |
| Sone Valley P. C. Co.    | Bihar                 | 200,000     | ..  | ..  |
| Audhra Cement Co.        | Madras Pr.            | 90,000      | 80,000                                    | 1949/50                                   |
| Mysore Iron & Steel      | Mysore                | 20,000      | 50,000                                    | 1949                                      |
| Kalyanpur Lime & Co.     | Bihar                 | 36,000      | ..  | ..  |
| Jhajha Cement & Ind.     | Bihar                 | 12,000      | 30,000                                    | Not possible to estimate at this stage).  |
|                          |                       | 24,15,000   |   |   |
| <b>New Works</b>         |                       |             |   |   |
| Shree Digvijay           | Jamnagar              | ..          | 100,000                                   | 1949                                      |
| Indian Cements Ltd.      | Madras Pr.            | ..          | 100,000                                   | 1949                                      |
| Travancore Cements Ltd.  | Travancore            | ..          | 50,000                                    | 1949                                      |
|                          |                       | 17,32,000   |   |   |
| <b>New Schemes</b>       |                       |             |   |   |
| Sindhri (Govt. of India) | Bihar                 | 200,000     | 1951                                      |   |
| Markundi (U. P. Govt.)   | U. P.                 | 200,000     | (Not possible to estimate at this stage). |   |
| Bagalkot Cement Co.      | Bombay Pr.            | 100,000     |   |   |
| New Hindustan Co. Ltd.   | C. P.                 | 100,000     |   |   |
| Kurnool                  | Madras Pr.            | 100,000     |   |   |
| South Arcot              | Madras Pr.            | 50,000      |   |   |
| Assam Govt.              | Assam                 | 100/150,000 |   |   |
| Rewa State               | Rewa                  | 100/150,000 |   |   |
| M. N. Dalal              | Baroda                | 100,000     |   |   |
| C. C. Mankiwala          | Bombay Pr.            | 100,000     |   |   |
|                          |                       | 31,25,000   |   |   |

## SHORTAGE OF RAILWAY WAGONS

\*1072. **Shri S. Nagappa:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the country is facing shortage in wagons?

(b) If so, what steps are being taken to build the required number of wagons?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) and (b). There is no shortage in the number of wagons in general on Indian Government Railways; but on account of arrears of maintenance and intensive use during the war, a larger number of wagons than normal are still out of service. All endeavours are being made to reduce the number of wagons out of service.

## SURVEY AND SETTLEMENT OPERATIONS IN ISTIMRARDARI AREA OF AJMER-MERWARA

\*1073. **Pandit Mukut Lal Bhargava:** (a) Will the Honourable Minister of Agriculture be pleased to state whether the Government of India have received any proposals from the Chief Commissioner, Ajmer-Merwara, seeking their sanction for starting survey and settlement operations in the Istimirardari area of Ajmer-Merwara in anticipation of the Ajmer-Merwara Tenancy Bill being enacted into law?

(b) If so, when were these proposals received and what action has so far been taken thereon?

**The Honourable Shri Jairamdas Doulatram:** (a) Yes.

(b) The proposals were received on the 28th July, 1948, and a copy of the resolution of the Advisory Council of the Chief Commissioner approving the scheme was received on 31st December, 1948. As the estimated expenditure involved over a period of three years was about Rs. 7 lakhs and no provision existed in budget estimates for 1948-49, the approval of the Standing Finance Committee was necessary before the scheme could be sanctioned. It was placed before the meeting of Standing Advisory Committee due on 19th February, 1949 but the meeting had to be postponed. It will now be placed before the next meeting of the Standing Advisory Committee. A provision of Rs. 1,63,000 has been made in the budget estimates of Ajmer-Merwara for settlement and record operations in Istimirari area during the year 1949-50. Instructions will be issued to the Chief Commissioner, Ajmer-Merwara, to commence operations on receipt of the approval of the Standing Finance Committee.

## ALLOTMENT OF IRON AND STEEL TO PROVINCES

\*1074. **Pandit Mukut Lal Bhargava:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the basis on which the quota of iron and steel is allotted to the different Provinces in India?

(b) What is the quota allotted to the Province of Ajmer-Merwara from the time the control commenced? Was any portion of such quota ear-marked for distribution amongst the agriculturists and in the rural area of the Province and if so, since when?

(c) Is it a fact that the entire work of internal distribution of the quota of imported steel and iron in the Province of Ajmer-Merwara is left in the hands of the Agricultural Officer?

(d) On what principle is the internal distribution being made by the distributing Agency in the Province of Ajmer-Merwara and is any definite proportion of the quota allotted separately to urban and rural areas?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) The Provincial Quota of steel is distributed in proportion to the population of the Provinces, a weightage equal to three times the population being given for cities having 100,000 or more inhabitants.

(b) The existing scheme of distribution was introduced from January, 1947. During the year 1947, Ajmer-Merwara was allotted 93½ tons of steel per quarter. From January 1948, a quota of 65 tons per quarter is being allotted, and from the same date, 50 per cent. of the quota is being earmarked for agricultural purposes.

(c) Yes, Sir.

(d) The Provincial quota is distributed to the general public and small scale manufacturers of consumer goods, essential requirements being met first. The quota is not sub-divided according to the requirements of urban and rural areas but according to the requirements for agricultural and non-agricultural purposes, 50 per cent. of the quota being allotted for each of the purposes.

#### IRON AND STEEL ALLOTTED TO IRON AND STEEL MERCHANTS ASSOCIATION IN AJMER-MERWARA.

\*1075. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether there is any Iron and Steel Merchants Association in Ajmer and other towns of Ajmer-Merwara?

(b) If so, where and has any quota of iron and steel been allotted to these Associations and if so, in what proportion and from which year and if not, why not?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) and (b). There is an Association known as the Ajmer Iron and Steel Stockholders Association at Ajmer. There is no such Association in any other town of Ajmer-Merwara.

No quota of steel is being allotted to this Association as it is not registered as a stockholder.

#### DISTRIBUTION OF IRON AND STEEL IN AJMER-MERWARA

\*1076. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether any portion of the quota of iron and steel allotted to Ajmer-Merwara is reserved for the requirement of public bodies like Municipalities, District Boards, Educational and Charitable Institutions, etc., of the Province and if not, why not?

(b) Is any preference given to the requirements of public institutions like Municipalities and if not, why not?

(c) Were any applications received by the distributing Authority from the Municipalities of Ajmer-Beawar and other similar bodies and Institutions in the Province of Ajmer-Merwara for iron pipes, corrugated iron sheets for pales and drums, iron angles, etc., and if so, to what extent were permits issued?

(d) What was the total quantity of iron pipes, corrugated iron sheets and iron angles received in the Province and what proportion of this was supplied to individuals and what proportion to public institutions, and what quantity was supplied in the rural and urban areas?

(e) Do Government propose to consider the advisability of laying down some broad principles upon which distribution to individuals and institutions standing in need of these essential articles will be based?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) and (b). Preference is given to the requirements of public bodies in making allotments of steel from

the Provincial Quota. Their requirements are met as far as possible as and when they arise and therefore it is not necessary to reserve any quantity of steel for them.

(c) Yes, Sir. Permits were issued in favour of public bodies and institutions in Ajmer-Merwara to the extent of about thirty per cent. of the Provincial Quota.

(d) A statement giving the required information is placed on the table of the House.

(e) Distribution of Provincial Quota is entirely in the discretion of Provincial Governments and this is therefore a matter for them to consider.

#### STATEMENT

*Quantity of Pipes, G. C. sheets and iron angles received and distributed in Ajmer-Merwara against allotment for 1947*

| Material    | Quantity received | Quantity allotted |              |             |              |
|-------------|-------------------|-------------------|--------------|-------------|--------------|
|             |                   | Urban area        |              | Rural area  |              |
|             |                   | Individuals       | Institutions | Individuals | Institutions |
| Iron pipes  | 7,738 feet        | 3,167 ft.         | 2,855 ft.    | 216 ft.     | 1,001 ft.    |
| G. C. Sheet | 70 tons           | 26 tons           | 8 tons       | 35 tons     | 1 ton.       |
| Iron Angles | 13 tons           | 6 tons            | 4 tons       | 1.25 tons   | 0.25 tons.   |

- Note.—1. The figures for iron pipes include quantities received and distributed against the allotment made to Ajmer for 1948 also.  
 2. No steel has been received in Ajmer-Merwara against quotas allotted in 1948 due to difficulties of transport.

#### SINKING TUBE WELLS IN DELHI AND AJMER-MERWARA

\*1077. Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Minister of Agriculture be pleased to state whether Government have considered the question of sinking tube wells in the Centrally Administered areas of Delhi and Ajmer-Merwara and if not, why not?

(b) Do Government propose to explore the possibilities of constructing tube wells in the Province of Ajmer-Merwara?

The Honourable Shri Jairamdas Doulatram: (a) and (b). Several trial borings have been made in the Delhi area but good water bearing strata which could yield sufficient water for irrigation purposes has not been discovered. It is intended to make further trials near the bank of the river. There is still less likelihood of meeting subsoil water in Ajmer-Merwara, but Government will reconsider the question of exploratory borings in Ajmer-Merwara.

#### REWARDS TO EMPLOYEES FOR SUGGESTIONS FOR ECONOMY OR IMPROVEMENT IN POSTS AND TELEGRAPH DEPARTMENT

\*1078. Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that the Director General, Posts and Telegraphs, in March, 1947, circularised that monetary

awards would be granted to Post and Telegraph employees for accepted suggestions to effect economy or to improve the work and efficiency of the Department?

(b) If so, has there been any response?

(c) What is the number of suggestions received and from what classes of employees have they been received?

(d) What is the action taken on them?

**The Honourable Mr. Rafi Ahmad Kidwai:** (a) Yes.

(b) Yes.

(c) (i). Seventeen.

(ii) Six from Post Office clerks.

One from a Sub Record clerk of R.M.S.

One from a Telegraph Office clerk.

One from a Telegraphist.

Two from Telegraph Masters.

One from an Assistant of the Directorate.

One from a Head Clerk of the Superintendent of Post Offices.

Two from an Assistant Superintendent of Post Offices.

Two from a retired official.

(d) Three senders of the suggestions have been rewarded; suggestions received from two are under consideration and those received from the remaining twelve have been filed because they were either impracticable or not deserving of reward.

#### TUBE WELLS SUNK UNDER 'GROW MORE FOOD' CAMPAIGN

\*1079. **Shri B. P. Jhunjhunwala:** (a) Will the Honourable Minister of Agriculture be pleased to state the number of tube-wells actually sunk under the Government of India 'Grow More Food' campaign scheme till 31st December, 1948 throughout India, the area of land irrigated with these tube wells and the increase in yield of crop out of such irrigated areas?

(b) Have Government made enquiries into the after-effect of the sinking and use of the tubewells on the fertility of the upper surface of the soil as promised in answer to a supplementary raised on starred question No. 81, asked on 11th August, 1948?

(c) If so, what is the result of such enquiry?

**The Honourable Shri Jairamdas Donlatram:** (a) A statement is laid on the table.

(b) and (c). Enquiries were made from the Governments of U.P. and Bihar. The Bihar Government have reported that, so far, there have been no adverse effects on the subsoil water conditions by the sinking of tubewells and that the fertility of the surface soil has improved. The U.P. Government have reported that the effects of sinking tubewells have been favourable. The land on which tube-wells were constructed have in course of time become compacted and have begun to retain humus. Consequently there is an improvement in Soil texture.

Number of tube-wells sunk under Grow More Food Campaign till the 31st December, 1948 the area of land irrigated with these tube-wells and the increase in yield of crop out of such irrigated areas.

| Province               | Total number of tube-wells sunk<br>till<br>31-12-1948 | Increase in irrigated area<br>of land in acres. | Increase in yield.        | Remarks.   |
|------------------------|---|---|---------------------------|--|
| United Provinces . . . | 506   | 1,56,100  | 36,700 tons.              |  |
| Bihar . . .            | 137   | 38,500  | Figures not available     | 114 wells are working.<br>Rest have not been energised.  |
| Madras . . .           | 1834  | 7,250   | 1810 tons of food-grains. | Out of the 1834 tube-wells sunk in Madras 1529 proved successful. It may however be mentioned that the tubewells in Madras are not the type of tube-wells constructed in Bihar and U.P. What has been done is to introduce tubes into the percolation wells and install pumping sets in order to improve the water supply. |

**Note:**—About 500 tube-wells were sunk in Punjab before partition but all of them have gone to Pakistan.

#### DEVELOPMENT AND RATIONALISATION OF SUGAR INDUSTRY

\*1080, Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Agriculture be pleased to refer to the answer to starred question No. 672 asked on 4th September, 1948 regarding rationalisation of sugar industry and state what is the basis and criterion on which Government have planned and are planning to rationalise this industry on an All-India basis and under what conditions its development will be allowed in Provinces and States also?

(b) What is the present estimated quantity of production from the existing Sugar Mills and the present estimated consumption of sugar as against the estimated production?

(c) Do the existing Mills produce more than the requirement for consumption of sugar in India?

The Honourable Shri Jairamdas Desai: (a) The basis and criterion on which the Government of India are planning the development of sugar Industry is:

(i) that further sugar factories should be located mainly in areas where production of cane is economical from the yield per acre and sugar content point of view.

(ii) that consistently with the above principle further expansion of industry should be evenly distributed in all Provinces and States.

(b) The optimum production capacity of the Indian factories is 13.5 lakh tons annually, but the actual production is about 10 lakh tons. The estimated consumption at the present high level of prices of sugar is not more than about 10 lakh tons per year. The consumption would probably increase if the price was materially lower.

(c) No. The present apparent surplus with the factories in U. P. and Bihar is the result of absence of sales areas which now fall in Pakistan and reduction in the internal consumption, both these being due to high prices of sugar and the policy of sales followed by the sugar syndicate also leads to less consumption.

#### SCRIPT USED ON RAILWAY STATION NAME BOARDS.

\*1081. Shri Bassanta Kumar Das: Will the Honourable Minister of Railways be pleased to state:

(a) how many languages are being used for indicating the names of stations on platforms;

(b) the considerations for using a particular language or languages for the sign-board of a particular station; and

(c) whether the languages of any sign-boards have been changed of late and, if so, in what stations and to what extent?

The Honourable Shri N. Gopalaswami Ayyangar: (a) Generally three.

(b) The considerations taken into account are: for local people the language or languages to which those in the area are accustomed, and for others the common knowledge of the English and Dev-Nagri languages. Local Advisory Committees are consulted.

(c) Languages on the name boards of stations are being changed to give prominence to Hindi in Dev Nagri. Complete details of progress made are not yet available.

#### STOPPING OF SUPPLY OF COFFEE SEEDS TO CO-OPERATIVE SOCIETIES

\*1082. Shrimati Dakshayani Velayudhan: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that the Coffee Board is proposing to stop direct supplies of coffee seeds to co-operative stores and sell the entire stock in auction in pools?

(b) If so, what is the reason for the same?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) The major portion of the coffee from the pool is being sold in 'major auctions' in which only approved wholesale dealers are allowed to take part. The direct supply of coffee to co-operative societies was adopted during 1947 and 1948 by the Indian Coffee Board in view of the short crops of these years. The Indian Coffee Board now expect a normal crop and propose to resort to auctions open to all bona-fide dealers in coffee, including co-operative societies.

#### CAPITAL OUTLAY, PRODUCTION AND PROFIT OF GOVERNMENT COLLECTORIES

\*1083. Shri R. L. Malviya: Will the Honourable Minister of Industry and Supply be pleased to state

- (a) the capital outlay on each of the collieries owned by the State;
- (b) the output of coal from each of the collieries during the years 1945-46, 1946-47 and 1947-48;
- (c) the cost of production of coal per ton in each of the collieries;
- (d) the price of coal per ton raised from private-owned collieries in the areas in which Government collieries are situate;
- (e) the price of coal per ton at which it is sold to the public or is adjusted with the Railways;
- (f) total profit derived by each of the Government collieries annually during the years 1945-46, 1946-47 and 1947-48;
- (g) the profit per ton allowed to the private-owned collieries of Bengal, Bihar, Talcher, Central Provinces and Korea State (Central Provinces); and

(h) the profit per ton of coal raised from each of the State-owned collieries?

**The Honorable Dr. Syama Prasad Mookerjee:** (a) to (c). Three statements (Nos. I to III) furnishing the information required are laid on the table of the House.

(d) and (e). The statutory prices of coals are the same both for the state-owned and private collieries. These prices are:

Bengal/Bihar—Rs. 12/18/- to 16/18/- per ton.

Korea—Rs. 19/4/- to 15/8/- per ton.

Talcher—Rs. 14/6/- to 15/6/- per ton.

(f) A statement (No. IV) is laid on the table of the House.

(g) The existing statutory prices in these coalfields are designed to return an average profit of Rs. 1/8 per ton.

(h) A statement (No. V) is laid on the table of the House.

#### STATEMENT I

*Capital outlay on each of the collieries owned by the State.*

|                       | Capital Outlay on Colliery 1945/46 | Capital Outlay on Colliery 1946/47 | Capital Outlay on Colliery 1947/48<br>(Provisional) |
|-----------------------|------------------------------------|------------------------------------|---|
|                       | Rs.                                | Rs.                                | Rs.   |
| Bhurkunda Colliery    | 63,44,558                          | 64,79,445                          | 66,42,820   |
| Kargali Colliery      | 86,98,905                          | 97,49,374                          | 1,19,57,146   |
| Kurharbarree Colliery | 45,20,792                          | 36,16,197                          | 30,14,121   |
| Serampore Colliery    | 31,90,134                          | 31,90,134                          | 36,98,485   |
| Jt. Bakaro Colliery   | 26,12,404                          | 35,49,412                          | 46,37,587   |
| Jt. Sawang Colliery   | 15,90,923                          | 14,87,666                          | 13,50,881   |
| Jarangdib Colliery    | 60,67,376                          | 77,98,924                          | 79,98,922   |
| Talcher Colliery      | 51,73,236                          | 56,30,560                          | 60,82,841   |
| Kurazia Colliery      | 23,75,154                          | 22,44,031                          | 23,24,946   |
| Arguda Colliery       | 20,71,189                          | 8,98,205                           | 1,30,068  |
| Doulbera Colliery     | 2250,633                           | 26,88,965                          | 24,10,751   |

## STATEMENT II

*Output of coal from each of the State owned Collieries in the years 1945-46, 1946-47 and 1947-48.*

|                       | Output of<br>Colliery<br>1945-46 | Output of<br>Colliery<br>1946-47 | Output of<br>Colliery<br>1947-48<br>(Provisional) |
|-----------------------|----------------------------------|----------------------------------|---|
|                       | Tons.                            | Tons.                            | Tons.   |
| Bhurkunda Colliery    | 1,72,146                         | 1,68,718                         | 1,68,000  |
| Kargali Colliery      | 7,47,018                         | 9,57,868                         | 8,94,000  |
| Kurnarbarree Colliery | 3,09,895                         | 2,16,064                         | 2,40,000  |
| Serampore Colliery    | 2,91,460                         | 2,82,150                         | 2,84,000  |
| Jt. Bokaro Colliery   | 11,69,571                        | 16,47,618                        | 12,97,000   |
| Jt. Sewang Colliery   | 96,588                           | 64,840                           | 45,000  |
| Jarangdih Colliery    | 58,369                           | 38,487                           | 21,000  |
| Talcher Colliery      | 1,94,150.5                       | 1,71,876                         | 1,81,000  |
| Kurasia Colliery      | 3,50,878                         | 3,49,764                         | 3,65,000  |
| Argada Colliery       | 1,54,231                         | 1,62,289                         | 1,62,000  |
| Deulbera Colliery     | 79,076                           | 67,188                           | 67,000  |

## STATEMENT III

*Cost of production per ton in each of the State owned collieries for the years 1945-46, 1946-47 and 1947-48.*

|                       | Verified<br>cost of<br>production<br>of coal<br>per Ton<br>1945-46 | Verified<br>cost of<br>production<br>of coal<br>per Ton<br>1946-47 | Provisional<br>cost of<br>production<br>of coal<br>per Ton<br>1947-48 |
|-----------------------|--|--|---|
|                       | Rs.  | Rs.  | Rs.   |
| Bhurkunda Colliery    | 11 0 1   | 12 1 5   | 13 7 11   |
| Kargali Colliery      | 9 6 1  | 8 18 1   | 11 18 5   |
| Kurnarbarree Colliery | 15 5 6   | 20 2 11  | 23 10 5   |
| Serampore Colliery    | 18 11 8  | 17 7 11  | 22 2 2  |
| Jt. Bokaro Colliery   | 6 10 0   | 7 9 8  | 7 14 5  |
| Jt. Sewang Colliery   | 9 7 6  | 11 14 6  | 13 12 11  |
| Jarangdih Colliery    | 14 8 9   | 23 6 9   | 46 11 3   |
| Talcher Colliery      | 9 1 1  | 12 2 11  | 16 9 2  |
| Kurasia Colliery      | 8 12 7   | 12 0 8   | 9 8 0   |
| Argada Colliery       | 8 5 10   | 14 0 9   | 12 12 8   |
| Deulbera Colliery     | —  | 11 18 10   | 19 10 8   |

*Profit earned by each of the State owned Colliery during the years 1945-46, 1946-47 and 1947-48*

|                      | 1945-46   | 1946-47   | 1947-48   |
|----------------------|-----------|-----------|-----------|
|                      | Rs.       | Rs.       | Rs.       |
| Bhurkunda Colliery   | 10,121    | Nil       | Nil       |
| Kargali Colliery     | 12,15,676 | 22,52,340 | 8,32,000  |
| Kurharbaree Colliery | Nil       | Nil       | Nil       |
| Serampore Colliery   | Nil       | Nil       | Nil       |
| Jt. Bokaro Colliery  | 50,81,048 | 45,12,424 | 36,80,046 |
| Jt. Sawang Colliery  | 36,693    | Nil       | Nil       |
| Jarangdih Colliery   | Nil       | Nil       | Nil       |
| Talcher Colliery     | 3,52,748  | Nil       | Nil       |
| Kurasia Colliery     | 18,27,930 | 6,43,872  | 19,30,000 |
| Arguda Colliery      | 3,11,825  | Nil       | 93,000    |
| Deulbera Colliery    | 4,286     | Nil       | Nil       |

#### STATEMENT V

*Profit per ton of Coal raised from each of the State owned Collieries in the years 1945-46, 1946-47, 1947-48.*

|                      | Profit per Ton<br>1945-46 | Profit per ton<br>1946-47 | Provisional<br>Profit per ton<br>1947-48 |
|----------------------|---------------------------|---------------------------|--|
|                      | Rs.                       | Rs.                       | Rs.                                      |
| Bhurkunda Colliery   | 0 0 11.2                  | Nil                       | Nil                                      |
| Kargali Colliery     | 1 10 0.4                  | 2 5 8                     | 1 3 2.2                                  |
| Kurharbaree Colliery | Nil                       | Nil                       | Nil                                      |
| Serampore Colliery   | Nil                       | Nil                       | Nil                                      |
| Jt. Bokaro Colliery  | 4 6 1.3                   | 3 4 6                     | 2 16 11.8                                |
| Jt. Sawang Colliery  | 0 8 9.5                   | Nil                       | Nil                                      |
| Jarangdih Colliery   | Nil                       | Nil                       | Nil                                      |
| Talcher Colliery     | 1 13 0.2                  | Nil                       | Nil                                      |
| Kurasia Colliery     | 5 3 4.2                   | 1 13 5.4                  | 5 4 7.2                                  |
| Arguda Colliery      | 2 0 3.9                   | Nil                       | 0 9 2.2                                  |
| Deulbera Colliery    | 0 0 10.4                  | Nil                       | Nil                                      |

#### PURCHASE PRICES OF COMMODITIES FOR GOVERNMENT COLLIERIES GRAIN SHOPS.

\*1084. Shri B. L. Malviya: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware that foodgrains and other commodities supplied to the staff and labourers by the State Colliery grain shops are purchased by Government at a higher price than the prices at which they are purchased by the private-owned collieries?

(b) If the answer to para. (a) above be in the affirmative, what steps have Government taken in the matter?

The Honourable Dr. Syama Prasad Mookerjee: (a) Government are not aware of this and in view of the procedure adopted for purchase, the allegation does not seem probable. We are however making enquiries. The result of the enquiry will be communicated to the honourable member.

(b) Does not arise.

## EXPENDITURE FOR PROVIDING FOOD GRAINS AT CHEAP RATES TO COLLIERY LABOUR

\*1085. Shri R. L. Malviya: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the amount spent towards providing food grains at cheap rates to colliery labour in each of the collieries owned by the State during the years 1945-46, 1946-47 and 1947-48; and

(b) the strength of labour in each of the collieries and the expenditure per capita towards the cheap grain facility?

The Honourable Dr. Syama Prasad Mukherjee: (a) and (b). The total expenditure incurred on the provision of food grains at concessionary rates to staff and labour employed in collieries owned or controlled by the State during 1946-47 and 1947-48 was Rs. 49,24,648 and Rs. 79,90,238 respectively. The figure for 1945-46, and the figures of breakdown by colliery as also the strength of labour at each of the State owned collieries are not readily available. These are being collected and will be communicated later to the honourable member.

The expenditure per capita towards the cheap grain facility is about rupees five per week.

## OVERCROWDING IN THIRD CLASS AND ADDITIONAL INCOME TO RAILWAYS

\*1086. Shri B. P. Jhunjhunwala: Will the Honourable Minister of Railways be pleased to state:

(a) the average number of passengers travelling in third class per mile, in excess of the allotted accommodation for these compartments in one year; and

(b) the additional income that accrued to the Railway because of this overcrowding during the past year.

The Honourable Shri N. Gopalaswami Ayyangar: (a) and (b). A statement giving the information required is laid on the table of the House.

## STATEMENT.

(a) The average number of passengers travelling in third class per mile, in excess of the allotted accommodation for these compartments in the last completed year (1947-48) can be expressed by a comparison of passenger miles with the seat miles and not by a mere comparison of the total number of seats available with the total number of passengers carried, as the latter comparison does not allow for the element of distance. The figures are shown below by gauges, and the excesses are with reference to an occupation ratio (i.e. percentage of passenger miles to seat miles) of 60 per cent. which is regarded as the reasonable ratio for purposes of an immediate target.

1947-48 class I Indian Railways (excluding EP and Assam Railways for which reliable figure for 1947-48 are not available).

|      | Total seat miles (in thousands). | Total passenger miles (in thousands). | Actual occupation ratio (per cent). | 60% of the seat miles (in thousands) |
|------|----------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
| 1    | 2                                | 3                                     | 4                                   | 5                                    |
| B.G. | 25,413,436                       | 18,847,162                            | 74.16%                              | 16,248,062                           |
| M.G. | 10,490,400                       | 9,103,386                             | 89.63%                              | 6,294,245                            |
| N.G. | 479,506                          | 357,582                               | 74.57%                              | 287,704                              |

Column 5 shows what should have been the passenger miles in relation to the occupation ratio of 60 per cent (regarded as being reasonable), against which the actual passenger miles are those shown in column 3.

(b) The estimated additional earnings derived from third class passengers who travelled in excess of an occupation ratio of 60 per cent. during 1947-48 on Indian Government Railways is Rs. 12.42 crores computed *prorata* on the basis of percentages given in (a) above.

**COMPENSATION BY RAILWAYS FOR CLAIMS DURING 1948**

\*1087. **Shri B. P. Jhunjhunwala:** Will the Honourable Minister of Railways be pleased to state the amounts of compensation paid on account of claims during the year from 1st January, 1948 ending December, 1948?

**The Honourable Shri N. Gopalaswami Ayyangar:** During the period 1st January, 1948 to 31st December, 1948 a sum of approximately Rs. 1,80,60,000 was paid by the Indian Government Railways on account of claims compensation.

**COTTAGE OR SMALL SCALE INDUSTRIES FOR MANUFACTURING CYCLE PARTS**

\*1088. **Shri Arun Chandra Guha:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether there are any cottage or small scale industries for producing cycle parts;

(b) if so, what has been the approximate value of their products and the nature of the parts produced;

(c) whether the present policy of importing cycles has in any way affected these industries; and

(d) whether the products of these industries can compete in price with the imported articles and if not, whether Government propose to give any protection to these industries?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Yes, Sir.

(b) Mudguard, Chasinguard, Handle Bar, Chain stretching screw, Cap Carrier, Bell, etc., worth about Rs. 1,50,000 annually.

(c) Not to my knowledge.

(d) Yes, Sir. The price of the indigenous product is lower than that of the imported one, but it is not quite popular because of its inferior quality. The indigenous industry is now improving the quality of its products and in order to help the development of the industry protective duties are levied on foreign cycles imported into the country. A statement giving details of the duties levied is laid on the table of the House. The question whether the protection now given needs any modification is under examination.

**STATEMENT***Details of Protection afforded to the bicycle industry*

Item Number of the Indian  
Customs Tariff under  
which duty is assess-  
able.

|        |  |                                      |                                      |
|--------|--|--------------------------------------|--------------------------------------|
| 75 (5) | Cycles (other than motor cycles)<br>Imported entire or in sec-<br>tions. | (a) British Manufacture . . . . .    | Protective 24 percent ad valorem     |
|        |  | (b) Not of British Manufacture       | Protective 36 percent ad valorem.    |
| 73 (6) | Frames for cycles (other than<br>motor cycles).                          | (a) of British Manufacture . . . . . | Protective 24 percent ad<br>valorem. |
|        |  | (b) not of British Manufacture       | Protective 36 percent ad<br>valorem. |
| 75 (7) | Handle bars for cycles<br>(other than motor cycles).                     | (a) of British Manufacture . . . . . | Protective 24 percent ad<br>valorem. |
|        |  | (b) not of British Manufacture       | Protective 36 percent ad<br>valorem. |

76(8)

All other parts and accessories  
of cycles (other than motor  
cycles) not otherwise speci-  
fied, including rubber tyres  
and tube.

- (a) of British Manufacture      Protective 24 percent  
valorem.  
(b) not of British Manufacture      Protective 36 percent ad  
valorem.

### PURCHASE OF INSECTICIDES FOR PROTECTING GRAIN

\*1089. Ch. Ranbir Singh: (a) Will the Honourable Minister of Food be pleased to state what quantities of insecticides were purchased during each of the last four years?

(b) How were these insecticides utilised during each year?

(c) Is there any stock now in the possession of the Ministry of Food and if so, how much?

(d) What were the rates, per ton, at which these insecticides were purchased?

The Honourable Shri Jairamdas Doulatram: (a) and (d). A statement is laid on the table of the House.

(b) The insecticides were utilised for disinfestation of grain and grain godowns to prevent deterioration.

(c) Stocks now in possession of the Food Ministry are:

Gammexane—8 tons.

E.D.C.T. Mixture—2 tons.

Zinc phosphide—2.9 tons.

### STATEMENT

*Insecticides and fumigants purchased during 1945-48.*

| Year | Insecticide or fumigant                          | Quantity Purchased | Rate per ton |     |
|------|--|--------------------|--------------|-----|
|      |  |                    | T. Cwt.      | Rs. |
| 1945 | Ethylene dichloride Carbon tetrachloride mixture | 48—19              | 1,103        |     |
|      | Zinc phosphide                                   | 5—0                | 5.152        |     |
| 1946 | E. D. C. T. mixture                              | 12—7               | 1,103        |     |
|      | Gammexane  | 0—15               | 1,680        |     |
|      | Zinc phosphide                                   | 5—0                | 5.152        |     |
| 1947 | E. D. C. T. mixture                              | 32—17              | 1,103        |     |
|      | Gammexane  | 0—4                | 1,680        |     |
| 1948 | E. D. C. T. mixture                              | 78—15              | 1,779        |     |
|      | Grain O-Cide                                     | 7—9                | 2,520        |     |
|      | Gammexane  | 38—4               | 1,680        |     |
|      | Cyanogenes                                       | 4—0                | 3,920        |     |

## STOCKS IN BIJOY COTTON MILLS AT BIJAINAGAR

\*1030. **Shri Balwant Singh Mehta:** Will the Honourable Minister of Industry and Supply be pleased to state whether the stocks lying in Bijoy Cotton Mills at Bijainagar in Ajmer-Merwara have been checked and found to be in accordance with the schedule of prices as determined by the Mills in consultation with the Textile Department?

**The Honourable Dr. Syama Prasad Mookerjee:** Ex-mill prices are stamped by the mills in accordance with the directions issued by the Textile Commissioner, Bombay. No complaint has so far been received in regard to prices stamped by Bijoy Cotton Mills. Government will shortly appoint a Production Officer at Indore and mills will be inspected by him and a check made of production quality and pricing.

## UNSTARRED QUESTIONS AND ANSWERS

## NUMBER OF GOVERNMENT OWNED BUSES PLYING IN DELHI

88. **Shri V. G. Kesava Rao:** Will the Honourable Minister of Transport be pleased to state the total number of Government-owned buses plying in Delhi?

**The Honourable Shri K. Santhanam:** The total number of Government-owned buses plying in Delhi now is 225.

## CLASS I OFFICERS IN RAILWAY BOARD.

89. **Sardar Hukam Singh:** Will the Honourable Minister of Railways be pleased to state the total number of class I officers, giving separately the number of officers in the grades of Deputy Secretary and above, working in the Railway Board as on 1st February, 1947, 1st February, 1948 and 1st February, 1949?

**The Honourable Shri N. Gopalaswami Ayyangar:** The information is given below:

| Date        | Total number of Class I Officers. | Number of officers of the rank of Deputy Secretary (to Government of India) and above. |
|-------------|-----------------------------------|--|
| On 1.2.1947 | 49                                | 16   |
| On 1.2.1948 | 39                                | 14   |
| On 1.2.1949 | 47                                | 15   |

Friday  
11th March, 1949

# THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND  
ANSWERS)

## Official Report

Volume II, 1949

(24th February, 1949 to 18th March, 1949)

Fourth Session  
OF THE  
CONSTITUENT ASSEMBLY OF INDIA  
(LEGISLATIVE)

1949



सत्यमेव जयते

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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE ) DEBATES

## (PART II — PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Friday, 11th March, 1949

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

### QUESTIONS AND ANSWERS

(See Part I)

—45 A.M.

#### THE GENERAL BUDGET—LIST OF DEMANDS—contd.

SECOND STAGE—contd.

**Mr. Speaker:** The House will now proceed with the Demands for Grants in respect of Commerce. I shall place the Demands before the House.

##### DEMAND No. 21—MINISTRY OF COMMERCE

**Mr. Speaker:** Motion is:

"That a sum not exceeding Rs. 60,72,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of the 'Ministry of Commerce'."

##### DEMAND No. 86—PORTS AND PILOTAES

**Mr. Speaker:** Motion is:

"That a sum not exceeding Rs. 42,73,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ports and Pilotage'."

##### DEMAND No. 37—LIGHTHOUSES AND LIGHTSHIPS.

**Mr. Speaker:** Motion is:

"That a sum not exceeding Rs. 9,32,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Lighthouses and Lightships'."

##### DEMAND No. 62—COMMERCIAL INTELLIGENCE AND STATISTICS

**Mr. Speaker:** Motion is:

"That a sum not exceeding Rs. 59,05,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Commercial Intelligence and Statistics'."

##### DEMAND No. 64—JOINT-STOCK COMPANIES

**Mr. Speaker:** Motion is:

"That a sum not exceeding Rs. 4,57,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Joint-Stock Companies'."

**The Honourable Shri K. C. Neogy** (Minister of Commerce) Sir, honourable Members have been furnished with a set of papers which give a brief account of the various responsibilities that are included within the duties of the Ministry of Commerce. I venture to think however that they do not give an adequate impression about the enhanced responsibilities that have been

[Shri K. C. Neogy]

cast on this Ministry and the complex problems that it has to deal with as a result of the attainment of independence by the country. Today for the first time after centuries we are contacting the rest of the world, as a free nation, in the field of international trade and commerce. For the first time our ships flying the national flag are riding the seven seas and reaching different quarters of the globe laden with Indian merchandise, thus reviving the rich memories of India's glorious past. It is a rare privilege to be associated with the Ministry that has been charged with the duty of bringing into fruition such cherished dreams of the nation. Conscious as I am of my own shortcomings I venture to hope that the House will give me its full support and co-operation. The whole world, ravaged by the war, is trying to readjust its economic affairs and as we are coming into contact with the rest of the nations of the world we are bound to be influenced one way or another by the forces that are in operation in those countries. We cannot afford to plough a lonely furrow in the economic field. That is a matter that has got to be taken due note of by this House and the country while making criticisms of any policy that we may have to adopt in pursuance of international trends in the field of trade and commerce.

Sir, difficult as are the problems that have arisen due to these world trends, our difficulties have been enhanced by the partition of the country as a sequel to the attainment of independence. It is no reflection on any one to say that perhaps the economic effects of the partition were not fully foreseen. Perhaps partition was inevitable and whatever its price, it had to be paid. But the fact remains that apart from the political consequences that followed, with which I am not at the moment concerned, trade which was in the nature of an internal trade between different parts of a country whose economy was an integrated one became overnight foreign trade and people who looked upon each other as brothers one fine morning faced each other as foreigners. Customs barriers were imposed; quotas were adopted and all the paraphernalia affecting foreign trade was in evidence. Sir, one need not try to emphasize the absurdity of it all, and if I may express my own personal hopes and ambitions I would say that I should, if possible, like to ignore the partition so far as the trade between the two Dominions is concerned. It may perhaps be taken as an earnest of that ideal that we have within the last few days considerably liberalised our export policy so far as Pakistan is concerned. Honourable Members may have noticed two Press Notes published in quick succession which indicate the various commodities in respect of which the cramping rules and regulations that were in operation are mostly to be withdrawn. I was somewhat distressed to find in the present Budget of the Pakistan Government certain proposals of taxation which are calculated to affect Pakistan's trade with India and prejudice the interests of our country. I am gratified to learn however that the Pakistan authorities are fully convinced of the necessity for intimate and whole-hearted co-operation with us in the matter of promoting internal and external trade and that they are agreeable to an early conference for the purpose of taking a comprehensive view of the problems that are likely to arise unless their proposals are materially modified.

The partition itself has been responsible for an accentuation of our food deficit and the extent to which food dominates our policy in the field of external trade is due to the partition. As I said, food dominates our policy today, and whatever the difficulties that we may have to face in the next few months it will be, I hope, a temporary phase and that when this time next year we come to discuss the policy of our foreign trade we will be able to present a more favourable and pleasing picture of the situation. But for the moment it is rather a gloomy picture that I have to draw.

I should like first of all to give a brief idea of our foreign trade position, in so far as available statistical information goes. Our imports and exports have shown a steady upward trend ever since the end of the war, and the trend has been further accentuated during the current year. During the nine months ended December 1948 our imports by sea amounted to Rs. 356 crores as compared with Rs. 299 crores during the same period of 1947-48. Our exports by sea during the first nine months of the current year were Rs. 319 crores as compared with Rs. 295 crores during the same months of 1947-48. The increase in imports was much greater than that in exports with the result that we had an adverse balance of Rs. 37 crores during April to December 1948. For a fuller appreciation of the position however we need to look at the figures not merely for the aggregate import and export trade but also the import and export trade with particular currency areas. Recently I had occasion to supply the House with a statement showing the picture of our balance of trade. I may briefly recapitulate the facts as emerge from the statistical statement that I laid on the Table the other day. During the period April to October, 1948, our imports from dollar and other hard currency areas were sharply reduced to Rs. 78 crores as compared with Rs. 86 crores during the corresponding period of 1947. Our exports to those areas on the other hand increased from Rs. 64 crores to Rs. 67 crores between the same periods. The increase of exports to dollar and hard currency areas, combined with a sharp decline in imports from such areas, resulted in a substantial decrease in the adverse balance of trade with those areas, from Rs. 22 crores in the first seven months of 1947-48 to Rs. 5 crores in the same months of the current year. I cannot be too sure that this improvement will be maintained because in recent months exports to hard currency areas show a tendency to fall off. Again, it is not an improvement in any real sense because the reduction in the adverse balances has been achieved largely by a drastic cut in imports from those areas and the cut has to be maintained and further increased.

The adverse balance of trade with the medium currency areas also declined from Rs. 6 crores in April to October, 1947, to Rs. 8 crores in April to October, 1948.

In contrast with the decrease in imports from hard and medium currency areas, imports from soft currency areas showed a substantial increase rising from Rs. 146 crores in April to October, 1947, to Rs. 190 crores in April to October, 1948. The increase in imports was not balanced by a proper expansion of exports, the corresponding figures for exports being Rs. 154 crores and Rs. 170 crores for the first seven months of 1947 and 1948 respectively. The result is that while the balance of trade with soft currency areas was favourable to the extent of Rs. 8 crores in the first seven months of 1947-48, it became adverse to the extent of Rs. 20 crores during the first seven months of 1948-49.

We may endeavour to meet the deficit in balance of trade in several ways: by increasing exports, by reducing imports, by drawing upon accumulated exchange resources or by borrowing.

So far as exports are concerned, honourable Members will see from the figures first quoted by me that our export drive has yielded results which could be regarded as gratifying. Our exports to all the three currency groups—hard, medium and soft—have shown varying degrees of expansion, the expansion of exports to the soft currency areas being the greatest. Part of the increase in exports is undoubtedly due to the rise in prices, but judging from the figures for a few selected commodities, it is evident that there has been a fair increase in the quantum of exports also. The relatively large increase in exports to soft currency areas is only natural because many of our principal markets lie in soft

[Shri K. C. Neogy ]

currency areas and absorb more than 60 per cent. of our total exports. During the current year, our export drive had to contend with a great many difficulties. Our export capacity in respect of several commodities like jute, cotton and hides and skins has seriously dwindled on account of 12 Noon partition. The need for increased food production entailed a diversion of acreage from commercial to food crops and this has also reduced the exportable surpluses of such crops.

Inflation has further added to our difficulties. Buyers in the foreign markets are already showing considerable resistance to the high prices being charged for our exports. In October last we decided to remove the export duties on castor seed and castor oil but owing to rampant cornering and profiteering even this measure has failed to produce the desired effect. In the Budget proposals it has been proposed to take off the remaining duties on oil seeds and vegetable oils and I hope the result of this will not be nullified by a further rise in internal prices.

Sir, I should like to come now to an examination of our import and export policy. So far as imports go, the controls are an abiding feature of our policy. Controls have continued so long that many of us have begun to think that controls are an essential part of our import policy. But I should like to remind the House that import control was imposed in the beginning only for the purpose of conserving foreign exchange and also the limited shipping space then available. When the war terminated, there was a great demand for the supply and importation of plant and machinery and other essential commodities needed for the resuscitation and repair of industries that had been overworked during the war-time and for meeting the needs of new industries that had been planned. As a result of this demand the import policy was liberalised in 1946. The liberalisation was not confined to the needs of the indigenous industry, but in view of the then prevailing inflationary situation a very large amount of consumer goods of various types were also indiscriminately allowed to be imported in the year 1946-47. Later, when the situation was reviewed by the then Government, it was decided to modify the import policy and in July 1947 the import policy became closely linked with foreign exchange control and balance of payment problems. A highly restrictive policy was introduced in July 1947 and by July 1948, that is to say even by the year following, the evil effects of such a restrictive policy began to be prominent. As a matter of fact, when the delegation from India headed by Mr. Shanmukham Chetty went to England to negotiate the payment of sterling balances, one of the embarrassing factors they had to contend with was this, that instead of our being able to spend whatever allocation had then been made from the sterling balances, we had piled up a sterling surplus out of our own current earnings. In response to these circumstances, the import policy had to be liberalised early in July 1948. I have an impression that during the last autumn session of the Assembly, honourable Members were in a somewhat angry mood that the Government's policy had not enabled the country to fully utilise the sterling allocations that had been made in the past. In September, while the Assembly was still in session, the Congress Party appointed a Sub-Committee to deal with the inflationary problems then facing us.

And in the course of their report the Special Committee of the Congress Party recommended a liberalisation of our import policy so that the allocation of sterling available be fully utilized. Sir, as I said we had already liberalised our policy—rather started liberalising our policy in July 1948. In November 1948 a further liberalisation took place which took into account the desire expressed not merely by the Committee of the Congress Party in the

Assembly in this behalf but also of the opinions expressed outside by bodies interested in trade and commerce and economists of repute. Now the liberalisation which took place in November 1948 resulted in virtually freeing all commodities which were needed for indigenous industries from control so far at least as the soft currency areas were concerned. In addition in November 1948 certain luxury goods or semi-luxury goods were added to the list of commodities which came under the operation of the Open General licence as a result of this liberalisation. In regard to the luxury and semi-luxury goods, the House will remember that the import duties were at the same time substantially enhanced and I might tell the House that this method is recognised to be a legitimate method of fighting inflation *viz.*, allowing importation even of what might be called non-essential commodities and by imposing on them high import duties so that while making these goods available to the consumers, their extra purchasing power could be mopped up. It serves therefore two different ends, one fighting inflation and two, increasing the revenues of the State.

Sir, so far as the dollar imports are concerned, they are strictly limited to essential commodities. On analysis of certain statistical figures that are available to us, the approximate position appears to be as follows.

The importation of capital goods and machinery has gone up from Rs. 4 crores per month in 1947 to 5½ crores per month in 1948. These categories of imports now account for nearly 15 per cent. of our total import trade *viz.*, capital goods and machinery. In addition industrial goods comprising of raw materials and semi-manufactured articles which are needed by our indigenous industries account for 40 per cent. of the total import trade, i.e., 55 per cent. of our total imports may roughly be said to represent the needs of Indian industries. The percentage of imports of plant, machinery and industrial goods from dollar areas are about 18 and 46 respectively of the total imports from these areas. Essential consumer goods of which foodgrains are the most notable, account for 37 per cent. of the dollar import and 44 per cent. of the total import trade. Imports of what may be termed luxuries or semi-luxuries being almost exclusively from non-dollar areas, are negligible, being only in the neighbourhood of two per cent. of total imports.

Now I should like to say a few words about the procedure followed in the selection of commodities for being placed on what are called the Open General Licence. There is an impression abroad that we in this Government function in compartments but I should like to assure the House that so far as the selection of commodities which are brought under such liberalised import policies is concerned, it is done as a result of inter-Ministerial consultation and particularly with the concurrence of the Ministry of Industries and Supplies. It can thus be claimed that the legitimate interests of indigenous industry are fully borne in mind while any action is taken in the direction of liberalisation of all import policies. Sir, I should like to assure the House that the Government stand committed to protection of the war-time industries. Indeed a declaration was made in this behalf some time ago by the previous Government and as a result several industries which came under that description have already received protection as a result of Tariff Board recommendations. If there are any more that need such protection, the usual procedure is certainly open to them to avail of. Now while on this point I should like to remind the House that there are industries and industries. In a recent article in a recent Special Number of a well-known finance journal an impartial observer, a well-known economist makes the following observations:

"It is obvious that many of these war industries which appeared in the vacuum created by the rigid import and shipping restrictions incidental to a total war may not deserve prolongation of an artificial existence. Many of them had a makeshift basis of production and were

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able to start production without any kind of quality control under the stimulus of protection afforded by either total stoppage of imports or the guaranteed war demand. In many cases plant and equipment were so designed as not to outlast the period of the war, for it was expected that the removal of domestic controls and import restrictions would sweep these industries out of existence. But since the transition from war to peace has been virtually a prolongation of the war period so far as the distortions of the economic life are concerned, these industries have continued their troubled existence."

**Prof. N. G. Ranga** (Madras: General): Does he give instances?

**The Honourable Shri K. C. Neogy:** It is not my intention to belittle the claim of industries generally to protection. What I intend to convey is that each case will have to be examined separately and there is no justification for prolongation of the import trade controls as a sort of blanket protection for all industries, good, bad and indifferent. As I said before we will be ready and willing to make a reference to the Tariff Board the moment we receive any application for protection from any industry that may be affected by the liberalised import policy and I may tell the House that we have recently expanded the Tariff Board itself so as to enable it to handle this additional work with expedition. Sir, a few words about our export policy. It goes without saying that the principal feature of our export policy is to attempt to increase our exports to hard currency areas. I cannot claim that we have succeeded to any very large extent in this effort but we are making constant efforts for the purpose of improving the position of the export trade so far as dollar and other hard currency areas are concerned. Now apart from that, I might briefly indicate the policy that I should like to see adopted with reference to the manufactured goods of indigenous origin. As I have already indicated certain industries have been complaining that they are hard hit because of the liberal import policy that we have adopted. My intention is and this is only my own personal opinion that the moment we place an article on the O.G.L. for purposes of import, that very moment we should place the corresponding article of indigenous manufacture on the O.G.L. for purposes of export. There may be certain special considerations that may have to be borne in mind in regard to selection of these commodities because in some cases we have to import raw materials for some of these indigenous articles even from dollar areas but subject to these precautionary measures, I should like to liberalise our export policy so that our manufactured commodities may secure a market in the other parts of the World, particularly in the Asian region.

Naturally our export policy is more liberal and unrestricted in the case of exports to hard currency areas than in the case of soft currency areas but however much we may like to divert our trade from soft to hard currency areas, we must bear in mind the supreme necessity of maintaining the markets that we have established by the efforts of centuries and because certain countries fall within the soft currency areas, their needs should not be neglected and we had been trying to meet their demands as far as possible but there is another aspect also of this matter. Whenever we allow export of jute which is in demand particularly in soft currency areas, we take care to see that as a quid pro quo we get from the countries concerned such of the essential commodities that we need. A sort of bargaining goes on. Even though the agreement that results from such bargaining cannot be described as barter agreement, there have been barter agreements strictly so called with one or two countries. In all these cases we take care to see that we get sufficient supplies for our needs of imported articles before we agree to allocate our exportable commodities. To that extent I may claim that the essential feature of barter is present even though these agreements cannot be described as barter agreements.

The position of our exportable commodities has again been very much affected by Partition. As I said on a previous occasion, though undivided India was at one time an exporter of raw cotton and raw jute, India stands today as a net importer of raw cotton and raw jute. Therefore, so far as export markets for raw cotton and raw jute are concerned, we have lost considerably.

Now one feature to which I would like to make special reference is that, in spite of the fact that some of our commodities are still in demand in foreign countries, we are facing a great deal of competition from other sources of supply, particularly in the case of oils and oil seeds and it is really a surprising feature that wherever any other country is in a position to supply any commodity in competition with us, that commodity is found to be much cheaper than the corresponding commodity produced by India. These high prices which are complicating our internal economy are also responsible for a great deal of difficulty that we are meeting abroad in marketing our exportable commodities.

**Prof. N. G. Ranga:** There is no mention of efficiency.

**The Honourable Shri K. C. Neogy:** As my honourable friend has mentioned that, I would like to say that even in the case of manufactured jute, apart from the fact that high prices of raw jute account for the very high prices ruling for manufactured jute, the fact remains that even the cost of production in relation to the output itself has gone up and I was told that the cost of manufacture of jute commodities in India is higher today than the cost of manufacture of jute in Dundee. I am saying this from a report that has reached me. I am not yet in a position to say whether it is correct or not. I am obliged to my honourable friend for suggesting this line of thought to me. These are matters which require serious consideration at our hands.

**Pandit Lakshmi Kanta Mitra** (West Bengal: General): You mean the processed jute?

**The Honourable Shri K. C. Neogy:** The cost of manufacturing jute goods in India is, according to one account I have received, greater than the cost of the corresponding process of manufacture in Dundee. My honourable friend Professor Ranga is interested in labour. This is a point which has special significance for him.

**Shri B. Das** (Orissa: General): Both for agricultural labour and other labour?

**The Honourable Shri K. C. Neogy:** I am not competent to pronounce an opinion on this, because I have not verified the information. War will take up this question in proper time.

**Babu Ramnarayan Singh** (Bihar: General): Cannot you give the reasons for this high rise in cost?

**The Honourable Shri K. C. Neogy:** I may mention that there are two factors responsible for the high price of jute goods. One is the high price of the raw material which we get mostly from Pakistan. It also affects the price of raw jute grown in India. Unless and until therefore the Pakistan Government, in consultation with us and in co-operation with us, is in a position to take measures needed for the purpose of bringing down the price of raw jute, I am afraid there is no remedy available. But I want to make it clear that so far as the other aspect, namely the manufacturing aspect goes, it is done exclusively in India today. There is no manufacturing industry in Pakistan. Even the manufacturing costs have gone up in India. So much so, that according to the account I have received, the manufacturing cost of jute in India is higher than that in Dundee. As I said, this requires investigation and a proper remedy has to be found.

**Pandit Lachshmi Kanta Maitra:** What about the Inter-Dominion trade between India and Pakistan?

**The Honourable Shri K. C. Neogy:** I have already made a reference to that. The latest position is that they have expressed themselves as being agreeable, to meet us at a very early date for the purpose of reviewing the whole position and making a comprehensive examination of our proposals and theirs in so far as they have a bearing upon the trade between the two Dominions. I hope that the result will be what we expect it to be.

**Pandit Thakur Das Bhargava** (East Punjab: General): What is the difference between the costs?

**The Honourable Shri K. C. Neogy:** I am not in a position to give more details to my honourable friend. But the fact remains that due to the high price of manufactured jute, substitutes are coming into the field, particularly in the U. S. A. I have in my office certain samples of substitute jute bags got from the United States of America. They were shown to Members of our Advisory Committee. That is a menace which we have to face after we have ascertained the factors that go to raise the price of the manufactured jute apart from the high price of the raw material. This again stresses the necessity of having a joint economic policy between India and Pakistan. Because, if the ruling prices of jute continue to be as they are today, even Pakistan's interests will be seriously jeopardised. The ideal solution would, of course, be from many points of view an economic union. But, I do not know whether the time has arrived for considering that question. But very informally we, on our side, have started an investigation, study, so to say, very informally, as regards the possibility of a customs union between the two Dominions.

Sir, if the House will give me the indulgence of a few minutes more, I should like to refer to another question in which the House is greatly interested, and that relates to shipping. I had the privilege of serving as a member of the Shipping Policy Committee whose recommendations have been accepted by the Government. We stand pledged to carry out those recommendations. There have, however, been some factors which have stood in the way of a complete fulfilment of our ambition in that regard. But, it will interest the House to know that today on the coastal trade, the Indian tonnage exceeds the British tonnage for the first time in our history. Apart from this, so far as the overseas tonnage is concerned, before the war, Indian shipping did not possess even a single ship in the overseas trade. Today, we have 22 ships aggregating over one and a half lakhs of tons that are plying on India-America, and India-United Kingdom trade. Further, as the House is already aware, negotiations are proceeding about the establishment of the first Shipping Corporation in which the Central Government will participate financially. It is my hope to be able to make an announcement before the end of the session as regards the results of these negotiations.

One limiting factor apart from finances has been the inadequate supply of trained officers. So far, we were training 50 officers a year. Now, we have put in motion schemes which will enable us to train 150 officers each year for the Indian Mercantile Navy. The curriculum of training has been thoroughly revised in the light of developments in other countries.

**Babu Ramnarayan Singh:** Is it from all parts of the country?

**The Honourable Shri K. C. Neogy:** Yes. As I said, the pace of expansion has not been sufficiently rapid. There are certain limiting factors. First of all, there is the question of availability of suitable ships. We are finding it difficult to acquire the number of ships that we require. Even then, we

have made some progress in the matter and in anticipation of the first Shipping Corporation, negotiations for the purchase of two ships have almost been completed. One other factor that stands in the way of quicker expansion is the high prices that are demanded for these ships. We are hopeful that in the course of the next year, substantial progress will be made in this regard. If it falls to my lot to present a picture of the activities of the Commerce Ministry next year this time, I hope to be able to give an account of something of which the House may well be proud.

**Shri Ramnath Goenka** (Madras: General): Mr. Speaker, the honourable the Commerce Minister demanded full support for the policy of the Commerce Ministry. Let me even at the start say that he will have that support in abundance.

The net result of our import and exports has been an adverse balance of 33 crores against India, the figure just now given by the honourable the Commerce Minister. At a time when foreign exchange is greatly in demand, and the shortage is really acute, we should try our best to see that this adverse balance is wiped out, so that we have a favourable balance of trade.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shrimati G. Durgabai (one of the Panel of Chairman)].

The honourable Minister mentioned that in 1946-47, the policy of imports was liberalised. Then, he said that in July 1947 it was restricted because the evil effects of a liberal policy were felt. Again he pointed out that in July 1948, the evil effects of the July 1947 policy were felt and so the policy was liberalised again. You will see, therefore, that in the course of two years, we changed our policy thrice. I would not have made a reference to the 25 member Committee of this House which went into the question of inflation had it not been mentioned by the honourable the Commerce Minister. Now what did these 25 members say? They did not approve of liberalising all imports from foreign countries. They did not say that the luxury commodities or every commodity should be put on the open general licence list. What they said was, that a careful control over imports and exports was essential; and that, in the case of imports, besides capital goods, consumer goods of utility, like bicycles, typewriters, sewing machines should be encouraged. They said that the import of essential articles should be encouraged, but not all articles of all kinds, whether necessary or unnecessary. Further on, they said that, in the opinion of the Committee attempts should be made to import gold and silver, particularly, the latter, that is silver, and sell it in the market as an effective means of absorbing the surplus purchasing power. They further said that the Government should so arrange the import programme that all available sterling under the recent agreement should be utilised for the above purpose, namely import of utility articles as well as gold and silver. In regard to exports, they said, that our export policy should be so adopted that only minimum quantities of essential commodities necessary for consumption in India should be allowed to be exchanged for other essential commodities. They also made a definite recommendation that it was desirable to immediately establish an Indian Commercial Corporation for undertaking the export and import of specified commodities other than food grains, to be decided by Government from time to time, in order to prevent inflation and to regulate the foreign trade of India. Therefore, what this Committee of 25 decided was that only essential articles should be imported and that a Commercial Corporation should be brought into existence. It did not decide that we might import all kinds of articles, whether required or not required in this country. That being the case, if we have got an adverse balance of trade of 33 crores, as a result of the import and export policy, we cannot congratulate the Commerce Ministry. But, there is one thing more. Now in September 1948 the policy was

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liberalised again in October the policy was further liberalised and from the statement of the Finance Minister that the foreign exchange position is really acute even in regard to the sterling area, are we going to change the policy again in 1949? From the speech of the honourable the Finance Minister one has the impression that it is necessary to change the policy again and this liberal import be one of restricted import in 1949. I will give instances one after one in which even from the dollar area commodities have been imported and where we have lost millions of dollars. One such commodity is caustic soda. Licenses for import of caustic soda from the dollar area were indiscriminately issued to all and sundry. The result was that people had lost crores of rupees in caustic soda, apart from the Government of India losing crores worth of dollar exchange in foreign countries. I can multiply these instances but within the time given to me it is not possible to mention all these facts. All that I can say is that the policy of the Government of India in regard to import and export is not permanent, and that is no policy as such. If the policy changes according to the exigencies of the situation, as indeed it must, then we must see ahead as to what is in store, but we have not been doing that. You will appreciate that on every dollar that we have spent today we are paying 4½ per cent. interest. We have no dollar balances in America, and since we have no dollar balances, we have to go to the Monetary Fund with a beggar's bowl in our hands and ask them for a loan; and when we ask for this, they enquire: What are your assets? Why do you want the loan? And they ask all sorts of questions, convenient and inconvenient.

**Shri B. Das:** Why inconvenient?

**Shri Ramnath Goenka:** You wait and see. For every dollar which we have spent we have to pay 4½ per cent. interest today. I would like the Commerce Ministry to adopt a policy in which at the time they spend a single dollar they will take not only the dollar into consideration in terms of sterling, but also consider the fact that from the day they use the dollar they are paying 4½ per cent. interest on it, and as long as there is some favourable balance from the sterling areas I do not know how much we will be paying by way of interest charges only. It is easy for us to go and ask for a loan of 250 millions. But what does that mean? It means that we pay 10 million a year by way of interest. That is our position. Therefore, I will suggest to the honourable the Commerce Minister that as we discussed last year the House was unanimous, the Committee of the House was unanimous, the economists were unanimous—in fact nine economists who were consulted were unanimous—that an Indian Commercial Corporation should be brought into existence. The report of the Government economists was to the same effect and the labour leaders views, expressed by Mr. Ranga and Jai Prakash Narain were to the same effect. Except for the views of the vested interests—the industrialists—every one was in favour of bringing into existence the Indian Commercial Corporation to deal with the export and import trade of this country. But in spite of the views expressed by the Legislature, by the Congress Party and by the economists, they have done nothing in this direction to bring into existence this Corporation.

Now let us look into the various commodities. The honourable the Finance Minister had decided that the export duty on oil and oil-seeds should be abolished. I know today the honourable the Commerce Minister will bear me out that so far as ground-nuts are concerned, even in the sterling-area we have a big margin of 15 per cent. between the price here and the price in foreign countries. Why then abolish this duty? The honourable the Commerce Minister expressed the hope that by abolishing this export duty on oil and oil-seeds the internal prices will not go up. As a matter of fact, the day on

which the announcement was made the internal prices did shoot up. This is but natural. I can understand various oils and oil-seeds in which the margin of profit between one and the other is very small or in those cases where we cannot compete in foreign countries at all, the export duty being abolished. For dollar areas to give a subsidy if you want; but where there is a lot of difference between internal price and the external price that policy will tend to inflate the price in this country. This is all due to the fact, and I should be excused if I say so, that the Commerce Department has not got their band on the pulse of the commodity market of this country. If they could feel the pulse of the commodity market of this country such things would not happen. They would then know what are the oils and oil-seeds which cannot compete in the foreign countries and abolish the duty on those and not on those where there is a difference of 10 or 15 per cent. between the local price and the foreign price.

I would like to say something in regard to some other matters. Last year, as you will remember, we discussed framing a policy in regard to import and export. We made certain suggestions. In fact a small committee was appointed to go into those facts and figures, in regard to the policy of export and import. A lot of suggestions were made by the Committee. Then the Commerce Minister adhered to some of the Committee's suggestions but certain import and export licenses were given to people not in the trade, and this was against the policy laid down. This and various other matters of detail were brought to the notice of the Commerce Minister through the Prime Minister but to no effect. Madam, I will quote one instance because the time before me is limited. There was a merchant who had been given—whether the merchant existed or not, we do not know—a license for the export of a large tonnage of jute. When we wanted the matter to be investigated, we were told that the application was lost and was not available in the Commerce Ministry. When we probed further into it, we found that certain Secretaries of the Department had mentioned on the files that this application was there and that they had seen it but yet the application was not then available. We said the application might be in the Reserve Bank. A challan of Rs. 50/- must accompany every application and so we wanted to find out whether the money was deposited in the Reserve Bank and whether the challan was issued and whether that challan was deposited, because without the challan there would be no valid application. It is a pity indeed no action has been taken in regard to the matter at all. In fact, this Committee of the Congress Legislature Party complained that those who were not in the trade and to whom a license was given against the wishes of the Commerce Minister himself should not be encouraged and there should be a revision of the policy. As the then Commerce Minister himself agreed to this, but the present Commerce Minister, or his Ministry issued an order that those who got licenses in the year 1947 would automatically be entitled to licenses in 1948. Those people who were in the trade, who were outsiders and who had nothing to do with the business at all, rightly or wrongly, by some means or other, were able to obtain licenses. That was against the policy laid down by the honourable the Commerce Minister. Instead of rectifying that wrong, this Ministry issued a circular saying that all those who got licenses in 1947, whether established shippers or otherwise, whether old people or newcomers in the business would be entitled automatically to licenses.

Madam, I shall take only one minute more. What I say is that this is a department which has to solve our economic difficulties so far as foreign trade is concerned. This is one of the most important departments of the Government of India and in this Department we have got to be vigilant and see that nothing wrong happens and that the policy with regard to import and export is decided in the best interests of this country. We want to encourage the export of cloth but where are those people who had come into the business as newcomers? Are they to be found anywhere near us? They just came in and simply went out.

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when there was no profit. So let us lay down a policy which will be in the best interests of the country and let me assure the honourable the Commerce Minister that the House will give him full support in any policy which he lays down as long as it is in the best interests of this country.

**Shri Krishna Chandra Sharma** (U.P. : General) : I congratulate the honourable the Commerce Minister for his presenting a picture which is hopeful. It is a fact that we are in a difficult position and under the circumstances within human limitations much cannot be expected within a period of one year. As one reads through the report circulated to us two points stand out prominently among them. One is that a lot of money is being spent on food and the other is that this liberalised policy of import has brought in unnecessary luxury goods at the cost of capital goods like machinery or other essential goods of utility.

With regard to food as the honourable the Food Minister has said we cannot expect too much from land. With a growing population creating more and more difficulties it is time that we think of a standard diet. Less of grain is to be given to the consumer and it should be supplemented by vegetable and other things. With the population growing and with the slow progress in the production of food this deficit in our food supplies will remain and it will be difficult for us to make it up. The only solution is to devise a standard diet, reducing the import of foodgrains and producing commodities which can be exported in exchange.

So far as the liberalised policy of import is concerned, during the war due to the defence demand the consumption goods could not be imported and many new problems arose as a result. The industrialists had to contend with old machinery that required repair and replacement and our resources were limited. In the circumstances it would have been much better if the import of luxury goods had been stopped and capital goods like machinery had been imported. It may be argued that it is a recognised principle that to meet inflation we had to raise the duty and allow the import of luxury goods. At the same time we have also to secure a balance of trade. These two facts, should be taken into consideration at the same time. The balance of trade being more important it is high time that we find our place in the world market and have a favourable balance on our side. In view of this the import of luxury goods should have been stopped for the time being and more capital goods or machinery should have been imported so that the production in the country might have been improved. I therefore find much force in the criticism of my predecessor on this point.

The other point is the effect of this liberalisation of imports on the Indian industries and their products. Many goods which were produced during the war in this country are jeopardised for the simple reason that foreign products which are cheaper are imported. We have not got either the trained industrialists, the trained worker or the trained management. So to expect that we can either now or in the near future favourably compete with the foreign producer is an impossible proposition. By the very nature of things our labour is not trained, our industrialists are not trained and our management is not trained and there is not the established morality or trade in India. Under the circumstances we would be for some time at a disadvantage in comparison with the foreign producer or industrialist.

While you import many things that are required you should at the same time see that the new industries are not ruined. The only course open is to apply to the Tariff Board. But what the industrialists say is that there are difficulties when they apply to the Government. The Government recommends

the case to the Tariff Board but the Board takes a long time and by the time their report comes and Government begins to take some action the industry vanishes altogether. Our policy should be so devised that commodities which were produced here during the war and which industries are likely to progress further and stay in the country, import of those goods should be stopped. Cases referred to the Tariff Board should be speedily dealt with. At present the complaint of the industrialists is that things are allowed to be imported of which enough quantity is produced in this country. Take the case of biscuits. Foreign biscuits are cheaper and better in quality than our biscuits. The Indian companies producing biscuits have stopped producing them because they could not compete with the foreign industry, for want of trained labour, for want of goods and for want of cheaper production. In these matters Government should see that unnecessary imports are stopped.

The honourable the Commerce Minister painted a glowing picture of how our ships flying the Indian flag are taking all sorts of Commodities abroad and they bring back before our eyes India's vast glory. The glory is there but the world has changed. In those times we were exporter of things which nobody else could produce. But now even if you produce things which are not produced in any other country, in the course of a month or two the foreign industrialists will take up the very things or the substitutes and will compete with you. So the basic problem before our industry is that we should take foreign trained personnel for every industry and have trained labour and trained management. People get lot of money from speculation and black market and unnecessarily stand in the way of progress. The door is open only to the trained men if success is to be achieved. The misfortune is that the man gets his money by speculation, he starts an industry and puts in charge of it people who are not fit for the job. The man who supervises the labour and sits at the head of 5,000 people has no training whatsoever either in industry or in human affairs. So the greatest necessity is to get trained people. We have to ensure that our labour may be trained, that our management may be trained and that our industrialists may know something of the modern technique of industry.

Lastly I would say a few words about our shipping. It is a great tribute to the Commerce Minister that he has been trying his best to get the shipping changed into Indian hands and that he has succeeded in getting as much more tonnage in Indian shipping into our ports than even U.K. shipping has. I hope in the near future we would be getting greater number of ships and that our flags would be flying in the coasts of foreign countries; that he would succeed in getting more and more money for buying ships and getting better materials for those ships. Here we are placed in a disadvantageous position. We cannot dictate our terms, but certainly if we negotiate ably and with facts and figures then we would be able to get the material cheaper.

A word more about Pakistan and India. God placed us in one integrated whole, but we unfortunately fell apart. I hope with amity and good-will on both sides we would be co-operating with each other and would be commercially at least, one united nation and might be dealing with other countries to common advantage, to the advantage of India as well as of Pakistan. After all we were placed in one country and owing to circumstances perhaps beyond our control, or as a historical necessity, or according to superficial factors brought into existence by people who are not very favourably inclined towards us, we fell apart. But I hope that with good handling we would be able to come together and have a trade treaty which would benefit both our countries.

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

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

**Shri Ajit Prasad Jain (U.P.: General):** The honourable Minister has given us today a factual speech on the activities of his Department. He has not raised too high hopes which very often end in frustration. That, I think, Sir, is an encouraging feature. We must take stock of the realities as they are and try to mend things where they are wanting.

The honourable Minister has referred to Indo-Pakistan relations. India and Pakistan are economically and geographically one. It was a very unfortunate thing, a thing which everyone in this Dominion deplores, that there was a partition of the country, a very unnatural partition. We all deplore its evil effects not only in the sphere of politics but more so in the economic sphere, and we look forward to the day when we shall realise the great blunder which we have committed. I join with the honourable Minister in the hope that sooner than later India and Pakistan will form some sort of a customs union whereby at least some of the difficulties which are at present confronting us will disappear. But so long as that union is not formed, we have to take stock of certain realities. Between India and Pakistan there is a big land border and I want to tell you that on that border every day smuggling on a very large scale is going on. Neither the customs officials nor the border police are in a position to check that border smuggling. Either we may have no customs restrictions—no customs frontiers—or, if we have then the restrictions must be enforced and strictly enforced. Every day the defiance of law that is taking place on the border of India and Pakistan is a very unfortunate thing. It lowers the prestige of law and I would therefore urge upon the House and upon the honourable Minister that we must take appropriate and adequate steps to stop that sort of smuggling.

The honourable Minister has given us a picture of the improvement that has taken place in the shipping position. That is very encouraging and for that the honourable Minister deserves our congratulations. The Indian coastal shipping today is more than the foreign coastal shipping. In international shipping also we have made improvement, and considerable improvement. He has made arrangements for the training of personnel and I believe that India will soon be one of the leading countries in the world in the matter of naval shipping. Let us hope and pray that the sooner we attain that position the better for us.

I would like to come to the position of the hard currency areas. The honourable Minister has defined the policy. He says that our policy in regard to the hard currency areas is to encourage export as much as possible, to send out the largest quantity of goods that are required there, and that simultaneously with it we should confine the use of our dollar and other hard currency resources to essential commodities such as capital goods and essential raw materials. He has also told us that there has been an appreciable increase in the import of capital goods and raw materials. But then, with all this policy, what is the picture today? The honourable the Finance Minister, in his opening speech on the General Budget, told us that in the first six months of 1948 the deficit was about 45 million dollars, in the next three months it was expected to be 48 million dollars. The net result is that with all that policy, today we are exporting less and importing more from the dollar areas.

Sir, with the partition of India and with the worsening of the political situation in the Far East, our food situation has worsened—in fact it has become almost precarious. We have got a smaller area and a smaller quantity of food

to our share than the proportionate population which has been allotted to us. Hence, the deficit in our food has increased. In the Far East, in Burma, Siam, Malaya and other countries, the political situation has worsened our import position. We are not importing as much of rice from those countries as we were doing before. Therefore, we have to rely more upon the dollar and hard currency areas. As we have to import the most essential of our needs food from the hard currency areas, I was expecting that the honourable Minister would tell us how he proposes to make up that deficit. It is all very good to detail and specify the difficulties. We all share his woes. We all want to help him to overcome those difficulties. It is not for me or for any member of this House to suggest a blue print within the few minutes that is allotted to us. That is the function of the Commerce Ministry and when the honourable Minister told us of the difficulties that he is meeting in the hard currency areas, I was expecting that he would give us some solution. Unfortunately, he has not given us any. I hope he will look into the matter and try to draw up a long-range programme as to how to meet the deficit that is growing every day.

I may also add a word about the import of food. Recently I was in Calcutta and I had the occasion to make some enquiries about the quality of food that we are importing. My sad experience was that it was not up to the quality and was mixed up with foreign matter, with dust and with pieces of stones. Sir, we are paying good money; we are paying in gold; we are paying by the sweat of our brow. We want the commodity that is imported to be at least up to the quality. What are our trade agents who go abroad to make these purchases doing? I would request the honourable Minister to pay a surprise visit to the ships which are berthed in the Hoogly and see for himself as to what I have just now said is an exaggeration, a reckless statement, or whether it is a fact. If he cares to make enquiries in Calcutta he will find that the foodstuffs imported are of a very inferior quality. That is one aspect of the matter to which I would like the honourable Minister to pay his attention.

The honourable Minister has also told us of the policy which Government have been following in regard to the import of consumer goods. He said that in 1946 there was a liberalisation in the import of consumer goods. In 1947 there was restriction. In July 1948 again the policy of liberalisation was adopted because of some arrangement with the United Kingdom. In November there was further liberalisation because the Committee set up by the Congress Party in the Legislature recommended that we must import more of consumer goods. My friend Mr. Goenka has read at large before this House extracts from the recommendations of that Committee. That Committee never said that goods—luxury or semiluxury goods—must be imported indiscriminately. It clearly stated that goods must be imported after careful scrutiny of what is actually required. Now what is the position? I had been to Madras and Calcutta. I do not know what is happening in Bombay but at least Madras and Calcutta are the two principal ports of import. There the slump has actually begun. There are plenty of goods in shops—chinaware, hardware, cloth and so many other things. But people have no money to buy. I believe, Sir, that a wrong policy is being pursued. Let us see who are the classes that have extra purchasing power and how Government is going to mop it up. It is either the big trader, the rich industrialist or the prosperous farmer who has got spare money. The middle class man who used to consume goods imported from foreign countries in large quantities has no capacity to buy. The rich man today is almost non-cooperative. He is afraid of your Income-Tax Tribunal. He wants to show you that he has no money. He wants to conceal it. Hence he is not investing his money in the purchase of consumer goods. The goods which you are importing from foreign countries are no good to the poor agriculturist. Consequently, the large quantity of consumer goods which you have imported have now caused a glut in the market; they have no

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customers; they have failed to mop up the extra purchasing power. Sir, I would, therefore, request the honourable Minister to look into this matter and to revise his policy.

**Shri B. N. Munavalli** (Bombay Status): Sir I congratulate the honourable Minister for Commerce for having placed before the House a clear statement about the position of our foreign trade and commerce. From his speech we came to know that the manufactured goods in India will be more costly than those imported from foreign countries. If the cost of production in this country is greater than that in foreign countries, it is a matter that the Government should soon examine.

Looking to the industrial policy of the Government, we find that the backward areas are being neglected. Though they are rich in natural resources. We have, therefore, to see that industries simultaneously grow up in these backward areas; because in these backward areas the labour is cheap and material is easily available. For example, our Bombay-Karnatak, though rich in natural resources has not been tapped. The labour there is very cheap. But I am sorry to say that the people in that area have been completely neglected. Neither the Provincial Government nor the Centre has been taking as much care as they ought to do. Karnatak grows large quantities of cotton. But unfortunately there are no sufficient mills there. The result is that cotton grown in that area is transported all the way to Bombay or Ahmedabad and after it is turned into yarn or cloth, it is brought back for consumption. So in these days of transport difficulties, if mills are established there and if the persons coming forward to open mills are helped by Government, it will go a long way for the economic development of the country. That is why I wanted to speak the other day and bring this fact to the notice of the Minister of Industries. But as a certain statement was made by the honourable Minister to-day about the cost of production of manufactured goods in India, I had to say something about the industries also. If we want to develop our trade, our industries must be developed properly; and if we do not produce goods at a cheaper rate, we will not have a proper export trade, and we will not have sufficient goods in order to export. So, on account of this, I am laying stress of this fact that our industry should grow in the backward areas as well, so that we can have cheaper goods in order to export. In order to meet the expenditure on all our imports we should export similarly a large quantity of goods to the hard currency areas. The honourable Minister has made it clear that he has made efforts in that direction although he has not been satisfied with the fruits of his labour. And as regards the O.G.L. in the matter of importing, that policy will really be destructive to India. It is true that by taxing the imports we will get ample revenue; but all the same we must look how our indigenous industries will grow. If we import every type of goods from foreign countries whether essential or non-essential, our indigenous industries will not be able to grow because they are in their infancy. If they are to develop, they must be given all sorts of protection. It is not possible under the circumstances to compete with the foreign countries which have made a very great advance in this direction. So I hope that the honourable Minister will take into consideration this fact, that hereafter instead of importing all sorts of articles, essential and non-essential, he should care to see that only essential articles are imported; and also those articles which are not produced in India or which are inadequately produced, they also may be imported. Now as regards the shipping, the advance made during the small period of 18 months is quite encouraging. It is really a pleasure to see that the expert committee has already recommended that there should be a major port at Kandla and also that the Government is going to undertake the work very shortly. The same committee has been asked to make a report about the western ports but I am

sorry to say that although we were told that a report from that Expert Committee was expected during last year, it has not still come up. If as was represented to the Committee Bhatkal be made a major-port, it will help not only the industries to grow but also our foreign trade and commerce to develop. I therefore have no doubt that in the future our foreign trade will grow tremendously and bring to the country prosperity and plenty.

**Shri Satish Chandra Samanta** (West Bengal: General): Sir, trade and commerce is one of the avenues of prosperity of a country. Every country in the world is inter-dependent upon other countries as regards exchange, sale or transfer of commodities. Such is the position of the world. India had a glorious past as has been mentioned by the honourable Minister this morning. We know she had a glorious past. In the *Rigvedas* there are mentions of shipping, commerce and trade. There are mentions in *Kautilya's Artha Sastras*. We know during the time of Asoka, Akbar, Aurangazeb and others ships sailed from the coasts of India to other parts of the world. They took commodities from our place, like perfumes, silk, muslin etc. which were carried the world over and were sold there. Such were our commerce and trade going on. But with the advent of the British our natural source of trade and commerce went into their hands and we were handicapped. So when in the morning our honourable Minister gave expression that we have more ships than of the British Coastal Shipping I was reminded of the utterances of Mahatma Gaudhi, the Father of the Nation, who wrote in *Young India* on 26th March 1931 as follows:

"Indian shipping had to perish so that British shipping might flourish. To talk of no discrimination between Indian interests and English or European is to perpetuate Indian helotage. What is equality of rights between a giant and a dwarf? Before one can think of equality between unequal, the dwarf must be raised to the height of the giant."

The dwarf has out-heightened the giant. Now the number of ships in India is greater than the number of ships belonging to Britain in coastal Shipping. We are proud of it but at the same time while we are proud of our ships we are reminded of one subject which goes to our discredit. By those ships we are importing 180 crores worth of foodstuffs to the country which is an agricultural country. By our trade and commerce policy we are bound to import 180 crores worth of foodgrains. It is shame on us. This country never imported foodgrains. Rather it was self-sufficient or surplus in foodgrains. This country is now importing food. Had there been no such facilities for imports, we would have shared the food we produced in the country and not depended upon imports from other countries. Had the Father of our Nation been alive he would have guided us in that direction. He would not have agreed to importing one pound of food from outside. In the matter of increasing our food production we make the same progress as a worm. Mahatmaji was trying to make us self-sufficient by getting us to produce all our requirements. We did not follow his teaching to the letter. Though his proud disciples Pandit Jawaharlal Nehru and Sardar Vallabhbhai Patel launched two ships *Jalausha* and *Jalaprabha* recently so as to give an impetus to our seaborne trade, the Cabinet in consultation with other Ministers should find a way for putting a stop to this importation of food grains from abroad. Of course we should keep pace with the other nations of the world. We Indians have lost Mahatmaji, but we must look to his teachings for our guidance and for shaping the destinies of this country. We must demand all these things from our National Government.

Referring again to ship-building. I am proud of the major ports that we have, such as Calcutta, Bombay and Vizagapatam. We have a number of ships owned by Indians, but they are not now all manned by Indians. For this purpose the necessary training institutions should be opened in India to

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that our nationals could go abroad taking charge of our ships. I hear that an institution for imparting officers' training in the ships is going to be opened in Bombay. I am glad about it. But I suggest that we should give training to our seamen, the ratings. We should have a nautical school in some place like Calcutta where our boys could be given training in seamanship. Non-Indian ships visiting our country take our boys as seamen. To facilitate our boys getting the necessary training, I would recommend to the honourable Minister the need for opening a nautical school.

I want to say something about our import licence policy. I feel that we should not import anything to the detriment of our own industry. I would give one instance to show how this policy is barring our own industries. In the year 1948 bicycles were imported to the tune of about 4 crores of rupees. In India we have a number of concerns manufacturing spare parts and accessories and these are hit by the present policy. These concerns should be encouraged by reducing the import of these articles as much as possible. Belting is another industry to which I wish to refer in this connection. During the war, belting was not imported from outside and belting factories thrived here. The products made here are not inferior to those got from outside. I therefore wish that this industry should be encouraged by prohibiting the bringing in of foreign belting.

I want next to refer to our commercial relations with Pakistan. Take for instance sugar. This is imported from outside and is found to cost less than the sugar produced in India. So Pakistan is importing sugar from other countries instead of getting it from us. We need jute and other things from Pakistan. Why should we not exchange sugar for raw materials from them? I hope this matter will be considered by the Minister for Commerce in consultation with the Minister for Industries and Supply. With these words I conclude my speech.

**Shri S. V. Krishnamoorthy Rao (Mysore State):** The industrial and economic progress of our country depends upon the efficiency, thoroughness and alertness with which the Ministry over which my honourable Friend Mr. Neogy presides works. Our coastal tonnage has increased from 92,000 tons in 1946 to 1,46,960 tons by the end of 1948. In the Budget there is provision for Rs. 3·98 crores for a Shipping Corporation, Rs. 1·92 lakhs for a Nautical College, Rs. 7·9 lakhs for schemes for State trading and 93 lakhs for loans to Major Port Trusts.

Looking to the performance of the Ministry itself our Delegates to the International Conferences have secured and protected the cause of under-developed countries, the use of quantitative restrictions for productive purposes, the treatment of foreign investment in accordance with the best interests of the country the maintenance of status quo regarding our relations with South Africa. Trade agreements with foreign countries have been entered into, special measures for the export of tea and the increase of tea output, decontrol for export licences, etc. have been undertaken. The formation of an Import Advisory Council has been completed and a Public Liaison officer has been appointed to hear complaints regarding the issue of licences. A Port Sea Nautical Engineering College will be started. A residential Marine Engineering College is to be started. The formation of the Maritime Board Seamen's hostel and the War Risks Compensation Insurance go to relieve the difficulties of the seamen. There has been a remarkable increase in the tonnage of coastal shipping. A Shipping Corporation is out to be formed. Revision of the Mercantile company law is on the anvil. The integration of the Maritime States into the Indian Union has been brought about. Sir, I submit this record of work is really a proud record. Any Ministry in the world can be proud of such a

record and I heartily congratulate the honourable Minister on this achievement during the last year. But, I submit, that he should not rest satisfied with this achievement; there should be no place for any foreign shipping interests in the coastal trade of India. I hope by next year, the honourable Minister will present us a budget wherein he can proudly say, the entire coastal shipping is entirely in the hands of Indians.

As regards the sea-borne trade and also the passenger traffic, India must have its due share. In one of the recent speeches in Parliament, Sir Stafford Cripps made a statement that nearly ten per cent of the export value of the goods goes to freight and shipping charges. Our export and import trade with England runs to the tune of 800 to 900 crores. If we could save this ten per cent, we will be saving about 80 or 90 crores and the adverse balance will be wiped out. Every effort should be made even at the cost of borrowing from the International Monetary Fund to increase our shipping and to gain India's share of the sea-borne trade.

Regarding the policy of export and import, of course, the policy is inherently sound and intrinsically strong. But, the delay in granting licences should be avoided. I know of one instance where a licence for export of oil seeds was granted. Before the gentleman could get the licence, there were market fluctuations, prices had gone down and the exporters refused to buy or rescinded the agreement and the export licence was of no good. Such delays should be scrupulously avoided. The honourable Minister has said in answer to one of the questions on the floor of this House that he has been able to make a black list of the persons who misused the import and export licences. My submission to him is that he should cast his net wide and deep. Only the smaller fries should not be caught, but the bigger whales also must come into the net and corruption should be totally stopped.

Next, I attach very great importance to publicity work. Of course, the Commerce Ministry is doing good publicity work; but I submit it is not sufficient. As part of the publicity work, there should be a national commercial museum in Delhi and also in central places like Bombay, Madras, Calcutta. Today, business means advertisement. To every Embassy should be attached a museum wherein are exhibited our exportable goods. That would go a long way in increasing our exports. I would like to make a suggestion in this connection, that is starting a research organisation in the Commerce Department. In Britain, there is an organisation known as BETRO, British Export Trading Research Organisation. In America there is what is known as Product Research. Some technicians with commercial knowledge go about the country and also foreign countries where their export trade is mainly centred; there, they study the market conditions, study the tastes of the people and what the needs of the people will be three or four years hence. They report to their country and the industrialists take their cue from them and develop their industries. This sort of research work should be organised in India also. Of course, there is reference in the papers that have been circulated to us that there is a scheme to start such a research organisation. I hope the honourable Minister will, before long, bring this Research Organisation into being and help the export trade of the country.

Then, Sir, in the appointment of the Trade Commissioners, I should like that every Trade Commissioner that goes out should be a man of experience, knowledge, status and proper background. I learn that young men with no commercial knowledge have been appointed Trade Commissioners. I will be glad to hear that this is not correct. Whoever goes out to foreign countries as our Trade Commissioner must be an Ambassador of India. He must have a proper background. He must study the commercial needs of that country and also he must be able to properly assess them to the best advantage of our country.

[Shri S. V. Krishnamoorthy Rao]

While I was in England, I heard some complaints that the quality and standard of our goods were not up to the mark. In fact, some merchants felt reluctant to place orders with Indian firms. Every effort should be made to see that the standard and quality of the goods that we export are maintained at a very high level. Today, quality means proper price. If we want that our export trade should increase, if we want to get a proper price, then, the standard and quality of the goods that we export should be maintained. In fact there is a grave complaint that the oil that we export is not of the proper standard. I want to know from the honourable Minister what efforts have been made to maintain the high standard and quality of the goods that we are exporting.

Sir, the Tariff Board that has been appointed temporarily must be a permanent body. It must be the watch-dog of our industries. They must study the industrial development, what the defects and difficulties are, and what steps have to be taken to resuscitate them. There must be a Tariff Commission to protect our industries. I agree with the honourable Minister that there should be a closer customs union between Pakistan and India. After all, the economic prosperity of both these countries depends upon the smoothness with which the economic relations of these two countries are maintained. I hope the saner elements in Pakistan will rally round Indian opinion and bring about a happy customs union. There should be no customs or trade barriers between Pakistan and India. In fact, after the partition of the country, we have lost raw cotton and raw jute trade and also raw hides and skins trades. We have nearly lost 25 per cent. of the trade. Sixty per cent. of Carpet production has gone to Pakistan. On the other hand, Pakistan wants sugar, cloth and other manufactured articles. An agreement could well be entered into whereby these customs and trade barriers are removed and there is normal trade channel between the two countries. I hope the honourable Minister will before long be able to achieve that object.

I would be failing in my duty if I do not thank the honourable Minister for the help that he has given to the betel-nut industry in the country. I come from that part of the country where betel-nut is grown to a very large extent and I can say that nearly 90 per cent of the betel-nut gardens are in that part of the country where I come from. The imposition of an import duty on betel-nuts will go a long way in putting the betel-nut growers on their feet and also making the country self-sufficient in betel-nuts. Sir, one word about the match industry. In Madras ~~as also in~~ Mysore, the smaller factories are suffering because of inability to clear their stock. In fact, 121 Match Factories employing about 15,000 men have closed down in Sivakasi. I visited the Mysore Match factory—I come from the place where it is situated—and it is almost closing down because there is some trouble regarding export. In India WIMCO holds practically the monopoly for matches. Though 51 per cent. of the shares of WIMCO are in Indian hands, the management is in foreign hands and they have close relations with the Swedish cartel which holds the monopoly in the world's match trade. If export license is given on mere production basis, it is WIMCO that profit by it. If the export licenses are not given, they rush in matches from their other factories in other parts of the world. In this way it is the Indian manufacturers who suffer. Some help should be given to the Indian manufacturers to export their extra matches. Also, there is the transport bottleneck. In fact, why should not the Mysore matches or the South India Madras matches find a market in Northern India? I submit a zonal system of distribution, just as for cement and steel, should be inaugurated on production basis for the Indian match industry. These measures will go a long way to help the match industry, and I hope the Commerce Minister will consider these points and help the industry.

I once again heartily congratulate the performance of the Ministry: with these words I resume my seat.

**Shri M. G. Veerabahu** (Madras: General): From the written report that has been circulated by the Ministry of Commerce, I find a reference being made to the Indo-Ceylon steamer service that was recently inaugurated by His Excellency the Governor-General. As one in charge of the service, let me at the outset thank the honourable Minister and the several officers of his Department, who evinced an extraordinary zeal and promptness in acquiring the vessel for that service. It was not only the officers of the Commerce Ministry here but officers of the Trade Commissioner in London also were very pleased to help us and the promptness with which they were dealing with the question was almost a revelation to me. If officers in several other departments evinced such enthusiasm and zeal in spite of red-tape, it would be very helpful for the many of our nation-building activities. I find in the report also reference to the shipping corporations that are being newly established in this country. I feel that it is the first step in the nationalization of the shipping industry. Sooner or later, just like the railways, I think the shipping industry will also have to be taken by the Government of India. But, for the present, with a view to increase the tonnage, it would not be enough if we follow this shipping corporation policy alone. It has its advantages, but from the very nature of things it is impossible to afford relief on a large scale immediately. After several months we find that only Scindia's have come forward and the first shipping corporation is being floated. Most of the companies are reluctant to take advantage of this system. Therefore, my submission to the Ministry on this point would be to give a sort of financial assistance to the several shipping companies in this line for acquiring steamers. If only the Government of India advance 50 per cent. of the value of the steamers which they may undertake to purchase with the advice of the Ministry, in a very short time the tonnage can be considerably increased. The other additional facility that can be afforded by the Commerce Ministry will be to set apart a substantial portion of the dollar for the purpose of acquiring steamers. For the present, it is only from America we can secure good and many vessels and for that purpose dollar payment is essential.

Apart from these, the Commerce Ministry at the earliest possible time will have to think about having more dry-docking facilities in many other ports in India. As it is, one has to rush up to Bombay for everything and it is quite necessary that dry-dock facilities should be afforded at least in a place, like Madras at the earliest possible opportunity.

Another important thing is the opening of marine engineering workshops. Those who are in the steamer line feel that large amounts have been more or less fleeced from out of the Indian ship-owners by these marine engineering workshops which are mostly controlled by Europeans. Therefore, it would be in the fitness of things that the Commerce Ministry undertook to open marine engineering workshops at several centres.

One other matter to which many honourable Members referred was the training of the Merchant Navy personnel. I find that a Nautical Engineering School has been started at Bombay, but that is not enough. With a view to expedite matters, if we can make some provision by which the existing steamer company owners are to be compelled to train at least a few in each of their steamers, it will expedite matters.

In view of the magnitude of the task and the importance of the subject, my suggestion will be that shipping as such be constituted as a separate portfolio in charge of a separate Minister for that purpose.

[Shri M. C. Veerabahu]

In thinking about the development of shipping, I request the honourable Minister for Commerce not to forget the country craft. As a Member of the Sailing Vessels Committee, wherever we went we heard only one tale of woe. The sailing vessels, or the country craft system is almost bordering on extinction and unless the State comes to their aid, the country craft system in our country will soon die out. Therefore, when thinking about the steamers, I wish the honourable Minister for Commerce also takes special care with regard to these sailing vessels.

Let me also refer to the export trade policy of the Government of India. I will chiefly mention about Ceylon, Burma, Siam and other ~~near~~-by islands with which India was for a long time actively trading.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Frank Anthony (one of the Panes of Chairmen.)*]

Practically all the requirements of these countries were supplied by India previously but now one by one from the list are being taken away with the result that almost all things which they require are being imported from other countries. For example, taking Ceylon we find that onions and potatoes are imported from Holland and Port Said, coriander is being imported from Marseilles, garlick from Hongkong and so on. Practically all things which India was supplying to these countries are now being supplied by other countries and if we neglect the export policy of our country—we have almost lost these markets—we will not be in a position to regain them and towards that we liberalise our export policy. It is not a question of even liberalising but we must completely remove the restrictions, except with regard to foodstuffs,—for all these items. It will not only promote trade relationship but it will also promote other aspects of international relationship which are bound to develop between these countries. The psychological effect will be very great and I hope the Commerce Minister will give his due consideration to this matter also.

Reference was made to the selection of trade commissioners in foreign countries. I quite agree with the honourable Member who spoke just before me that those who are in touch with commerce will do well if appointed as trade commissioners. There is absolutely no use of relying solely upon the civil service men for all these purposes. In this connection there is an interesting thing which I noted which will be of importance if I mention it. To a vegetarian hotel keeper's association in Ceylon a license for 500 tons onions was granted with an apology that a license for more could not be granted. I was surprised when I went through that order. The vegetarians in the whole of Ceylon will not be even  $\frac{1}{2}$  per cent. and the quota for Ceylon which the Ceylon Government requires for them is 8,000 tons a quarter. Therefore for the use of this quarter per cent. of Ceylon's population and amongst these vegetarians even, only a fraction will be taking their food in these hotels—for such a negligible section of the population they wanted 1,000 tons and the Ministry here have granted 500 tons with an apology that they could not give more. On the face of it, it looked absurd. No section of the population could consume those 500 tons within a quarter and evidently interested persons got the license for their own trade purposes and this has passed through the Indian Trade Commissioner's office in Ceylon, it has passed through the Commerce Ministry, it has passed through the Food Ministry and none of them was able to see that on the face of it the application could not be a bona fide one. Any man who has got the least touch with the trade would have at once found that *prima facie* it was a bogus application. My submission to the honourable Minister would be to select the proper men from the mercantile community who could be utilised for such purposes.

**Shri G. S. Guha** (Tripura, Manipur and Khasi States): Sir, I have heard with very great interest the speech made by the honourable Minister for Commerce giving us an account of the various activities of his Ministry, and I would like to congratulate him on the large measure of success that he has been able to achieve in the various spheres mentioned by him. Most of the speakers who preceded me have touched on the important points mentioned by the honourable Minister. We have seen how he has been trying to help the different activities of his departments, not only of the departments but of the whole Ministry in every possible way. All such matters like foreign trade negotiations, international conferences, study of facts on tariff, trade publicity, commercial representation abroad and special missions or delegations to foreign countries—each of these things has received his best consideration. I think he has been particularly successful in the matter of international conferences, in spite of the effects of the partition of the country, which have been so well explained by him. In the Havana and Geneva international conferences our delegations tried their best to safeguard the interests of this country. For all this we are very much indebted to the general policy and the general initiative taken by the Ministry of Commerce.

I think generally the country will support the policy of the Government's export and import controls formulated by the Commerce Ministry. In view of the changing conditions of world trade however, it is necessary that the details of the policy should be varied from time to time, and this the honourable Minister has done to the greatest possible extent. With regard to the general policy of stimulating exports, with a view to improving India's trade balances in order to enable the country to import essential capital and consumer goods and where necessary to encourage exports to hard currency areas, according to the papers we have been supplied with, the honourable Minister has done his best.

I particularly welcome the announcement of the honourable Minister regarding the prospect of having closer relations with the Dominion of Pakistan in regard to our mutual trade, and I hope he would be able to achieve the kind of economic union or customs union that he thinks would be suitable for both the countries. Assam as well as the bordering states of Assam like Manipur, Tripura and the Khasi States are very much concerned with this. I hope that better facilities for trading with Pakistan would be very much conducive to the welfare of those regions.

As regards shipping and other matters, I have got nothing more to say than what most of my predecessors have said excepting that as regards shipping I think efforts should be directed towards having seamen to our ships recruited from among Indian nationals. In the past most of the Indian seamen used to be recruited from the parts of the country which now comprise Pakistan. I am sure it is desirable that we should now try to encourage our own men in the Indian Dominion to come as seamen on our ships.

Among the various activities of the Ministry I also find that the honourable Minister for Commerce is trying to get the Company Law revised, and he has also been trying to do something about making the field of Accountancy much better than what it is at present. In the matter of Accountancy Law which is probably going to come before the Assembly this Session, I think every effort has been made to see that the best kind of auditing is available to the commercial firms of the country. In this connection I would like to request the honourable the Commerce Minister to see that the branch of Accountancy called Costing Accountancy may not escape his attention, because Costing Accountancy is very important in the development of industries. At present I do not think we have got any Costing Accountants with good qualifications in India.

[Shri G. S. Guba]

I again congratulate the honourable Commerce Minister on the excellent way he has tried to conduct the activities of his ministry.

**Prof. Shibban Lal Sakwani (U.P.: General):** I have very carefully listened to the speech of the honourable Minister delivered this morning and I have also very carefully read the Memorandum which he has circulated about the activities of his Ministry. The first thing to which I want to draw his attention is that I wish that this Memorandum was more full of statistics. It is descriptive but it does not give us the details and the statistical data which would have enabled us to judge the results achieved by the Ministry. As an illustration I would like to point out that he has said that agreements have been concluded with Japan and Pakistan and with the Anglo-American Zone in Germany and that they have been enforced since June last. But we have not been told what are the terms of those agreements and what has been achieved during the first six months of the agreements. I would have very much wished if we had known the articles which we have imported and the articles which we have sent so that we could have got some idea as to whether our import and export trade is working in the interests of the nation.

Similarly I would also point out that when this Memorandum refers to the E.C.A.F.E. conference as well as to the activities of the Tariff Board we should have been given more data as to the results achieved. We would have very much wished to know what the E.C.A.F.E. has done for our country and what we hope to get out of it. Similarly in respect of the Tariff Board also a list has been given of the industries which it is examining and also the Resolutions of the Government in respect of certain industries. But the Memorandum does not contain even the substance in a nutshell of these Reports and so we cannot judge whether what has been done is what should have been done. I think that Members should be supplied with the details of all these achievements at least a fortnight before the annual debate.

Similarly I would also like to refer to the Commercial Delegations. Last year a friend moved a cut about our Trade Delegations abroad. This year also in paragraph 6 of the Memorandum a list has been given of twenty-six countries where our Trade Delegations are already functioning or are about to function. But nothing has been done to indicate what they have achieved and how far their work has been to our country's benefit. I would have wished that more details had been given so that we could know who is working there and what has been achieved.

Similarly there is an Economic Adviser and also a Director of Commercial Intelligence, but we have not yet been able to get any of the documents which they have published. I wish that these are made available to the Members so that they can know how matters are progressing. Without all these data it is very difficult to judge about the work of the Ministry. I hope that if the honourable Minister wants—as I know he wants—the constructive criticism of the House he should supply it with full data so as to enable it to pronounce its judgment. I hope next time he will take care that this is done.

Sir, I have listened to the speeches of my comrades this morning. Some have praised the honourable Minister and some have criticised him. But I am really at a loss to know what to do. It has been said that in our mercantile marine we have now so many ships, that so much has been imported—goods worth Rs. 850 crores or something like that. But I cannot really judge the work of the Commerce Ministry by these figures because I

do not know what the standard is with reference to which these achievements have to be judged. Unless there is some overall plan which will tell us what our country needs we cannot judge whether what has been imported will really be towards the betterment of our national economy. I have listened to the speeches made in the House during the last three days on Defence, Industry and Supply and on Minerals and I think the finest contribution to the debate was made by Prof. Shah yesterday when he said "that unless there is an overall plan and you can say that so much of the plan has been achieved you cannot really judge whether we are going in the proper way and with the proper speed". I feel at this juncture of development in our country speed is the most important. When I compare what has been done in other countries I am frightened; I feel that we are doing practically nothing. The other day the honourable the Prime Minister told us that our country is the biggest in point of population. He also hoped that we are developing all foreign contacts which are the signs of the independence of a great nation. But when I compare this greatness with what we are actually doing to justify it I feel that this greatness is hollow. I have before me an article on the Fourth Five Year Plan of the U.S.S.R. This gives us the amount of destruction in Russia during the war years. And it says that from 1946 to 1948 they have restored and reconstructed all that was destroyed in Russia during the six years of war. That is the speed at which they are going on and by 1950 when their present plan will be completed they would be producing about 35 per cent. more in almost every direction. When we compare our country with that and the speed at which we are going I think we are very very complacent. I do not say this by way of criticism, but I only wish to say that our Government must pay heed to what the rest of the world is doing, must see how our rivals are going forward and consider whether we can win in the race to be the greatest, and the most powerful and prosperous and the most civilised nation in the world.

The other day I read a speech by Stalin in which he said that their target was to produce 50 million tons of pig-iron, 80 million tons of steel, 300 million tons of coal, and 60 million tons of oil as soon as possible; only then would the U.S.S.R. be proof against any surprise. Russia hopes to achieve these targets in the next ten years. It is thus that nations can maintain their greatness. I heard yesterday that in our country we produce 9 million tons of steel—probably that includes iron also. Similarly, we only produce a very small quantity of coal. In fact our coal production is equal to what was produced in Russia in 1913 and our iron production is 1/4th of what was produced in Russia in 1913. Therefore, I say we have to make up great leeway, and speed is the most important consideration in our development. If we proceed at the present speed, we cannot even maintain our Independence.

Sir, this Ministry is responsible for importing machinery and other things which will make the country great. I want that imports should be so planned that we may be able to import the most essential materials. I wish our country would advance more rapidly in the production of steel. I heard one German plant was allotted to us as our share of reparations—I do not know what has happened to it, I do not know if any plant has been received by us by way of reparations from Germany. If we have that plant we could produce more steel and more machinery.

Sir, just now my friend Mr. Goenka told us that much of the imports are composed of goods which are not capital goods, which do not even come in the category of those goods which are meant to combat inflation. I wish that the honourable Minister will see that the money which he spends is spent on those items which are of the greatest need to the country and which will make us great and put India in line with the great Powers of

[Prof. Shibbon Lal Saksena]

the world. I think that if that aspect is borne in mind and comparison of progress is made with what other countries are doing, it will help us. I especially draw the honourable Minister's attention to this article in the International Labour Review for July-August 1946 in which it is stated what Russians plan to do in five years 1946-50. I think that will help him to see how his imports and exports should be planned.

Coming to the question of hard and soft currencies, I am really very sorry that the sterling balances agreement has put us in this difficulty. Though our own money is lying there, we are not able to use it in the manner we want. I hope the honourable the Finance Minister will see, when they review that agreement, that though we cannot get all the money, at least we shall be able to spend whatever we get on what we like. We should not be starved of dollar resources. This great problem should be solved, otherwise we will have to waste a lot of our resources in purchasing something which we do not want.

About import and export controls. Controls probably are necessary in the prevailing conditions in our country and all that we can do is to see that they work properly. I am glad the honourable Minister has appointed a high officer to see that many of the complaints which were made in the House last time are removed, but I have been informed by my friends that many of the complaints which were made on the floor of the House last year have not been attended to. In fact, in his speech last year Mr. Goenka had made specific complaints about certain motor industries and companies and I am told that nothing has been done. This is also true in the case of other things. Probably among the oilseeds export license holders also there are people who have not fulfilled the terms of the Government. Sir, I draw your attention to these things to kindly see that those who infringe the rules of the Government are not allowed to go scot-free and to see that they are punished.

In regard to mercantile marine, I am very happy to learn that we have now got twenty-two ships in overseas trade and also that in our coastal shipping, our tonnage is larger than the tonnage of Britain. But I would not be satisfied until the coastal shipping tonnage is entirely our own; I know the honourable Minister himself wants it and I hope he will take all steps to see that it is achieved. We all wish that next time when he reports to us, he will be able to say that not a single British ship carries our coastal shipping. Similarly, Sir, I am happy that some 22 ships of our country are doing overseas trade. It is a good beginning, but our export and import trade is so great that we should have shipping proportionate to the amount of trade which we are handling and I hope very soon we shall be able to handle all our trade by our own ships.

In connection with mercantile shipping, the honourable Minister in his memorandum has said something about there being no proper trade unions of seamen. I am surprised to see this. I think these seamen's unions are very old unions; in fact, Mr. Aftab Ali was a well-known leader of this union; N. M. Joshi was also a leader of this union; and I myself am the President of the All-India Port and Dock Workers Federation to which these Seamen's unions are getting affiliated. Therefore, the information contained in the memorandum is not correct. But I say that the problem of the seamen, whose number is very large, should be properly tackled and should be solved. In fact, the dock workers also had the same difficulty and last year the measure which we passed here has helped these people considerably. Therefore, I think an Act for seamen also would probably be helpful. Similarly, about the other difficulties regarding these people. I am prepared to help the honourable Minister in any manner he wants in solving this problem.

About officers' training, I am very happy that there have been large increases in officers' numbers but even then probably they are not commensurate with our needs. In Russia they are proposing to build 600,000 tons of merchant shipping before 1950 in addition to what they have already got. I hope that the Ministry of Commerce will not only try to judge their achievement by the amount of work they do but will also relate it to what others are doing. Last year I moved a cut motion which stated that we should so plan our development that within the next ten years we may come to the level of Russia and America, but this is not the speed by which we can achieve that. Therefore, Sir, I hope the honourable Minister will take care to see that the way in which his department works is commensurate with the required speed.

.. Sir, I congratulate the honourable Minister for what little he has achieved, but I hope next time he will present us a record of achievement which is in consonance with the needs of our country.

**Srijut Robini Kumar Chaudhuri** (Assam: General): Sir, Member after Member has praised the honourable Minister in charge of the Commerce Department. I would not swell their number because I do not, and he also knows it that he has not crossed that age when too much praise either from our group or the group led by Shrimati Durgabbi could spoil him. Sir, the name of the honourable Minister has been long associated with the Central Legislature and has almost become inseparable. He has been raised to the Cabinet and I believe, and I am told, that the honourable the Deputy Prime Minister has found him indispensable there. Having said that, I have, I regret to say, to bring to the notice of this House a piece of unkindness. On each of these days, Sir, we were presented with a brochure of the Ministry which was under discussion. They were printed ones and we delighted in going through them. My honourable Minister today has presented us with typed copies and we cannot properly decypher the whole of it. May be, Sir, that in a mood of anger, which is rather unusual with the honourable Minister of Finance, he has stopped the printing of these brochures. Anyway, Sir, I hope the system will be restored again in the next few days.

Sir, I am glad to find that the honourable Minister has restored or is going to restore our trade with Japan. As a matter of fact, a large number of our necessaries were brought from that country and they were found useful and purchasable by the poorer sections of the population who had no much money to purchase costly imported commodities. But two things I should warn the honourable Minister to take care not to import. One is the vests which gets torn in the process of your weaving it. Even if it survives that process, it is sure to get torn when you take it off. I think that is the experience of everyone in this House and I hope he will take care to see that these are not imported. The other thing are cycles unless their quality has improved a good deal in the meantime on account of Japan's association with America. The Commerce Minister should see that cycles which are cheap, but which are not serviceable in India are not brought in any large quantities.

Then, Sir, I would also like to ask the honourable Minister, as he is going to liquidate the German firms in India, as to what he is going to do in regard to insurance companies. There are one or two insurance companies in India which are of German origin and which were under the management of the Custodians of Enemy Property. If these insurance companies are also going to be liquidated along with other firms, what will be the position of the insured persons. I hope necessary safeguards will be provided about them.

[Srijut Robini Kumar Chaudhuri]

Sir, I had taken permission to speak on this subject with particular reference to Assam and I want to say a word or two with regard to that province. There has never been much of direct trade in the British regime between the traders of that province and foreign firms. But since after independence everyone aspires to better his lot, Assam would like to have a share in the import and export business. I know, Sir, to my misfortune that certain firms which had asked for permission to import cycle accessories were refused such permission, probably, for the reason that they had not dealt with foreign firms before. They had also applied for a licence to import motor parts. Although Assam is a relatively backward province, there is a large mileage of roads in that province and there are also a large number of motor cars and other vehicles. We have at the present moment to get our supplies from Calcutta. The traders of Assam would like to have direct dealings with foreign firms and the permission to do that has not been, so far as I know, granted. I hope the honourable Minister will take an early opportunity to redress these grievances.

Then, Sir, about trade with Pakistan. We had a natural trade with Pakistan, because these two provinces were associated and some portion of Pakistan was actually in Assam. We naturally expected that even after partition we would be able to maintain that trade channel, particularly with regard to the export of timber. Most of the timber, at least of the lower Assam districts, is re-exported to Pakistan area. Now that trade is at a stand still, because of want of facilities for exporting it. If this timber were to find a ready market elsewhere, we would not have grumbled; but unfortunately that is not so. I would, therefore, request the honourable the Commerce Minister to afford greater facilities for the export of timber to Pakistan.

Another point which I wanted to stress is about tea. I am not speaking in detail about it. But I want to take the earliest opportunity to remove the prejudice which seems to exist in this House against the consumption of tea. When I ask my honourable Friend Mr. Jbunjhunwala to take a cup of tea he says, 'I don't get sleep'. If only you think of the speeches we make in this House or Shri. Durgabai makes in this House before you go to sleep, you cannot get any sleep. I would advise them to take a strong cup of tea before retiring and see how they are lulled to sleep. Sir, I am laying particular stress on this question of tea because tea is the only commodity for which Assam can rightly be proud of.

**Shri O. Subramaniam:** (Madras: General): It is very easy to make money in trade. Perhaps it is equally easy to lose money in trade. Therefore in a Department which controls the entire, import and export trade of the country, it is not surprising that we find some abuses. But Sir, can it be said that it is only some of the officials who are solely responsible for these abuses? In a way, some of the publicmen also are responsible for these abuses. The Tamilnad Congress Committee has given a lead in this matter. By a Resolution it has laid down that no office-bearer of the Congress or a Member of the Legislature who has come on the Congress ticket should have anything to do with any trade or concern which requires a license. Not only that, but they should take care that they don't recommend anybody for any of these licenses or permits. If that rule is followed by many of us, perhaps these abuses would be very much reduced. Sir, when we talk of the abuses, it is only by taking strong action when we find out the culprits that this could be eradicated. When we find that companies, may be big or small, have been indulging in blackmarket or have been obtaining licenses and permits under false pretences, they should be scored out of the list of persons who would be entitled for permits. Last year a Committee appointed by

the Congress Legislature Party pointed out that certain companies even though they were sister companies, did not disclose that fact when they applied for permits to export oilseeds even though they were bound to do so in their applications. This was pointed out, and I understand no action has till now been taken on that. It is not enough if we punish the culprits but wide publicity should be given about these blackmarketeers so much so in public they may not have any status.

Next I wish to refer to the export of oil and oilseeds. The export duty on oil and oilseeds has now been removed. I can speak with some authority with regard to groundnut. During pre-war days one bag of unshelled groundnut weighing about 80 lbs. was selling at Rs. 4 to 4/8. The price of the same bag is now Rs. 18/- 17/-. When the price has risen so much, is it necessary to remove this export duty. I feel this export duty could very well be absorbed by the producers and the middlemen. There is another aspect of it. We have removed the export duty on oilseeds to encourage the export of oilseeds to various countries. Is it good for our country—we have to ponder. When we export the oilseeds, we deprive ourselves of the cake which you get if that oilseed is crushed here for oil. We are complaining that there is no manure and we are importing fertilisers to the tune of 5½ crores or so from foreign countries; apart from this oilcake is said to be the best form of manure. Ryots run for it and if we export the oilseeds, to that extent we are depriving ourselves of the cake we would be getting by crushing the oilseeds here. I find here there is no co-ordination between the Agriculture Ministry and the Ministry of Commerce. In this way we will be making the ryots suffer for want of manure. Not only that. There are many oil-mills here crushing the oilseeds and we are depriving them also of their occupation when you export the oilseed itself without crushing it here. Therefore there should be a distinction made between oil and oilseeds. We have to encourage the export of oil and on the other hand as far as possible see what oilseeds are crushed in our own country so that the cake would be available here. It is said that we are exporting it to countries where we might get dollar exchange—to hard currency areas. It might be so. But that is only an illusory advantage. When you save the manure which is available by crushing the oilseeds here perhaps it would more than compensate the exchange we might get by exporting the oilseeds. I have not calculated it. Perhaps we will be saving some dollar exchange also as we may have not to import fertilisers to the same extent. When we want to regulate the export and import trade, it is not only from the point of view of the exchange it should be looked at but it should be looked at from the total benefit which would accrue to the country. Therefore I would request the Minister for Commerce and also the Finance Minister to look into this matter and find out whether a distinction could not be made between oil and oilseeds. If necessary—I don't know whether that would be discrimination—whether it could be made free of export duty in respect of export to hard currency areas and in respect of soft currency areas a small duty might be levied. In any event I would submit that there is a case for review of the case in respect of removal of export duty on oilseeds.

**The Honourable Shri K. C. Meogy:** Sir, I am very grateful to my honourable friends for the appreciative observations which they have made with reference to the Commerce Ministry. I am also grateful to those friends who have offered criticisms. The criticisms have all been in a friendly spirit and I am sure I shall benefit immensely by those criticisms, because they will enable me to examine the shortcomings of the working of the Ministry itself. Sir, I should like to take up a few of the points that have been made and which are of a general character, complaint has been made that we have had no permanent plan with regard to foreign trade both import and export. I

[Shri K. C. Neogy.]

I am afraid the position is not fully appreciated by the honourable Members who indulged in that kind of criticism. After all this Government came to office just about 18 months ago, and for the first few months having regard to the circumstances then prevailing, it was not possible to think in terms of a general trade plan. Now, so far as I am concerned, I have been in charge of this Ministry for about 9 months; but there is one more factor which has got to be remembered and that is this that from July 1947 releases from the Sterling Balances were available every six months. We did not know what the amount to be released would be even for a year. Therefore our plans had to be drawn up on that ground alone on the basis of a six monthly estimate. It was only in July 1947 that the Sterling Balance Agreement covered a period of three years and it is on the basis of that three years agreement that we are now working. Apart from anything else, in the very nature of things, it is difficult to have a definite plan which can be expected to be given effect to for a long period of years.

The House is aware of the British Plan comparable to the plan which some honourable Members have in view. Now, a few weeks ago, speaking with reference to the British Plan, this is what Sir Stafford Cripps himself said:—I must first warn the House against reading too much into this Document. Sir Stafford said

"The preparation of an economic programme for so long a period ahead is, of course, fraught with the greatest difficulties, especially in time of political and economic uncertainty such as the present. In a country such as our own which is so largely dependent upon exports and imports, visible and invisible, for its prosperity, no one can foresee with accuracy the future course of economic events."

I think these observations apply with equal, if not greater, force to our country. There are uncertainties and difficulties in the situation with which we are faced today which do not exist in the case of the United Kingdom. I might mention the difficulties born of Partition which actually have upset all our previous trade plans and it is only by acquiring experience that we would be able to see our way clearly in this matter.

Another point on which there has been a general sort of criticism of the policy of the Ministry is with regard to the importation of what are called luxury or semi-luxury goods or non-essential materials. On a previous occasion I pointed out to the House that we are not in a position to dictate to the rest of the world as to what type of goods they are to supply us with. In the first place, we want food from them; but we are not in a position not to take the other things for the purpose of obtaining food. In the second place we want capital goods and machinery from the other countries. Here again we are not in a position to dictate. But, apart from that, it so happens that in many instances the countries to which we are looking for the supply of important goods, essential consumer articles and machinery, make it a condition that we have to take some non-essential goods—non-essential from the point of view of some of my honourable friends.

Now I hold in my hand a telegram which reached me a few hours ago from Switzerland. There our representatives are engaged in trade talks and this is the telegram which I have got. I will give a few quotations from it. I want to remind the House that we expect some capital goods and machinery particularly from Switzerland and this is the reaction to that proposal. The telegram reads:

"The Swiss maintain that they could not contemplate any agreement which does not provide a reasonable off-take of such consumer goods as had been excluded from our programme."

This is the report of our representative there. "The Swiss economy as so delicately balanced that it was incapable of sudden adjustment to new orientation necessitated by our programme." Then again the Telegram reads:

"The Swiss delegation stresses the fact that all the countries which had concluded negotiations with them including the United Kingdom had recognised this position and had agreed to make substantial purchases of consumer goods with a view to enabling Swiss economy to retain its traditional productive pattern."

Now let us take another country, Czechoslovakia. I mentioned this fact on a previous occasion also. We expected to get machinery and capital goods from that country. But that country allowed us such capital goods and machinery only when we agreed to import an amount of glass bangles. That was an essential condition of that agreement. So, we are not in a position to say: "Well, this is all we will take. We will not take whatever you are interested in". We are not in a position to command the rest of the world in this matter.

Mention was made specifically of a few industries in the country. I do not know whether I will be able to deal with each one of them, as it may have been affected by the Open General Licence policy. Particular mention was made of the cycle industry. Now, the position of the cycle industry was gone into by my honourable Colleague the Minister for Industries and Supply the other day to a certain extent. But there are two or three points which I would like to mention in this connection. The Indian production which was estimated by the Tariff Board has not been reached. The production that is available represents only a fraction of the Indian demand. The price of the Indian-made bicycle is lower than the average price of the imported cycle and yet, before we ever thought of liberalising our import policy with reference to cycles, we were approached with a request to find out with the help of the Tariff Board as to why it is that in spite of the fact that the prices are lower than those of the imported cycles there was a big accumulation of stocks, unsold stocks of cycles in the factories. This matter was referred by us to the Tariff Board. So, assuming we revert to the same restricted position, how would it help the industry? I want again to repeat that this complaint was made to us at a time when the importation of cycles was strictly restricted. In those circumstances also they were not in a position to sell their product in the market. If we are to revert to that position today, how will it help the industry? We were doing only an injustice to the consumer in so far as it enabled the importer of the foreign cycles to charge black-market prices, because the number of cycles we were allowing to be imported was comparatively small and there was a big profit margin available for the trader in cycles. The consumers interests, I daresay, deserves some consideration at the hands of this House.

Reference was also made to the belting industry. Now, imports of leather belts are on the Open General Licence list. But hair and cotton belting, which is the only type of belting manufactured in India has not been placed on the Open General License List. The Indian manufacturers of this type of belting maintain that they have adequate stocks to meet all the demands in the country and that the imports should be stopped for at least the next six months. I might mention in this connection that the Tariff Board had occasion to enquire into the case for protection to this industry and they recommended that there was no case for protection beyond converting the existing revenue duty of 10 per cent. into a protective tax. That was all. But the

[**Shri K. C. Neogy**]

demand put forward was that the importation should be stopped. But let it be remembered that there are consumers in India who need belting for the purpose of their factories. They themselves do not want many of them. I have had written representations from them that they do not want this type of belting. They have a greater faith in the imported belting. What is to be done? These are also Indian consumers connected with the manufacture of other articles. Meanwhile, the prices of belting have considerably gone up and it may be also the case that one element in the high prices of hair-belting is the fact that camel hair has to be imported from abroad. It is not as if we are self-supporting in the matter of raw materials for this industry. Now, in spite of all this, we have suggested a sort of round table conference of the representatives of hair-belting industry, the consumers' representatives and also representatives of importers. This meeting is going to take place in Calcutta very soon and we should try to find a solution of the difficulty with which we are faced in this matter. Mention was also made of the biscuit industry. It so happens that as a matter of policy, food articles like biscuits along with other food articles have been placed on the Open General Licence, because of the shortage of food in this country. In the case of biscuit industry in India, it is not a war time industry. It is rather a long established industry. It never came to the Tariff Board for protection as far as I remember. If it feels that its interests are being jeopardised, it is open to this industry to apply for an investigation by the Tariff Board into its case for protection.

Reference was made to a few other industries as well. I do not know whether it will be possible for me to give replies specifically with regard to each one of these industries. A reference was made by my honourable Friend Mr. Verrabahu to the licence which had been granted in favour of a Ceylon firm in respect of onions. So far as onions go, the Commerce Ministry has nothing to do in the matter of licensing; it is the responsibility entirely and exclusively of the Food Minister. I am not therefore in a position to say anything about this particular point.

**Prof. N. G. Ranga:** It cannot be said also that only vegetarians take onions.

**The Honourable Shri K. C. Neogy:** I do not know. My honourable Friend Mr. Subramaniam said that there was no co-ordination between the Agriculture Ministry and the Commerce Ministry and that we were allowing the export of oilseeds to foreign countries which is against the interests of the country. I should like to tell him that we in the Commerce Ministry are not in a position to allow the exportation of oilseeds of any description without the fullest concurrence of the Agriculture Ministry. He can therefore rest assured that the interests of the cultivators in so far as they may need oil cake for manure are fully met. At least the Agriculture Ministry is there to look after their interests. In any case, our policy is to discourage as much as possible the exportation of seeds. We have done everything possible to encourage the exportation of oils rather than the seeds. As regards a definite demand from certain countries for seeds is concerned, if we expect the importation of any essential commodities from those countries, we have certainly to take a reasonable view of the matter, particularly in the present circumstances. As I said, the interests of the agriculturists are expected to be safeguarded by the Agriculture Ministry in such matters.

My honourable friend Mr. Ramnath Goenka complained that we had not taken action on some of the points that were raised in the course of the debate last year. I have gone through the various points that were raised on the last occasion and I find that we have given consideration to each and every one of them. It seems to me that there is a certain amount of misapprehension as regards the facts of some of these cases that my honourable Friend

had in mind, and also as regards the nature of the action which the Commerce Ministry had taken. First of all, I should like to deal with the point about the proposed removal of the export duty on oil and oil seeds. Here, we were impelled to put forward this demand to the honourable the Finance Minister in the light of the reports that were received from our Trade Agents abroad who maintain that it is because of the existence of these export duties that Indian products are finding it difficult to secure a market in those countries.

**Shri Ramnath Goenka:** Have you checked the local prices?

**The Honourable Shri K. G. Neogy:** I have got a list of the prices. This statement is from a London Paper dated 29th January. \* I am giving the following price quotations:

|               |                                |  |  |  | £.  | s. | d. | per ton. |
|---------------|--------------------------------|--|--|--|-----|----|----|----------|
| Linseed       | Indian . . . . .               |  |  |  | 58  | 10 | 0  | "        |
| Groundnut     | Canadian . . . . .             |  |  |  | 45  | 10 | 0  | "        |
|               | Indian . . . . .               |  |  |  | 71  | 0  | 0  | "        |
| Caster seed   | Siamese . . . . .              |  |  |  | 68  | 10 | 0  | "        |
|               | Bombay . . . . .               |  |  |  | 58  | 0  | 0  | "        |
| Niger seed    | Brazilian . . . . .            |  |  |  | 38  | 0  | 0  | "        |
|               | Indian . . . . .               |  |  |  | 69  | 0  | 0  | "        |
| Linseed oil   | Abyssinian . . . . .           |  |  |  | 60  | 0  | 0  | "        |
|               | Indian . . . . .               |  |  |  | 141 | 0  | 0  | "        |
| Groundnut oil | Uruguay and Paraguay . . . . . |  |  |  | 115 | 0  | 0  | "        |
|               | Indian . . . . .               |  |  |  | 152 | 0  | 0  | "        |

This has to compete with foreign rape seed and cotton seed oils, the prices of which are anything between 15 to 35/- per ton cheaper. Increased competition in respect of oils and oil seeds is coming from the following countries: Brazil, groundnut and castor; Argentina and Canada, linseed; British colonies in Africa, groundnut, United Kingdom and Australia have taken to growing linseed, the acreage under linseed in Australia this year being two lakhs acres.

It will be seen that it was not in a light-hearted manner that the abolition of the export duty on oils and oilseeds was considered by my honourable Friend the Finance Minister. Apart from that, on this particular point, we consulted the Export Advisory Council, the Standing Advisory Committee of the Ministry and the Economy Committee on which there are three or four distinguished members of this House as members. Their unanimous advice was that the export duty is bad and should be lifted as soon as possible.

About the complaint by my honourable Friend regarding the specific case where a person had obtained a licence without being able to prove that he had made the requisite deposit with the Reserve Bank of India, this case was fully investigated and the firm has been called upon to show cause why it should not be penalised for these irregularities. An application was received from this firm before we came to the conclusion that there was a case against this firm and a licence was issued firstly because we could not penalise the firm before it was at least *prima facie* held to be guilty, and secondly because the application for export licence was in respect of a hard currency area and this order had been supported by the Government of that country. This is the only case when he was given licence since this complaint was made. But, as the firm has now been called upon to explain why it should not be penalised, no further licence is proposed to be given to this firm.

**Shri Ramnath Goenka:** What happened to the officials who connived in giving this licence?

**The Honourable Shri K. C. Neogy:** I am not at all satisfied that there was any connivance on the part of any officials in my Ministry. My friend is proceeding on an assumption which has no foundation on fact.

**Shri Ramnath Goenka:** I say that what I say is correct; what the honourable Minister is saying is wrong.

**The Honourable Shri K. C. Neogy:** So far as I am concerned, I make the statement on the basis of what I have found out the case to be.

Then, Sir, there is a case about oil exports. This case is under examination at the present moment by the Law Ministry and the point is whether there is a case for prosecution or not.

**Shri C. Subramaniam:** Have they been removed from the list of companies eligible for licenses?

**The Honourable Shri K. C. Neogy:** The whole thing will be judged after we get the opinion of the Law Ministry.

As regards the policy of granting licences particularly to certain people not in the trade, this matter was again placed before the Standing Advisory Committee.

**Shri Ramnath Goenka:** When?

**The Honourable Shri K. C. Neogy:** Very recently—about three days ago.

**Shri Ramnath Goenka:** How many days was it after the order was passed?

**The Honourable Shri K. C. Neogy:** It is up to me to pass orders if I feel that the order is justified and then it is open to me to bring the matter before my Advisory Committee and I am going to tell the House that the Advisory Committee has given me the fullest support in the action that I have taken. It was on the basis of a lengthy note that the Advisory Committee went into the matter and supported the action and they said there should be no change in the policy. Let me tell the House briefly what the circumstances were.

**Prof. N. G. Ranga:** Is not the Advisory Council part of the House?

**The Honourable Shri K. C. Neogy:** Early in 1947, certain matters had to be considered by the previous Government in connection with the licensing policy to be adopted. The then Commerce Member found—and he was very right in what he found—that it would be inappropriate if for the purpose of issuing licenses a particular basic period were to be taken during which only a very few people were in the trade, because the war had intervened and had interfered with the normal channels of trade and with the normal pattern of trade. Therefore the problem before the then honourable Member was such—I do not want to justify what he may have done: I am trying to explain the circumstances that led him to the decision to which he came in this matter—that he found that it would not be right to take a period before the war, because it would be so far-off a period as not to constitute a proper test as many people may have gone out of trade. The intervention of war had interfered with continuity on the part of many of these people, and in some cases it was found that the people who were in trade before the war, or after the war, or during the war, were a handful; and in some cases in the case of certain commodities a handful of non-Indians. The question then arose as to whether the standard period on the basis of which licensing should be done should be a period where there was not a sufficient number of people—not a sufficient number of Indians

who were qualified for licenses. He came to the conclusion that he would allow a license to anybody who could produce a proof of a contract with a foreign country. The result was that many Indians came in. But I must admit that in some cases the proofs that were produced were not genuine or they could not perhaps be put to the test. But the fact remains that these people, whether they were in the trade before or not, they have since established themselves in the trade. Now the view that I took was this: that we must not have a caste system in international trade, and if these people did come into the trade on the basis of a policy decision taken by Government, may be the predecessor Government, then I have no right to turn them out of the trade and revert to the system where the trade would be confined to a few handful who constituted a class, and in some cases the non-Indians constituted a monopolistic class. I was thoroughly satisfied with the basic soundness of the case. I do not say that in every single case of every single licensee one can justify the granting of a license because of certain shady practices. But the test now is, not that they had a license then. The test now is whether the fellow who may have got a license in the past is trading now. It is not a question of giving a license to a fellow because he had a license before. The test is: has he undertaken a trade on the strength of that license? This is the test and I am perfectly satisfied that it would not be proper for us to turn these people out of the trade, because apart from anything else we are, in certain trades, every year, allowing new comers to come into those trades.

**Shri Ramnath Goenka:** Nobody suggests that you should not.

**The Honourable Shri K. O. Neogy:** Even in the case of the newcomers the Advisory Committee said there should be no change. Am I to say that the people who are newcomers in 1947 should not be qualified for the purpose of coming into the trade, but that other newcomers should be qualified? These are considerations which should weigh with the House and I am fortified by the support which the Advisory Committee has given me in this matter.

**Mr. Chairman:** I would ask the Honourable Member to resume his seat as the Honourable Minister does not appear to be giving way.

**Shri Ramnath Goenka:** He is going altogether on a wrong basis.

**The Honourable Shri K. O. Neogy:** But I have succeeded in convincing my Advisory Committee of the correctness of the decision taken.

**Shri Ramnath Goenka:** Without putting the proper facts before them.

**The Honourable Shri K. O. Neogy:** The honourable Member alone is the repository of all rectitude and facts!

**Prof. N. G. Ranga:** If the Advisory Committee agrees, what is the objection? It is part of the House.

**Shri Ramnath Goenka:** But they are not the facts.

**Mr. Chairman:** Order, order. The honourable Member must not talk like this.

**The Honourable Shri K. O. Neogy:** The facts I have stated are sufficient for my purpose.

A reference was made to a German insurance company by my honourable Friend. Now we have kept alive the business of this company, and we are now consulting certain well-established Indian insurance companies for the

[**Shri K. C. Neogy**]

purpose of finding out whether the business should not be continued in co-operation with some of them and we shall try to safeguard the interests as far as possible of everybody concerned in this matter.

Now I come last of all to the point about the Commercial Corporation. Here I may claim that we have undertaken what may be called State trading in some instances during these last few months. For instance, in our barter deal with Russia, the tea that we were to supply to Russia was purchased and supplied through the U.S.S.R. trade agent in India on Government account. Another deal with Russia also has been operated more or less on the same basis. A third deal is at present under negotiation. Moreover import of foodgrains—rice, wheat, maize, barley and millets, etc., is a Government monopoly. There again we are engaged in State trading in one sense or another. The Ministry of Industry & Supply imports steel on Government account. The Ministry of Agriculture imports chemical fertilizers and agricultural implements. The Ministry of Food is considering the export of ground-nuts to Canada on Government account. Over and above this, the Ministry of Industry & Supply is also in charge of a scheme under which cotton textiles have to be supplied to Pakistan. That is also dealt with as a kind of State trading.

Now I feel that having regard to these facts and also to certain other matters, about which I have been rather anxious—for instance, when you enter into bi-lateral trade agreements, and after entering into trade agreements we leave the trade to be operated entirely by private enterprise, we may not be sure that all we need is being imported, and all the materials that we have to export and which have a sort of bargaining value, are not being supplied without the corresponding value from the other side being made available to us. The system that we are following does not enable us to maintain a strict control in this matter. So from all these points of view we are anxious to have the question of state trading on the basis of a State Corporation examined in some amount of detail. It may be that as a result of this examination we might find it possible to have an organisation for the purpose of undertaking certain trades, trades in certain specified commodities with reference to certain specified countries. It is my intention to have a Committee set up as soon as possible and it is also my intention to associate certain members of this House with that Committee. More than this I am not in a position to say but as I have already indicated certain features which I have noticed in the case of our bilateral trade agreements seem to indicate the necessity of state intervention in some manner without leaving the implementation of these agreements entirely in the hands of the trade. I hope that it will be possible for me to make a definite announcement before the end of the present session on this matter.

Sir, I will not take long and I would like to add only a few words regarding the import of caustic soda. I have mentioned it earlier also. The position about caustic soda is that early in 1948 there was a considerable scarcity of caustic soda as well as soda ash in the country. It was also believed that appreciable quantities were sold at what may be called black market rates.....

**Babu Ramnarayan Singh:** What is black market?

**The Honourable Shri K. C. Neogy:** The market which is not white.

**An Honourable Member:** Also not straight.

**The Honourable Shri K. C. Neogy:** At that time exports from the United States of America were restricted by quotas but a number of shippers were able to send supplies outside this quota. With a view to relieving the scarcity of this material in the country it was decided early in 1948 to issue licences liberally both for dollar and non-dollar areas, provided the imports

were made within a stipulated price of Rs. 56 per cwt. A large number of licences were issued but as the U.S.A. Government had continued their control over exports it was not till about the end of August that any large quantities could be imported into India. By that time the American authorities had relaxed their export control and later on completely removed it for the export of caustic soda. That actually accounts for the large importation of caustic soda into the country. But I should like to mention that caustic soda must not be classed among the non-essential articles. It is an article which is most essential as a raw material for certain industries, particularly the soap industry. As a matter of fact the supply position at the present moment is very favourable for the soap industry and we are hopeful that it may be possible in the near future to build up an export market for our soaps, taking advantage of the availability, particularly of caustic soda, in such large quantities.

A point was raised as regards the question of training seamen. As the House is aware we have a Merchant Navy Training Committee which has submitted a few reports as regard the training of the officer personnel, both administrative and engineering. They considered the training of the officer personnel more important in view of the acute shortage of Indian officers in the Indian merchant navy. The Committee is at the present engaged in a study of the question of training a certain number of suitable young men for the sea career as seamen. As soon as the report is available Government will take whatever action is possible for the purpose of improving the training of seamen.

**Mr. Chairman:** The question is:

"That a sum not exceeding Rs. 60,72,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ministry of Commerce'."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That a sum not exceeding Rs. 42,73,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ports and Pilotage'."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That a sum not exceeding Rs. 9,32,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Lighthouses and Lightships'."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That a sum not exceeding Rs. 59,65,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Commercial Intelligence and Statistics'."

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That a sum not exceeding Rs. 4,57,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Joint-Stock Companies'."

*The motion was adopted.*

*The Assembly then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 16th March, 1949.*