

12.12 hrs.

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha:

'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Monday, the 27th April, 1959, adopted the following motion concurring in the recommendation of the Lok Sabha that the Rajya Sabha do agree to nominate seven members from the Rajya Sabha to the Public Accounts Committee for the period commencing on the 1st May, 1959 and ending on the 30th April, 1960:—

"That this House concurs in the recommendation of the Lok Sabha that Rajya Sabha do agree to nominate seven members from the Rajya Sabha to associate with the Committee on Public Accounts of the Lok Sabha for the period commencing on the 1st May, 1959 and ending on the 30th April, 1960 and do proceed to elect, in such manner as the Chairman may direct, seven members from among themselves to serve on the said Committee."

2. I am further to inform the Lok Sabha that at the sitting of the Rajya Sabha held on Wednesday, the 6th May, 1959, the Chairman declared the following Members of the Rajya Sabha to be duly elected to the said Committee:—

1. Shri Amolakh Chand
2. Rajkumari Amrit Kaur
3. Shri Rohit Manushankar Dave
4. Shri T. R. Deogirikar
5. Shri Surendra Mohan Ghose
6. Shri Jaswant Singh
7. Shri S. Venkataraman.'

12.12½ hrs.

ESTIMATES COMMITTEE

SIXTY-FIRST REPORT

Shri Dasappa (Bangalore): Sir, I beg to present the Sixty-first Report of the Estimates Committee, 1958-59, on the action taken by Government on the Recommendations contained in the Sixty-fifth Report of the Estimates Committee (First Lok Sabha) on the Ministry of Transport—Shipping Part: II.

12.13 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE:

PARTITION DEBT OF PAKISTAN TO INDIA.

Shrimati Ila Palchoudhuri (Nabadwip): Sir, under Rule 197, I beg to call the attention of the hon. Minister of Finance to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The reported claim by Pakistan Finance Ministry spokesman that India owed Pakistan Rs. 180 crores on account of partition debt."

The Minister of Finance (Shri Morarji Desai): Sir, with your permission, I propose to make a short statement on the partition debt of Pakistan to India, about which I answered a question in this House on the 21st of last month and in the Rajya Sabha on the 28th, with reference to certain comments which have appeared in the Press as from a spokesman of the Pakistan Government and which give a misleading impression.

The House will remember that on the 5th September, 1957, Shri T. T. Krishnamachari made a statement on behalf of Government on the financial issues between the two countries and dealt at some length with the various outstanding items. Nothing has since happened necessitating a change in any of the facts or figures given by him.

[Shri Morarji Desai]

In regard to the partition debt, it has been suggested that there is no basis for the figure of Rs. 300 crores mentioned by us and that the question of payment arose only after the debt had been determined. In regard to the size of the debt, there is nothing new about the figure of Rs. 300 crores. It was an estimate made as far back as 1948 and has been repeated as such many times. As pointed out by Shri Krishnamachari in his statement, it gave only the order of the sum involved. In our view, it may be actually somewhat higher. But I was surprised to see the statement from the Pakistan Government that this figure of Rs. 300 crores had no basis. I understand that, as far back as 1952, broad details of a balance sheet, which gave a higher figure of the debt, were supplied to the officers of the Pakistan Government by our officers. There was some correspondence about some of the figures furnished by us but, eventually, this correspondence like correspondence on many other matters, petered out. In view of this, it is hardly correct to say that there was no basis for this figure.

It is difficult to understand the argument that payments fell due only after the debt is determined. On this pretext, no payment need ever be made simply by refusing to accept any figure as the correct figure of the debt. While the final figure would take some time to work out, the broad dimension of the sum involved is, in our view, quite clear and could easily be settled. We have already seven annual instalments overdue under the partition arrangements and the eighth instalment will fall due next August. When claims are made for other payments as due here and now, the fact that India has already overdue to her a large sum on account of the partition debt cannot be brushed aside on the spurious ground that the debt has not been worked out.

I was equally surprised to see the statement that a sum of Rs. 160 crores

was due to be paid to Pakistan. We do not have any details of this claim. So far as we know, the highest figure mentioned so far has been about Rs. 100 crores. This was a figure which was communicated to us in a letter from the late Mr. Ghulam Mohammed in 1950. This included the sum of Rs. 49 crores on account of currency assets which was specifically mentioned in Shri Krishnamachari's statement also. The balance related to a number of miscellaneous items the exact figures in regard to which still remain to be determined. A figure of Rs. 100 crores was also mentioned in the Pakistan National Assembly by the Pakistan Finance Minister on the 28th August, 1957. The figure now put out is much higher but, as I said, we have no details.

I have mentioned certain figures on both sides. But it is obvious that they only give the broad dimensions of the picture and that the various claims and counter-claims will have to be discussed and accepted before a settlement is reached. For some years, we have tried to work out the figures and reach a settlement at official level but, in view of the large sums involved and the peculiar problems which some of the issues pose, it has not been possible to do so. The major issues have, therefore, to be settled at Government level. My predecessor had invited the Finance Minister of Pakistan for a discussion, but for a variety of reasons, it has not been possible to hold a meeting. It is my intention to renew the invitation and I hope it will be possible to hold an early meeting, discuss all the outstanding items and claims on both sides and reach a solution fair to both the countries. Meanwhile, I venture to suggest that there is no reason to get unduly concerned by the mention of an odd figure or an individual claim, whether in the Press or elsewhere.