

[Shri M. C. Shah]

can assure the House that we will just take up the matter with the Madhya Bharat Government to see that all these appeals are disposed of as early as possible. Perhaps all these appeals would have been disposed of except for the fact that one of the assessee raised this question, about the validity of this assessment. And if that is held valid, then there is the involvement of Rs. 2·8 crores with the Madhya Bharat Government. Therefore, they immediately came to the Central Government and requested the Central Government. We just drafted this Bill and introduced it here. Some of those assessee came to me also. They said that they had no dispute about paying the dues and they wanted to have it decided soon. At the same time, they just spoke to me that, if possible, some officer might be appointed—perhaps they did not say so in so many clear words,—but they wanted an officer of some experience or something of that sort. We will just look into the matter, get into touch with the Madhya Bharat Government and will see that this matter is settled as early as possible. That is all I have to say.

**Mr. Deputy-Speaker:** The question is:

"That the Bill to validate the levy, assessment and collection in the State of Madhya Bharat of certain taxes on income and on profits of business due in respect of the periods referred to in sub-section (1) of section 13 of the Finance Act, 1950, be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** There are no amendments to clauses 2 and 3.  
*Clauses 2 and 3 were added to the Bill.*  
**Clause 4.**— (Continuance of pending proceedings)

**Mr. Deputy-Speaker:** There is an amendment by Mr. N. L. Joshi. He is

not present in the House? So I will now put clause 4 to the vote of the House. The question is:

"That clause 4 stand part of the Bill."

*The motion was adopted.*

*Clause 4 was added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Shri M. C. Shah:** I beg to move:

"That the Bill be passed."

**Mr. Deputy-Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1954-55

**Mr. Deputy-Speaker:** The House will now proceed to discussion of the supplementary demands for grants for 1954-55.

**The Deputy Minister of Finance (Shri M. C. Shah):** Usually on these demands, we do not say anything in the first instance, but this time, as the demands, taken together, involve a gross expenditure of Rs. 215·61 crores, with your permission, I will just try to explain this figure of Rs. 215·61 crores.

There has been some misapprehension or criticism that this amount of Rs. 215 crores is practically half the budget amount, and perhaps they may say that there was no accurate budgeting. But that is not so, which will be seen just now, when I give out the figures. The total revenue expenditure (gross) comes to only Rs. 6,12,77,000.

**Mr. Deputy-Speaker:** Under these supplementary grants?

\*Moved with the recommendation of the President.

**Shri M. C. Shah:** Under these supplementary grants. That is the gross revenue expenditure. That is also going to be less, as I will explain to you soon. The capital outlay—purchase of foodgrains and other items—comes to Rs. 131,15,00,000 plus Rs. 34,83,91,000. The third item is Loans which comes to Rs. 43,49,00,000. The total comes to Rs. 215,60,68,000.

Now, of the gross expenditure of Rs. 215.61 crores, recoveries and receipts to the extent of Rs. 92.92 crores are estimated as detailed below: Recoveries on the revenue expenditure will be Rs. 1,22,00,000; Capital outlay—purchases of foodgrains—will be Rs. 46,27,00,000, i.e. purchases of foodgrains from the States after the decontrol of rice; we have agreed to purchase all the stocks of rice held by the State Governments. Other items come to Rs. 32,37,80,000, and the Loans recovery will be Rs. 9,50,00,000. So there will be Rs. 88,16,02,000. Receipts (government collieries) come to Rs. 4,76,42,000.

Therefore, the net additional expenditure is estimated to be Rs. 122.68 crores. This does not, however, take into account certain surrenders which will be made under provision previously made under the other grants, that I will just show. If these are also taken into account, the position will be as summarised below: Revenue will be Rs. 6,12,77,000 and capital will be Rs. 209,47,91,000. The total is Rs. 215,60,68,000. From that, the following have to be deducted:

Recoveries of revenue expenditure and receipts of collieries—  
Rs. 4,77,64,000.

Amounts provided twice to meet accounting requirements—  
Rs. 10,60,000.

Recoveries on capital account (including loans)—  
Rs. 88,14,80,000.

Amounts to be surrendered under capital expenditure—  
Rs. 5,31,00,000.

Total—recoveries, surrenders etc.  
—Rs. 98,34,04,000.

So the additional outlay will be Rs. 117,28,64,000 of which revenue expenditure will be only Rs. 1,24,53,000 and the capital expenditure will be Rs. 116,02,11,000. Now, in the break-up of these, there will be only a net revenue expenditure of Rs. 1,24,53,000. This is accounted for in this way. Of the net additional revenue expenditure of Rs. 1,24,53,000, the delegation to the International Supervisory Commission for Indo-China accounts for Rs. 50,00,000. Of the net additional capital outlay of Rs. 116,02,11,000, purchase of foodgrains accounts for Rs. 84,88,00,000 while allocations to State Governments out of proceeds of the National Plan Loan account for another Rs. 25,50,00,000. As the House is aware, we asked the State Governments not to raise their loans in the open market as we were just raising a loan. We then fixed a quota to each State to be given out of that loan according to its capacity of raising the loan from the open market as recommended by the Reserve Bank. So that comes to Rs. 25,50,00,000.

The large figure of Rs. 215.61,00,000 of additional gross expenditure has given rise to some criticism among the public regarding the accuracy of Government budgeting, as the amount represents approximately half of the total annual revenue of the Union. This criticism is, however, based on an ignorance of the technicalities of budgetary and accounting procedure. The following analysis will show that the actual additional outlay involved is considerably less than the gross figure of Rs. 215.61 crores.

As I have stated already, revenue expenditure accounts for Rs. 6.13 crores of the total of Rs. 215.61 crores. The largest single item under 'Revenue expenditure' relates to the working expenses of Government collieries which have been transferred from the Railway Board to the Ministry of Production. In the Railway Board Budget this provision is there. This

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item does not entail any extra expenditure by Government, as it is already provided for in the Railway Budget. Although according to the railway practice only the net expenditure was provided, we have to provide for the gross expenditure, and on the receipt side we get the receipts. Apart from this fact, the expenditure will be more than covered by receipts from the sale of coal which was estimated at Rs. 4.76 crores during the financial year. So, there will be a profit, but we have to provide for this expenditure of Rs. 4 crores and odd.

Another large item which relates to the Demand No. 34 is on account of the expenses of printing larger quantities of notes. The provision of Rs. 77.79 lakhs includes Rs. 1060 lakhs on account of one rupee notes. This is purely notional expenditure, as it represents the payment to be made by the Government to the Press for one rupee notes issued to the Reserve Bank of India and is balanced by an exactly equal amount on the revenue side representing the payment received by the Press. The actual expenses on one rupee notes are already included in the general heads A and C and are shown here for purely accounting purposes and do not involve additional outlay. The total additional outlay is thus only Rs. 67.19 lakhs.

Moreover against the demand of Rs. 7.29 lakhs under Demand No. 86, has to be set the surrender of part provision of Rs. 5 lakhs under Demand No. 95. These facts I have taken into account and the new gross expenditure comes only to Rs. 1.66 crores, that is, 6.13 crores minus 4.36 crores on account of the collieries and 11 crores which is purely notional expenditure. Therefore, the actual expenditure will be Rs. 1 crore and 24 lakhs.

Now, about capital expenditure. Of the total capital expenditure of Rs. 209.48 crores, the largest single item relates to purchase of foodgrains, which is Rs. 131.15 crores. This figure is, however, inflated by the inclusion of the figure of Rs. 46.27 crores twice,

once as advance payments to State Governments on account of the foodgrains taken over and again as final payments. Although the advances will be adjusted in full against the final payments, the same amount has to be shown twice in the demand on account of accounting requirements. The actual additional outlay on this, therefore, will be Rs. 84.88 crores only for which the supplementary demand has been asked for. The additional purchases of foodgrains have been necessitated by the need to create a Central Foodgrains Reserve and to relieve the State Governments of unsold stocks following decontrol, and the agreement with Burma which was finalised after the Budget has also led to larger imports of rice.

The second largest item under capital expenditure is on account of loans and advances by the Central Government, Rs. 43.49 crores. Of this, as I stated, Rs. 25.5 crores are accounted for by the allocations to Part A and Part B States out of the proceeds of the National Plan Loan. It was decided after the Budget that a combined loan should be floated to meet the requirements of the Centre as well as the States and that the State Governments should not go into the open market for their own loans. The State Governments have been given the assurance that in return for their not obtaining loans from the market they would be granted allocations out of the National Plan Loan equal to the amounts which they would have been able to raise themselves from the open market. The demand does not really mean any increase in loans and advances to State Governments but represents only what the Central Government might be said to have raised on their behalf as their agent. Apart from these allocations to the State Governments out of the National Plan Loan, the demand also provides for loans to the extent of Rs. 3.81 crores to Part C States. As the House is aware, the Part C States Act was so amended that they have to budget for capital expenditure. For that purpose,

loans are to be given by the Centre and that comes to Rs. 3.81 crores. Taking these factors into account and Rs. 1.50 crores on account of loan to Hindustan Steel Works, the actual expenditure under capital expenditure is 131.40 crores. This does not take into account the recoveries on account of the sale proceeds etc. which will further go to reduce the additional outlay on the capital expenditure of Rs. 131.40 crores.

Sir, it will thus be seen that in a number of cases the supplementary demands now being presented purely involve a transfer of expenditure from one account to another and in a few cases, certain amounts are included twice in the demands in order to conform to the accounting principles and do not involve additional outlay. The rest of the bulk of the increased outlay, it is on account of purchases by the Ministry of Food and Agriculture which have been necessitated by post-Budget developments. It would, therefore, not be quite fair to say that the supplementary demands indicate lack of accuracy in budgeting. That is the only thing that I have to say to explain the position.

**Mr. Deputy-Speaker:** I would only suggest that in future, whenever the hon. Minister feels that the items of the supplementary demands appear *prima facie* to be enormous, any statement of the kind now made, may be circulated to the Members in advance so that it may be useful to them to come up with their views.

Now, we will take such of those demands with respect to which cut motions have been given notice of. I have got a list handed over to me by hon. Members regarding the cut motions which they would like to press.

**Shri Gadgil (Poona Central):** Will you take up number by number the cut motions on Demand No. 2 and so on or as they have been given notice of?

**Shri M. C. Shah:** I may be permitted to say that Demands Nos. 2 and

121, which more or less appertain to the Commerce and Industry Ministry may be taken up immediately. The Commerce and Industry Minister has asked me to request you to take these because he will be busy there in the other House with the Constitution Amendment Bill. He will come up immediately if you take these up.

**Shri Bansal (Jhajjar-Rewari):** May I make a submission, Sir? In the Order Paper today another item appears for discussion for 2½ hours. In view of fact that the hon. Deputy Minister of Finance has made a very elaborate statement explaining some of the supplementary demands and has given a large number of figures, which it has not been possible for me to take down although I tried my best, I suggest, Sir, that this debate be postponed for tomorrow and, in the remaining 2½ hours, the other item which is put down on the Order Paper may be taken up for discussion.

**Mr. Deputy-Speaker:** Six hours have been allotted. As a matter of fact, the hon. Deputy Minister has only gathered together in one statement all the particulars that the found in this book that has been circulated to the hon. Members. All these come as foot-notes under each demand. There is, therefore, no reason to postpone consideration of this business.

As desired by the hon. Minister, I do not see any difficulty in taking up Demands 2 and 121 in the first instances. Others will be taken up later. What are the cut motions that are sought to be pressed under these two Demands?

**Shri N. Sreekantan Nair (Quilon cum Mavelikkara):** No. 1, Sir.

**Shri Sivamurthi Swami (Kushtagi):** No. 13, Sir.

**Shri Bansal:** Sir, he wanted to postpone these.

**Shri Gadgil:** That is what I understood the Deputy Minister to say. The request made by the Deputy Minister of Finance was that Demands

[Shri Gadgil]

Nos. 2 and 121 may be taken up when the Commerce Minister is present.

Shri M. C. Shah: You have misunderstood me.

Mr. Deputy-Speaker: I have understood correctly. The hon. Commerce Minister is coming up soon. Therefore, Demands Nos. 2 and 121 will be taken up first.

Shri Amjad Ali (Goalpara-Garo Hills): Sir, I want to move cut motion No. 14.

Mr. Deputy-Speaker: I am afraid, No. 14 is not admissible and appears to be out of order as the setting up a jute industry is not mentioned in the foot-note. The hon. Member will kindly note that the foot-note refers to two new things, one relating to the coir industry and the other, the setting up of the Industrial Development Corporation. There may be many interesting points that may be raised but it is not relevant.

Shri Amjad Ali: It relates to the policy of the Industrial Development Corporation and there the question of the jute industry does come in.

Mr. Deputy-Speaker: Hon. Members may say what ought to be scope of the Industrial Development Corporation, and how far it affects the jute industry and so on. Cut Motion 14 is out of order. Shall I take Demand No. 2 and Demand No. 121 together? These are the cut motions that are allowed to be moved to Demand No. 2, Nos. 1 and 13. The other cut motions are not moved and No. 14 is out of order. So, there are only two cut motions to Demand No. 2.

Under Demand No. 121, the following cut motions have been allowed to be moved—Nos. 6, 7 and 26. Discussion will now take place on Demand No. 2 along with cut motions 1 and 13 and Demand No. 121 along with cut motions 6, 7 and 26 relating to it.

# **Demand No. 2.—(Industries)**

Mr. Deputy-Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 5,50,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Industries'."

## **DEMAND NO. 121—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT**

Mr. Deputy-Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 17,99,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Loans and Advances by the Central Government'."

*Industrial Development Corporation and manner in which it is proposed to bring into being*

Shri N. Sreekantan Nair: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 5,50,000 in respect of 'Industries' be reduced by Rs. 100."

*Object of proposed Industrial Development Corporation with respect to Cottage Industries*

Shri Sivamurthi Swami: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 5,50,000 in respect of 'Industries' be reduced by Rs. 100."

*Proposed Indian Industrial Investment Corporation in respect of its relation to U.S. capitalists*

Shri N. Sreekantan Nair: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 17,99,00,000 in respect

of 'Loans and Advances by the Central Government' be reduced by Rs. 100."

*Loan to Messrs Atul Products Ltd.*

**Shri N. Sreekantan Nair:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 17,99,00,000 in respect of 'Loans and Advances by the Central Government' be reduced by Rs. 100."

*Role of proposed Indian Industrial Investment Corporation with regard to basic industries of country.*

**Shri Sivamurthi Swami:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 17,99,00,000 in respect of 'Loans and Advances by the Central Government' be reduced by Rs. 100."

**Mr. Deputy-Speaker:** Cut motions moved.

(i) "That the demand for supplementary grant of a sum not exceeding Rs. 5,50,000 in respect of 'Industries' be reduced by Rs. 100"

(ii) "That the demand for a supplementary grant of a sum not exceeding Rs. 5,50,000 in respect of 'Industries' be reduced by Rs. 100."

(iii) "That the demand for a supplementary grant of a sum not exceeding Rs. 17,99,00,000 in respect of 'Loans and Advances by the Central Government' be reduced by Rs. 100."

(iv) "That the demand for a supplementary grant of a sum not exceeding Rs. 17,99,00,000 in respect of 'Loans and Advances by the Central Government' be reduced by Rs. 100."

(v) "That the demand for a supplementary grant of a sum not

exceeding Rs. 17,99,00,000 in respect of 'Loans and Advances by the Central Government' be reduced by Rs. 100."

On the whole, six hours have been allotted for the Supplementary Demands. We might distribute the time over the various demands, certainly according to the importance of the demand and also the importance of the cut motions. What is the suggestion?

**Shri Gadgil:** I have a suggestion with respect to Demand No. 2...

**Mr. Deputy-Speaker:** Are these the only important ones, Demands Nos. 2 and 121?

**Shri V. G. Deshpande (Guna):** Demand No. 23 is also important.

**Pandit Thakur Das Bhargava (Gurgaon):** Cut motions have been given only to a few demands, not to all of them. With regard to those demands to which cut motions have been moved, you may please allocate the time.

**Mr. Deputy-Speaker:** Cut motions have been given regarding Demands Nos. 2, 23, 38, 46, 47, 57, 83A, 86, 121, 123, 132. On eleven demands there are cut motions here. For twelve demands six hours are allotted, which means half an hour for each demand.

**Shri Gadgil:** That may not be a fair distribution. You will have to judge the relative importance as between them.

**Mr. Deputy-Speaker:** Hon. Members may take their own time with regard to this. How much should be allowed for these two Demands 2 and 121?

**Shri P. N. Rajabhoj (Sholapur—Reserved—Sch. Castes):** I am sorry I was away. What about my cut motion, Sir?

**Mr. Deputy-Speaker:** Cut motion No. 25 is out of order; whether the hon. Member is inside or outside the House makes no difference.

**Shri T. B. Vittal Rao (Khammam):** The six hours will be today or tomorrow?

**Mr. Deputy-Speaker:** Until six o'clock we shall sit today and the rest will be tomorrow.

**Shri M. S. Gurupadaswamy (Mysore):** May I know whether the special discussion will come off today or tomorrow?

**Mr. Deputy-Speaker:** Tomorrow. We took this up at 1.45 P.M. There are four more hours today and so we can have two hours or two hours and a quarter on these two demands.

**Shri Bansal:** Why not take all the demands for discussion together?

**Mr. Deputy-Speaker:** It will confuse everybody if you take all of them together.

**Shri Gadgil:** These demands which you are going to take up now, that is, Nos. 2 and 121, should be given at least two hours because they happen to be perhaps the most important things.

**Mr. Deputy-Speaker:** Is that the desire of the House, that is, Nos. 2 and 121 relating to Industrial Development Corporation, the Coir Industry Board and some other matters relating to the Commerce Ministry, may be allotted two hours for discussion?

**Shri Asoka Mehta (Bhandara):** May I suggest.....

**Mr. Deputy-Speaker:** Hon. Members and Leaders of Groups will kindly suggest to me the time to be allotted for these various demands instead of spending away all the time discussing about it here. I will take their suggestions and to the best of my ability I will assess the time according to the nature of the subject.

**Shri Jhunjhunwala (Bhagalpur Central):** Which other demand will be taken up after these two?

**Mr. Deputy-Speaker:** I have not yet made up my mind and it will be considered.

**Shri Bansal:** Any time-limit on speeches?

**Mr. Deputy-Speaker:** Inasmuch as two hours are allotted for these, Leaders of Groups will have fifteen minutes and other hon. Members ten minutes each. **Shri Sreekantan Nair.**

**Shri Gadgil rose—**

**Mr. Deputy-Speaker:** I have already called Mr. Sreekantan Nair.

**Shri N. Sreekantan Nair:** Under item (a), though I would like to say something in regard to the constitution of the Coir Board and its functioning, I do not think I will have the time for it. Before the House debated it, the Executive Committee of the Coir Board has been elected and that is certainly, to say the least, a dishonour or a sort of disregard to the House. I feel that our representative has not been given a chance to participate in the election of this body.

2 P.M.

Coming to the new item, the Industrial Development Corporation, which is given on page 2, it is stated "In order to quicken the pace of Industrial Development, it has been decided to set up a Special Organisation called the 'Industrial Development Corporation'." Who decided to set it up? It is something unknown to the House. It might have been decided upon by the hon. Minister and he may hope that with the backing in this House he may be able to push it through. That is not the real question. This is a very important step initiated by the Industries Ministry and this House was never given a chance to discuss the merits of the question. We did not get a hint of what was going on.

[**PANDIT THAKUR DAS BHARGAVA in the Chair**]

What comes before us for the first time is a supplementary demand for Rs. 5 lakhs. Though the demand is only for Rs. 5 lakhs, really the scheme contemplated involves the expenditure of crores of rupees. The authorised capital of the Corporation is Rs. 100 lakhs and the initial issue is

Rs. 10 lakhs. It is now proposed to give a grant of Rs. 5 lakhs, presumably for ground work, for exploration and other items. The really authorised capital is Rs. 100 lakhs. Over and above this every year this House will have to make additional grants for the additional expenditure; this House is also asked to give a loan of Rs. 1 crore. So, though the capital seems to be only Rs. 10 lakhs this Development Corporation will be handling crores of rupees every year. Naturally every year this House will be asked to give more and more grants for the functioning of this organisation. This is a very surreptitious method of circumventing the rights of this House. I submit that this Corporation has been sneaked into this House through backdoor means. By giving sanction to this demand, we are also giving sanction to the constitution of this Board. This Board has been so constituted that it is under the Indian Companies Act and this House will have very little right to go into the details of the working of this board. With only Rs. 10 lakhs to be granted as issue capital, with crores of rupees available for the working of the Corporation, with lakhs and lakhs of rupees every year granted for its day to day functioning, any amount of fraud can be committed. Officers whom the hon. Minister wants to be promoted, or given very high salaries, can be posted there, and all sorts of expenses can be written off against survey or exploration of new projects. At the same time this House will have no power to go into any of the things being done by this organisation. So, this is not only an attempt to circumvent the powers of this House, but also an attempt to cheat, to give undue promotion to those people who are in the Department, to those people whom the Government wants to favour. And who gets the benefits? A set of industrialists whom the hon. Minister wants to placate, to whom the hon. Minister wants to give some doles. It is such people who come into this Corporation.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** To which Corporation is the hon. Member referring. Sir. There seems to be a little confusion. There is an Industrial Development Corporation—that is a Government concern. There is another: Industrial Investment Corporation. I will be grateful if the hon. Member will make it very precise.

**Shri N. Sreekantan Nair:** I am speaking of the Industrial Development Corporation.

With this Rs. 10 lakhs as the issue capital, Rs. 5 lakhs that is now being made as grant, with Rs. 1 crore which is given as loan, with further grants which may be granted from time to time, there are naturally sufficient funds at the disposal of this Corporation. Government can nominate anybody; and, naturally first-rate industrialists would not like to get nominated into such a body. So, second-rate and third-rate people can be given jobs, can be given some sort of favour by the hon. Minister. The Corporation being under the Ministry of Commerce and Industry, it can also take any officers from the Ministry, give them undue promotions and all sorts of shady transactions can be transacted with money belonging to the exchequer, but at the same time without any direct control of this House. So, without giving a much better chance to this House to discuss this problem, it is very unfair on the part of the Minister to place this demand and get an indirect recognition of this House of his policy. That is all that I have to say about the Industrial Development Corporation.

As for the Industrial Investment Corporation, which the hon. Minister himself raised now, that also is a very important question on which this House has to consider deliberately, carefully. Sir, this House has laid down a policy, both in internal and external affairs. The basic principle of that policy is our national independence. I fear that the way in



[Shri N. Sreekantan Nair]

which the Industrial Investment Corporation is going to be constituted, because it has not yet been constituted, would threaten the very existence of our independent policy at home and abroad.

Our Prime Minister has been repeating very often that we adopt a very independent policy; but I cannot understand how any Government can follow an independent policy, when our industries are under the control of foreign industrialists. We are placing by this Industrial Investment Corporation our industries at the control of American capital. Even now, Sir, most of our important industries are controlled by them, or by the British, especially industries like oil. All the other industries which are now outside their purview, or outside their control, will be brought under their control by the Corporation. In such circumstances, I do not know how we can continue to be independent in our foreign policy, especially in a time of war. If a war breaks out all our industries will be crippled. Even in times of peace the Board of this Industrial Investment Corporation will be controlled to a very large extent by foreigners.

The total investment in this Corporation is supposed to be Rs. 5 crores of which Rs. 1½ crores are expected to be raised in America and in England. A major portion of the remaining Rs. 3½ crores will be contributed by firms functioning in India, either in their own name, or through some understanding with Indian capitalists. So, out of a capital of Rs. 5 crores, the lion's share will be taken by American and British companies. Naturally, the Board will be so constituted, that they will have a grip over us.

Then there is the International Bank. The control of the International Bank will also be another throttling grip. So much so this Industrial Investment Corporation will have no independent existence. In times of

crisis, such as a world war, all our industries will be controlled by them. Now, it is odd that while our Prime Minister is having some sort of a physical understanding, or physical friendship, with the communist bloc, we at the same time see our Finance Minister bartering away the heart and soul of the Government to the American capitalists.

I therefore think that the affairs of this Industrial Investment Corporation as well as the Industrial Development Corporation should be gone into very carefully by this House and without a thorough study of the two organisations we cannot grant these amounts.

**Shri Gadgil:** Mr. Chairman, in the first place I am not very happy over the manner in which an important subject as the constitution of a Board of Industrial Development has been brought before the House. This is indeed something which is far more important than can be fairly discussed on a motion for supplementary grants. I would have very much liked that the Government should have come forward with a resolution giving full details about the aims of this Corporation, about its functions and the exact nature of its organisation. Now by merely taking the approval of this House to a small supplementary grant, the House will be committing itself to a policy, the details of which we do not yet know.

Generally speaking, everyone of us stands for rapid industrialisation of this country. The main difficulty in the achievement of the same is the lack of adequate capital. Therefore, any scheme that advances the cause of increasing the capital in this country available for industrial development is always welcome. But, I find not enough information given in the small note that is contained in the information supplied to us. We are told that it is going to be

entirely State owned. It is all to the good. But, if I remember aright, some weeks ago reports appeared in the Bombay press that this Corporation will set up new industries and when they are well established the management will be handed over to private enterprise. I should very much like to know what is the exact situation in this respect. The Congress Party to which this Government belongs has very definitely adopted a policy of gradual socialisation of industries....

**Shri Asoka Mehta:** Question.

**Shri Gadgil:** From that point of view, this move is really welcome. But we must know whether there is going to be any provision in the articles of association or the policy matters which will govern the activities of this Corporation and whether at any stage it is thought that Government should pass on the management of these industries, the pioneering risk of which will be borne by the Government, to private enterprise.

I remember some three years ago top representatives of the World Bank were here and they naturally asked many of us as to why Government is thinking of public enterprise and why not Government was encouraging private enterprise in all these spheres. The answer was that Indian capital was not sufficiently bold or adequate and therefore such big industries as fertilizers and others were undertaken by the Government. Then the next question that was asked—and asked to me because I had something to do with these matters—was: is there any plan or programme whereby when the State-owned industries were once established, the management will be handed over to private enterprise. When I read that report in Bombay papers, I came to the conclusion that somehow or other the American economic thought was influencing the economic activities in this country. I would be very happy to be told that there is no intention whatsoever on

the part of the Government, namely, the Industrial Development Corporation, to transfer at any stage the industries established by this Corporation, whether they succeed or they do not succeed, to private enterprise.

Very recently trends have been observed and to this effect Indian capital has organised itself very much and the capitalists have got a pull in appropriate places but in order to make its strength much more than what appears from the surface they are entering into collaboration with foreign capital. The Indian capital is afraid that the growing democratic feeling in this country today or tomorrow may not allow private enterprise to function on the same large-scale on which we have been seeing it function in the last so many decades. So the collaboration is with a double view: one is to strengthen its own position and build up a citadel of defence against the rising force of democracy and the second is to have springboard and if possible to have further attacks on public sector enterprises as well as the democratic economic programme that the masses may hereafter try to embark on. It is, therefore, necessary that more and more of public enterprise should be there and less and less of private enterprise.

So far as this particular scheme is concerned, in the absence of more detailed information, it is not possible to offer adequate criticism and it would be unfair to say one thing or the other in a dogmatic way about anything. But the implication seems to be this. Our Constitution has clearly laid down a directive that it will try its best, by legislation and executive action, to curtail the field of private enterprise and prevent concentration of wealth. Now the present field in which the private enterprise is functioning is left entirely untouched and the resources are being utilised for establishing new industries. This is to some extent good. I want to know what industries

[Shri Gadgil]

will be developed by this Corporation: whether they will be entirely new industries so that there will be no competition between these industries and the existing industries, thus giving a larger lease of life to private enterprise and thus bring about exactly those conditions and atmosphere which we are bound by the Constitution not to create.

From the interruptions made by the Commerce Minister, one thinks that there is no intention to hand over the industries that are established by this Corporation to private enterprise. If that is the policy then it must be embodied in the articles of association and the general aims that may be incorporated in the charter should be clear so that many of us, who feel somehow or other nervous that private capitalists and private enterprise are gaining an upper hand in the present economy whereas every one of us who is being governed under the Constitution is under a sort of obligation to see that the concentration of wealth is prevented, need not feel so.

I am reminded about the policy that was followed when the railways were first built. They were first built by the state and then the management of the railways was handed over to private companies. We know the consequential result of the same and the compensation that has to be paid. That should not be the case. I do not want to say anything on the nature of organisation. We do not know whether the officials will be in a majority and what kind of non-officials will be there. Will they be experts or will they be representatives of the industries in this country? In the latter case, there must be some limit whereby representation should be granted to the representatives of industry. You will be placing them exactly in a position in which their duty and interest will come into conflict. Therefore, only when we know what is going to be the nature

of the organisation and what is going to be the nature of the functions and aims of this Corporation, we would be able to criticise adequately. We would have been very happy if a regular resolution had been moved by the Commerce Minister giving full information about all these things. Then the House would have certainly been in a better position. We are agreed on the principle that there must be Industrial Development Corporation and that it should finance industries and that there should be further research. All that is good. So far as I am concerned, although I agree generally as I said, full accord is only possible when detailed information is forthcoming.

**Shri Asoka Mehta:** Mr. Chairman, we are being called upon to agree to certain grants in connection with two new important institutions that are being set up—the Industrial Development Corporation and the Industrial Investment Corporation. What are these corporations? What are they meant for? Why are they being set up? In what way they presage a change in our industrial policy? These are questions of great importance but so far no opportunity has been given to us to understand the full implications of the change in policy or to criticise it or approve it.

I was listening to the speech that was made by my friend Shri Gadgil. He referred to the policy of his party. He said that his party is committed to a policy of increasing socialisation, and I interrupted him. It is not my habit to interrupt speakers, but I interjected with the remark 'Question'. Because Shri Gadgil should have known that these two Corporations are being set up as a result of a change in policy that was decided by his party. Perhaps Shri Gadgil is not aware of the fact, but there are others who know it!

Mr. J. R. D. Tata, in the Chairman's address that he gave to the shareholders of the Tata Iron and Steel

Company on the 26th August last said:

"In this context, the resolution on industrial policy passed at the recent session of the All-India Congress Committee in Ajmer and the remarks which our Prime Minister made on that occasion foreshadow a heartening change in approach. I sincerely hope that the lead given by the Congress in this resolution will soon be reflected in the economic policies of the Government of India. I am sure they will not find the private sector wanting in its response."

This change in policy has been brought in, as it were, by the back-door as a result of the deliberate change and revision of the industrial and economic policy of the Congress Party. My only quarrel is that this House should have been given an opportunity. We review the foreign policy periodically, and we are happy that we are given an opportunity to review the foreign policy. Why should not this House have a similar opportunity to review the economic policy from time to time? Various Bills come forward; various demands come forward before us; we can only make piece-meal observations. We have not before us a picture of the economic policy that the Government wants to pursue. We have not an opportunity of offering our integrated criticism on that policy. I would appeal to the Prime Minister, and I would appeal to the Members of the Government that they should come forward, once in a session, with a debate on the general economic policy, so that it would be possible for the country to judge as to what the Government propose to do and to understand what are the criticisms that various Members here have to offer to it.

I am amazed that Shri Gadgil showed such ignorance about the genesis of this policy. I have already

quoted what Mr. J. R. D. Tata had to say on the subject. May I invite your attention to what this Quarterly Economic Report, a very exclusive publication, has to say on it? Its annual subscription is Rs. 400. Sir, the cost of this little booklet in my hand is Rs. 100. It is meant for the top executives, for the top businessmen in the country. What has this exclusive journal brought out by one of the Birla enterprises, what has it to say about this change of policy? Here it is:

"The vigorous debate at the A.I.C.C. session in Ajmer on July 25 heralds, in fact as well as in words, a new outlook of the Central Government towards industrial affairs. The resolution on industry moved at the A.I.C.C. session by Dr. B. C. Roy contained a most significant addition in the clause 'the resources of the country should be utilised in building new State industries and not in nationalising existing industries except where this is considered necessary in the national interest'. The Prime Minister in a forceful reply to Mr. N. V. Gadgil went further to explain his attitude towards nationalisation."

And the Prime Minister is reported to have said, with reference to acquisition of private property, that "this was neither Socialism nor Communism, nor sense, nor logic. It is just the limited bigoted mind that cannot get out of some old books, which it has read some generations ago".

Maybe that some of us belong to that limited and bigoted mind. Maybe the staple of our reading was generations ago or of books that were written generations ago. Maybe the Prime Minister is right in saying that there is no point in buying old junk.

But what are we doing under these two Corporations. Rs. 7½ crores we are going to give to the industrialists

[Shri Asoka Mehta]

who will contribute only Rs. 3½ crores, so that their industries may develop. Crores and crores of rupees are to be made available to the Industrial Development Corporation, so that the private industries may develop.

Here in this article "India's Industrial Policy: A New Look?" it has been pointed out what are the various purposes that have to be fulfilled through this Corporation. I do not know what are the purposes of this Corporation. I had requested the hon. Minister of Commerce and Industry to give me some information. Unfortunately due to some oversight he could not give the information. I find other Members of the House who have been Members longer than myself are equally ignorant and in the dark about this. But this journal of Birla knows what are the purposes. Five purposes have been listed here, is every purpose to help, bolster and strengthen private enterprise in this country.

This is what the journal says:

"In all these directions it will be seen that Government's policy is wearing a new look. The old rivalry between the private and public sector has not entirely disappeared. But the statement of the Prime Minister at Ajmer and the conception of co-operation between the sectors which stands behind the new Industrial Development Corporation seems to pre-  
sage a new era of co-operation at least so far as the Central Government is concerned. It might be anticipated that if this proposal develops according to plan there will be considerable new opportunities in the private sector with resources being supplied from the Corporation on generous terms."

The Corporation will supply resources on generous terms so that the private sector may be strengthened, so that the public sector and private sector may lie together in harmony.

The private sector, we are told, has so far failed to fulfil its obligations towards the development of our economy. I know that some years back the Prime Minister had approved, had endorsed an observation that I had made, that capital was on strike. Even today the capitalists are on a strike. They are asking for a complete revision of outlook. That is what Mr. J. R. D. Tata has to say. Now that the Prime Minister and his Government have conceded some of the demands of the capitalists, Mr. J. R. D. Tata comes forward and makes further demands. He says:

"More important perhaps than anything else is the need to shed certain preconceptions which have long coloured official and political thinking in our country."

Perhaps Mr. Tata is also referring to such limited and bigoted thinkers! He continues:

"For instance: that the profit motive is dishonourable; that profit is synonymous with profiteering; that industrialists as a class are inefficient or dishonest or both; that about 3 per cent. net is a fair return on risk capital;"

Where is the risk where Industrial Corporations are being set up, where protection walls are being raised everywhere, where every kind of assistance is being provided by the Government? Where is the risk as far as capital is concerned? But we are told that 3 per cent. is not a fair return on capital. We cannot give fair wages to our workers. The Prime Minister had promised; there was a solemn assurance. To resume the quotation:

"that mechanisation means unemployment; that it is more important to impoverish the rich than to enrich the poor; that a welfare state can be built without first creating the means to pay for it; that nationalisation

creates additional wealth; that centralised State enterprise and management is socialism."

These are some of the criticisms made by Mr. J. R. D. Tata. Not only these criticisms are made. Not only are they coming and making more and more demands, but in what conditions and circumstances are they making these demands? What do I find? We are told here that—

"When the international account is taken into the picture, the rate of capital formation in India seems to have proceeded steadily upward from just about 2 per cent. of real product in 1948-49 to 8.5 per cent. in 1953-54."

Our capital formation is going on magnificently though the industrialists may have been non-co-operating. Our policy of emphasising the public sector, our policy of reliance on Government enterprise and Government initiative is yielding very good results. Here for instance, this *Quarterly Economic Report*, this journal of our economic aristocrats, says:

"Nevertheless the rate of economic progress in India between 1951 and 1953 was the highest in the world."

If the rate of economic progress in India was the highest in the world between 1951 and 1953, why do you want to wear a new look, why do you want to hand over today the strings of economic development, the controls of economic development into the hands of private enterprise? Why are you so anxious to divest yourself of all responsibility, of opportunities of initiative? Why are you inviting them more and more on their terms?

We are told:

"The Indian system has shown itself more resilient to dynamic elements than was at any previous time supposed, but it is rash to assume that the rate of progress is anything else than

moderate in terms of the great demands.....etc."

If our economic system had shown itself to be so resilient even when private enterprise has behaved in the way it has behaved so far, why should the Government create the new look that these people want, a new look that will result, as Shri Gadgil pointed out, in increasing the imbalance between the public sector and the private sector? I thought that the Prime Minister was suggesting that nationalisation is a wrong policy and that we should not buy up junk. We find that the new look of industrial policy that the Prime Minister and his Government are trying to put forward is not merely not to nationalise as far as the past is concerned, but also not to nationalise as far as the future is concerned also.

Our Prime Minister pointed out the other day, and very rightly pointed out, that interlocking arrangements in world politics are bad. But, what about the increasing interlocking arrangements in our own economy? What about the increasing control that some of these business houses are being permitted to assume? We were told that as far as the iron and steel industry is concerned, in our industrial policy, it would be reserved for the public sector. But, what do we find? One of the Birlas goes to the United States asking for financial co-operation from that country. Another Birla goes to England seeking to get foreign capital, foreign aid and foreign participation in the building up of our iron and steel industry in our country. Are we going to permit our industrial development to be carried out by a handful of capitalists in this country; hand in glove with foreign capitalists? Are we not going to control these strategic industries by keeping them in the hands of the Government? After all, the resources are to be provided by the Government. How much are the capitalists contributing? Only Rs. 3½ crores. The

[Shri Asoka Mehta]

Government has been called upon to contribute Rs. 7 crores. The capitalists are not required to take risks. They are not prepared to take risks. You take all the risks. You assure them all kinds of protection, all kinds of assistance; you provide them with the wherewithal. You put the ultimate control and the ultimate direction of these industries into their hands. Is that what the new look in industrial policy amounts to? Is that what the Congress Party wants to do. If that is the policy of the Congress Party, it would have been much better to come forward and say openly and squarely on the floor of the House, rather than come to us through the back-door by some kind of demand here or there, some supplementary demand here or there, and commit this House to policies that the country has not understood. Therefore, I suggest that it would be much better, much wiser if these Demands are withdrawn today. It would be wiser, and better, and, if I may be permitted to say so, it would be politically more decent and honest to come forward with a debate on the industrial policy and on the economic policy before we are called upon to accept this demand.

**Shri A. M. Thomas (Ernakulam):** I support the Demands. I am sorry to note that my hon. friend Shri N. Sreekantan Nair, who initiated this discussion said that the formation of the Industrial Finance Corporation has been done through the back door.

**Shri N. Sreekantan Nair:** Not the Finance Corporation.

**Shri A. M. Thomas:** I am sorry: the Industrial Development Corporation. Shri Asoka Mehta also complained that the industrial policy of this Government has not been debated on the floor of the House.

**Shri Asoka Mehta:** The new look.

**Shri A. M. Thomas:** I submit, a number of opportunities had been given to the Members of this House

to debate the industrial policy of the Government of India.

**Shri Meghnad Saha (Calcutta—North-West):** When?

**Shri A. M. Thomas:** Recently, we have had so many discussions about the unemployment problem. The Government, while explaining their policy, have stated that increased employment can be had only by a more realistic industrial policy. The Commerce and Industry Minister, while replying to the debate on unemployment, has stated that there must be large-scale production of consumer as well as producer goods. The suggestion of the hon. Minister was that the Government's policy was to give a bold lead and that a change of outlook was necessary. He said that rapid industrialisation is the only remedy, that industries should not be concentrated in places like Bombay or Calcutta, that we have to take several plants to the interior of the country, so that the result may be that several townships grow up in the various parts of the country.

**Shri Asoka Mehta** said that this Government has no industrial policy. He also accused the Congress Party for not coming forward with a bold policy for the country. I would refer to him and also other hon. Members to the industrial policy which has been enunciated by the Congress in the Ajmer session. It was definitely stated that it has a policy with regard to the public sector as well as the private sector. As long ago as 1948, the Government of India has enunciated its industrial policy. It has made subsequently some changes; but the basic policy has been enunciated in 1948 itself. The Ajmer resolution says:

"The country also has a powerful state-owned public sector in industry. This should be enlarged by the addition of other basic new industries wherever possible. Where social ownership of basic

industries is not possible in the near future, effective social control should be exercised. The resources of the country should be utilised in building up new State industries and not in nationalising existing private industries except where it is considered necessary in the national interests."

It is a mistake to say that the present Government or the Party in power has no industrial policy of its own. It has been enunciated on very many occasions and the country is not at all confused as to that industrial policy.

With regard to the future working of this Industrial Development Corporation, I wish to make certain observations. Hon. Members who have preceded me have said that no clear picture of the Industrial Development Corporation that the Government intend to form, has been given in the Budget Demand. But, I should say that a skeleton already appears on page 2 of the book *Supplementary Demands for Grants*. When the industrial policy of the Government of India came up for discussion on very many occasions on the floor of this House as well as the other House, it was suggested by several Members that there must be an Industrial Development Corporation or an Industrial Investment Corporation. The names called might not have been the same. But almost all the Members were unanimous in their demand that there must be a development corporation and that the Government of India should not lose time at all in constituting that so that there may be rapid industrialisation of the country. I would submit that the Government have adopted the suggestions that have been put forward by hon. Members on the floor of the House. I do not know what the hon. Members want. Should the articles and memorandum of association be placed before the House when this

Demand is made? What is now possible is, a skeleton of the scheme that the Government has, can be put forward before the House before it votes on the Demand. I do not think that there is any dispute with regard to the policy of the Government of India concerning the constitution of the Development Corporation. All are agreed on that and point out that there must be industrialisation and that since private capital is shy, all facilities should be given for the formation of capital and the starting of new industries.

The 1951 census indicates that 69·8 per cent. of the total population is still dependent on agriculture for their livelihood. This indicates rather a disturbing trend, because, although in 1951, the percentage may be slightly lower—I am quoting from the census report—than it was in 1901, the total number depending on agriculture is much larger. This only shows that all the industrialisation and urbanisation during the last 50 years have not been able to reduce the pressure on land in the slightest degree, although it must be admitted that the situation might have been worse but for the secondary and tertiary employment which was thus created.

The suggestion that I would like to put forward for the consideration of this House and the Government is that in giving aid from the Industrial Development Corporation, it should not be restricted to large industries alone. The hon. Commerce Minister had stated on more than one occasion, and I have extracted some of the statements from his speech, that the unemployment problem can be solved only if several townships crop up throughout the length and breadth of this country. So much so, we have to give encouragement to starting of small industries. That is the only way to solve the problem of unemployment in this country.

I would like to place before the Government the suggestions that have



[Shri A. M. Thomas]

been made by Mr. David A. Morse, Director-General of the International Labour Organisation. He has analysed the peculiar conditions of the economy of Asia with special reference to India, and he has suggested on what lines industrialisation of a country like India should proceed. I would just point out those suggestions in order that, when the Government gives help from this Industrial Development Corporation, when the articles and memorandum of association of the Development Corporation are drawn up, special attention may be paid on the lines that have been suggested by this learned gentleman.

He has stated that although the most effective solution to the problem of under-employment in most countries of Asia still lay in industrialisation, it would be necessary to choose a new type of industrial structure appropriate to the economic and social conditions of the countries concerned. He said:

"More specifically, the problem will be to develop a new type of industry—radically different both from the present cottage and handicraft industries and from the present large-scale factory industries—which for the same amount of capital investment can at the same time produce more than the former and provide more employment than the latter."

He also stated:

"While it is true that any programme designed to eliminate seasonal under-employment in the agricultural field must be closely co-ordinated with the over-all programme of national economic development, there are a number of simple and practical measures which could be expeditiously carried out to improve the situation on a local village basis. Among such measures may be mentioned the introduction of

supplementary crops, promotion of livestock farming, development of rural industries, local public works and construction projects, special training and education programmes for off seasons and encouragement of seasonal migration."

I should think that having regard to the conditions obtaining in our country, the suggestions made by Mr. David A. Morse are worthy of consideration by this Government also so that in the end I would submit that while giving aid from this Industrial Development Corporation, the authorities would have to be very careful with regard to the industrial pattern. The House may remember that while discussing the working of the Industrial Finance Corporation it was complained that aid was given only to a few big industrialists and that the small industrialists were practically starved and that their applications could not be favourably considered by the Industrial Finance Corporation. I would submit that such a complaint should never be raised against the Development Corporation that the Government intends to set up.

That is all that I have to submit on these demands.

**Shri M. S. Gurupadaswamy:** I wholeheartedly support what Mr. Asoka Mehta said just now, that there should be a periodic review of economic policy in the same way as there is a periodic review of foreign policy. So far as the major developments in our economic field are concerned, this House has been totally kept in ignorance. We are in the dark. We do not know what policy is pursued, what decisions are taken, and what are the objects of this policy. So, it is right that we should demand now that there should be a periodic review of economic policy. I even go a step further and suggest that this House should be taken into confidence; and immediately there

should be a committee of this Parliament to review this policy. That is a permanent committee should be set up consisting of Members of both the Houses so that there may be constant examination and advice of members may be available on policy matters. It is very unfortunate there is no liaison between Parliament and the Government in regard to these economic matters, and I feel very strongly that the time has come that there should be a committee of Parliament sitting in judgment over the economic policies enunciated by Government.

There are one or two more matters which I want to suggest just now. Now, I hear that there will be some sort of statutory committee which is going to be set up very shortly by Government to supervise and control the public enterprises. I do not know whether Government has accepted this idea. Anyway, the rumour is there. We want to be assured whether this step will be taken very soon. We want such a committee. So far, there is no committee, which has been set up to supervise and control these public enterprises started by Government. So, it is very necessary a decision is taken right now in this regard.

Sir, we have been launching upon and enlarging the public enterprises. Whether we like the method or policy of the Government in this matter or not—I am presently stating my views about it—I say that when we launch upon public enterprises, when the Government of India takes up the responsibility to start industries of their own hereafter, it is very necessary that the personnel which is required to manage those industries should be available in adequate number. Unfortunately, today the civil service, and the administrative service, available now are not sufficiently competent to man the industries. They fail miserably. They have failed already. We know the instances, and those instances have been brought forward in this House already. So, I

say there is no use in expanding the scope of public enterprise and there is no use in starting new industries unless and until you have an efficient economic civil service. So, I feel strongly that we must decide to set up an economic civil service. Unless and until we have this cadre of economic civil servants available, unless we have competent personnel, unless there are technical people who can undertake the responsibility of running these new industries, it is no good starting new industries. But all the same I want that new industries should be started and that Government should step in and take over the private sector slowly and expand the public sector. But, unfortunately, no serious attempt has been made so far by Government to set up an economic civil service. My party stands for this. Unless we have got sufficiently competent personnel to manage industries, the policy of Government in regard to the public sector will fail miserably.

Next, I want to make one or two observations about the policy of the Government itself, and how far it is being helpful to the growth of our economy. Mr. Asoka Mehta pointed out that there is no policy, and Mr. Gadgil was eloquent in saying that the Congress is a progressive party, it believes in nationalisation and socialisation of the private sector. But, I want to know whether the Government of India has not played into the hands of the Indian capitalists. They have been eloquent in stating some broad principles, but what is their approach, what is their behaviour and what is the experience we have gained so far? I feel that the Government of India has sadly played into the hands of the Indian capitalists. The Indian capitalists say that the rate of profit has fallen, whereas the rate of wages is increasing. They say that labour is demanding more and more wages, and industry is not in a position to meet the demand for more wages, and therefore, capital is shy. My hon. friend Shri A. M. Thomas was also saying

[Shri M. S. Gurupadaswamy]

that capital is shy. But I want to know why if the capital is shy, Government should think it is necessary to make overtures to the capitalists by giving more grants. If capital is shy, you want to provide more capital to capitalists by way of Government grants and loans. Is it the way of doing things? If capital is shy, if the capitalists do not come forward, then you must change your policy and say on that private capitalism has failed completely; and therefore public sector should be enlarged. You must socialise big industries and strategic industries. There is no use in making overtures to the capitalists; there is no use in going hand in gloves with the capitalists. I say do not flirt with them. No good purpose is served in flirting with them. You have flirted with them for long. What is the result of that now? The economy of the country is in a quandary. There is unemployment growing in a period when there is planning going on. We are in the third year of the Plan, and what is the scene created or what is the picture that we are having today? Every day, we are hearing of suicides and deaths of many of the workers. They are not reported in the capitalist press. If they are reported, they will create an ugly atmosphere, which will go against the capitalists. That is why, they do not want to publish these things in the capitalist press. So, I say that though millions and millions of people are unemployed and are on the streets in the very period of planning, yet the capitalists have not risen above their greed. On the other hand they have become grabbers and more grabbers; they want to grab somehow, and they want to make money by any means. I say, therefore, do not flirt with the capitalists, as you are doing today.

Shri Bhagwat Jha Azad (Purnea cum Santal Parganas): What is the alternative that you suggest?

Shri M. S. Gurupadaswamy: Otherwise, the country will come to an economic doom, and it will have to

face a crisis. We have already created....

Mr. Chairman: I am sorry I have to interfere. After all, we are discussing these cut motions. The hon. Member is making too general remarks. I would ask him to confine himself to the two points which are the subject-matter of this cut motion.

Shri M. S. Gurupadaswamy: I say that the economic corporations that have been contemplated here....

Mr. Chairman: This discussion has already been finished by the hon. Member. He is making general remarks. If he wants to make any further remarks, he must confine himself to the two matters here.

Shri M. S. Gurupadaswamy: I am saying about the corporations.

Mr. Chairman: The hon. Member has already finished his time.

Shri M. S. Gurupadaswamy: I shall just finish.

About the corporations that have already been contemplated to be set up, I say that we do not know the nature of these corporations. We do not know how these corporations are going to be set up, what is the scheme behind them, etc. Government would have been well advised, if they had come with a full statement at the time of presenting these demands. But they have not done so. I expected that at least the hon. Minister would circulate a note regarding this particular question. As it is, we are discussing this vital matter in ignorance, practically in darkness. We do not know what it is. So, I feel that the method Government have adopted is, I should say, nasty, and it does not in any way create any good confidence in the House.

Mr. Chairman: The House already knows that we are discussing two demands, namely, Demands Nos. 2 and 121. I propose to call the hon. Minister for reply at 3-25 p.m. So,

hon. Members who want to speak may, if they so choose, speak on both the Demands.

Shri V. P. Nayar (Chirayinkil): I oppose Demand No. 121. I feel, knowing as I do, something about the agreements which are in force in the matter of Indo-U.K. and Indo-U.S. partnerships, that this is going to be a very dangerous move. I am afraid, these corporations will be the medium to link up the indigenous capital with the foreign capital, for the further exploitation and loot of this country. What does the Ministry say about it? It is very interesting that here we are called upon to vote for a secret thing, for some agreement, the finalisation of which is pending at Washington. It is not in Delhi. This is what the Memorandum supplied to us says:

"The discussions are now nearing completion and representatives of Indian Industrialists sponsoring the Corporation are expected to give final shape to it at Washington where they will meet representatives of prospective investors and the International Bank for Reconstruction and Development."

Further on, it says:

"It will be necessary to pay the Government's share of the advance immediately on its establishment and supplementary grant of Rs. 7½ crores is required for this purpose."

I ask the hon. Minister, are we here to vote on certain amounts because certain agreements are going to be finalised in Washington, without knowing any details. Are we here to vote for a corporation which will deal with certain Indo-U.K. and Indo-U.S. partnerships, the nature of which we do not know? Are we here to give money to Government on certain undertakings, even the broad lines of which have not been indicated to us? Do we not have a right to know what grip the foreign capital will

get in their participation with the Indian capital, before we are called upon to vote for this amount?

I shall give you the instances of some of the concerns for which Government have proposals to give more money. For example, take the case of Messrs. Atul Products. It is stated that Rs. 75 lakhs have to be given to Atul Products. The Atul Products, as you know, is a combination of one of the biggest Indian groups of Kasturbhai Lalbhai's, and one of the biggest groups in the U.S.A. in the pharmaceutical side, namely, the American Cynamid Corporation. I would request the hon. Minister to contradict me here and now, if I am wrong. In the agreement between the Kasturbhai Lalbhai group and the American Cynamid Corporation, it is provided that three lakhs pounds of sulphur black will be produced by the company in India. And where are we to get the raw materials from? All the raw materials for this have necessarily to be processed in America and then imported. And what kind of processing do we have in India? The Capital, one of the magazines on which Government place great reliance, has come out with an issue in which it is stated that the processing will start from nearly completed products. Mark the words 'from nearly completed products'. It says:

"In India, the Atul Products will start processing of sulphur black from nearly completed products. The sulphur so imported will be saponified and purified in India."

This is what the Atul Products will be doing, and this is the kind of Indo-U.S. partnership which we have.

Then, take the case of the National Machinery Manufacturing Corporation, behind which the gigantic firm of Messrs. Platt Brothers are very firmly entrenched. And what have they done in India? I understand that till recently this Corporation was making only ring frames, but now....

**Shri T. T. Krishnamachari:** The National Machinery Manufacturing Corporation have not received any aid from Government, and that is not the subject of discussion.

**Shri V. P. Nayar:** I am only pointing this out as an instance that in future, when these corporations are set up to finance Indo-U.S. or Indo-U.K. partnerships, there is no guarantee—at least, the House does not know of any guarantee—by which advances will be restricted to firms which have no agreements like this; and in that context, I wanted to show how in the case of some agreements which are in force in the case of partnerships of foreign capital with Indian capital, the interests of the country have been thrown to the winds. I was referring to the National Machinery Manufacturing Corporation because till recently this Corporation was manufacturing ring frames. And what is the capital which they have invested? Platt Brothers have to invest only 26 per cent., while 74 per cent. of the entire investment has to come from the National Machinery Manufacturing Corporation.

**Mr. Chairman:** Only five minutes are allowed for the hon. Member.

**Shri V. P. Nayar:** I shall finish within five minutes. 26 per cent. is said to be the capital assigned for the Platt Brothers. Actually they do not have to spend a pie. They can charge on this capital for the mere provision of the technical know-how, and thus without spending a pie, they are able to control the financial interests to the tune of 26 per cent. I also understand that the entire technical personnel is to be appointed by the Platt Brothers. They will come here to supervise the entire working, and thus the entire production is under their control. This sort of agreements have been permitted.

It was only the other day that the hon. Minister of Commerce and Industry was telling us that this Government are committed to a policy of allowing foreign capital to come to

India in order to develop some of the essential industries.

3 P.M.

We know for certain that in recent years, in 1949, 1950, 1951 and 1952, Government have permitted the flow of foreign capital in several industries—according to them, all essential industries. But we know that the Cadbury, Fry & Company has been allowed to come here for the manufacture of sweetmeats, cocoa powder and chocolates, which, according to the Commerce and Industry Minister, is a very essential industry! We know type-writers are being made here by a foreign company; we know that fountain pen ink is being made by a foreign company. Unless the Government restrict the field of activity of these companies, of these Indo-U.S. and Indo-U.K. combines, and confine them to certain fields, we do not know what will happen. We do not know what Government are doing. We have not been told that Government are inviting a foreign company only in such and such a field. We are certainly against their participation in basic industries. Each one of them should be very strictly kept out of the exploitation of the foreign *entrepreneurs*. You have no right to give them to foreign *entrepreneurs*. So also, the consumer goods industries have necessarily to be kept out of the tentacles of the octopus of U.S. and U.K. financiers.

There is Nuffield, for example. Nuffield have got into partnership with Birlas in Hindustan Motors. Here is a sentence which I have taken down from the *Capital* of the 3rd January 1946 which shows what this partnership means:

“Nuffield organisation are to manufacture and supply the technical parts which could not be economically made in India and Nuffield technicians are to decide which to be made in India and which to be made in England.”

This is the kind of technical agreement, this is the kind of partnership

for which Government come out with such enormous funds for setting up a Corporation!

In this context, I may be permitted to quote a few sentences from the Report of the Pharmaceutical Inquiry Committee. It is a document which has been made available to us only the other day. It is a Government Committee. Here it says....

**Shri T. T. Krishnamachari:** This is a very important subject and several hon. Members may like to ask some questions. I would like to ask, where is the Pharmaceutical Inquiry Committee's report coming into this?

**Shri V. P. Nayar:** Please don't be hasty. I am quoting it only for an example. The hon. Minister will get his time—I know. I am only saying that the Pharmaceutical Inquiry Committee has condemned and in bad terms too, the action of the Government in respect of the Pharmaceutical Industry. I want to know from the hon. Minister what limitation he is going to prescribe and what restriction he is going to have. Here the Committee says:

"In many cases, foreign firms are allowed the exploitation of the markets with local co-operation on unessential items such as toothpastes, face creams, balms, laxatives, cough syrups etc. which certainly do not call for foreign collaboration for their manufacture in India."

This is what they have said. Then again:

"These royalty payments amount sometimes to as high as 12½ per cent....Such huge royalties on finished products imported in bulk and only repacked in this country seem unwarranted."

Then the Committee go on to say what we have to do. Unless we are told that the invitation which is now extended to foreign capital to collaborate with Indian capital will be very

strictly limited to certain fields, unless we are told what is the rate of interest or the rate of profit these foreign investors will charge in this country, every Member of this House has a sacred duty to oppose this demand which is to set up a Corporation to finance the Indo-foreign combines which will mean ultimately that there will be more and more of the most undesirable loot of this country.

**Shri S. N. Das (Darbhanga Central):** The Government have come forward before the House for getting sanction to two grants for the stated purpose of having organisations like the Industrial Development Corporation and the Industrial Investment Corporation. In order that this House may be in a position to give sanction to these grants, we have to see whether the organisation that is going to be set up is in accord with the policy framed by the Government of India in 1948. I know that certain departures have been made by the Government with regard to this policy. But the essential fact remains—and it was stated in that policy—that management of State enterprises will certainly be through the medium of public corporations under the statutory control of the Central Government which may assume such powers as may be necessary to ensure this. We know also that certain organisations have been constituted, and that as private limited companies. The House knows that the Public Accounts Committee and the ex-Comptroller and Auditor General have been emphasising the fact that corporations like this—that is, Government enterprises—should be carried on by statutory corporations so that Parliament might have sufficient control over the transactions or over the functions of these organisations. But so far the Government have not given their consideration to the suggestions made by the Public Accounts Committee and the ex-Comptroller and Auditor General. Here, as has been stated, the organisation is going to be registered under the Companies Act. Although it has not been stated that it is going

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to be a private limited company, I think the Government have in mind to have it as a private limited company. It has been stated that there will be a board of directors consisting of officials and non-officials, with the Minister of Commerce and Industry as Chairman, for the time being. If there would have been a statutory corporation and there would have been a Bill before the House for the constitution of that organisation, the House might have suggested certain qualifications and disqualifications for the directors, both official and non-official. But this House, having had no opportunity for considering such a Bill, does not know what will be the qualifications and disqualifications of those directors who will be on the board of management. At the same time, it has been expressed in this House, times without number—and there was a special discussion over this subject also that the financial control over these private limited companies is not as effective as it should be. Questions have been raised that in other countries—U.K. for instance—there are such organisations functioning for the carrying on of Government enterprises. This House is the supreme representative of the people. I think that if organisations like this which are going to be constituted after getting the sanction of this grant, are formed on the basis of statutory bodies, that will be best for the management of these enterprises.

Here the merits and demerits of the categories of organisation are also very important. As has been remarked by our revered friend, Mr. Gadgil, what is in the mind of the Government is not clear. It is not known whether the enterprises that will be started by this organisation will be carried on by the same organisation for a very long time or some of those industries which are organised or which would be functioning under this Industrial Development Corporation will be handed over to private enterprise. Here I may say that there is a suspicion in the mind

of most of the Members here that the policy which is being pursued by the Government is not clear. As our revered friend Mr. Gadgil has said, it is the policy of the Government to nationalise all industries gradually. As I have read the industrial policy of the Government, it is to nationalise gradually all the key industries and other industries also (*Interruption*), which are in the interests of the public. The time has now come when the Government should come forward to re-state their policy with regard to industrial development in this country.

The point that has been raised by our friend Shri Asoka Mehta is that there is going to be a change in the policy of the Government. As far as we, members of the Congress Party, think, the directive principles which have been embodied in the Constitution and the industrial policy resolution which was passed by the Government in April 1948 are quite clear as to the direction in which we should go (*Interruption*). In the present circumstances, we are not going to abrogate the private sector from the industries of our country. But, at the same time, in order that the people of this country should have social and economic justice it is necessary that the directive principles which have been stated in article 39, which run as follows—

“that the ownership and control of the material resources of the community are so distributed to subserve the common good; and

that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;”

—these are the two touch-stones on which we have to test the policy of Government. So far, in the sphere of industries, I think, the Government have followed that policy which has been enunciated in the Industrial Policy Resolution of 1948.

With these remarks, though I support the demand, I think, Government should explain what were the special features of this organisation and what will be the financial control exercised by Parliament, how that Corporation will function and all that. I think it would have been better if the hon. Minister had given some details about the organisation that is going to be set up for the implementation of this industrial development in the country.

**Shri Tulaldas** (Mehsana West): Sir, I thank you for giving me this opportunity of making a few observations on this demand for the Industrial Development Corporation and the other Demand 121.

I do not wish to go into the questions as pointed out by my hon. friend Mr Asoka Mehta because I am afraid that there has always been—whether the business community co-operates or not or whether expansion takes place or not—whenever this question is brought in, the point of view of my hon. friend and it will always remain, because even if co-operation takes place, it seems that my hon. friend feels that the business people come in and take away the cream of it (*Interruption*). Industrial expansion has certain responsibilities on the different sectors of the country. When a certain responsibility has been thrust upon certain sections, those sections can only play their part provided suitable conditions are made available, so that they can play their part properly. But, every time whenever such questions are brought up the state seems to be the same.

Only recently an Enquiry Committee has been appointed to go into the availability of finances for the private sector. One of the terms of the terms of reference was definite to examine why investment in the private sector has not reached the level envisaged in the first Five Year Plan and, in this connection, to consider the factors, other than taxation, which influence the investment in this sector. This

Committee has recommended these two corporations to come into being and the Government were considering to have the corporations formed and when the Government comes forward with this demand all sorts of criticism are raised.

I would like, at the first instance, to enquire from my hon. friend the Commerce and Industry Minister this. We have, at present, an Industrial Finance Corporation. We are going to have an Industrial Development Corporation and we are also going to have an Industrial Investment Corporation. These are just three different names. I would, however, like to know from him what will be the scope of the field of these different corporations in the different spheres of the industries of this country; to what extent each corporation will aid or give financial support to the different industries. I would like to know from him how these different corporations will function. Then, I would also like to know from him whether in taking into consideration the installed capacity of the industries at present and the new industries which he proposes to put in different parts of the country, a survey has been made.

I know that a very confidential report has been made by a committee headed by Mr. Mulgaonkar—and that report must be in his hands and it has not been made available to the members of the public. We do not know what recommendations they have made (*Interruption*). We want to know how far that committee has made recommendations with regard to the unutilised capacity of the industries of the country and what they have recommended as to how that unutilised capacity has to be utilised. When we want to bring up new industries, that is a factor which we would like to know.

I would also like to know whether this particular Industrial Investigation Corporation will be confined to particular industries or whether they are going to have industries set up as the



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corporation would like or as the Government would like.

I would also make a few remarks with regard to certain observations made here. With regard to the responsibilities mentioned, the private sector has its own responsibility and therefore that responsibility can only be fulfilled provided the conditions are made suitable to them. The Reserve Bank, in the Shroff Committee report, have pointed out why investments are not coming forward in the private sector. I do not understand what people mean when they say that capital is shy. If this report is glanced through, we would realise how difficult it is to find funds available for expansion or development of new industries or even the old industries. That is a fact which has been overlooked. The feeling seems to be that the capital is there and businessmen are not utilising it. I am afraid, the two things are contradictory. It is the basic principle of business to utilise whatever money they have for expansion or for at least the requirements of the business (*Interruption*). Otherwise it is not business, because capital is left idle. It is the fundamental principle; somehow or other, that has been misunderstood.

With these few words I support this demand.

**Shri Meghnad Saha:** I support the proposal made by my friend, Mr. Asoka Mehta, that the Government should state a broad industrial policy before it goes on with piecemeal measures like this with the confusion of different corporations—Industrial Finance Corporation, Industrial Development Corporation, Industrial Investment Corporation. I think this is producing a great confusion in thought and we really do not know how far these are in agreement with the fundamental policy of the Government stated by the hon. Prime Minister, many years ago while he was in the Ahmednagar Jail, when he enunciated a policy of industrialisation which would raise the average per capita income in

India to double its figure in ten years. We have got seven years of Congress rule and we are told that the average income has not at all increased materially. It was Rs. 248 in 1947 and after seven years of Congress rule, it is not more than Rs. 261, and if we go on at this rate, I think we shall take a hundred years for doubling the average income of the man in this country. There is something fundamentally very wrong in this policy. The last industrial policy was laid down by the hon. Dr. Syama Prasad Mookerjee in 1948. I will not speak on that policy now. After that, we had six years and this policy has neither been discussed in this House nor the working of that policy has been critically reviewed. I can tell you of some of the abortive steps which have been taken. In 1918 when the Government announced its intention of setting up a few iron and steel plants because iron and steel are key industries, they consulted three American firms and they gave them complete plans, but no action was taken on these plans during the last five or six years till as a result of the criticism last year some steps have been taken, though they are not very ample. In many other industries besides iron and steel, like aluminium and chemical industries, there is absolutely no definite policy. The policy has been one of nibbling.

**Mr. Chairman:** I am afraid a general discussion of the policy is not permissible at this stage. The hon. Member should confine his remarks to these two Demands Nos. 2 and 121.

**Shri Meghnad Saha:** Thank you, Sir. It was about these industries and the other thing comes in by implication. We have been told that the policy of Industrial Development Corporation or Industrial Investment Corporation is justified by the policy of mixed economy, which has been adopted by the Government. I do not know when the policy of mixed economy had been adopted by the Government. I do not

remember at least any debate or any statement of policy in which this has been definitely laid down; if it has been accepted even as a guiding principle, I think it is a very dangerous thing because we know that mixed economy may be quite all right for America, but mixed economy is not good for this country for most of the industries which you want immediately. What is the object of this Industrial Development Corporation? It is to provide development capital to the industrialists. I would like to know what it is. If it is not, I would like to have a statement of policy which is behind this Industrial Development Corporation. Here we are told that we must have the co-operation of the industrialists, but have the industrialists co-operated? Only the other day, Mr. J. R. D. Tata mentioned in a speech that the Government never takes the advice of the industrialists, but I have been privately informed that when he was asked to co-operate in an industry, he and his men refused to co-operate. Are you going to help this kind of industrialist? We are told that there is no capital with private capitalists, but at the same time, Tata Iron and Steel Industry, who have 50 years of experience and have made enormous amount of money, have not kept those plants up-to-date. They allowed their plants to be obsolescent and then they came forward to the Government saying that they cannot maintain production unless they are given a loan of Rs. 30 crores and this Government has given them that loan. We have been told that they have no capital for running the iron and steel industry, but they have got capital to buy Volkart Bros. and spend a large amount of their capital in opening another side industry. If the object of this Industrial Development Corporation is to encourage such mixed economy and is to help the capitalists like this, I do not think we shall support this at all. The Commerce and Industry Minister has just now nodded that this is not their intention. Let us know what his intentions are and let us have a definite industrial policy statement

before this piecemeal measure can be considered.

**Shri T. T. Krishnamachari:** I am sorry that Mr. Asoka Mehta is not here because he had raised on more than one occasion on the floor of the House the need for periodical or occasional discussion of our industrial and commercial policy or the economic policy of the Government. On a previous occasion I have indicated that it is necessary in a democratic government. In a democratic government, Government gets not merely ideas but also guidance from the House in regard to the policy that it pursues. In our set-up, the industrial and economic policy is a very important one. I have said the other day that I shall welcome a periodical opportunity for Members of the House to express themselves on the policy that is being pursued by the Government, but it is true, so far as this particular Demand is concerned, that the information that has been given to hon. Members in regard to the Industrial Development Corporation is not adequate. I should apologise to them for it, but it is also due to the fact that while we have decided to do this, the exact form that it should operate, the Board of Directors and all that have not yet been finalised. If that had been finalised, I should have certainly placed the papers before the House.

Before going into these details, I would like to deal with general issues raised by some hon. Members of the House. It is true that we had to deal with this question of foreign capital and the role that it is expected to play in the development of Indian industries only recently. I thought I made myself extremely clear. I might have many faults, but I do not know if among the faults I can count the lack of capacity to make myself clear. I am beginning to suspect that that is one of my faults.

I do not propose, on behalf of this Government, to apologise for our economic policy. Hon. Members may

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characterise it pro-capitalist or pro-something else, but we do maintain that we stand true to our pledges. Our pledges are that we are going to raise the economic status of the common man in this country and to put a little more money into his hands. That is what we are here for. The team that is led by my leader does not contain in it any capitalist or any industrialist...

**Shri M. S. Gurupadaswamy: Pro-capitalists.**

**Shri T. T. Krishnamachari:** I do maintain that is a justification for our claiming to be as much socialist as my hon. friend Mr. Asoka Mehta. If it is a matter of nomenclature and if there is a proprietary to it.....

**Shri Asoka Mehta:** Has there been a change in the industrial policy of the Government after the Ajmer session of the A.I.C.C.?

**Shri T. T. Krishnamachari:** I am coming to it. As I said, the action of the Congress Government is an open book. It has nothing to hide and nothing to be ashamed of. Not all the eloquence poured out can make us ashamed of what we are doing. If the right to the nomenclature, that is, 'socialist' must belong to an individual, I concede him the right to that property! But I do claim that we are as much socialist as anybody else. After all, the basis of the Congress approach in its economic policy is socialism.

Sir, my hon. friend said that there has been a basic change in the policy of the Congress since Aimer. I maintain there has been no change. I have got the Resolution of the Congress on Industrial policy here. I do maintain that it is an extremely practical and sensible resolution that can ever be placed before any party. My leader has not merely placed this resolution before the party, but he has also amplified it by his speech, and I would like my hon. friend to read that speech. Because my leader does not claim to be a big economist—he has not studied economics—but I would

challenge anybody in this country or anywhere else to evolve a better economic police than what he put out in Ajmer. (An Hon. Member: Hear hear.) Occasionally, an involuntary exclamation does your soul good!

Sir, the industrial policy statement does not mean what we said in 1948. From 1948 to 1954 we have moved six years; the country has moved a lot, our needs have grown; our ambitions have enlarged and they must be satisfied. There is no point in somebody saying: your industrial policy statement of 1948 holds good today. It does not. Is there any radical departure, my hon. friend Mr. Gadgil may ask me. But the policy has to go on changing within the broad outlines of the industrial policy statement and I do maintain, Sir, that the resolution that the Working Party has put before the party in Ajmer contains our policy. This is what that resolution says:

"Where social ownership of basic industries is not possible in the near future, effective social control should be exercised."

Sir, we do maintain today that we can achieve socialism in this country. we can achieve equitable distribution of property and wealth by control, rather than by ownership. If my hon. friend thinks he cannot do it, let him hug to his own idea.

**Shri Asoka Mehta:** That is why Mr. Tata and Mr. Birla are welcoming that change.

**Shri T. T. Krishnamachari:** My hon. friend when he sleeps sees ghosts. They are twin ghosts: One is the ghost of Tata, the other is the ghost of Birla. I do not see any ghost at all. I believe that both Mr. Tata and Mr. Birla can be made to work for the rehabilitation of this country and we propose to control them to do so. I have no inferiority complex. They may be the richest of men. But I believe I have enough power, power of persuasion, to make them fall in line with the policy

that this Government is determined to follow for the benefit of the common man.

My hon. friend says: "Well, so and so must be a pariah; so, we should not touch him." I have no untouchables in my scheme of life.

**An Hon. Member:** Except ourselves!

**Shri T. T. Krishnamachari:** I am prepared to come and sit and share a cup of coffee with my hon. friend, if he likes. Oftentimes, Sir, I am always dependent on somebody's charity for a cup of coffee. He can extend his patronage to me and I shall accept it. The resolution further says:

"In the conditions at present prevailing in the country the private sector is both important and necessary in the industrial development of India. Such private sector should be given adequate freedom to develop within the limits of the National Plan and subject to the conditions laid down by it."

Sir, the point is this. My hon. friend the eminent Professor asked us: "Who started this idea of 'mixed economy'?" I ask him: "Who?", and the echo comes "Who?" Somehow the idea has come into being. I believe that many people have written about "mixed economy". What the meaning of "mixed economy" is I do not know. What the mixture is, I do not know. Whether the mixture is 10 per cent. water and 90 per cent. milk, or 90 per cent. milk and 10 per cent. water, I do not know. But it does happen that there are certain institutions in the country which are functioning and can be made to function for the good of the country. How can you have parallel institutions owned and controlled by Government which can run along with it? I see no incompatibility in it, so long as Government can exercise effective control and I do maintain that this Government can.....

**Shri Gadgil:** Is it included in the objective of this particular corporation, that they will start concerns in

the same industry in which private enterprise is functioning?

**Shri T. T. Krishnamachari:** My hon. friend has been my friend, philosopher and guide in the past, but he is apt to be a little hasty. I have got twenty minutes more to explain not merely my doings, but also my intentions.

If my hon. friend says: "You have departed from something; you are going to pamper the capitalists," it is a good political slogan. But I hope, Sir, because I do not want to do damage to his soul, that he merely intends it for the platform and does not feel so. If he should do so, then he will be doing a damage to his soul and his sense of understanding.

Sir, of the two propositions before the House, I am not going to deal with the rest, one is the Government Industrial Development Corporation. Sir, some book was quoted by my hon. friend as being authoritative. I do not know what it was. He said it is a Birla's book. I do not know if Mr. Birla runs that particular magazine: I believe he does not. Anyway, I have no quarrel: it is one for Mr. Mehta and Mr. Birla. But that has said something about the Industrial Development Corporation. Am I responsible for it?

I would like to tell the House, Sir, that the genesis of this idea started on a day very far distant from today, on the 3rd of July 1953, after my chief returned from abroad. I presented to him a memorandum which contained certain ideas to meet a situation which then existed and exists to some extent today, namely, that the industrial development of this country has not been proceeding as fast as it should. There is no use apportioning blame; there is no use blaming somebody. You can get some mental satisfaction for the time being, but that does not serve the purpose. So, I do not propose to accuse anybody. There is no point in saying that the capitalists are all wrong, or somebody else is all wrong. The whole trouble is that our economy is slightly out of gear. If the economy

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is in proper gear, the momentum will carry everybody along with it, capital, labour, even though the Socialists may be unwilling to co-operate with it. What we need is that momentum.

We had various plans; we had various papers written, which were submitted to the Cabinet. This was criticised very freely. Ultimately, it developed a particular shape, that is, that Government must take a step forward in stimulating industrialisation of the country. Apart from what they do in certain specific sectors which they say is set apart for Government, in which certain plans are not merely formulated, but also executed by my hon. colleague the Production Minister, it was decided that there is a possibility of doing quite a lot. And in the various schemes that we have worked, discarded and also added with the assistance of the Engineering Capacity Survey Committee and other organisations which gave us a picture of the industrial set-up, we came to the conclusion that a government-sponsored corporation would be able to fulfil a very important need in stimulating industries in this country. When we finally decided on the rough picture of it, we had no intention of associating private capital with it. We had very intention of associating private industrial talent with it, if that talent would co-operate. There is no intention of giving them a majority in the Board. For that matter, even a majority will mean nothing because the money has to be found by Government. Every scheme will have to be approved by Government and, therefore, there is no harm in associating people who are willing to work with it.

You may ask: what will this corporation do? As I said, the idea started first that we should start industries; either own it, or get private capital invested in it if we do not have enough money. Here I would like to draw one distinction. There is no harm in an investor having money in any government-owned, government-managed, or

Government-controlled institution, if he considers it a sound investment. In the same way, as an investor invests in Government securities, he can invest in a Government-controlled corporation. He will get a dividend which is reasonable, 6 per cent. or 7 per cent. whatever it is. The only trouble is that we cannot pay him the same return as we pay in the case of Government securities because we do not guarantee the return; it depends upon the progress of the business. It was our idea that we start some industrial units and later on when we find that Government would like to use money for other purposes we invite private investors to put their money. There is no intention of handing over the whole thing to the managing agent or to any private entrepreneur but to associate private talent on the Board for the purposes of advice. That is the basic idea.

Now, at the present moment, our idea is to float a company because we have got to go on experimenting on the basis of trial and error. My intention is that when this thing gathers momentum and when the investment in this corporation—in the units of this corporation—runs into crores, we do want to make a statutory body. I propose to come to the House to approve a statutory organisation for the corporation. Until the picture is completely before us, there is no point in giving the draftsman some idea and ask him to draft a Bill for the corporation and bring it before the House and then get it passed. I should be able to acquire some kind of experience. The present idea is to convert it as a private limited company with a crore of rupees or even less with a paid-up capital of about Rs. 10 lakhs.

One of the functions of this corporation will be—apart from the Government agencies like the Development Wing in the Ministry of Commerce and Industry and other expert organisations—to engage technical experts

on a contract basis. It would be prepared to take up such of the projects—there are projects which my friend, the Production Minister, does not think he will take up or our resources do not permit its being taken up. I shall be quite prepared to give the project or scheme to any private entrepreneur who will start it. If you prepare a project it may cost you Rs. 4 or 5 lakhs but I am prepared to make a gift for the purpose of establishing an industry if we feel that we are not going to run it ourselves for various reasons which Government can decide and determine. If that does not happen we start a subsidiary company and go on with it. As I said at some stage later on when we feel that a private investor might be interested in it we may allow him to take a share in the control by the Development Corporation which will be a statutory body. The management will be vested ultimately in the Development Corporation which will contain a board of directors and probably we shall give the private investors some share in the board by the appointment of a director.

Another idea which we have incorporated or propose to incorporate in the working of this Corporation is this. That also arises out of the survey made by the Commerce and Industry Ministry largely through the medium of Engineering Capacity Survey Committee. We find in this country various units which are lopsided in their structure. Our idea is that the Industrial Development Corporation should take a panoramic view of the industrial units of this country in collaboration with the Planning Commission, the Commerce and Industry Ministry, the Production Ministry, the Ministry of Defence, the Railway Ministry and others. All these Ministries will be represented in the corporation. They may say that these industries must be started. Projects are prepared and in the process there are private units owned by private people in the country which, with a little development and the addition of

equipment worth Rs. 25 lakhs or even Rs. 40 lakhs, or sometimes even Rs. 1 crore—may be able to produce goods for which we have to make an initial capital investment of Rs. 4 or 5 crores. Our intention is to balance these plans. It is not a novel idea. The idea is largely borrowed from the experience of war-time administration though the war-time administration was not our administration. During the war time the Supply Department of the then Government—the Government of India controlled by the British—in order to accelerate the production for war needs went about inspecting the various plants in the country and gave them equipment for the purpose of balancing so that they could produce the goods that were needed for war purposes. Our intention here is that so far as industrial development is concerned, it must be placed on a wartime footing and we do propose to appeal to those people who owned these plants to balance them. If they say that they do not have the money, the Industrial Corporation will acquire the plants and lend these to them on hire-purchase system. That will be an element of help to private enterprise—this question of lending our plants on a hire-purchase basis so that they produce goods which will fit into our needs of industrial goods. That is as far as we have gone today.

Another matter we have been thinking of is the question of getting over obsolescence. One of the lessons I have learnt from the report of that committee is that the obsolescence in our machinery in our country is something terrific. We have to renew the machinery if you are going to make them work efficiently to an extent that we cannot dream of today. That would perhaps need some help. Government may come into direct help and we propose to canalise it through the Development Corporation. Let me finally wind up this question of Development Corporation. We propose to call it the National Industrial Development Corporation. The Board of directors will have some interests but they would

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not be a majority. All the Ministries concerned of the Government of India will be represented and we shall have experts on the body who will advise us.....

**Shri Venkataraman (Tanjore):** May I ask the hon. Minister only one thing? May I know whether this corporation will be a statutory body corporate or will it be registered under the Indian Companies Act? If so what is the step they are going to take?

**Shri T. T. Krishnamachari:** My hon. friend came a little too late. I said initially we are going to make it a corporation under the Act. I do propose, as soon as it gathers momentum and as soon as investment becomes anything appreciable and when we start investing money and when we go beyond the stage of preparing projects, to come before the House and ask for its approval for the creation of a statutory body. It is also my intention that the House, when creating the statutory body, should say that this corporation will live for ten years and if it wants to live beyond that date it will have to provide justification for the Parliament of the day so that its life may be prolonged and it might continue.

So far as the Industrial Development Corporation is concerned, at the present moment we are asking for Rs. 5 lakhs for the purpose of engaging experts to prepare projects. I do not think that we will be able to spend that much this year. The other expenditure of Rs. 10 lakhs for the promotion of the company would be met by adjustments from the grants made to the Commerce and Industry Ministry.

I will go to the other corporation, namely, the Industrial Investment Corporation. My hon. colleague, the Finance Minister, on the 24th of February 1954 made a statement in this House but I think hon. Members know of this statement. I am only repeating one paragraph—a few bits of it. 'In connection with utilisation of the sale proceeds of certain com-

modities received by us under the Indo-US Technical Co-operation Programme, it was suggested by the Technical Cooperation Mission that the rupee equivalent of 15 million dollars should be made available by us to an Industrial Development Corporation for the purpose of stimulating industrial development in the private sector...' The International Bank of Reconstruction and Development came here and negotiated the whole matter and a separate committee was appointed after their departure to evolve a programme. The corporation will perhaps be incorporated in a couple of months. What we are now asking for is that a sum of Rs. 7.5 crores should be granted by this House for the purpose of lending to this corporation. The sum of Rs. 7.5 crores comes out of the counterpart funds that will be had here by the sale of American aid given to India under the Indo-US Technical Co-operation Scheme.

If my hon. friend, Mr. V. P. Nayar says: no money should be given to these people; no corporation should be aided from the Americans, perhaps he is right. But here is a money that we have accepted from them which we proposed to lend and we should utilise the money. Once it comes into the coffers, it is the money of the Parliament. No portion of that money—be it from any quarter—can be utilised without Parliament sanction. There is one little snag about this. Under our technical co-operation agreement with the United States, we have agreed that the counter-part funds created out of the sales of commodities which they gave to us under the agreement shall be spent on projects or schemes mutually agreed upon.

Therefore, in spite of the fact that Parliament is supreme, Parliament is bound to the extent that they should agree to fulfil a portion of the agreement, namely, with regard to the expenditure of the money in any direction, where the giver suggests something might be spent and we agree to

it, it has to be spent. I do not think that is a restriction of Parliament's rights. But it is a restriction of our initiative, because we have to honour certain obligations which we have entered into. That is what we propose to do.

I would like to give the basis of the scheme a little—I have got about four minutes more. The basis of the scheme is, the idea was started very largely by Mr. Black, the President of the World Bank. Times without number in the various U.N. organisations complaints are made that the under-developed countries are not helped for the purposes of industrialisation. He it was that hit upon the idea that if a Corporation could be started in India and certain facilities are given to it, namely, by the provision of funds which would not carry an interest or a necessity to pay return over a period of years, then it could be a little flexible in its operation. And it was also conceded at the time that the World Bank should help this Corporation.

The present scheme is that the corporation should have a capital of Rs. 5 crores. Government should lend Rs. 7½ crores without interest for fifteen years. And the World Bank should immediately give Rs. 5 crores, and also other amounts of money not exceeding three times the amount of resources available to the corporation.

**Shri Matthen (Thiruvellah):** Is there any further foreign aid expected for the corporation?

**Shri T. T. Krishnamachari:** The foreign aid, as I said, is this. The limit of the advance that could be made by the World Bank to this corporation would be three times the resources that the corporation has.

One point made by my hon. friend on which I would like to dwell is this. There is no confusion at all between the Industrial Finance Corporation, the Industrial Investment Corporation and the Industrial Development Corporation. I have said the Industrial Development Corporation is a government agency. Financing is not its duty. It

may indirectly finance for the purpose of balancing plants, and nothing else. As regards the Industrial Investment Corporation, the House knows what its composition is, who has subscribed to its capital, and what kind of guarantee Government has given to it. The House will also realise that the Industrial Finance Corporation lends only to industries which have been started already. The Investment Corporation will lend to industries which are to be started. It is also the intention, in order to lower the load on interest, to do like this. For instance, the Investment Corporation may not be able to lend at a rate of interest much lower than the Industrial Finance Corporation. Perhaps it may charge half a per cent. more, because it will borrow from the World Bank at 4½ per cent. If you make a person borrow at 7 per cent., my friend Shri Tulsidas knows that no industrialist will come forward to borrow, at least in the initial stage. If the industry is growing and he is in need of money, willy-nilly he has to borrow at any rate of interest as a matter of desperate necessity. But initially you do not launch a thing when the interest load is very high. The idea is to off-set the load on interest in the initial period by this corporation taking equity capital. I am merely trying to give an illustration. How the corporation will run and be operated, I cannot say now. But it is quite possible that if a person goes to the corporation and wants a crore of rupees the corporation may say "We will give you Rs. 70 lakhs at 7 per cent., but we will take Rs. 30 lakhs by equity capital on which there will be no obligation to pay interest but only dividend when it has started earning money", so that on the overall amount the interest is equated to something reasonable.

It is also the intention to have a government director on the Board of this corporation, and safeguards for the purposes of effecting liquidation if things go wrong will all be provided. I venture to think in a matter like this no great sin has been committed.



[Shri T. T. Krishnamachari]

This is a matter in which we have mutually agreed upon with the U.S. Technical Co-operation Administration to utilise a portion of the counterpart funds in order to help industrial development in the private sector, a thing which they have decided to be reasonable and we also think that nothing but good will come out of this for this country.

That represents in very broad, general terms the two major proposals that have been put before the House and on which the House is being asked to vote. I do recognize that in the space of about half an hour, with the replies to polemics and return polemics on my side, I have not been able to do justice. I do propose to convey to my colleague, the Finance Minister, when he comes back, and probably by the time of the next session the Industrial Development Corporation would have been floated, and we shall certainly have a full-dress debate on the economic policy of this Government and I shall provide any other ammunition for my hon. friend Mr. Asoka Mehta and expose all my flanks.....

**Shri Gadgil:** The House consists of not merely Mr. Asoka Mehta but of us also.

**Shri T. T. Krishnamachari:**...all my flanks for the shots that may be directed at me. So far as Mr. Gadgil is concerned I believe he and I are one, and how could I recognize something which is part of me as something distinct?

**Shri Meghnad Saha:** May I say one word? So long the Minister of Commerce has been asking from us a blank cheque. Now only he has revealed the intentions. We have had no time to debate on this point. So no vote should be taken on this matter till an opportunity is given to debate the intentions which he has disclosed.

**Shri Joachim Alva (Kanara):** I want to put two questions to the hon. Minister.

**Mr. Chairman:** Now it is too late.

**Shri Joachim Alva:** We did not get any chance.

**Mr. Chairman:** Even if the questions are allowed the Minister must have time to answer.

**Shri Joachim Alva:** I shall be very brief.

**Mr. Chairman:** The hon. Member does not want answers?

**Shri Joachim Alva:** I want an answer also. He would give me.

**Mr. Chairman:** I am very sorry, I cannot spare time.

**Shri Joachim Alva:** These are very important demands.

**Mr. Chairman:** I have no doubt about that. I shall now put the cut motions, regarding Demand No. 2.

*The cut motions were negatived.*

**Mr. Chairman:** I will now put Demand No. 2. The question is:

"That a supplementary sum not exceeding Rs. 5,50,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Industries'."

*The motion was adopted.*

**Mr. Chairman:** I shall now put the cut motions, regarding Demand No. 121.

*The cut motions were negatived.*

**Mr. Chairman:** I shall now put Demand No. 121. The question is:

"That a supplementary sum not exceeding Rs. 17,99,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Loans and Advances by the Central Government'."

Those in favour will please say "Aye". Those against will please say "No." I think the Noes have it.

4 P.M.

Some Hon. Members: 'Ayes' have it.

Mr. Chairman: The voice of the 'Noes' was greater in volume. I will put the motion again.

Shri V. P. Nayar: You cannot question the ruling of the Chair.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 17,99,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Loans and Advances by the Central Government'."

The motion was adopted.

#### DEMAND NO. 23—EXTERNAL AFFAIRS

Mr. Chairman: There are five Demands, 23, 57, 83A, 124 and 132, to which there are cut motions. There are no cut motions to others. We have got two hours today and two hours tomorrow. I would just take the sense of the House as to how much time could be devoted to these five demands and how much to the rest.

Shri S. N. Das: With regard to Demand No. 23, there is going to be a debate on foreign affairs. I think it will be better to postpone the discussion. There should be no discussion on this demand.

Shri V. G. Deshpande: That demand should be put to the House after the debate.

Mr. Chairman: I am only asking how much time we will devote to this. I do not want any other proposal.

Shri V. G. Deshpande: One hour.

Mr. Chairman: There remain only three hours and thirty-five minutes; two hours today and one hour and thirty-five minutes tomorrow. Out of this, my own proposal is that the House may take 2½ hours on these five demands to which cut motions are to be moved, and the rest disposed of

in the balance of time. If the House agrees, I will make it a rule that we will devote 2½ hours for these five demands.

Shri Tulsidas: Are we sitting up to six o'clock today?

Mr. Chairman: Yes. I think my proposal is acceptable to the House.

Some Hon. Members: Yes.

Mr. Chairman: Demand No. 23.

Motion is:

"That a supplementary sum not exceeding Rs. 50,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'External Affairs'."

Shri Algu Rai Shastri (Azamgarh Distt.—East cum Ballia Distt.—West): This is a most important demand.

Mr. Chairman: There are three cut motions: Nos. 2, 3 and 17: May I ask which of them are going to be moved? I take it that only cut motions 3 and 17 are sought to be moved. In respect of cut motion No. 17, it appears that it is inadmissible.

Shri V. G. Deshpande: I should like to know the reasons.

*Pay and Terms of Appointment of Officers and Staff for Indian Delegation to International Armistic Supervisory Commission in Indo-China.*

Shri N. Sreekantan Nair: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 50,00,000 in respect of 'External Affairs' be reduced by Rs. 100."

#### *Involvement in Indo-China Settlement*

Shri V. G. Deshpande: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 50,00,000 in respect of 'External Affairs' be reduced by Rs. 100."

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** When will the Ministers concerned reply? Today or tommorow? Out of the time, they must have at least half an hour.

**The Deputy Minister of External Affairs (Shri Anil K. Chanda):** How much time for Demand No. 23?

**Mr. Chairman:** Half an hour altogether. If the House agrees to give more time, I have no objection.

**Shri V. G. Deshpande:** What is the objection to cut motion No. 17?

**Mr. Chairman:** The hon. Member wants me to tell him instead of his explaining how it is relevant.

**Shri V. G. Deshpande:** We are making an expenditure of Rs. 50,00,000 for sending the Delegation, etc.

**Mr. Chairman:** Money is to be spent under specific Heads.

**Shri V. G. Deshpande:** This demand is for making some expenditure with regard to the Commission to Indo-China. A sum of Rs. 50,00,000 is proposed to be spent and the House is asked to vote the money.

**Mr. Chairman:** Is it the hon. Member's contention that it comes under any of the portions of the demand about Indo-China?

**Shri V. G. Deshpande:** Money is involved. India has involved itself in this. The House is being asked to vote Rs. 50,00,000.

**Shri Algu Rai Shastri:** India has gained in prestige and honour.

**Shri V. G. Deshpande:** But, we have to pay.

**Mr. Chairman:** The point is this. So far as the demand is concerned, specific items of expenditure are given in the notes. If this cut motion relates to any of the items of expenditure, I will certainly allow it. I am therefore asking the hon. Member to say under what particular item of expenditure he wants to bring this cut motion.

**Shri V. G. Deshpande:** India's Delegation to the International Armistice Supervisory Commission on Indo-China: Rs. 45,00,000. Contribution to the Common Pool of International Armistice Supervisory Commission on Indo-China, about Rs. 5 lakhs. These are the items.

**Mr. Chairman:** The point is this. Involvement in Indo-China settlement is a matter of policy.

**Shri V. G. Deshpande:** It is an expenditure we are making because we have accepted the chairmanship. Three countries have promised to pay contribution.

**Mr. Chairman:** So far as the expenditure is concerned, specific amounts relate to specific items. So far as the entire policy is concerned, that is, involvement in Indo-China settlement, it may be a part of the general debate on external affairs. The question has already been discussed by the House.

**Shri V. G. Deshpande:** I do not understand this. For the first time, Parliament is being asked to pay Rs. 50,00,000. Are we not entitled to discuss policy also? It is a new expenditure which was not included in the original Budget and it was never discussed before.

**Mr. Chairman:** In a matter of this moment, when there is going to be a debate on external affairs it would be better then to have this discussion also. I will not stand between the hon. Member and his cut motion if he presses. He may move it. Ultimately, the decision on this will have to be taken after that debate is over. To-day, we have only half an hour.

**Shri V. G. Deshpande:** Half-an-hour will be quite insufficient.

**Mr. Chairman:** Then, if he agrees, it may be postponed to be put to vote after the general debate takes place. Then, we will have enough time. If he now insists, I will allow him even now.

**Shri V. G. Deshpande:** Yes.

**Mr. Chairman:** Cut motions 3 and 17 are before the House for consideration.

Cut motions moved:

(i) "That the demand for a supplementary grant of a sum not exceeding Rs. 50,00,000 in respect of 'External Affairs' be reduced by Rs. 100."

(ii) "That the demand for a supplementary grant of a sum not exceeding Rs. 50,00,000 in respect of 'External Affairs' be reduced by Rs. 100."

The point is this. This demand cannot be put unless cut motion 17 is disposed. Practically, this demand shall be put off unless hon. Member agrees to have the discussion now. If he wants to have discussion now, we will have to apportion the time.

**Shri V. G. Deshpande:** We should put it off.

**Mr. Chairman:** Just as the House wants. If the House wants that there may be a full-dress debate on this question, this is not the time for it. This demand can be postponed. If the House wants to discuss it now, I have no objection. But, it will have to be finished in half-an-hour.

**Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes):** Will it be part of the discussion under foreign policy too?

**Mr. Chairman:** When the foreign policy is discussed, this will be part of it, I have no doubt. Therefore, this demand can be postponed and can be put to vote at that time.

**Shri Velayudhan:** I request you for a ruling, Sir.

**Shri T. B. Vittal Rao:** After these demands are put to vote, the Bill has to be passed and it has to go to the other House. Where is the time if you postpone this demand?

**Mr. Chairman:** I understand the sense of the House is that we should

discuss this point and if necessary some more time may be given to it.

**Several Hon. Members:** Yes.

**Mr. Chairman:** Then, these two will be before the House for discussion.

**An Hon. Member:** How much time?

**Mr. Chairman:** We will extend the time by 15 minutes, thus the time will be 45 minutes, for the Demand.

**श्री जलगा राव शास्त्री:** इसके ऊपर घंटे भर का समय दिया जाय, क्योंकि इस पर पूरी बहस इस समय होनी चाहिये और मत भी लिया जाना चाहिये।

**Mr. Chairman:** Six hours have been allotted for these demands. I have no objection if the House agrees to take one hour on this. The other demands will get less time.

**श्री जलगा राव शास्त्री:** पूरा एक घंटा इस समय दिया जाय।

**Mr. Chairman:** Yes, Mr. Deshpande.

**श्री बी० बी० ईशवांक:** सभापति महोदय, आज सदन के सम्मुख यह जो विदेश विभाग की डिमान्ड आई है उस के बारे में मैंने १०० रु० का कट रखा है। इन्हीं चीजों के बारे में भारत सरकार ने जो खर्च किया है उस के विषय में और जिस नीति के कारण आप को यह खर्च करना पड़ा उसके विरोध में ही यह कट मैंने सदन के सम्मुख रक्खा है।

सभापति महोदय, आप जानते होंगे कि भारत ६, ७ साल तक अपनी तटस्थता की नीति अपने लिये बड़े गौरव का अनुभव करता हुआ इस दुनिया में चलाता रहा है जिस के कारण, मैं समझता हूँ, उस को कोई फायदा नहीं हुआ, फायदा की बात तो दूर रही, भारत की बड़ी भारी हानि हुई है। मेरा विचार है कि भारत एक

[श्री बी० जी० दशपांड']

के बाद एक बाहर के मामलों में हस्तक्षेप कर रहा है। प्रथम हम कोरिया में गये, उस के बाद चीन को मान्यता मिले इस के लिये लड़ते रहे। उस का परिणाम हम ने देखा कि अमरीका और पाकिस्तान दोनों में सैनिक समझौता हुआ। यह हानि होने के पश्चात् भी, जैसा कि बरबान राजाओं के बार में कहा जाता है कि "They have learnt nothing and they have forgotten nothing." उसी प्रकार से इतनी हानि हमारी होते हुए भी हिन्दुस्तान ने अपने पुराने अनुभवों से न कुछ सीखा है और न कुछ भूला है कि दुनिया के मामलों में हस्तक्षेप करने का क्या परिणाम होता है। पहले हम कोरिया गये, उस के पश्चात् इन्डो चाइना का नेतृत्व करने के लिये हमारे प्रतिनिधि जेनेवा के पास धूमते रहे। हम सेल्फ कांग्रे-चुलेटरी मूड में थे, मान न मान मैं तेरा मेहमान कह कह हम जेनेवा चले गये। उस के बाद हम ने सोचा कि हमारी बड़ आदीमियों में गिनती है, कौनाहा सरीखा बड़ा राष्ट्र होते हुए हम को अध्वक्ष पद मिला। लेकिन मैं आप से पूछना चाहता हूँ कि जब हिन्दुस्तान जो लोग गोवा से आ रहे हैं उन को रेलवे का किराया तक नहीं दे सकता है तब क्या वह इन्डो चाइना में और दुनिया में उस का नाम हो इसी लिये ४५ लाख रुपया इन्डो चाइना में खर्च नहीं कर रहा है ? इतना ही नहीं कि इस से हमें कोई फायदा नहीं हुआ, अगर यहीं तक होता तो मैं इस का विरोध करने के लिये नहीं आता, लेकिन इस से निश्चित रूप से हमारी हानि हुई है। आज इन्डो चाइना में हम जो खेल खेल रहे हैं उस खेल के बार में हम नीति की कसौटी पर उस को परखना नहीं चाहते हैं क्योंकि यह तो भगवान का काम है कि कहीं नीति हमारी नीतिमान हो और कहीं अनिनीतिमान हो। मैं इस की व्याख्या नहीं

करना चाहता। लेकिन इतना मैं जरूर कहना चाहता हूँ कि फार्न पालिसी में enlightened self-interest should be the

guiding principle of India. [उन्नीतशील राष्ट्रीय स्वार्थ यह हमारे पर राष्ट्रीय नीति का निर्णायक तत्व होना चाहिए]। आपने इस नीति को नहीं अपनाया और इसीलिये हमारी हानि हुई है, यह मेरा निश्चित मत है। हम ने एक एक कदम पर गलती की है। रूसी ब्लाक और कम्युनिस्ट ब्लाक हम दुनिया में मजबूत करना चाहते हैं। साथ ही इंग्लैंड जो जो चीज चाहता है उस में हम उस का साथ देते जाते हैं। फार्मोसा के बार में हम और इंग्लैंड साथ रहे हैं लेकिन हांगकांग के लिये इंग्लैंड जबर्दस्ती करना चाहता है। फार्मोसा जरूर चाइना को मिलना चाहिये, लेकिन हांगकांग को छोड़ने की बात वह लोग कभी नहीं मन में सोचते।

लोग कहते हैं कि यह बात ठीक है कि हिन्दुस्तान की नीति एशिया का नेतृत्व लेने की है। "We are going to resist all the vestiges of colonialism and imperialism in Asia." [एशिया के अन्दर साम्राज्यवाद और उपनिवेशवाद के अन्तिम अवशेषों का नाश करने के लिए हमारा महान अवतार हुआ है] ऐसा दावा हम करते हैं। मैं पूछना चाहता हूँ कि तिब्बत के ऊपर जब आक्रमण हुआ तो वहां पर आप ने क्या किया ? लेकिन आगे चल कर आप इन्डो चाइना का नेतृत्व लेने के लिये वहां ४५ लाख रुपया खर्च कर रहे हैं। मैं जानना चाहता हूँ कि जेनेवा कान्फ्रेंस में भाग लेने वाले किस किस राष्ट्र ने जो पुर्तगाल के साम्राज्यवाद के अवशेष भारत में रह गए हैं, जिस के खिलाफ आप युद्ध कर रहे हैं, उन के सम्बन्ध में आप का साथ दिया है ? क्या चाइना ने

आप का साथ दिया है ? क्या इन्डोनीशिया ने आप का साथ दिया है ? किस राष्ट्र ने इस बार में कम से कम एक बक्तव्य निकाल कर यह कहा है कि हम पुर्तगाल के खिलाफ जो लड़ाई कर रहे हैं उस में आप का पक्ष ठीक है ? आप दूसरों लोगों की लड़ाई लड़ते जाते हैं, लेकिन आप की लड़ाई लड़ने के लिए कोई नहीं आता, उस्ट इंग्लैंड और योरोप के दूसरे देश तिब्बत के बारे में चाइना की नीति का समर्थन करते हैं। वह यह भी कहते हैं कि पुर्तगाल की नीति ठीक है। मैं यह समझता हूँ कि आप जिस तरीके की नीति से यह राज्य चला रहे हैं एशिया का नेतृत्व लेने के लिये, दुनिया में आप न्यूट्रैलिटी की पालिसी को चला रहे हैं, उस को छोड़ कर आप इस पर विचार करें कि किस विशिष्ट ब्लाक के लोग आप के मित्र हैं। यदि आप यह समझते कि अमरीका पाकिस्तान के साथ मिल गया है तो हम एशिया के साथ में पाकिस्तान का मुकाबला करें तो यह बात भी समझ में आ सकती थी, लेकिन जब किसी ब्लाक के लोग आप के हितों के विरुद्ध चलें तब भी आप की खुशामद की नीति चलती रहे तो न इस ब्लाक के लोग आप के साथ रहेंगे और न उस ब्लाक के लोग आप के साथ रहेंगे। यह सब न होते हुए केवल इसी लिये कि एशिया का नेतृत्व आप को मिले, केवल इस शौक के लिए आप ४५ लाख रुपया खर्च कर रहे हैं, यह मेरी समझ में नहीं आता है।

अगर आप कोई स्टेटमेंट रखते कि इस दुनिया की हालत बहुत बिगड़ गई है इस लिये देश की सुरक्षा की व्यवस्था के लिये फार डिफेन्स प्राब्लेम्स, कोई स्टेटमेंट बजट में होता तो हम उस को समझ सकते थे लेकिन इन्डो चाइना में क्या हो इस की चिन्ता से आप की आंखों से आंसू की गंगा यमुना बह रही है। लेकिन इस के

लिए इस गरीब देश की जनता का पैसा हम खाना नहीं चाहते। इसी लिये मैं प्रस्ताव करता हूँ कि जो सरकार की नीति है उस के विरोध स्वल्प १०० १० का बिल गान्धे में किया जाय।

**Shri N. Sreekantan Nair:** Mr. Chairman, Sir, about the principles involved in the Indo-China settlement, I do not think this is the forum for discussion. Of course, I too have certain differences with the Indo-China settlement, but they are quite unlike and contrary to what have been proposed by my learned friend just now. I think that the settlement in Indo-China is something derogatory to the people of that country, something which puts a stop to the aspirations to freedom of the people of Indo-China. Of course, when their own leaders do not want to pursue it, I am not the man to oppose it. This is the result of the policy of co-existence which has been sponsored by comrade Stalin and followed by Shri Jawaharlal Nehru, so much so, we have the spectacle of the capitalists and the communists coming together, the cat and the rat, the fox and the fowl sitting at the same table as if it were some magic show or a circus camp.

Anyhow, my main objection is to the expenditure, concerns with the details of the expenditure involved in the Indo-China Commissions. We are appointing three main delegates as Chairmen of the three Commissions with ambassadorial status. Who are the personnel of the three delegations? That is a very important question. The taking up of the Chairmanship of the Indo-China Commissions has enhanced our prestige in international politics, but that should not be made an opportunity to bring in undesirable persons, people without any experience whatsoever into the service of the External Affairs Ministry. If my information is correct, one of them had been a petty employee of the PTI, and had been associated with the daily paper, *The Hindu*, in the past. That certainly is no criterion for an appoint-

[Shri N. Sreekantan Nair]

ment such as that of an ambassador in a very important Commission. What was the motive behind it? I think, the ghost of one of the British-trained bureaucrats is haunting the External Affairs Ministry to get his son put up in some very important post, and that was the prime motive behind it.

Some of the other appointments also have given rise to complaints, from the departmental staff, or if not from the departmental staff, at least from people with a sense of equity or fairness. The Information Officers and others who have been appointed have also been publicly criticised by newspapers in this country. So, whenever we appoint any person in a Commission, we have to bear in mind the fact that the honour and prestige of this country are involved in it. If the personnel of these Commissions are not properly selected, if the services are made to feel that their rights and claims are being ignored deliberately, then it naturally spells disaster for us in the long run. When you select persons from outside, there must be some criteria behind it. Such Commissions should not be made a screen to bring into service people with no proper qualifications for the job. I wish to bring this to the notice of the External Affairs Ministry and get some explanation for it.

श्री जलन्त राव शास्त्री : सभापति महोदय, मुझे आश्चर्य हुआ कि मेरे मित्र दशपांड जी ने अपने कट मोशन द्वारा इस डिमांड पर आक्षेप किया। भारत अभी दो दिन हुए स्वतंत्र हुआ है। इससे पहले वह एक पराधीन देश था। आज इस देश ने अन्तर्राष्ट्रीय जगत में इतनी स्थािति प्राप्त की है, लोगों का इतना विश्वास प्राप्त किया है कि वह शान्ति का वातावरण उत्पन्न करने में अग्रेसर हो रहा है और उसको इतना सम्मानित स्थान मिल रहा है। तो फिर जब ऐसे कामों में भारत पड़ता है तो स्पष्ट है कि उसको अपने गौरव के अनुकूल कुछ न कुछ धन भी व्यय करना पड़ेगा। अगर

वह एक ऐसे अन्तर्राष्ट्रीय कमीशन की अध्यक्षता स्वीकार करता है तो उस अध्यक्षता के साथ एक छोटा मोटा स्टाफ होगा और कुछ खर्च होंगे। अगर कनाडा और पोलैंड कोई एक सामूहिक फंड क्रियंट करते हैं तो उसमें भारत का भी उत्तरदायित्व है और उसमें उसको कुछ करना पड़ेगा। अगर दशपांड साहब का यह ख्याल है कि हम महज तफरीह के तौर पर यह ५० लाख जनता का रुपया व्यय किये दे रहे हैं और अगर इसके जरिये से अगर हम युद्ध की सामग्री अपने यहां एकत्र करते तो कोई बड़ा भारी महत्व का कार्य कर लेंगे तो यह उनकी एक भूमात्मक कल्पना है। मैं समझता हूँ कि विश्वशान्ति के लिए जो प्रयत्न किये जाते हैं उन प्रयत्नों की तुलना में बड़ी से बड़ी लड़ाई की सामग्री जुटाना कभी आ नहीं सकता है। लड़ाई का छँड़ देना आसान है परन्तु युद्धों के परिणाम विश्व को बरबाद करने वाले सिद्ध हुए हैं, और इसी लिए शान्ति का सन्देश देने वाले अमर माने गये हैं और महत्वपूर्ण माने गये हैं। लड़ाई छँड़ने वालों का कोई महत्व नहीं है। आज जो वर्तमान युग के पॉलीटिकल एपासिल महात्मा गांधी थे उन्होंने शान्ति के द्वारा इतनी बड़ी पुरानी पराधीनता की बीड़ियाँ काँतोड़ा। और वह सन्देश हमारे राष्ट्र नेता जवाहरलाल जी के जीवन में उत्तरा हुआ दिखायी देता है। वह सन्देश उनमें रम गया है, और उनकी वाणी में वह सन्देश आज विश्व के वातावरण में गुँजता है। आज वह वाणी और वह प्रेरणा और वह हृदय की पुकार लोगों के दिल में अपना रंग जमाती है और लोग उसको स्वीकार करते हैं। आज उस वाणी को सुनकर लड़ाई के सिद्धान्त में विश्वास रखने वाली खंखार शक्तियाँ यह अनुभव करती हैं कि उनको ठहरना चाहिए और सोचना चाहिए और शान्ति से काम लेना चाहिए।

कोरिया में हमारी सेनाओं ने जो गौरवपूर्ण कार्य किया उससे प्रभावित होकर उसके बाद अंतर्राष्ट्रीय जगत में जो सम्मेलन होते हैं, जो विचार विनिमय होते हैं, वहां भारत को अपनी आन्तरिक परम्पराओं के कारण धुलाया जाता है। ईसाई जी को नहीं भूलना चाहिए कि यह भारत भूमि है जिसने महात्मा बुद्ध को जन्म दिया, जिसने वर्धमान महावीर को जन्म दिया जिन्होंने संसार को शान्ति का सन्देश दिया। भारत का गौरव आज शान्ति के लिए प्रेरणा देने में है। आदमी चाहे नख और दांतों से लड़ें या ताप बन्दूक बनाकर और एटम बम बनाकर विश्व का नाश करना चाहे उस प्रेरणा को महत्व देना और शान्ति का वातावरण उत्पन्न करने के लिए कदम उठाने में जो रुपया खर्च किया जाय उसको यह कहना कि जनता का रुपया लुटाया जा रहा है, मैं समझता हूं कि इससे अधिक अन्याय हमारी वैदेशिक नीति के साथ दूसरा नहीं हो सकता। मैं समझता हूं कि हमारी वैदेशिक नीति की सबसे बड़ी सफलता यह है कि हमने विश्व की राजनीति में, अन्तर्राष्ट्रीय जगत में, यह विश्वास उत्पन्न कर दिया है कि भारत की ईश्वरत्व में और उसके नेतृत्व में विश्व शान्ति की ओर जायगा। शान्ति से ही निर्माण होता है। शान्ति के द्वारा की हुई क्रान्ति जगत में इतने सुन्दर परिणाम उत्पन्न कर देती है, इतना बड़ा निर्माण का काम कर देती है कि जिससे मानवता सुख पाती है। लड़ाई की ओर से मानवता को हटाकर उसे शान्ति की ओर ले जाने का जो कार्यक्रम है वह महत्वपूर्ण है। अगर उस दिशा में हमने कदम उठाया और विश्व ने हमारा विश्वास किया, तो मैं समझता हूं कि उसमें भारत का जो भी व्यय हो रहा है उससे अच्छा व्यय कोई हमारे खजाने से नहीं किया जा सकता। मुझे इसमें एक ही एतराज है। अगर इसमें कुछ और ज्यादा खर्चा हो जाता तो मुझे एतराज

न होता लेकिन जब मैं देखता हूं कि इसमें ५७ से १७० या २० से २५ रुपये गरीबों के लिए रखे गये हैं तो यह मुझे ठीक नहीं मालूम होता। इन गरीबों के ऊपर तो कुछ ज्यादा खर्च होना चाहिए। ऐसा करने में यदि कुछ खर्चा अधिक बढ़ जाय तो कोई बात नहीं। वह मुझे पसन्द है। इस ५० लाख की कलिल रकम का मुझे रंज नहीं है। यह रकम खर्च करके हम जो ख्याति अर्जित कर रहे हैं उसके लिए मैं अपने नेता की, और उनकी वैदेशिक नीति की भूरि भूरि प्रशंसा किये बिना और इसके लिए उनको भूरि भूरि बधाई दिए बिना नहीं रह सकता। इसके साथ ही मैं उस कट मोशन का सख्त विरोध करता हूं और इस डिमांड का पूरा समर्थन करता हूं।

**Shri Sadhan Gupta** (Calcutta—South-East): I rise to oppose the cut motion moved by Shri V. G. Deshpande. This cut motion is conceived in an entirely wrong notion of the international situation, and it is positively harmful to the great demands for international peace.

Shri V. G. Deshpande objects on the ground that we should not have gone into Indo-China affairs. I do not see the justification or reasonableness behind this particular attitude. What have we done in Indo-China? We have done what the crying needs of the world required us to do, namely made a contribution towards the securing of world peace. What was happening in Indo-China was threatening the whole world with a conflagration, and different quarters required that India should serve on the Commission as its chairman, and I cannot see how anyone pledged to the cause of peace, and how anyone interested in saving the world from a conflagration, and therefore of saving our country itself, from the effect of a world conflagration, could refuse to undertake the responsibility which this country was called upon to undertake. We need not be ashamed of it.



[Shri Sadhan Gupta]

In this particular thing, it is only the best traditions of the Indian people that have triumphed, and it speaks volumes of the progressive character of the Indian people, the progressive character of our nation, that it has been given the assignment. It is the great tradition of our people that has, in this instance, influenced the Government. This does not often happen, and if it has happened this time, there is no sense in opposing it.

Now, Mr. V. G. Deshpande has relied on all sorts of figures—some of them not correct—and all sorts of impractical ideas to support his cut motion. He said we were not trying to give Hongkong to China and, on the other hand, we did not oppose when China attacked Tibet. What is the reasonableness behind all these facts and figures? China herself has not raised the demand for Hongkong as yet and if and when China raises it and we oppose it on the ground of our Commonwealth tie-up, then it would be time for Mr. Deshpande and we will be here to support him to induce the Government of India to back-up the Chinese demand for Hongkong. That demand has not been raised. The demand for Formosa has been raised and we have supported it. Why should we not support the just demand that has been raised? We are quite right in supporting it.

As to Tibet, no Tibetan takes objection to it. Every section of Tibetans, from the Dalai Lama down to the common people, is perfectly happy about the new situation that the liberation of Tibet has created. *Interruption*). Tibet was practically a slave of the British and the Chinese People's Republic has given Tibet, for the first time, the taste of liberation. It has brought a new cultural renaissance, a new progress which Tibet could never have dreamt of. The entire body of Tibetans is enthusiastic over it. Just read what the Dalai Lama had stated in the Chinese People's Consultative Committee—the new Parliament that was elected. Every slander of the

Chinese People's Republic could be demolished to the ground.

Now, he has also given as an argument for opposing India's policy that no other country has said anything about the position of Portugal. The Soviet Union, allegedly, has said nothing about India's struggle against Portugal; the Chinese, allegedly, have said nothing about India's struggle against Portugal. I wonder whether Mr. Deshpande has ever read Press reports about articles in the Pravda, which is the newspaper of the Communist Party, which is the Government party in the Soviet Union, how they have unreservedly condemned Portugal's colonialism. I wonder if he has read the press reports of articles in the People's Daily, the mouthpiece of the Chinese Communist Party, which has also unreservedly condemned Portugal's colonialism.

I am sorry to see that Mr. Sreekanth Nair has railed at the idea of co-existence. What is co-existence? It is only that the various social systems should exist peacefully. Today, the American ruling classes say that you cannot live with Communism. 'Either you must crush Communism or you will have to go under it'—that is the cry with which they seek to delude the people. As against that, the theory propounded by the communist countries and accepted by every peace-loving man in every quarter of the world, including the United States, is that there may be capitalism and communism in different countries of the world, but there is no reason why they cannot live together. It is therefore that this co-existence theory has come into existence and it is a great thing that our country has accepted the theory. It means that all different social systems can exist and they exist as long as the people want them to exist. It is no business of one country to overthrow a social system which it does not like in another country. Therefore, this co-existence is only a rational, and not only a rational thing, but a moral thing and we pledge our

wholehearted support to this theory of co-existence. The only alternative to co-existence is co-destruction; the only alternative to co-existence is to perish in a senseless orgy of conflicts, and I think no peace-loving man, no man in his senses, would agree to such a condition. It may be a very good progressive idea, according to Mr. Sreekanth Nair, but it is not practical, it is not moral. The alternative to co-existence is aggression, reckless and senseless aggression, on every country, and if that is progress, that is at least not Marxism.

**Shri Venkataraman rose—**

**Mr. Chairman:** I think we have had sufficient discussion over this. There is no more time left. I therefore call upon the hon. Minister.

**The Prime Minister and Minister of External Affairs and Defence (Shri Jawaharlal Nehru):** I have had a feeling of unreality listening to some of the hon. Members who have been speaking on this Motion. Surely nobody here, not even that redoubtable champion of everything that is reactionary, Mr. V. G. Deshpande, in his solitary glory in this House, can maintain or think that we should not have undertaken this duty and responsibility in Indo-China, whatever else his views may be. Because it is well-known how we undertook it. There was no escape from it—not that I sought an escape; I do not mean to say that, I do not mean to imply that—but anyhow, there was no escape from it, and any attempt to escape from it would have led very probably to almost a collapse of the agreement at Geneva, with all its terrible and far-reaching consequences. No country dare take such a step, even if it happens to be profitable to it. Anyhow, we had functioned in this matter for sometime past, and if I may remind this House, early in this year I had put forward certain proposals in this House in regard to Indo-China. Later in this year, there was the Colombo Conference of some South East Asia

Prime Ministers, and at that Conference, more or less, those very proposals, which had been put forward in this House, were adopted in slightly different language. Later at the Geneva Conference, the decisions ultimately taken were remarkably like those proposals adopted at the Colombo Conference which itself had adopted what had been said in this House. So that our responsibility, necessarily and inevitably, grew because of all this. Something that we had put forward was recognised after hard debate and discussion as a right way of approach. I am not speaking about the large number of details and other matters settled but the broad approach was very much on the lines suggested in this House early this year.

Now, that again brought a certain responsibility to us, which we could not escape. Apart from that, when it is a question of serving the cause of peace—or, to put it negatively, serving the cause which avoids war easily—this House or this country will not hesitate as to the action that should be taken. It is a serious matter, this business of war and peace and although we may talk light-heartedly here in this House or elsewhere about it, it is a very serious matter, a matter which might well bring ruin to our generation all over the world. Therefore, we have to think very carefully and almost regardless of, if I may say so, our own prejudices and passions and party labels and all that because it is a matter which might well affect, certainly, the future of this country, the future of Asia and the future of the world. Therefore, one of the basic tenets of our policy has been to work for peace and it was a matter of great gratification to us that we could serve the cause of peace with regard to the Indo-China problem. I do not, for an instant, mean to imply that we did anything very wonderful. I do not mean to say that we brought about peace in Indo-China. That would be ridiculous exaggeration. All I say is that we laboured to that end; other people, other countries laboured to that end and, in a small measure, I

[Shri Jawaharlal Nehru]

think, we helped to that end. If the others did not labour and try hard, peace would not have come. I have previously, in this House, mentioned, this matter and offered our respectful congratulations to the other countries involved in this matter, who discussed for many weeks in Geneva these questions and came to the Geneva agreements in regard to Indo-China. Anyhow, it became inevitable that we should undertake this burden. What will come of it ultimately, I do not know. That is to say, we shall discharge our duty, of course; and although it is a complicated duty, in another sense, it is a simpler duty, simpler than the one we undertook in Korea. It does not raise that type of difficult problem where the parties concerned cannot come to an agreement at all, even about the preliminaries, even about the approach to the question. That is not so. We start in a better way in Indo-China. But, that does not mean that there are no difficulties ahead. We see difficulties ahead. The other day, hon. Members might have read—even recently—about developments in parts of Indo-China which show how new questions arise and new difficulties face—not us but the country itself. Anyhow, we shall go ahead with this task with such wisdom, patience and perseverance as we possess.

So far as the question of the allotment of money is concerned, as a matter of fact, this is not exactly expenditure which is going to fall upon us. It is going to be shared by the Geneva Powers. Certainly a small part is loaded upon us but that is going to be a very small part. Just as in Korea we paid the salaries of some of our senior officers—we paid our normal salaries and expenditure but the extra expenditure was met by the two parties, which shared this in half—so also, in this matter, this extra expenditure is going to be met by the Geneva Powers. So, really this is a question of advance payment, which will be largely paid back to us.

I believe an hon. Member criticised the personnel of our Delegations there. Now, it is rather difficult for me to defend individuals or groups whom we have sent. He particularly mentioned, I am told, a representative or rather an old representative of the Press Trust of India whom we had chosen. I can say—speaking with some knowledge of the person concerned—that that was one of our best choices and we are very pleased with that choice. It is not a question of our choosing somebody who was in the Press Trust of India at one time, but our choosing somebody who, to the best of our knowledge, could undertake this responsibility effectively and well. We chose him as an individual but not as representing any group.

We had to choose, apart from those three Chairmen, a number of alternate Chairmen and a number of other officials. Apart from the top people, most of these choices were made by committees appointed by us. I had no share in choosing them. I have enough work to do. Our military people chose. There was a military committee headed by our Secretary-General, a few top-ranking military officers and some other officers of the External Affairs Ministry. We had to do two kinds of choosing. One was in consultation with the Canadian and the Polish Delegation for some common officers of the Commission. That was done in consultation with them or with their officers. The other was for our own Commissions. It was done by this committee and, excepting the senior men whose names were referred to us, the rest was done by the committee. We may have to choose more people. The work seems to be for more people; if so, we will have to send them. It has been difficult to find all these people because there is no lack of people in India. But, it does require a special type of approach and experience, and we have to choose people. We tried to choose people sometimes who knew French; and there are not so many people who know that language. We are still

searching for good French interpreters and we are searching for them not only in India but the whole of Europe. It is not an easy matter. I am quite sure that the House will wish those people, our Chairmen, alternate Chairmen and the other staff who have gone to Indo-China, good fortune and good luck in their work and wish them success.

Mr. Chairman: I shall now put the cut motions.

*The cut motions were negatived.*

Mr. Chairman: Now, I will put the Demand to the House.

The question is:

"That a supplementary sum not exceeding Rs. 50,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st March, 1955, in respect of 'External Affairs'."

*The motion was adopted.*

**DEMAND No. 57—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF HOME AFFAIRS**

Mr. Chairman: Now, we will proceed to Demand No. 57. May I just know what are the cut motions that are going to be moved?

Shri M. S. Gurupadaswamy: No. 4 Sir

Shri Sivamurthi Swami: Nos. 21 and 22, Sir

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 7,38,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' "

**Working of the States Reorganisation Commission**

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 7,38,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' be reduced by Rs. 100 "

**Terms of Reference of State Reorganisation Commission**

Shri Sivamurthi Swami: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 7,38,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' be reduced by Rs. 100."

**Submission of interim report in respect of formation of Karnataka State**

Shri Sivamurthi Swami: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 7,38,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' be reduced by Rs. 100 "

Mr. Chairman: Cut motions moved:

(i) "That the demand for a supplementary grant of a sum not exceeding Rs. 7,38,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' be reduced by Rs. 100 "

(ii) "That the demand for a supplementary grant of a sum not exceeding Rs. 7,38,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' be reduced by Rs. 100."

[Mr. Chairman]

(iii) "That the demand for a supplementary grant of a sum not exceeding Rs. 7,38,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' be reduced by Rs. 100."

**Shri M. S. Gurupadaswamy:** Sir, I will not take much time of the House and I will be brief in my observations.

The States Reorganisation Commission has been working since some time. When the matter came up before the House and the hon. Leader of the House announced the terms of reference and the members of the Commission, he made one pertinent remark. He said that it may be possible for the Reorganisation Commission to submit an interim report and he left in us a feeling that there will be an interim report on certain States whose cases are very urgent. We, the Members on this side, believed that there will be such a thing as an interim report. Many Members also carried this information and spread the news in their constituencies saying that there is going to be an interim report in the matter of certain States in the South. For example, some Congress Members and some of us also said that there will be an interim report about the formation of Karnataka. The case of Karnataka was engaging the attention of the Government and all of us since long. When the Prime Minister made the statement on the floor of the House, the agitation was going on for the formation of Karnataka. There were so many arrests and other ugly incidents and at that time the Prime Minister's statement was such that it enkindled the hope in us that there is going to be an interim report on Karnataka, and Kerala if possible, within a period of 4 or 5 months and Karnataka will become a fact very soon. Some of us, when we went to tender evidence before the States Reorganisation Commission, naturally, raised this point before the members.

I, particularly, asked them whether it was a fact that they were going to submit an interim report. Some of them said that there was not going to be any interim report. When I asked them for the reason which stood in the way of their submitting an interim report, they said: "we do not believe in an interim report". One member replied very humorously and I must quote what he said. He said: "if at all the Commission is going to submit an interim report, it will be an interim report not to submit an interim report".

**The Minister of Home Affairs and States (Dr. Katju):** That means they will not submit an interim report. That was only a fair, and I think, effective way of saying it.

**Shri M. S. Gurupadaswamy:** Yes; that is a colourful or picturesque way of saying it.

**Dr. Katju:** It carries the meaning.

**Shri M. S. Gurupadaswamy:** I know that pleases Dr. Katju very much.

Sir, the Commission bestirred the hopes of many of us and now it has gone against us. It has gone against the very spirit with which the Prime Minister's statement was made. It is very unfortunate that the Commission has not taken the very sound opinions and advice of responsible sections of the public including, of course, this House.

The Commission wants to submit one comprehensive final report. They have almost finished their tour in South India. Unfortunately, some of the statements of the members of the Commission on public platforms and in private conversations are not such that.....

**Dr. Katju:** Sir, on a point of order. The members of the Commission are not here and I think it is not really fair to refer to their private conversations and all that.

**Shri M. S. Gurupadaswamy:** You are here.

**Mr. Chairman:** In fact, his reference is not so much to the private conversations as to the fact that they did not submit any interim report. This is only by the way.

**Dr. Katju:** But, he is referring and saying something about private conversations.

**Mr. Chairman:** That is just by the way

**Shri M. S. Gurupadaswamy:** Why do you anticipate? I have not said anything. I was going to say that the statements by the members—they are well-known, as they were said in the open on various platforms—are not very encouraging. They have been saying: "we have been asked by the Government of India to submit the report within a specific date and we are going to do it. That is all our business". Thereby their attitude seems to be to discourage the very idea of reorganisation of States. Some of the statements of one or two members, I think, are not at all wise. They were not at all called for and the members should have observed silence in fairness to the job that they are doing. I think they should not have expressed their opinions in the public and created controversies. Now, because of these statements of the members of the Commission, some of us are feeling that the report that is coming out from this Commission may not be the one that we are anticipating and it may not be the one that will be fair and impartial. Apart from that, I say that the Government should insist even now upon the Commission to submit an interim report regarding the formation of Karnataka. That is a very urgent demand and the Prime Minister's statement has already given a lead in this respect.

(MR. DEPUTY-SPEAKER *in the Chair*)

There is no harm if some sort of advice to that effect goes from the Government. I think it will create a different atmosphere altogether. It seems to me that now the atmosphere is not good. There is frustration in

the minds of so many. To create a proper atmosphere, it will be better that some States which are non-controversial or at least less controversial, may be organised and brought into existence after an interim report is submitted.

Sir, I learn from some source—I do not know how far it is true—that the matter of Hyderabad will not be settled by the Commission unless and until they know the mind of the Government. I got this information from a reliable source and if that is so, it is very unfortunate that you are limiting the scope of the enquiry. I think the Hyderabad question should be decided by the Commission. They should be allowed to have sufficient scope to advise the Government freely without in any way being hindered.

Finally, I say that the attitude of the Government seems to be more lukewarm than the Commission itself. This is really very bad. Particularly, the attitude of the hon. Home Minister seems to be very lukewarm and whenever he has gone round, he seems.....

**Mr. Deputy-Speaker:** The hon. Home Minister has always got a warm heart.

**Shri M. S. Gurupadaswamy:** A warm heart for something else, Sir, and not for this.

**Shri R. K. Chaudhuri (Gauhati):** What is that something else?

**Shri M. S. Gurupadaswamy:** Whenever he has gone, he has discouraged the idea of reorganisation. He has felt very glad whenever there was a little opposition against reorganisation of States.

**Dr. Katju:** Will you quote instances?

**Shri M. S. Gurupadaswamy:** Psychologically, the Home Minister has not made up his mind regarding this matter and is still in an unsettled mood. He has no open mind. On the other hand he has got a prejudice in this matter. So, I beg of him, it is

[Shri M. S. Gurupadaswamy]

very necessary and it will be good for him and all of us, if he makes up his mind in this matter and brings about the reorganisation of States as early as possible, at least before the next elections.

An Hon. Member: He has made up his mind against it already.

5 P.M.

श्री शिवमूर्ति स्वामी: उपाध्यक्ष महोदय यह जो डिमांड नम्बर ५९ हाउस की स्वीकृति के लिए पेश है . . . .

Shri Matthen: My friend, Mr. Gurupadaswamy said so much about linguistic distribution. The other side must also have a say and I do not want that side to go by default.

Mr. Deputy-Speaker: It appears that only half an hour has been fixed for this, out of which ten minutes has been taken by Mr. Gurupadaswamy. The hon. Minister should have ten minutes and out of the remaining ten minutes, I will allow two or three minutes each. How can I extend the time?

श्री शिवमूर्ति स्वामी: अभी गवर्नमेंट ने स्टेट्स रिआर्गनाइजेशन कमिशन मुकर्र किया है उसके बारे में सफा १८ पर एंसा लिखा है :

"The States Reorganisation Commission was set up towards the end of 1953 to examine the question of reorganisation of States of the Indian Union."

मैं समझता हूँ कि लिग्विस्टिक डिस्ट्रीब्यूशन के क्वेश्चन को एगजामिन करने के वास्ते कमेटी बिठा कर मुल्क का लाखाँ और करोड़ों रुपये खर्च करने की कोई जरूरत न थी। उस कमेटी को बाउडरी कमिशन की तौर पर बौंड व्यूज लेकर हैदराबाद को तकसीम करने के लिये अरली स्टैप्ड लेने चाहिए। कमिशन को हैदराबाद में चन्द दिन तक रह कर लोगों की आवाज

को सुनना चाहिये था लेकिन अफसोस है कि उसने नहीं सुना लेकिन मैसूर में चूंकि राजनीतिक स्वार्थ था इसलिये वहाँ पर आपका कमिशन हालाँकि बड़ा बिल्कुल अल्पमत है, महीने भर रहा और इसके लिये मैं हैदराबाद के लोगों की ओर से आपके सामने शिकायत करना चाहता हूँ।

दूसरी बात मैं यह रखना चाहता हूँ कि विशाल कर्नाटक प्रान्त के निर्माण के सम्बन्ध में जो उसकी सीमा आदि के बारे में आपके पास रूपरेखा है उसको भी इसी कमिशन को दे दिया जाय। यह तरीका कि पहले यह कमिशन एक रिपोर्ट देगा और उसके बाद फिर बाउडरी कमिशन बने और दीगर कमेटियाँ एपायन्ट की जाएँ यह मेरी समझ में बिल्कुल मुनासिब नहीं है और व्यर्थ में पैसा बर्बाद करना है और एक उचित और जायज मांग को टालना है, उचित यह होगा कि इसी कमिशन पर इस काम के लिए भरोसा किया जाय और वह बिना देर किये अपनी एक इंटीरिम रिपोर्ट विशाल कर्नाटक प्रान्त के बारे में सरकार को दे और सरकार अधिक विलम्ब किए बिना जनता की जो जोरदार मांग है और जिसके पीछे काफी शक्तिशाली जनता का मूवमेंट है उसका निर्माण करे। यह जो सरकार का रुख हो रहा है कि एक कमिशन के बाद दूसरा कमिशन बैठाया जाता है और फिर कमेटियों का निर्माण होता है और मिनिस्टर साहब एक जगह जाकर एक बात कहते हैं और दूसरी जगह बिल्कुल दूसरी ही बात कहते हैं, इससे लोगों में भ्रम फैलता है और उत्तेजना पैदा होती है और जनता का विश्वास सरकार में और उसके वायदों में कम होता जाता है और आज मैं समझता हूँ कि सरकार को इस भाषावार प्रान्तों के निर्माण को शीघ्र हल करना चाहिये, काफी दिनों से यह मामला चला आ रहा है और यह कमिशन इसके लिये आखिरी कमिशन हो।

अब समय आ पहुँचा है जब आपको सार्व दश भर में यह जो भाषावार प्रान्तों का निर्माण है और उनकी सीमाओं का निर्धारण करना है, इसको आपको आखिरी तौर पर हल करना है। इस दश पर अंगूजों ने जो राज्य किया तो उन्होंने दो, तीन भाषाओं को जमा करके एक एक प्रान्त बना कर हैदराबाद को एक शहर के नाम पर पूर स्टेट का नाम दे कर उन्होंने हुक्मत की। उन्होंने कोई बिल्कुल एक लड़ाई से या मिलेद्री से रूल किया हो, ऐसा सोचना एक गलतफहमी होगी, उन्होंने डिवाइड एन्ड रूल की पालिसी का सहारा लिया और हमारे ऊपर इतने दिनों तक राज्य किया। आज हमें उस चीज को मिटाना होगा और हमको भाषावार प्रश्न को उठाना पड़ेगा क्योंकि जनता की मांग की अवहेलना करना राष्ट्रीय सरकार को शोभा नहीं देता।

दूसरी बात यह है कि दक्षिण भारत का पूरा सवाल खत्म होगया हो, ऐसी बात नहीं है। बहुत से ऐसे बाउंड्रीज के सवाल हैं जिन पर एग्जामिन करने के लिये कमिशन को फिर जाना पड़ेगा। इसी तरह कर्नाटक के वह हिस्से जो उसमें मिलाये जाने चाहिये, जैसे शोलापुर का हिस्सा है जहां कि कन्नड़ बोली जाती है कर्नाटक में आना चाहिये। कमिशन को विशाल कर्नाटक के प्रश्न पर विचार करना होगा उसके पास इस सम्बन्ध में सैंकड़ों दरखास्तें आती पड़ी हैं कि भाषा की दृष्टि से ये भाग कर्नाटक में मिलाये जाने चाहिये और उसे जनता की भावनाओं का आदर करना चाहिये। आपने जो आंध्र का निर्माण किया उसके लिए आप मुबारकबाद के पात्र हैं लेकिन यह जो एक आपस में निरन्तर भगड़ा पड़ा करवाते हैं यह आपको उचित नहीं है। आपको इस भाषावार प्रान्तों के विभाजन के सम्बन्ध में साफ और स्पष्ट रीति से आचरण करना चाहिये। अगर आप समझते हैं कि भाषा के आधार पर प्रान्तों का बंटवारा नहीं

होना चाहिये, तो साफ साफ हिम्मत से कहिये कि हमें इसमें विश्वास नहीं और हमें ऐसे कमिशनों की जरूरत नहीं है। लेकिन जब आप एक नीति निर्धारित कर लेते हैं और पब्लिक के सामने ओपेनली डिक्लेयर कर लेते हैं और इस सिद्धान्त को मान लेते हैं तब उस नीति पर साफ तौर से आपको अमल करना चाहिये। आपका कमिशन जो बना है वह कर्नाटक के निर्माण के सम्बन्ध में गांव गांव में लोगों की राय जान सकता है कि वह इसका निर्माण चाहते हैं कि नहीं और मुझे पूरा विश्वास है कि फिफटी परसेंट से ज्यादा लोग इसके पक्ष में आयेंगे और जब ऐसी बात हो तो फिर आपको टालमटोल वाली नीति को छोड़ देना चाहिये, आखिर किसी एक बुनियादी उसूल पर तो आपको कायम रहना ही पड़ेगा। शोलापुर शहर को मिला कर दक्षिण का जितना भाग है वह सारा कर्नाटक का हिस्सा है और यह चीज साबित है और कमिशन स्वयं माँके पर जाकर अपने को सैट-सफाई नहीं कर सकता और मेरा निवेदन है कि यह कमिशन आखिरी कमिशन हो और वह विशाल कर्नाटक के निर्माण के सम्बन्ध में सरकार को बिना विलम्ब एक इंटीरिम रिपोर्ट दे और सरकार को उस पर भरोसा करके कर्नाटक के प्रश्न को अन्तिम तौर पर हल करना चाहिये, इस रिपोर्ट से कम से कम हैदराबाद को तत्कालीन करने में तो मदद मिलेगी और कर्नाटक को जो हैदराबाद के भाग मिलने चाहिये वह मिल सकेंगे। बस इस प्रार्थना के साथ मैं अपना भाषण समाप्त करता हूँ।

**Acharya Kripalani** (Bhagalpur cum Purnea): I am afraid this is a misconception of special committees and commissions. They are appointed only to delay the decisions.

**Mr. Deputy-Speaker:** Commissions are only intended to delay decisions—that is what Acharya Kripalani thinks.



बंदिश मुनीश्वर वत्त उपाध्याय (जिला प्रतापगढ़—पूर्व): उपाध्यक्ष महोदय, यह विषय जो आपके सामने हैं, इसमें बहुत से लोग तो बहुत दिनों से दिलचस्पी रखते हैं। दरअसल उनके सामने एक समस्या है, उस समस्या के हल करने के लिये वह अपनी तरकीबें सोचते रहे और उन्होंने देखा कि एक आंध्र का राज्य बन गया है। कुछ और भी राज्य बनने आवश्यक हैं, वह बनें और उनके लिये प्रयास करते रहें। लेकिन यह जो स्टेट रीआर्गनाइजेशन कमीशन नियुक्त हुआ उसके नियुक्त होजाने की वजह से जहां कहीं यह मर्ज नहीं था जहां कहीं यह रोग नहीं था, जहां ऐसी बंटवारे की भावनाएं नहीं थीं और जहां कोई इस रास्ते पर सोचता भी नहीं था कि हमारे यहां कोई विभाजन होना चाहिये अथवा हमको अलग होना चाहिये या इस राज्य से अलग होकर किसी दूसरे राज्य में मिलना चाहिये, वहां के लोगों ने भी इस दिशा में सोचना शुरू कर दिया....

आचार्य कृपालानी : जैसे उत्तरप्रदेश में ।

बंदिश मुनीश्वर वत्त उपाध्याय : नतीजा इसका यह हुआ कि न जाने कितने हजार प्रार्थनापत्र इस कमीशन के सामने आ गये। अभी हमारे किसी मंत्री ने कहा कि होम मिनिस्टर साहब जहां जाते हैं वह ऐसी राय जाहिर करते हैं, तो उनका ऐसा फलमाना सही है, वह राय वही जाहिर करते हैं जिस उद्देश्य से कि कमीशन बना था। यह नहीं कि किसी गांव का भगड़ा हो या परगने का भगड़ा हो तो वह भी बंटवारा कराने के लिये कमीशन को कहें, या किसी को किसी बजह से असन्तोष हो तो वह कहे कि मैं इस राज्य में नहीं रहना चाहता मैं दूसरे राज्य में जाना चाहता हूं, कमीशन ऐसी छोटी छोटी बातों के लिये नहीं बनाया गया था। जिसको देखिये वही दरल्वास्त देने लगा

कि वह अलग होना चाहता है और उस राज्य में शामिल होना चाहता है तो कुछ लोग कहते हैं कि हमारा एक बिल्कुल अलग राज्य ही बना दो। इस तरह का एक दीर्घत बालावरण पैदा हो गया। जिस उद्देश्य को लेकर यह कमीशन मुकर्रर किया गया है वह उद्देश्य कभी यह नहीं था कि इससे एक गदर सा चारों तरफ देश भर में मच जाय। मैं आपसे निवेदन करूंगा कि इस कमीशन की नियुक्ति से फायदा तो जो हुआ सो हुआ, मैं तो नहीं जानता कि उससे कुछ भी फायदा हुआ, मेरी समझ में तो इससे जरा भी लाभ नहीं हुआ, उल्टे इससे हानि ही हुई। देश में इस तरह की एक आपसी बैमनस्य और विभाजन की भावनाएं चारों ओर फैल गयीं और मेरी समझ में तो इसने हमारे देश का नुकसान ही किया। इस प्रकार हमारे कुछ मित्रों ने, विशेषकर श्री गुरुपादस्वामी जी ने एक आध जगह की बात कही, पहले से भी मैं इन बातों को सुनता आ रहा था। कहीं कहीं यह समस्याएँ थीं, आज आप ने कर्नाटक की बात बताई, हैदराबाद की बताई। हो सकता है कहीं पर ऐसी समस्याएँ हों, और उन को हल करने का प्रयास होना चाहिये, अगर कोई हल सम्भव हो। लेकिन हम समझ लें कि हम क्या करने जा रहे हैं, लोग समझने लगते हैं कि कमीशन के सामने दरल्वास्त देने दी और विभाजन हो जायगा, मेरी समझ में यह सरासर गलत चीज है और जैसा कि हमारे एक आध मित्रों ने कहा कि कमीशन के कुछ सदस्यों ने बात करने के दौरान में कुछ ऐसी बातें कह दीं जिस से लोग प्रोत्साहित हुए और समझे कि कमीशन के सदस्य तो हमारी बात सुनने जा ही रहे हैं, बंटवारा कर ही देंगे, इस राय का इजहार जो उन की तरफ से हुआ यह भी एक गलत चीज है। मल्ले ही लोगों ने गलत समझा

हो, उन को मिसअन्डरस्टैंडिंग हो गई हो, लेकिन इस तरह से देश में एक उथल पुथल सी मच गई और हमें उससे नुकसान पहुँचा।

आप ने जो कमिशन मुकर्रर किया है वह बंटवार के बारे में आज चाहे जो बातें कर रहे हों, लेकिन मेरी समझ में इस कमिशन का उद्देश्य क्या है यह हमारी सरकार को साफ बता देना चाहिये। हमारे होम मिनिस्टर साहब बताते रहे हैं, लेकिन कमिशन ने कोई बात इशारतन कह दी हो, कोई राय जाहिर कर दी हो, तो सभी लोगों को मालूम हो जाना चाहिये कि हमारा उद्देश्य कमिशन मुकर्रर करने का यह था। हमारा यह उद्देश्य कभी नहीं था कि वह जहाँ चाहे गांव, शहर या जिले का बंटवारा कर दे और अलग राज्य बनाने लगे।

मैं एक बात और निवेदन करूंगा। यह कमिशन तो पहले सन् १९५२ में ही मुकर्रर हो गया था। इस का पैसा तो वर्तमान बजट में आ जाना चाहिये था। यह इतने दिन तक क्यों नहीं आया? क्या इस की शक्ति मिनिस्टर साहब के दिमाग के अन्दर नहीं थी? यह तो पहले से ही उन के दिमाग के अन्दर मौजूद थी। क्या इसका ढाँचा उस समय निश्चित नहीं था?

मैं आप से निवेदन करना चाहूंगा कि इस कमिशन की नियुक्ति ने फायदा पहुँचाने के बजाय नुकसान ही पहुँचाया है।

**Shri Matthen:** Sir, I was listening very seriously and with all attention to my hon. friend Shri Gurupadaswamy on his attack on the Commission and also on the expatiation of his grievance that the Commission has not given an interim report. I may at once tell my hon. friend that with me the national interest of the country comes first, and I am against the sectional, fissiparous interest which my hon. friend Mr. Gurupada-

swamy is advocating. I stand for the National Unity Platform to which I have the honour to belong.

I am sorry to say that my hon. friend and other hon. Members who followed him, do not seem to understand, do not seem to realise, that the world is becoming smaller and smaller. It is time that they realise that India is one and indivisible and that we developed a national unity. To appeal to the sentiment of the people for this fissiparous, linguistic distribution of the provinces, is suicidal.

Our infant democracy is faced with innumerable problems, the foremost of which at the moment is the unemployment problem. This agitation is not going to solve these problems. Let us therefore concentrate on the solution of these problems. The unemployment problem, if it is not properly tackled in time, will finish your States before they are reorganised. But I am sorry, my friends do not seem to realise this. In their eagerness to further this sectional, linguistic agitation, they forget the mischief and the complications that they are inviting.

**Shri M. S. Gurupadaswamy:** On a point of order, Sir: the Linguistic Commission has been established and has been functioning for some time now. Government are committed to the policy of reorganisation of States. Is it now relevant, is it in order, to question the very idea, which has already been accepted?

**Mr. Deputy-Speaker:** This House is entitled to go into any matter of policy. If this matter had come up before the House, at the time of the last Budget Session, the House would have had an opportunity to go into it. This is a new service and hon. Members are fully entitled to express their opinion, that the Government was right or wrong in appointing this Commission, as if it was part of the

[Mr. Deputy-Speaker]

original Budget. So, there is no point of order.

**Shri Matthen:** I was recently in Belgaum with a few Members of this House. I was told that an M.P. for advocating Belgaum to be a part of the Maratha State at a meeting had to go back under police escort! If that is the state of affairs in one small town, imagine the potential trouble in the whole of the country. A Member of this House who till recently was an advocate of Tiruvella from Kerala told me that he has changed his views. There are hundreds of people in this House like him who are definitely against the distribution of the country on a linguistic basis.

In the end, I would like to say one word to the Home Minister. I come from a State which is full of landless people, who are unemployed. Our population is about 1/40th of the whole of India. Our poverty is double that of any other State of the corresponding size. Sir, it is a very small State. My request to the Home Minister is to get some of our landless people, who are first-class agriculturists, settled somewhere...

**Mr. Deputy-Speaker:** Is all this relevant?

**Shri Matthen:** He has sent some of them to Andamans at my request. I want him to treat them more liberally. At least 10,000 families should be settled elsewhere. They will produce more.

**Mr. Deputy-Speaker:** We are not in the general discussion of the Budget.

**Dr. Katju:** I welcome you most heartily to Madhya Bharat.

**Shri Thanu Pillai (Tirunelveli):** Sir, while supporting the demand I would like to make some observations. About linguistic states much has been said. The Commission has been appointed and we all await their report. Is it proper for us just to surmise what they would do and what they would not do? There was an

accusation that Government had instructed them to slow down their pace, or to give their opinion, one way or the other. It is a question of confidence in the Government and what they have done. Of course, the Opposition is free to hold any opinion they like. But they must be responsible for what they say.

I would submit that the agitation for reorganisation of States, or their distribution on a linguistic basis could have been stopped if responsible people in the States had conducted themselves properly. If the majority, where they are ruling, had not shown that fanaticism, or that communalism, the minority resistance would not have been there and there would not have been the cry for linguistic States.

I had recently been to the State of Travancore-Cochin. But for the haste with which certain people in that State had started the agitation, and the Government's repression the unfortunate happenings in that State would not have happened. The Central Government is loaded with the responsibility of reorganisation without the authority of controlling law and order situation there.

What is happening in this country today? All sorts of fissiparous tendencies are there; there is cry for "Tamilnad", for "Kerala". What is the reason? It is not that all Tamilians are for "Tamilnad", all Malayalees are for "Aikya Kerala". They have differences among themselves. But where does this cry come from? It is a cry of a few interested people for maintaining their leadership. Rightly or wrongly, they are going to have their way because of the ignorance of the people. Each leader wants to become a Raja of each linguistic State. I for one am for a united India as strong, and equal to any other in this world.

I have for some time been feeling that what we have been doing in this Central Parliament is not the right way. We have now been there for

three years. Though I do not look that, I am forty-seven years old. You cannot expect me to go about learning a new language, and understand it. I have been requesting and pleading with my friends to bear with us for sometime about this Hindi question and to go slow. We are the supporters of the cause of Hindi in the South. Strengthen our hands by your slowness and by your moderation. But what do I find? I have to have a peon with me to go to the Government offices here. Previously I could go by myself because of the English boards that were there. I may tell you that I am like a blind man with my eyes open. Why this haste? Why this hurry? Are we against it? against Hindi?

**Mr. Deputy-Speaker:** Are we against reorganisation?

**Shri Thanu Pillai:** It is part of the Home Ministry's affair. Languages do come in like this. When we go there we have to support the cause of unity....

**Shri M. S. Gurupadaswamy:** Join the unity platform and say....

**Shri Thanu Pillai:** We know what to say and what not to say in the unity platform. Unity is essential; but it is being hindered by communalists and linguistic fanatics—either the national language fanaticism or the State language fanaticism. It is fanaticism, whoever does it; and we are opposed only to that. The common words both in Sanskrit and Tamil are being removed by some fanatics in South as reaction to the Hindi fanaticism in the north. This is what is happening in Tamil areas in Travancore State; it is again fanaticism. The Home Ministry, to be really effective and to afford real unity should be given certain discretionary powers. Because when I plead with the Central Government authorities, they say that it is a State affair; what can we do? Our people are simply harassed and they allow more and more widows to be created by some unilateral action of a police officer. We took it to the leaders of

the Congress Party and they say that they have no power here. We are unable to do anything. Our Ministers feel that because it is the P.S.P. Government, if something is said harsh about them the P.S. Party might object to it as partisan view.

**Mr. Deputy-Speaker:** How does that all arise?

**Shri Thanu Pillai:** There is discord and difficulty; what we want is result....

**Mr. Deputy-Speaker:** Let us not go into the action of the State Government over which we have no control.

**Shri Thanu Pillai:** That is my difficulty. You do not have any authority but you have responsibility of reorganisation: the Centre has got responsibility. That is why that tendency is allowed to grow—the majority, minority tendencies and the communal differences are developing fast. If it goes beyond an extent where you can never cover it, it will never be set right. Who is responsible for that? What will the Central Government do? What do they propose to do? I have seen it for myself and I do not convey the stories given by somebody. With my own eyes I have seen people who have suffered, who have been beaten and they have not got any help. Even the other organisations are afraid of coming out and where there was no movement or trouble, I saw police vans going about and doing all sorts of terrorism and all that. I know the difficulties and limitations of the Central Government but something must be done.

**Shri A. M. Thomas:** On a point of order, Sir.....

**Mr. Deputy-Speaker:** Hon. Member is suggesting that the Reorganisation Commission should be clothed with police powers....

**Shri Thanu Pillai:** What I am suggesting is that the Central Government must have some authority where there are such difficulties, so that this

[Shri Thanu Pillai]

may not develop into something unbridgeable. The Central Government must have some discretionary authority to interfere even in State affairs of law and order where necessary.

**Shri Achuthan** (Crangannur): Sir, Shri Gurupadaswamy who was Secretary of the ex-P.S.P. Group here.....

**Shri M. S. Gurupadaswamy**: Even now.

**Shri Achuthan**: The papers say some other larger group has been formed and some other Secretary has been selected. He spoke, when the question of Reorganisation Commission came in under a supplementary demand. He began by saying that the Reorganisation Commission has not sent any interim report and there was no great hope of the final conclusion being acceptable to him.....(*Interruptions.*) Mr. Gurupadaswamy has not dealt with this question in a statesmanlike manner.

**Shri A. M. Thomas**: Do you expect that statesmanship from them?

**Shri Achuthan**: If he had some idea of statesmanship he would have spoken in a different way; not to create wild emotions in this country when we require a co-ordinated plan for the whole India, not for the South alone nor for the Karnataka nor Kerala. Let our leaders keep quiet for some time; that is my request to them. Let us keep quiet. Let the commission ponder over the matter. It is made difficult to approach the country; to contact the people because all the leaders are crying Vishala Andhra, Samyukta Karnataka, Maharashtra and Maha Gujarat and so on. The common man is not concerned with it. Even in the State of Travancore-Cochin to which Mr. Thanu Pillai referred, the common man does not consider about the question of going into the Tamil area or to some other part of the country; they are simply concerned with their progress and their amity and friendship and they have a love for all. But the

leaders create trouble—the so-called leaders.

Can you imagine that a section of the people in India say that we want deliverance? That was the type of slogan used and the poor innocent people were.....

**Mr. Deputy-Speaker**: Deliverance from whom?

**Shri Achuthan**: Deliverance from whom? I do not know. I can understand salvation from birth, or stoppage from birth. But here—deliverance from where? Are they crossing the Arabian Sea or the Indian Ocean? I appeal to my Tamil friends: Malayalam and Tamil, so to say, are just like mother and daughter or elder and younger sister. There was practically not great difference between them. I can understand Tamil; they can understand Malayalam—it is not like Malayalam and Hindi or Hindi and Telugu. I appeal to the Tamil Members of this House: do not create trouble. Let poor and innocent people live there. In fact there was practically no question of linguistic fanaticism in Travancore-Cochin. During the last elections—some six months ago—some parties tried this slogan but the common man said no; we do not want to create trouble. Let the parties who want to take up this question drop this idea and Malayalees would not be worried by this linguism. I appeal to the leaders—there are a number of such leaders and I cannot name them here—let them direct their attention to some constructive work. Let the Reorganisation Commission ponder over this question for two years or one year. The time does not matter and let us have the expert report which will show how the country is to be reorganised or the states redrawn. It must be on scientific basis having taken into consideration the language, the administrative convenience and all the other relevant questions so that in a calm atmosphere people can say and think that I am an

Indian and this country must be efficiently administered. I appeal once again to my Tamil friends: 'Do not be afraid of people in Travancore-Cochin; the Tamils there will be as happy as other Tamils'.

**Dr. Rama Rao (Kakinada):** Just now, on hearing Mr. Achuthan saying that the common people never want these linguistic States; it is only the leaders that are taking up this trouble, I am just reminded—I am a little older than Mr. Achuthan—of the movement in those days.....

**Shri Achuthan:** They are not mad after it.

**Dr. Rama Rao:** It was like the British saying that the leaders—Gandhi, Motilal Nehru and others—only were agitating and the people of India were absolutely satisfied; "they do not want anything other than the benevolent British Government; it is these unemployed leaders that want to create trouble". I am just reminded of that thing. I must remind my young friend that it had been the Congress policy for decades to establish linguistic States and suddenly now we find in our Congress Members the cry.....

**Shri Matthen:** I beg to differ.

**Dr. Rama Rao:** It is rather strange to find people from Congress benches saying that it is not the common man who is interested or desirous of forming linguistic States.....

**Shri Achuthan:** What I meant to say was this: do not give undue importance to this.

**Dr. Rama Rao:** The expression used is 'fissiparous tendencies'. I had occasion to mention the same thing before. This is not fissiparous tendency but it is the urge from the people to come together. Take for instance the Karnatak. A small portion in Hyderabad, a minority portion in Bombay, and a very insignificant portion in Madras State, and of course there is Mysore State, all these parts want to come together and form one

Karnataka State. Do you call it a fissiparous tendency? Can you ignore the urge of language? As long as the Central Government want to postpone, delay, use every tactics which the British used before and want to postpone facing this issue, they will be creating trouble, as there has been trouble in Travancore-Cochin and there will be more trouble elsewhere. There is no use trying to close your eyes. Face it squarely and not by appointing commissions which are meant to delay the issue. The only thing that the Central Government should do is to appoint one or more Boundary Commissions. Lay down general principles, whether they apply to Travancore-Cochin, Kerala and Tamil Nad, or Tamil Nad and Andhra, or Andhra and Karnataka, for everything lay down general principles. Take every village as a unit. Those villages in which there are majority people belonging to the other portion, transfer those villages. Instead of laying down certain broad, fundamental principles and appointing boundary commissions the Central Government appoints delaying Commissions, so that they can postpone the thing and create bad blood and situations of the kind that Mr. Matthen mentioned instead of solving them quickly.

This is a big issue. You cannot ignore it. I am sorry the hon. Minister of Home Affairs said when we were asking for Andhra, "We do not want small States like that".

**Mr. Deputy-Speaker:** He was the sponsor of the Andhra Bill.

**Dr. Rama Rao:** They fought for it. But recently, as has been reported, when he was in the south the question of a separate Telengana State was put to him by a few Congress Members; not that it has general Congress support, but a few Congress Members in the Hyderabad Assembly have started the slogan of separate Telengana State so that they can sabotage the question of Visala Andhra; and then they had the mighty support of Dr. Katju, "yes, they could

[Dr. Rama Rao]

have a separate Telengana State if they want it". This is the mischievous step they want to take, divide and sabotage ideas. This sort of thing cannot go on. People will not tolerate it. The only honest, straightforward step for the Central Government will be to face the issue properly, establish Boundary Commissions and solve the question once for all.

**Dr. Katju:** I confess that I heard some of the speeches with some surprise. The motion was that there should be a cut of Rs. 100. To discuss what? It did not appear.

In so far as the commission itself was concerned it was appointed by an announcement made exactly nine months ago. There was ample opportunity to the House to discuss this question and to question the wisdom of the appointment of a commission or that the matter should be decided piecemeal and so on and so forth. At that time there was no discussion. The House knows that eighteen months' time was given to the commission to present their report. The announcement was made on the 29th December, 1953, and the last date that has been given is the 30th June, 1955. Today we are almost exactly half way distance. In the announcement it was said in so many words that if the commission so desired, if they so choose they might submit one or more interim reports. My hon. friend referred to the observations, privately made or made publicly, by the commission, and said the commission by delaying is really multiplying trouble and so on and so forth.

I think it ought to be known that this commission has not only been exceedingly active in its business—I should like to pay a tribute to the members of the commission for the great industry with which they have applied themselves to their work—but just consider what had happened. My hon. friend who is not here just now.

referred to the enormous memoranda which have been submitted and the enormous interviews which have been allowed. It came to me as a surprise. Up till now, till I received the report, over 33,200 representations have been received by the commission, and I imagine that several thousands more will be received by the time that it finishes its work and sits down to compile its report. And it has already interviewed more than 3,600 people.

What is the task? As I said, it is all entirely in the discretion of the commission to take up the job, to submit reports, final report or compartmental reports. It is for them. As a matter of fact, in a matter of this kind, enormously vital to the country, enormously important to the country, in the national life, eighteen months is a matter of no consequence. Nine months have expired. The commission may do so. Suppose they do submit a report it means another six months. It is neither here nor there. What is the task? The task is before the commission not only to advise whether a particular State in the south or whether a particular State in the north should be set up or should not be set up. The task, I imagine the Prime Minister said in his announcement, and we have said this, the task is a most onerous one that can be described to be taken for the first time in our history, namely to recast the map of the whole of India. If they choose, if they think it necessary, for reaching conclusions, it is open to them to say instead of putting compartmental proposals let us see how the shape of India will take itself, what will be the shape of things to come, all the geography to come, and they might also say how will one recommendation made in the South affect our recommendations made in the North. I do not want to speculate upon the working of the minds of the commission. I am not in their confidence, in this way that I never asked them—it would be grossly improper, imprudent, on my part—“how is your mind working; have you

made up your mind about this?" While my hon. friend was speaking he reminded me forcibly of the words of profound judicial wisdom which are reported to have been said by one senior experienced judge to a colleague of his who was junior to him. He said: make up your mind quickly, but disclose it slowly, slowly, slowly. May be that this commission which consists of very experienced people—the Chairman has been a Judge of great repute, of the other two Members, one has been our distinguished Ambassador who has been engaged throughout India on most important work and the third one is a leader of public opinion who has served this country for the last forty or forty-five years—they may have made up their mind. I do not know whether they have or they have not; some of them may have, some of them may not have. And they may like to consider that the best judicial wisdom consists in this that even though you might have made up your mind you may change it before you deliver your judgment, some other material may come before you and therefore you keep an opportunity to yourself.

I really cannot appreciate this complaint. I did not want to go into this matter. My hon. friend has tempted me greatly. He has been quoting me, my speeches. I do not know where I delivered them. I shall keep mum. But if people come to me, in Mysore or Hyderabad or Travancore, or somewhere else in the U.P., I say something. Do you know what I say? I say "go to the commission, it is their job". When my hon. friend put some questions about me I wondered 'where do I come in this cut motion? I am not a member of the commission'. But he said "well, the hon. the Home Minister has been going round and saying things, he must make up his mind". Do you know when I started making up my mind? In 1950. Since then, I have been always revising and reviewing. Today, if you ask me, I have a settled opinion. It may not be so tomorrow or the day after. That is a different matter. I may change my

opinion. Every one of us has got some definite opinion upon this question. Individual opinion is one thing. Collective opinion of the country is still more difficult. Collective representative opinion of the country is a different matter. We have got to consider all these matters. I imagine that when the Commission does make its report, probably all these 37,000 representations will also be available to us. I expect that my hon. friend who is very industrious will read all the 37,000 representations and see for himself as to how public opinion is moving, in what direction it is moving and what should be done. There is no time now. I go everywhere; I go to Karnataka. Even now, could the hon. Member tell me what Karnataka wants? I go to Maharashtra. I do not know what Maharashtra wants: whether they want one thing or two things. I also read the newspapers. Everybody says what he likes. It is a very difficult job for the commission. I think it is desirable, it is fair, it is only just to them—they are working very hard—that we should not say anything which might make their task more difficult and more onerous. We should really extend our sympathy to them. They are handling a most responsible task, a task which will affect generations of Indians to come: 100 years, 200 years. We want our Republic to live and in glory. What we decide on the basis of this Commission's report will have far-reaching effects upon our welfare. Therefore, please be tender to them. Give them assistance; if I may say so, don't make it difficult by asking the Commission to do this or the other.

Please remember—this is my last sentence—nine months may appear to you to be something very great. In an individual's history, nine months is a long period. But, in a nation's history, what is that? What do you gain by an interim report in October? You will have to discuss it. Therefore, let us have a complete picture of the Commission's views before us. They will give very good reasons. I think the report will be a fairly long report.



[Dr. Katju]

This Parliament will have to consider it; the whole country will have to consider it. Probably, the Government will be flooded with comments on the report. Then, we will come to a decision. That decision, whatever it is, will be taken—Government is determined upon it—before the next general election takes place. We will have to take the responsibility for giving effect to our decision. What time remains before the next general election? Two and a half years. I am only saying as to what I consider is the proper course. It all depends, again, on the report of the Commission. We will have to take the important decision in the course of 12 or 18 months. There is no question of hurry in this matter. That is all I have to say.

**Mr. Deputy-Speaker:** I shall now put the cut motions.

*The cut motions were negatived.*

**Mr. Deputy-Speaker:** I shall now put the Demand. The question is:

"That a supplementary sum not exceeding Rs. 7,38,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs'."

*The motion was adopted.*

**Mr. Deputy-Speaker:** We now go to Demand No. 83A.

**Shri Tulsidas:** May I point out, Sir, there are Demands 34, 38, 46 and 47? They have not been voted. There are also cut motions there.

**Mr. Deputy-Speaker:** Demands 46 and 47: have they not been called?

**Shri Tulsidas:** From 23, we went to 57.

**Mr. Deputy-Speaker:** We shall now take up 38, 46 and 47.

# DEMAND NO. 38—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FINANCE

**Mr. Deputy-Speaker:** Motion is:

"That a supplementary sum not exceeding Rs. 9,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance'."

**Madhao Reddy:** absent. I shall put the demand to the House. The question is:

"That a supplementary sum not exceeding Rs. 9,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance'."

*The motion was adopted.*

# DEMAND NO. 46—CIVIL VETERINARY SERVICES

**Mr. Deputy-Speaker:** Motion is:

"That a supplementary sum not exceeding Rs. 5,05,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Civil Veterinary Services'."

**Shri T. B. Vittal Rao:** How much time, Sir?

**Mr. Deputy-Speaker:** Ten minutes.

**Shri Kelappan (Ponnani):** I have Sir, tabled my cut motion just to have some doubts cleared. I find that out of the sum of Rs. 5 lakhs asked for by the Ministry, about Rs. 3 lakhs is to provide veterinary training facilities for 115 extra students. We are told that there is a serious shortage of veterinary doctors. I do not

know if it is really so. I know, as a matter of fact, that there are veterinary doctors who are unemployed and who have been trying for employment without success.

**Shri T. B. Vittal Rao:** There is no quorum.

**Pandit Thakur Das Bhargava:** We have got enough time tomorrow: one hour for questions, 2½ hours for the motions, a half-an-hour discussion. There is plenty of time. If there is no quorum let us adjourn now.

**Mr. Deputy-Speaker:** Let us sit till 6 o'clock. Tomorrow, some hon. Members may like to speak.

**Shri T. B. Vittal Rao:** Government should put in their full force to pass these Demands.

**Mr. Deputy-Speaker:** Hon. Members are coming. The hon. Member may go on with his speech in the meanwhile.

**Shri Kelappan:** I was saying that there are veterinary doctors who are unemployed and who have been unsuccessfully trying for employment. One serious problem that the Government has to face is the unemployment of the educated, including technically qualified personnel. Even if there is a shortage of veterinary doctors, it has to be ascertained whether it is due to lack of interest in this branch of study or the lack of accommodation in the existing veterinary colleges. If it be the former and if the colleges are not working in their full strength, what is wanted is inducement by scholarships etc., to attract more students. If there are not enough colleges to train up the required personnel, I would suggest that a State without a veterinary college is induced to start one by grant, subsidy or loan. So, one should like to know how many graduates and other categories of veterinarians are annually sent out of colleges and whether all of them usually find employment. If Hyderabad and Punjab have already got veterinary colleges, I should wish

that this amount goes to some State without a college for starting one immediately. That is my suggestion.

**The Minister of Agriculture (Dr. P. S. Deshmukh):** I may at once inform my hon. friend that if he has any names of persons who are veterinary doctors and qualified persons but are still unemployed, I can guarantee them employment. There are many States which are in need of such people. This shortage has suddenly arisen as a result of the community projects and national extension services. Because of our idea to help the expansion of these activities and to intensify them, we have been suddenly short of the necessary personnel. If it is accepted that we are in need for these people anybody who is seeking service will get it. The question arises how many people we are likely to require and what is the best method of getting them at the earliest possible moment. That is the question. My friend has suggested that there are many States which are without any veterinary colleges. Now, what we have done is a sort of interim measure. We do not ordinarily encourage double shifts in any colleges, but the urgency of the problem was so great that this was the only way to expedite the increased availability of these persons. That was the reason why we emphasised this proposal and wrote to the States to have double shifts instead of establishing new colleges. I am sure the need will be growing from year to year and if it is not in this Five Year Plan, in the next Five Year Plan we will have to contemplate establishment of new colleges also. But in the year and a half of the first Five Year Plan that remains it would be difficult for us, with the urgency of the demand for veterinary personnel, to establish new colleges and wait for its graduates to be trained. That is the reason why we have proposed to them double shifts instead of starting of new colleges.

I may also inform my friend that new colleges are also not slow to

[Dr. P. S. Deshmukh]

come up. For instance, there are at least one or two colleges which have already come up, and others are in the offing. Assam has got a veterinary college. I have seen it, and the Central Government is also trying to give them some equipment and some encouragement.

So, I do not think there is any other point except this. I agree with my friend that in some of the colleges we are not attracting as many students as we should. The reason is that there is no sufficient remuneration and the salaries and pays are not lucrative enough to attract young men. This is one of the things, to which the Central Government's attention has been drawn and we are trying our best. But we cannot do anything directly and so we try to persuade the State Governments to give them attractive salaries. The point made by my hon. friend is thus known to us, and we are trying to persuade the State Governments to give to these people, whose duties are of a different nature from the others, some better terms so that not only more people will go to the colleges, but we will also make good the deficiency in this personnel.

That is all I have to say.

**Mr. Deputy-Speaker:** It is not a cut motion. Only the hon. Member wanted some information. Now, therefore, I shall put the demand to the vote of the House.

**The question is:**

"That a supplementary sum not exceeding Rs. 5,05,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Civil Veterinary Services'."

*The motion was adopted.*

**DEMAND NO. 47—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FOOD AND AGRICULTURE.**

**Mr. Deputy-Speaker:** Motion is:

"That a supplementary sum not exceeding Rs. 10,70,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture'."

I am afraid the cut motion of Shri Tulsidas, No. 20, is out of order. The hon. Member wants a discussion of the policy of the export of sugar in 1952 resulting in less production and insufficiency of supply. The demand consists of two items—Rs. 8,47,000 and Rs. 2,23,000. On account of the reduction in controlled price, a sum of Rs. 2.08 crores had to be paid as compensation to sugar factories, out of which Rs. 1.94 crores were already paid before 31st March, 1954. Therefore, they came under discussion; they were included in the Budget, whether discussed or not. Therefore, we are not entering into the policy now regarding that matter. Whatever is sought to be raised could have been raised during the Budget debate.

Then, regarding the other item, whatever policy was accepted in this year's Budget involving liability over a period of years, that policy also ought not to be discussed now in a supplementary demand. In this connection, the memorandum explains:

"A provision of Rs. 3,50,000 was made during the financial year 1953-54 for payment of compensation on export of about 6,316 tons of sugar during 1952-53 as a result of Government's decision to release sugar for export at a reduced price, the reduction being not more than Rs. 2 per maund. Out of this sum only

Rs. 53,304 could be paid upto the 31st March, 1955, as the question of admissibility of the pending claims could not be finalised by that date.

"A sum of Rs. 2.23 lakhs is now required to be paid during the current financial year. The expenditure is covered by the additional excise duty levied under the Sugar (Temporary Additional Excise Duty) Act, 1953; since discontinued.

No provision for these amounts could be made in the current year's budget estimates as delay in payment of the amounts was not anticipated."

Therefore, in respect of these amounts which were paid from 1952-53 there were more than three opportunities for hon. Members to discuss the policy in the several Budgets. I am afraid discussion of this policy also at this stage is out of order.

**Shri T. B. Vittal Rao:** We can oppose it.

**Mr. Deputy-Speaker:** Hon. Members may do anything, they can vote against the demand. Certainly, they can oppose the demand, but not on this ground.

The question is:

"That a supplementary sum not exceeding Rs. 10,70,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture'."

*The motion was adopted.*

DEMAND NO. 83A—GOVERNMENT COLLIERIES

**Mr. Deputy-Speaker:** Motion is:

"That a supplementary sum not exceeding Rs. 4,36,13,000 be

granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Government Collieries'."

There is a cut motion by Mr. Vittal Rao.

**Shri T. B. Vittal Rao:** I think it is better we take Demand No. 132 also.

**Mr. Deputy-Speaker:** Along with this? Very well.

DEMAND NO. 132—CAPITAL OUTLAY OF THE MINISTRY OF PRODUCTION

**Mr. Deputy-Speaker:** Motion is:

"That a supplementary sum not exceeding Rs. 2,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Capital Outlay of the Ministry of Production'."

Now we shall take up the cut motions for both demands together.

*Method followed in computing cost of coal in Government Collieries*

**Shri T. B. Vittal Rao:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 4,36,13,000 in respect of 'Government Collieries' be reduced by Rs. 100."

*Retrenchment in Government Collieries*

**Shri T. B. Vittal Rao:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,000 in respect of 'Capital Outlay of the Ministry of Production' be reduced by Rs. 100."

*Living and working conditions of workers in Government Collieries*

**Shri T. B. Vittal Rao:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,000 in respect of 'Capital Outlay of the Ministry of Production' be reduced by Rs. 100."

*Slow progress made by pilot-project of lignite mines, South Arcot*

**Shri T. B. Vittal Rao:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,000 in respect of 'Capital Outlay of the Ministry of Production' be reduced by Rs. 100."

**Mr. Deputy-Speaker:** The only remaining cut motion is Mr. Amjad Ali's. He is not here.

**Shri T. B. Vittal Rao:** He is here.

**Mr. Deputy-Speaker:** Does he want to move his cut motion? His cut motion relates to establishment of industries in the Public Sector in Assam. Cut motion No. 33.

**The Minister of Production (Shri K. C. Reddy):** I submit it is out of order.

**Mr. Deputy-Speaker:** That relates to policy generally, is it? Why is it out of order?

**Shri K. C. Reddy:** Because this demand relates to Capital Outlay of

the Ministry of Production for certain items specifically, but the hon. Member wants to raise by this cut motion a discussion regarding the establishment of certain industries in Assam.

**Mr. Deputy-Speaker:** Not covered by the supplementary grants?

**Shri K. C. Reddy:** It seems to me that it is not covered, but it is left to the Chair to give a ruling.

**Mr. Deputy-Speaker:** Hon. Members with all the zeal at their command must place their points before the Chair. If he is himself doubtful, what can I do?

**Shri K. C. Reddy:** I am willing to speak on the subject if the cut motion is moved. I do not want to stand in the way of the hon. Member.

**Mr. Deputy-Speaker:** But I cannot open this up as a general debate. I am afraid the hon. Member has nothing more to say. Mr. Amjad Ali's cut motion is out of order.

Mr. Vittal Rao.

**Shri T. B. Vittal Rao:** Mr. Deputy-Speaker, Sir...

**Mr. Deputy-Speaker:** The hon. Member may continue tomorrow. The House will now adjourn and reassemble at 11 A.M.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, the 28th September, 1954.*