

I have not much more to say. I shall again assure hon. Members that the claims and cases of all the areas which were put forward here and even those areas whose cases have not been placed before the House will be considered, but the progress will depend upon the availability of funds and materials.

Mr. Deputy-Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the third column of the Order Paper 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, 1957, in respect of the following Demands entered in the second column thereof:

Demand Nos. 2, 3, 9 and 20."

The motion was adopted.

[The motions for Demands for supplementary Grants (Railways) which were adopted by the Lok Sabha are reproduced below.—Ed.]

DEMAND NO. 2—MISCELLANEOUS EXPENDITURE

"That a supplementary sum not exceeding Rs. 1,000 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, 1957, in respect of 'Miscellaneous Expenditure'."

DEMAND NO. 3—PAYMENTS TO WORKED LINES AND OTHERS

"That a supplementary sum not exceeding Rs. 10,38,000 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, 1957, in respect of 'Payments to Worked Lines and Others'."

DEMAND NO. 9—ORDINARY WORKING EXPENSES—MISCELLANEOUS EXPENSES

"That a supplementary sum not exceeding Rs. 63,38,000 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, 1957, in respect of 'Ordinary Working Expenses—Miscellaneous Expenses'."

DEMAND NO. 20—APPROPRIATION TO DEVELOPMENT FUND

"That a supplementary sum not exceeding Rs. 3,95,63,000 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, 1957, in respect of 'Appropriation to Development Fund'."

DEMANDS FOR SUPPLEMENTARY GRANTS,* 1956-57

Mr. Deputy-Speaker: Now we take up the Supplementary Demands for Grants for 1956-57 and Demands for Excess Grants for 1952-53. The time available for both these items is three hours. May I know how we should apportion the time between these two items—2 hours and 1 hour or 2½ hours and ½ hour? Any suggestions that any hon. Members might like to make?

Shri Nambiar (Mayuram): Most of the Members are at their lunch tables.

Mr. Deputy-Speaker: Yes, let us proceed and then see.

The Minister of Railways and Transport (Shri Jagjivan Ram): It should not take three hours.

Mr. Deputy-Speaker: All right. If we finish earlier, that is good. First we take up the Supplementary Demands. May I know the hon. Members who would like to participate in this?

Shri Kamath (Hoshangabad): May be in one or another, not in all.

Mr. Deputy-Speaker: Yes, in either.

Shri Kamath and Shri Nambiar: rose.

*Moved with the recommendation of the President.

Mr. Deputy-Speaker: The Demand Nos. are 1, 12, 23, 31, 34, 37, 47, 76, 89, 91 and 104, 123, 135, 145. There is one cut motion I learn tabled by Shri Ramachandra Reddi, but he is not present. So that finishes the matter.

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): So, it may be passed.

Mr. Deputy-Speaker: I think we might take these Demands one by one and if any hon. Member wants to speak on a particular Demand, he can do so.

Shri Namblar: Better put the whole lot together.

Pandit Thakur Das Bhargava (Gurgaon): Better one by one.

DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 2,81,000 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, 1957 in respect of 'Ministry of Commerce and Industry'."

Would any hon. Member like to speak on Demand No. 1? No.

The question is:

"That a supplementary sum not exceeding Rs. 2,81,000 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, 1957, in respect of 'Ministry of Commerce and Industry'."

The motion was adopted.

Mr. Deputy-Speaker: Demand No. 9 is a charged item. We can have a discussion if hon. Members want to speak on it, though it would not be

voted upon. Does anybody want to speak? No.

DEMAND NO. 12—DEFENCE SERVICES—EFFECTIVE ARMY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 5,67,12,000 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, 1957, in respect of 'Defence Services—Effective—Army'."

Shri M. C. Shah: Demand No. 15 also concerns Defence Services.

Mr. Deputy-Speaker: Demand No. 15 is also a charged item.

Shri Kamath: I shall confine my remarks to Demand No. 12. It would appear from the elaborate foot-note on pages 6 and 7 of the booklet that there is something radically wrong with the manner in which contracts are placed by Government for various supplies or services, with contractors. There are four or five cases here, but I would stress only one transaction in this long list of four or five which have been included in this foot-note.

I would invite your attention to para. (c) of the foot-note on page 7, which reads as follows:

"A supply order for 40,000 maunds of hay was placed....."
—making hay while the sun shines, I believe—

"....On a contractor for supply by 30th November, 1948 Up to December, 1948, supplies to the extent of about 7,500 maunds were accepted, after which the supply was stopped. The contractor claimed compensation for certain losses suffered by him on account of alleged breach of the terms of the agreement by the Government in failing to accept the stocks brought by him at the delivery point, and stopping the supplies after December, 1948 without notice...."

Now follows the interesting part, or rather the fishy part of the whole affairs.

"The allegations were found to be incorrect by the court of enquiry."

The court of enquiry must have been instituted by Government, naturally by the Ministry.

"The Government, however, offered a sum of Rs. 30,000....."

After finding that the allegations were baseless, and after accepting this finding that the allegations were baseless and incorrect,

"The Government, however, offered....."

that is, the Government offered an *ex gratia* payment of Rs. 30,000 to this contractor.

I would like to know who this favourite contractor was. I suppose his name need not be concealed, because he is not a sort of protected person, I believe, as in the case of income-tax matters. Though the court of enquiry found that the allegations were baseless, yet Government were prepared to advance to that contractor an *ex gratia* payment of Rs. 30,000. That contractor seems to have been a favourite of Government. I would like the Minister to tell us who that favourite contractor was.

Then come the further interesting developments in this case. The contractor did not accept the payment. He refused the *ex gratia* payment. He did not accept the mercy. He did not want the favours of Government. He did not accept the offer, and finally he sued Government in the High Court claiming Rs. 2.4 lakhs. Ultimately, the case was decided for Rs. 1.82 lakhs in his favour.

The Government court of enquiry had found that there was no substance in the allegations, that the allegations were baseless. But the High Court found that Rs. 1.82 lakhs was due to him, and they decreed in his favour. Further on, what did Government do?

Having been pushed into a corner by the High Court, Government said, 'We shall pay you even more than Rs. 30,000. We would have paid you only Rs. 30,000 formerly, but now we shall pay you Rs. 1.45 lakhs.' The court of enquiry had found the entire thing baseless. We would like to know who the members of this court of enquiry were and whether they went into the matter carefully or carelessly, and how they found these allegations to be baseless, when the High Court has subsequently found them to be true and had decreed in favour of the contractor. Then, Government come forward and say, 'All right, we cannot pay you Rs. 1.82 lakhs, but we shall pay you Rs. 1.45 lakhs', that is, more than what they were prepared to pay after the court of enquiry had given its finding. I would, therefore, like the Minister to enlighten this House on these points.

Mr. Deputy-Speaker: When the High Court had given its decision, where was the effect of the court of enquiry's conclusion?

Shri Kamath: I want to know why the court of enquiry came into this conclusion, and how it came to this conclusion.

Mr. Deputy-Speaker: The court of enquiry might have been a departmental one consisting of somebody appointed by the Ministry.

Shri Kamath: That means it must have been inefficient or incompetent.

Mr. Deputy-Speaker: But, suppose there was a mistake on their part.

Shri Kamath: The court of enquiry must have been inefficient. I am prepared to say that it was an incompetent and inefficient court of enquiry, which did not go into the matter completely. It just dabbled, and perhaps it dealt with this matter in a careless manner.

I would like the Minister to tell us the name of that contractor and not conceal his name in public interest. We would like to know who that

[Shri Kamath]

contractor was, who was about to be treated as a favourite, because in spite of the court of enquiry having given its finding against him, Government were prepared to pay him an *ex gratia* payment of Rs. 30,000.

Mr. Deputy-Speaker: But subsequent events show that he was not being favoured. Rather, it was the other way about.

Shri Kamath: I am talking of the first part of the episode. Even though the court of enquiry had given a finding against him, Government were prepared to pay him an *ex gratia* payment. I am referring to this part of the episode. On this score, I want the name of the contractor to be disclosed. I want to know why in spite of the finding of the court of enquiry, Government were prepared to pay him a sum of Rs. 30,000.

Mr. Deputy-Speaker: Would Government not have gained if the contractor had accepted it? They would have gained certainly if the sum of Rs. 30,000 had been accepted by the contractor.

Shri Kamath: I am glad you have made this point and helped me in my argument. The contractor felt he was in the right and Government were in the wrong.

Mr. Deputy-Speaker: If he had accepted this Rs. 30,000 then Government would have.....

Shri Kamath: But he refused. If I were in his position, I would have refused this paltry sum of Rs. 30,000. He refused to receive this amount, and later on the High Court found in his favour.

Mr. Deputy-Speaker: Would the hon. Member have blamed Government, if the contractor had accepted that amount?

Shri Kamath: I blame Government because the court of enquiry found against the contractor and yet Government—I am referring to that stage, and not to the High Court stage—

were prepared to pay him, *ex gratia* a sum of Rs. 30,000 in spite of the adverse finding of the court of enquiry. Why was it that the court of enquiry had given its finding in that manner while the High Court had decided the other way? I think Government have not gone to the Supreme Court yet in this case; perhaps they have not the guts to go to the Supreme Court. There are other contracts also referred to in this footnote, but I do not want to refer to them because of lack of time.

But, here is a sort of instance where Government favoured and acted, and how finally when they were concerned by the High court, they had to make good the claim ultimately. I want the Minister to throw light on these points that I have raised in regard to this particular matter, and not conceal the names in the public interest, as he is wont to.

Shri Namblar: In addition to the points already referred to by my hon. friend Shri Kamath, I would like to know these 40,000 maunds of hay, which were contracted for in the beginning were given up after the supply of 7,500 maunds. After all, the officials responsible for entering into this contract should have known that they were in need of 40,000 maunds. So, the indent must have been there. When they must have known that they were in need of it, they must also have known that if after entering into the contract and after they had accepted 7,500 maunds they were to stop the supply, they would be liable for compensation. Even this elementary knowledge has not been there on the part of the officials responsible for this contract. Otherwise, why did they stop the further supplies under the contract?

My second point is this. When once the supplies are stopped and the contract is put an end to, then it is up to them to see that the matter is settled properly, and they should not go to the extent of going to the court where they have to pay the cost also.

So, it is clear that there was a bungling on the part of the officials who were responsible for having entered into this contract. The officials had sanctioned it, and here we are asked to sanction the amount for the bungling of these officials and vote for this amount, while the officials responsible are allowed to go scot-free. They are going astray; we cannot allow that.

Besides asking us to sanction this amount, because we are bound by the judgment of the High Court, the Minister must also assure us that the officials responsible will be dealt with, that enquiries will be conducted and they will be punished. Otherwise there is no meaning in squandering away public money as and when the officials responsible like it.

Therefore, I want a categorical assurance from the Minister that he will deal with the officials so that the persons who had committed the mistake may be punished and future mistakes may not be repeated in the same manner.

Pandit Thakur Das Bhargava: I have gone through this case, No. (c) as it appears from the record. But I am rather surprised at the reasoning or the criticism advanced by my friends.

In the first place, Shri Kamath, who himself has been a Magistrate and a Civil Judge and all that, takes exception to this fact that one court came to one conclusion and the High Court came to another conclusion, and therefore, the first court should be sacked.

Shri Kamath: I have never said that; he is putting words into my mouth which I did not utter.

Pandit Thakur Das Bhargava: He said the first court may have bungled. What does it mean?

Shri Kamath: He is bungling.

Pandit Thakur Das Bhargava: Unless and until we know the circumstances, how can he come to this conclusion? He does not know the circumstances. First of all, he wants the facts. Before knowing them, why should he come to the conclusion that there was bungling?

Mr. Deputy-Speaker: We should not bungle now.

Shri Kamath: A big lawyer is bungling.

Mr. Deputy-Speaker: It is a matter of opinion.

Pandit Thakur Das Bhargava: The question about the court of inquiry is a rather delicate question. The officials making the inquiry are not here. We do not know how they behaved.

So far as I am concerned, I am used to the sort of language at his hand. He is capable of saying that I have bungled or done any thing like that.

That only shows how he behaves. That does not mean that my argument is wrong. In the first instance, it appears that the supply was to be made to the extent of 40,000 maunds, of which 7,500 maunds were accepted. Then there was some dispute. There may be many kinds of dispute. I can only conjecture what the dispute could have been. It might have relevance to the quality of the hay supplied or there might have been dispute about some of the relevant matter. So in some manner a dispute did arise and there was a difference of opinion. The contractor claimed that as a matter of fact the Government were not justified in stopping to receive supply. But it is written here that this allegation was incorrect. We do not know the circumstances. At the same time, we know that even officers take a good view. They might have thought that this man had been put to great loss and they offered him Rs. 30,000 as *ex-gratia* payment. There is nothing unusual, nothing new, if an officer of the Government thinks that a contractor is really not to blame, but would suffer a great loss for no fault of his. If Government offered Rs. 30,000 by way of *ex-gratia* compensation, they did the right thing. But even then, the man was not satisfied. He went to the High Court. Then the High Court decided that this man was entitled to Rs. 1.82 lakhs.

After this, all criticism should be stopped. After all, the decree of the High Court was the final word.

[Pandit Thakur Das Bhargava]

Whoever might have bungled or not bungled, when the High Court decided this, there the matter ended. But again we find that the officials did a very good thing. They came to a compromise with the contractor and they had to pay Rs. 1.45 lakhs only.

Shri Kamath: Only?

Pandit Thakur Das Bhargava: Only, because Government would have had to pay Rs. 1.82 lakhs if the decree of the High Court had to be executed. So this compromise was very good for the exchequer. I do not find anything wrong in this. On the contrary, so far as this contract is concerned, I am satisfied that the Government's officers behaved decently. The matter went to court. The court decided rightly. Afterwards a compromise was arrived at.

In regard to the other matters also—the subject-matter of items (i), (ii) (iii),—I have examined the cases and I am very much satisfied that the right decision was taken and every care was taken by the officers of the Government to see that money was rightly saved or spent.

In regard to (d), I have one remark to make. It says:

"The additional provision is required to make payment for purchases of certain Defence Stores. Stores and Supplies from abroad decided upon during the course of the year".

I never expected that any details of these stores would be found here. I do not want that those details should be given. At the same time, it is very difficult for us to appreciate what these things were, whether they were necessary or not, how they were decided upon and so on. But I would say one thing; at least so far as this House is concerned, if the Government, at the present juncture, want to spend any money, this House should be ready to sanction any amount that they want for defence stores etc. Though the details are not given here,

I still think that the right thing must have been done. I support this Demand.

The Deputy Minister of Defence (Sardar Majithia): There is really nothing very much for me to say after my hon. friend, Pandit Thakur Das Bhargava, has explained the case. It is true that this contractor did supply the hay and we found later on—that, due to changing conditions of the operations in Kashmir, we did not want any more hay, and therefore, it was stopped.

So far as the Demand is concerned, you yourself have very rightly observed that the court of inquiry was held and after that, the High Court decided that Government owed the contractor Rs. 1,82,000. It was the officials who took the initiative after that and settled the case with the contractor for Rs. 1,45,000, thus showing some gain to the Government. Therefore, I think the officials should be congratulated on that.

As has been pointed out, the court of inquiry was held, and I do maintain that they were quite honest about it. But certain other things were brought to light by the contractor later on in the High Court which originally he did not bring out. Therefore, I take it the High Court rightly took the decision that this extra amount was payable, and so it was paid.

Besides this, there has been no other criticism. I do not want to go into this any further, but will only assure the House that the amount spent on getting certain material from abroad, which is to the tune of Rs. 5,67,12,000, has been spent with the full knowledge about its need and urgency. We all know about it. I need not say anything more than that. Pakistan, due to the American aid, gained certain war material and we have to do our best with the limited resources. I am very glad that the House does appreciate it and does see the reasonableness of the Demand. I hope the House will pass it.

Shri Nambiar: On a point of clarification. He said that because the situation in the Kashmir area improved, there was no necessity for the continued supply of hay and, therefore, they had to stop it. That was the excuse offered. If that is so, the anticipation was wrong. Then what was the necessity for a court of inquiry to say whether compensation was to be paid or not? If it was a question of no further supply of hay being needed, that could very well have been anticipated. That should have formed part of the contract. Such things actually happen. Therefore, it is not exactly that that might have stood in the way of full supply. Hence, it requires further clarification. If the Minister will be pleased, let us have full facts because this involves a big amount. His argument is not convincing.

Mr. Deputy-Speaker: He said that the course of operations changed and then the hay was not required.

Sardar Majithia: Yes.

Mr. Deputy-Speaker: Who could anticipate that the course of operations would change? I hope the hon. Member will appreciate that one cannot anticipate it.

Shri Nambiar: In such cases, usually there will be a clause in the contract to the effect that in case such and such things happen, further supply will not be received. This is a normal procedure in contracts. So that alone cannot be the reason.

Pandit Thakur Das Bhargava: It could never have been anticipated when the war was going to stop.

Mr. Deputy-Speaker: The whole thing was not in our hands. The other party's acts must also have their effect.

The question is:

"That a supplementary sum not exceeding Rs. 5,67,12,000 be granted to the President to defray the charges which will come in course of payment during the year end-

ing the 31st day of March, 1957, in respect of Defence Services-Effective-Army".

The motion was adopted.

DEMAND NO. 23—EXTERNAL AFFAIRS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 5,51,000 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, 1957, in respect of 'External Affairs'".

Shri Kamath: The informative footnote on page 10 tells us that the additional requirements are due to payment of arrear bills for furniture purchased for the Ambassador's residence in Peking last year, advance rent for two years for the residence of the Head of the Indian Mission at Phnom Penh—I do not know how to pronounce this; the Minister might help me.

Shri Nambiar: Some place.

Shri Kamath: I will leave it at that; I won't pronounce it.

Mr. Deputy-Speaker: Everybody has read it and understood it.

Shri Kamath: 'Purchase of additional furniture for officers and staff serving in....'

Mr. Deputy-Speaker: The Minister may also feel the same difficulty.

Shri Kamath: I entirely agree.

Shri Nambiar: Then you can only say.

Mr. Deputy-Speaker: I am suffering from the same handicap.

Shri Kamath: We are all in the same boat.

"Purchase of additional furniture for officers and staff serving in Indian Missions at ~~Dacca~~ and Colombo following liberalisation of the scale; and

[Shri Kamath]

(d) the decision to send supplies of medical stores, blankets, textiles, tea etc., in token of India's sympathy with the sufferers in Egypt and Hungary."

The last is the best to which we can take no exception. No one in this House will take exception to that. However, as regards (d), I would like the Minister to tell us as to how much was sent to Egypt and how much to Hungary. There must be separate accounts also with regard to these. If possible I would like to know the cost involved in this relief afforded to Egypt and Hungary separately.

Coming to item (a), it is somewhat mystifying in the sense that it refers to the payment of certain arrear bills for furniture purchased for the Ambassador's residence in Peking last year. I am not trying to be very finickili or punctuous about details; but as the tax payer's money is spent, we must be very careful, as Mahatma Gandhi used to say. This Government must account for every single pie of public money that is spent. I do not know whether they are animated by that spirit now.

Shri Namblar: All forgotten.

Shri Kamath: I hope they will be mindful in future if not at present.

Acharya Kripalani (Bhagalpur cum Purnea): There will be no pie but naya paisa.

Shri Kamath: It is said, in Peaking last year. It may mean 1955-56 or 1956-57. Whatever it is, some previous year. It says, 'purchased last year for the Abassador's residence'. We have had Ambassadors in Peking I suppose, since 1950. The first Ambassador was, I think Shri Panikkar.....

Shri Namblar: Shri Panikkar and many others.

Shri Kamath: And Shri Raghavan and perhaps now we have got Shri Nehru. I would like to know whether this necessity for additional furniture was realised only after Shri Nehru took office at Peking and whether his predecessors could manage with the furniture that they had; and, if so, how much money was spent on (a). I do not know whether details are given separately. I would like to know how much money was spent especially by Shri Nehru after he became Ambassador. (Interruption). My friend Acharya Kripalani says....

Mr. Deputy-Speaker: It was for furniture and nothing for Shri Nehru.

Shri Kamath: For the Ambassador's furniture.

Mr. Deputy-Speaker: Embassy furniture; the Ambassador might have also utilised part of it.

Shri Kamath: I do not speak of Shri Nehru as such; I say Shri Nehru as Ambassador—after he became Ambassador at Peking. I do not want to go into personal matters; I never do it. Therefore, I would like to know how much furniture the previous Ambassadors got or managed with in the Embassy when they were holding this post, this exalted office and why this extra furniture was deemed necessary and at what cost it was purchased. I shall be grateful if the hon. Minister furnishes all these details. But he may say that he wants notice as usual and that is a very easy way of escape, to avoid questions now. But we would be deprived of very valuable information; the next Parliament may take it up.

The Minister of Agriculture (Dr. P. S. Deshmukh): But we are going to be deprived of your presence.

Shri Kamath: I will come back all right. Last time also, after the first General Election the Deputy-Speaker said, 'You are not coming back'. But I did come back. Not you, Sir.

Mr. Deputy-Speaker: I won't say like that.

Shri Kamath: Not you, Sir, but the then Deputy-Speaker, in 1952.

I do not want to go into item (b); there is not much in that.

Item (c) again refers to the purchase of additional furniture for officers and staff serving in Indian Missions at Dacca and Colombo following liberalisation of the scale. There is no mention of liberalisation of scales in (a). I could have understood it if that also contained this phrase at the end. Apparently, there was no liberalisation so far as Peking was concerned. But there is reference to liberalisation in regard to Dacca and Colombo.

Mr. Deputy-Speaker: There is no mention of 'additional furniture' at (a) but only 'furniture'. In (c), it is 'additional furniture'.

Shri Kamath: I am grateful to you for the light you have thrown on this.

Mr Deputy-Speaker: I do not know whether it is light or darkness.

Shri Kamath: When it comes from you it is light but when it comes from the Treasury Benches it is darkness.

I would also like the Minister to tell us in regard to (c) what was the extent of liberalisation of scales, and whether it was only for Dacca and Colombo or also for other Embassies or Missions of our country abroad. If so, what was the liberalisation of scales as compared to the previous scales. I won't dwell on this point but.....

Mr. Deputy-Speaker: The hon. Member should also be mindful of the hands of the clock moving.

Shri Kamath: I am mindful of both the hands. I would look forward to the information to be vouchsafed to the House either by the Finance Minister or any of his colleagues.

Shri D. C. Sharma (Hoshiarpur): Mr. Deputy-Speaker: Sir, I am afraid the speech of the hon. Member who preceded me has pursued a line which I do not think is very legitimate. We have to look upon our Embassies as

institutions and not in terms of Ambassadors—Ambassador A, or Ambassador B or Ambassador C. For instance, take this Lok Sabha. The Lok Sabha has been growing; it has been expanding; it has been giving us more amenities; it has been giving us more service; it has been doing many things. If we were to come here and say that we have spent so much more money for the furniture of the Lok Sabha and we have spent so much more money for printing all these things, somebody may say that this was not done when Mr. A was the Speaker or when Mr. B was the Speaker. I think that will be not the right kind of criticism. Therefore, we have to look upon these Embassies, whether at Peking or anywhere else in terms not of Mr. A or Mr. B. We must look upon the Embassy as such whether Mr. A is the Ambassador or B is the Ambassador or C is the Ambassador. The Embassy will last. Therefore we must look upon this Embassy as also other Embassies in terms of institutions which render service to India, which are the custodians of the interests of India abroad; and as India grows our Embassies will also grow.

Acharya Kripalani: Furniture also will grow.

Shri D. C. Sharma: I am sure my hon. friend knows that an institution does not consist only of men but of so many other things also. It consists of furniture also. I think it consists of so many items, and if only one item has been brought before us at this time, it does not mean that the money has been wasted and that the money has been given to satisfy the whims of one ambassador or another. I do not think this is the right way of looking at the thing. The right way to look at the thing is this, namely, that we established an embassy at Peking and that the embassy has been growing as our country has been growing in importance. Our needs have grown and so have the needs of our embassies abroad. I think this is

[Shri D. C. Sharma:

true not only of this particular embassy but also other embassies; the needs of the embassies naturally grow with the growing importance of our country and they are of various kinds, in terms of personnel, in terms of sumptuary allowance and such other things. Since those needs have grown, we have to incur this extra expenditure.

I would say just one thing. When I went to Turkey, I saw the Indian embassy there and I can assure you that by looking at the Indian embassy, there, I could never say that our External Affairs Ministry was treating our embassies in an extravagant manner. I would say that they were not treated even generously but that we are treating them in the most economical manner. Looking at so many other embassies over there, I came to the conclusion that our embassy was not a very good one in this respect because the embassies of other countries, which are even smaller, incur more expenditure on this account. Therefore, it is not right to look at it from that point of view.

Again, it has been asked why the furniture has been provided at Dacca and Colombo and not in other places. If the furniture had been purchased for other missions also, my friend who preceded me would have brought the roof of this House down.

Shri Kamath: I cannot do that.

Shri D. C. Sharma: You would like to do that, but you cannot do that.

Shri Kamath: Neither wish nor can.

Shri D. C. Sharma: I know that, but what can I do? I was talking metaphorically, but this gentleman takes me literally. What I was saying is that these two missions have their own needs and, therefore, those needs have been satisfied.

Mr. Deputy-Speaker: There was a reference that it was on account of liberalisation of the scales and, therefore, an objection was taken. What

the causes were for this liberalisation is not known. That is what the hon. Member wants.

Shri D. C. Sharma: There has been a liberalisation of scales of pay and of other things. Sometimes these missions might have been upgraded, and when a mission is upgraded, its needs are also increased. That may be the key.

Mr. Deputy-Speaker: Why should we not hear it from the hon. Minister? Why should we take hypothetical answers?

Shri D. C. Sharma: So far as medical stores, blankets, textiles, etc., in token of India's sympathy with the sufferers in Egypt and Hungary are concerned, I think it is a very wrong thing to ask questions as to how much of it has gone to Egypt and how much to Hungary, because after all we have made this gesture on humanitarian grounds and when we are doing this gesture on humanitarian grounds, you should not go into the arithmetic of the case on the floor of the House. I think it should remain as a good and generous gesture and we should not try to look into it from the arithmetical point of view.

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): In regard to the amount of Rs. 2½ lakhs for supply of medical stores, blankets, textiles, tea etc. in token of India's sympathy with the sufferers in Egypt and Hungary, originally we were prepared to go up to Rs. 5 lakhs, but the Finance Ministry initially sanctioned Rs. 2½ lakhs—we have not got the accounts yet. The accounts will be available shortly and the entire money has been very nearly spent. I cannot even now say precisely as to what the proportion is between Egypt and Hungary, but it may be slightly more in the case of Hungary than in the case of Egypt. We have better facilities to send them to Hungary than we have in the case of Egypt. The nature of the commodities required by the two countries also has a bearing on

the cost of supplies. All that I can tell my hon. friend is that it is not a question of asking for notice, but it is merely a question of accounts being compiled and I would like to tell him that the money has been well and usefully spent. I do not think we paid more than what was actually necessary; in fact, I would say that we have got these commodities much cheaper because of the purpose for which they were intended.

In regard to the item of furniture, I am grateful to my hon. friend, Shri Sharma, for high-lighting the fact that our embassies abroad are not in any sense luxuriously furnished or maintained. In fact, I have not got the same opportunity of going abroad as some of my hon. friends have, but on the occasions I have gone abroad, I have seen our embassies and I must say that they are rather poorly furnished. In terms of the cost of furniture even in Delhi, the hon. Member would have realised that the total amount for the three embassies, that is, a sum of about Rs. 1,85,000, is not very considerable. I am told that if you want to furnish one or two houses, it will cost about Rs. 60,000 to Rs. 70,000. Naturally one would like our ambassadors' offices to be furnished somewhat decently, not in a grandiose style, but somewhat decently. I would give the break-up of the expenditure in respect of two or three embassies. The expenditure on the High Commission in Dacca is round about Rs. 50,000; on the High Commission in Colombo Rs. 77,000; on the Embassy in Peking Rs. 60,000. Naturally accounts will be available to us in due course. As a matter of fact, it will be audited by the Auditor-General, and I would like to tell my hon. friend that I am not particularly liberal; at any rate, I have got precisely bad reputation, even in the short time of my office, of not being liberal in these matters. We have only given such grants as are absolutely necessary in order to maintain the embassies in an average, decent standard, not even extraordinary, decent standard.

If my hon. friend wants more information to be given to the House in order to substantiate this expenditure, all that I can say is that we have done nothing more than what we do in the Budget, which the House is going to sanction again in the near future. We have to wait for the final accounts in order to tell the House how it has been spent. The final expenditure and accounts are not yet available, and all that I can do at the present moment is to assure the hon. Member that the grants that have been made have been made on conditions which border on austerity standards, not on liberal standards.

Shri Kamath: Not liberalised? May I ask for a clarification? About the first item, is Rs. 80,000 austerity?

Shri T. T. Krishnamachari: It is Rs. 60,000. The point is what you get for it. If you are getting 120 pieces, it may be even austerity.

Mr. Deputy-Speaker: The question is:

"That a supplementary sum not exceeding Rs. 5,51,000 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, 1957, in respect of 'External Affairs'."

The motion was adopted.

Mr. Deputy-Speaker: Let us now take up the Ministry of Finance, Demands Nos. 31, 34, 37 and 123. These four may be taken up together.

DEMAND NO. 31—STAMPS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 4,36,000 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, 1957, in respect of 'Stamps'."

DEMAND NO. 34—CURRENCY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 19,26,000 be granted

[Mr. Deputy-Speaker]

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957 in respect of 'Currency'."

DEMAND NO. 37—SUPERANNUATION ALLOWANCES AND PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 16,00,000 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, 1957, in respect of 'Superannuation Allowances and Pensions'."

DEMAND NO. 123—COMMUTED VALUE OF PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 6,78,000 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, 1957, in respect of 'Commutated Value of Pensions'."

Shri Namablar: About Demand No. 31, the foot-note says that the additional expenditure is on account of printing of ballot papers and seals for the General Election. Was that not contemplated earlier? Why was this additional expenditure suddenly found out to the extent of Rs. 4,36,000? The foot-note says that in view of the urgency of the work, the Press was required to work overtime and night shifts had to be introduced during the later half of the year, etc., etc. I want to know whether the Government did not anticipate the elections during February-March of this year or they thought that the elections could be put off for one more year. What was the exact emergency which was suddenly created which the Government could not anticipate earlier. There is something fishy about it, and if the hon. Minister could explain it, it would be good.

15 hrs.

Shri T. T. Krishnamachari: It is not that we were unaware of the fact that there was going to be election. But, we could not very precisely estimate the quantum of ballot papers, seals and other things because we did not have the information from the Election Commission. So, there was no provision in the Budget and that is why we are asking for it.

If my hon. friend says that provision should have been made in the Budget or at least a token grant of Re. 1 should have been in the Budget and then we could have come out with a Supplementary Grant, I think that my hon. friend is right. Procedurally, I plead guilty to the charge. We should have anticipated this expenditure and provided for it. But, purely on grounds of merit, my hon. friend will agree that this is a valid expenditure and therefore, I hope he will agree to sanction it.

Mr. Deputy-Speaker: The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the order paper be granted to the President to defray the charges which come in course of payment during the year ending the 31st day of March, 1957, in respect of the following demands entered in the second column thereof:

Demand Nos. 31, 34, 37 and 123."

The motion was adopted.

[The motions for Demands for Supplementary Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND NO. 31—STAMPS

"That a supplementary sum not exceeding Rs. 4,36,000 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, 1957, in respect of 'Stamps'."

DEMAND NO. 34—CURRENCY

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 19,26,000 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, 1957, in respect of 'Currency'."

DEMAND NO. 37—SUPERANNUATION ALLOWANCES AND PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 16,00,000 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 1957, in respect of 'Superannuation Allowances and Pensions'."

DEMAND NO.—123—COMMUTED VALUE OF PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 6,78,000 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, 1957, in respect of 'Commutated Value of Pensions'."

DEMAND NO. 47—MINISTRY OF HEALTH

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 93,000 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, 1957, in respect of 'Ministry of Health'."

Shri Kamath: Sir, this demand raises several points and issues which are of topical importance. The jaundice epidemic which ravaged Delhi some-time ago has recurred in this particular demand. I would invite....

Mr. . . . Deputy-Speaker: Jaundice should not be invited.

Shri Kamath: I am only inviting your attention and not jaundice. The foot note says:

"The increase is due to the appointment of additional officers

and staff and consequent increase in contingent charges such as purchase of cycles typewriters furniture, telephones, etc. following the expansion of the activities of the Ministry....."

I do not mind that. But, further, it goes on to say:

"The increase in work is mainly attributable to (i) the immediate need for implementing the recommendations of the Jaundice Enquiry Committee....."

I would like to know from the hon. Minister as to what progress has been achieved so far. I believe it was appointed sometime last year. It is now almost a year since the Committee reported. The recommendations have been before the Government for quite a few months. I would like the hon. Minister to tell the House about the progress that has been made so far in the implementation of the recommendations of the Committee so that the citizens of this capital may be reassured that there is no apprehension in future of any outbreak of a similar epidemic and similar yellow fever on a large-scale in the capital.

The second item which refers to the settlement of legal and administrative problems concerning the clearance of slums, on a top priority basis, is rather intriguing. I would, therefore, ask the hon. Minister to be rather careful and attentive to what the House says, from this side particularly. So far as I can recollect, the Prime Minister once said that the only effective way to tackle the problem of slums was to burn them. You must burn down the slums. In Bombay, and again in Delhi he said that. I do not think he meant it seriously or that it is the deliberate view of the Government. It is his personal view and if he has his way, he would burn down the slums in Bombay as well as in Delhi. But, the Government, I suppose, does not agree with the Prime Minister in this respect and is handling this matter in another manner.

[Shri Kamath]

Now, this foot note refers to the legal and administrative problems. I am rather puzzled at this phraseology here. What are these problems and how are they going to be settled? The Minister would do well to throw some light on this particular aspect of the matter. What progress has been achieved as it has been given top priority? We can appreciate the matter only then. I do not wish to say anything about the other two items. These are the two main matters which I would like the Minister to deal with.

Shri T. T. Krishnamachari: About the progress of work done to prevent an epidemic like jaundice breaking out, I may tell the hon. Member that the subject comes up again, as it would, in a few days when the Demands for grants are taken up. I promise I will ask my colleague to let him have a note on this and he will have another opportunity to discuss on that note.

But, in regard to the other expenditure, I would like to submit to the House that it is valid expenditure because of various schemes that have been mentioned here, all of which necessitated some additional staff.

On the question of slums, I am glad that my hon. friend does accept that the statement made by the Prime Minister was indicative of the fact that something urgent ought to be done. I can tell him that I am deeply conscious of the fact that something has to be done. We propose to do something about it in future. So, I am sure he will be satisfied with the assurance that this problem of slums is a thing which is going to engage the serious attention of the Government in the ensuing years. On the question of administrative and legal problems, I am sure my hon. friend, who, I suppose, is a good lawyer having been a Magistrate, as Pandit Thakur Das Bhargava mentioned.....

Shri Kamath: I am not a lawyer.

Shri T. T. Krishnamachari:..... knows that in the question of slum clearance, various legal problems

arise in regard to ownership, easement and various other things and these have got to be studied so that one can evaluate what the final cost would be. There must be a certain amount of what you may call legal scrutiny into these problems. That is what exactly is mentioned here. I am sure that my colleague would furnish further information in the course of the Demands for her Ministry that we may take up either at the end of this week or early next week.

Mr. Deputy-Speaker: The question is:

"That a supplementary sum not exceeding Rs. 93,000 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, 1957, in respect of 'Ministry of Health'."

The Motion was adopted.

Mr. Deputy-Speaker: Now, we will take up Demand No. 76—Administration of Justice under the Ministry of Law.

DEMAND NO. 76—ADMINISTRATION OF JUSTICE

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 8,000 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, 1957, in respect of 'Administration of Justice'."

The question is:

"That a supplementary sum not exceeding Rs. 8,000 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, 1957, in respect of 'Administration of Justice'."

The motion was adopted.

**DEMAND No. 89—OTHER ORGANISATIONS
UNDER THE MINISTRY OF PRODUCTION.****Mr. Deputy-Speaker:** Motion moved:

"That a supplementary sum not exceeding Rs. 3,16,18,000 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, 1957, in respect of 'Other Organisations under the Ministry of Production'."

**DEMAND No. 91—MISCELLANEOUS
DEPARTMENTS AND EXPENDITURE UNDER
THE MINISTRY OF PRODUCTION.****Mr. Deputy-Speaker:** Motion moved:

"That a supplementary sum not exceeding Rs. 2,56,000 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, 1957, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Production'."

Shri Namblar: With regard to Demand No. 89 on page 21, the footnote reads like this:

"The tempo of expenditure on the development of khadi and khadi industries has been steadily on the increase. In addition, a Supplementary Grant of Rs. 1.7 crores was obtained in December, 1956 for meeting a part of the expenditure on the Ambar Charka Programme. The total requirement of khadi including the Ambar Charka Programme during the current year are of the order of Rs. 11.22 crores....."

Vast sums are being spent on khadi and Ambar Charkha every year. They say that the tempo of expenditure is on the increase. So this expenditure for Khadi and Ambar Charkha will be ever on the increase to the extent of several crores of rupees. And, what is the net result of this Ambar Charkha Programme? Have the prices for khadi and handloom cloth gone down? Has it helped the cottage industries to grow? Is this Ambar Charkha a real

success or is it a mere writing on water? Is there anything substantial as a result of this? Without knowing all these things it is very difficult to vote crores of rupees for this Ambar Charkha and khadi. To my knowledge it is becoming a sort of, if I may use the word,—I am sure the Treasury Benches may not like it—"humbbug". It gives nothing in return to the country.

Mr. Deputy-Speaker: It is only Rs. 11.22 crores of which Rs. 4.87 crores are on account of loans.

Shri Namblar: Loans for what, to produce Ambar Charkha. And, what is this Ambar Charkha producing? Khadi. To what extent does this help the cottage industries? Sir, with all humility I submit that this is a fiasco and this does not give any substantial return. Therefore, let us not indulge in extra-ordinary expenditure on Ambar Charkha and khadi. To the extent that khadi is there I agree, but let us not give more money. Let us not enter into this sort of wasteful expenditure. This is my humble submission. It may be a policy of the Government because they exist on khadi, but my humble submission is that crores of rupees are being wasted. Therefore, I submit that the Government may reconsider this and see that we do not spend much more money on these items.

The Prime Minister and Minister of External Affairs and Defence (Shri Jawaharlal Nehru): I think, Sir, the hon. Member would not have said what he has said if he had had all the facts etc. about the Ambar Charkha before him. It is not a question of approaching this, if I may say so, ideologically, for or against, but scientifically, in finding out what it can give and what it can do. The Ambar Charkha, I cannot say at the present moment, that it is final or a success, but I do say that it is one of the most promising things in this particular direction, that is to say, a higher technique in hand-spinning, a small cottage machine for hand-spinning. It is being improved day to day. As it is, it is undoubtedly

[Shri Jawaharlal Nehru]

a very considerable improvement on the old method of hand-spinning, and we believe that it is quite likely that it can become a very great improvement indeed, so that from every point of view, and looking at it purely from the scientific point of view, it is desirable to experiment and find out, because if this is a success it would mean, well, a petty revolution in a sense.

But, apart from that, one has to look at it also from another point of view; that is the social, the employment etc. point of view. One must remember that this has not taken the place of anything. There is no question of our thinking in terms of big industry being displaced by cottage industry. As things are in India, there is enormous room for both, and this is one of the most promising methods which has already yielded fairly good results and which is likely to yield, I think, much more substantial results. It is from that point of view that we are doing it.

Shri T. T. Krishnamachari: I would like to add that so far as the quantity of 75,000 Ambar Charkhas is concerned, the employment that it has provided is somewhere in the region of five lakhs.

Mr. Deputy-Speaker: The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the order paper be granted to the President to defray the charges which come in course of payment during the year ending the 31st day of March, 1957, in respect of the following demands entered in the second column thereof.

Demands Nos. 89 and 91."

The motion was adopted.

[The motions for Demands for Supplementary Grants which were adopted by the Lok Sabha are reproduced below.—Ed.]

DEMAND No. 89—OTHER ORGANISATIONS UNDER THE MINISTRY OF PRODUCTION.

"That a supplementary sum not exceeding Rs. 3,1618,000 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, 1957, in respect of 'other Organisations under the Ministry of Production'."

DEMAND No. 91—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF PRODUCTION.

"That a supplementary sum not exceeding Rs. 2,56,000 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, 1957, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Production'."

Mr. Deputy-Speaker: Now we go to the Demands relating to the Ministry of Works, Housing and Supply.

Shri Kamath: There is Demand No. 95.

Mr. Deputy-Speaker: That is a Charged item.

Shri Kamath: I want to ask some information with regard to this Demand No. 95. It relates to the Ministry of Transport. The foot note tells us that a certain firm supplied to a Regional Tourist Information Office certain articles of furniture of the value of Rs. 1,509. The firm presented a bill for the amount and in the department's cash book it was shown as having been paid. Later on the firm reminded the department for payment and then it was suspected that the entries in the cash book were not genuine. I am glad that the Government took prompt action in this matter and the cashier was placed under suspension. I only want to know some chronological facts about this matter. Here it is only said that the cashier was placed under suspension. The details have not been supplied in

this note as to when the firm supplied the furniture, when the discovery was made that the entry in the cash book was not genuine and when the cashier was placed under suspension. It is also not known when the enquiry was instituted, whether it was last year or previous to that, and how far it has progressed. I want to know the details as to when the furniture was supplied, when the discovery of forged accounts in the cash book was made, how long the enquiry has been in progress and what stage it has reached up-to-date.

Mr. Deputy-Speaker: Is that information available?

Shri T. T. Krishnamachari: As the Chair rightly pointed out, it is a Charged item, but I can let the hon. Member have that information. I will have it put on the Table of the House.

DEMAND NO. 104—STATIONERY AND PRINTING

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 21,80,000 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, 1957, in respect of 'Stationery and Printing'."

DEMAND NO. 145—OTHER CAPITAL OUTLAY OF THE MINISTRY OF WORKS, HOUSING AND SUPPLY.

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 21,80,000 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, 1957, in respect of 'Other Capital Outlay of the Ministry of Works, Housing and Supply'."

The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the order paper be

granted to the President to defray the charges which come in course of payment during the year ending the 31st day of March, 1957, in respect of the following demands entered in the second column thereof.

Demands Nos. 104 and 145."

The motion was adopted.

DEMAND NO. 135—OTHER CAPITAL OUTLAY OF THE MINISTRY OF IRRIGATION AND POWER

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 34,07,000 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, 1957, in respect of 'Other Capital Outlay of the Ministry of Irrigation and Power'."

Shri Kamath: After that I would like to get some information with regard to Demand No. 109.

Shri Ramachandra Reddi: Sir, under Demand No. 135 a new corporation named the National Projects Construction Corporation has been brought in. This is a new item and the details given in the foot note are not quite adequate to understand the whole scheme before the Government. Evidently the Government has been feeling some difficulty in executing these projects in several parts of the country and a necessity has been felt to revitalise the entire system of construction and execution of these projects. But I do think that the constitution of a National Projects Construction Corporation may not be able to achieve the objects before the Government. If more details had been given in the note, probably I would not have stood up now to speak on the subject. I would like to elicit this information from the Minister, namely, whether the amount of Rs. 2 crores, nominal capital would be sufficient to execute these works which are spread over several parts of India costing several hundred crores of rupees, and whether recruitment to the services will

[Shri Ramachandra Reddi]

be made by this Corporation itself or through the Public Service Commission and whether those people who serve in this Corporation would be recruited from all parts of the country, from experienced groups of people, or only from among raw graduates from the engineering colleges. I want also to know whether the Government contemplates to have a permanent, huge fund to execute these works. In fact, a couple of crores of rupees will not be sufficient to achieve or secure the necessary financial and other assistance required for the execution of so many projects under contemplation. I want to know when this policy of having a National Projects Construction Corporation was finalised by the Government, whether every one of the State Governments has been consulted and whether the replies of all the State Governments have been received in this respect.

One of the most prominent reasons given is that the surplus equipment available in certain projects is not being utilised in other projects and as such there is a wastage by way of equipment. It is just possible for the Government to divert and probably impose such useful equipment on the other projects as well. I am informed that when the Hirakud project was completed, there was a lot of surplus material available there and that when the surplus useful material had been offered to other projects, it was not taken. But it is within the power of the Central Government to tell the other State Governments to take this equipment at a depreciated cost and use it to the best advantage and in the best possible manner. If, on the other hand, the State Governments feel that the equipment is not adequate for them, it is the engineering department which will be able to advise them fully on such matters. Recently, I was informed that when such equipment was available in Hirakud dam project, it was said that the Andhra Pradesh Government refused to take the surplus and that they wanted to book new orders for new

equipment. This is a very peculiar attitude for any State Government to take. I wish that the Central Government strongly urges upon the State Governments to utilise the available surplus equipment to the best advantage and minimise the cost of construction.

I would also like to know how this Corporation is going to function and what the representation of the State Governments is in the Corporation, apart from the share capital that they would contribute, and whether the State P.W.D. Ministers or the Chief Ministers would have a representation or their representatives will have a place in this Corporation. It is a matter which requires some elucidation.

As we have had some experience about the working of such Corporations, we feel very much doubtful about the proper working of a Corporation like this. Unfortunately, whenever a new Corporation is started, the House is completely shut out from the knowledge of the working of the Corporation and opportunities for this House are not given to examine them, criticise them or to give suggestions for improvement of the administration of the Corporation. If the same is the case with this Corporation, I am afraid the Government will have to work it with great caution and with greater care.

It is sometimes felt that the Central Government is drawing away all the available talent from the States by giving them better scales of salary. When that is so, the State Governments are not able to maintain their own works or execute their own works with efficient hands, and as such it requires a good deal of consideration on the part of the Central Government as to whether it is not possible, even at this stage, to have an All-India Engineering Service so that such of those engineers as coming within the administrative sphere of the Central Government might be lent to the State Governments when they take up projects for execution. Otherwise, the disparity of the scales of

salary between the Central Government and the State Governments very much affects the work of the State Governments, and as such, a good deal of thought on this matter seems to be very necessary.

We have seen that when some of these projects have been worked with great drive and direction by people with good talents, some of those officers who retire from service had to be put in similar projects with a view to see that the projects are completed expeditiously and with great efficiency. I would like to know whether such people with great experience and talent and drive in them would have opportunities for working in such Corporations like this or whether they would be eschewed under the ordinary rules of recruitment and service, and if so, to what extent the Government will be justified in denying to themselves the services of such people whose expert knowledge is always an asset to the nation.

Under these circumstances, I would ask the hon. Minister to give greater details about this and to convince the House as well as the outside public that this Corporation would work with great expedition and be of greater utility. Thus, the justification of such a Corporation will have to be established.

To examine the need and working of the National Projects Construction Corporation

I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 34,07,000 in respect of Other Capital Outlay of the Ministry of Irrigation and Power be reduced by Rs. 100,"

Mr. Deputy-Speaker: Cut motion moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 34,07,000 in respect of Other Capital Outlay of the

Ministry of Irrigation and Power be reduced by Rs. 100,"

Shri Kamath: I would not take more than half a minute. I would only ask the Government to explain this seeming paradox here. The paradox, to my mind, is contained at the bottom of the foot-note on page 32, in the following sentence:

"Although the Corporation would endeavour to work at a profit, profit-making will not be its object."

It is, to my mind, a paradox. I am not an adept at explaining paradoxes nor, I presume, is the Minister in charge. So, I would ask the Finance Minister or his supreme colleague, the Prime Minister himself, to enlighten this paradox, namely:

"Although the Corporation would endeavour to work at a profit, profit-making will not be its object."

That is my point.

Shri Nambiar: That means it will not run on a loss.

The Deputy Minister of Irrigation and Power (Shri Hathi): Mr. Deputy-Speaker, Sir, the object with which this National Projects Construction Corporation was incorporated was explained by the Minister of Irrigation and Power during the last budget session also. Subsequently, many interpellations were made and this question was discussed at length on various occasions. The idea of having such a Corporation originated at the seminar of Irrigation and Power Engineers at Srinagar in 1955. The idea behind starting such a Corporation was that various States had not sufficient administrative machinery to handle big projects. It so happened that temporarily, for two, three or five years, they had to recruit engineers and staff. When the project is complete, these people become surplus and the State, small as it is, could not afford to continue the whole army of staff which it had to engage for a

[Shri Hathi]

temporary period during the construction. The maintenance does not require such a huge staff. So, these surplus staff had to be absorbed somewhere else. The difficulty experienced by the States was that if they asked the other States to absorb them, in some cases the scales of pay would differ from State to State, in some cases the staff themselves would not like to be shifted from one State to another and so on. Also, all the attempts made by the Irrigation and Power Ministry to have an All India Service of Engineers have not yet been realised.

The second administrative difficulty experienced by the States in disposing of surplus machinery by offering it to other States was this. The States were advised and are being advised to purchase the surplus machinery and in a number of cases, it has been possible to do so. But, after all, there is a tendency of having new machinery rather than dealing with the old machinery. Although in a number of cases, all such surplus machinery has been utilised, it has not been to the extent which would satisfy us. They say, "It is not workable; it needs repairs and it would add to the maintenance charges" and so on. There are numerous excuses put forward some may be on valid grounds. Anyway, that was another difficulty.

The remedy would be to have a central pool of machinery and a central pool of surplus staff. There is also another point. We have not got a large number of contractors in this country who would be able to handle all the projects. There are only two or three big firms. Therefore, we have decided that if some corporation like the National Projects Construction Corporation could form a nucleus, it could undertake works in States where there is not adequate machinery to handle the projects. It will be open to the States to handle the projects departmentally also. But the functioning of the National Projects Construction Corporation or some such body would be advantageous in the

sense that if there are surplus staff in a particular State at a particular moment, who have gained experience for 4 or 5 years, they can be absorbed here. New machinery which would be purchased would also be utilised in one project after another or simultaneously in different projects. Thus, all the available experienced technical personnel and the surplus machinery could be utilised. There might be surplus machinery and personnel in another State and there might be shortage of personnel in another State. Through this Corporation, the surplus personnel could be absorbed without much difficulty.

The decision to form this Corporation was taken at the Srinagar Seminar in 1955 and subsequently the Board of Co-ordination of Ministers also accepted this principle. Almost all the States have agreed in principle to the formation of such a corporation. But that does not mean that all the States have joined this Corporation. Seven States have joined as shareholders and for the present each State will contribute Rs. 2 lakhs; the Centre is going to contribute Rs. 10 lakhs. As the hon. Member, Mr. Reddi, said, Rs. 2 crores will not be sufficient to handle all the projects at a time. Such of those States as have sufficient personnel to handle their own projects, could do so. But the smaller States which have not got adequate machinery or personnel could give contracts to this Corporation. After all, it is going to be run in a business-like manner.

Mr. Kamath wanted me to explain the statement that although the Corporation would endeavour to work at a profit, profit-making will not be its object. That means that over and above the actual charges, some overhead charges also will have to be borne; but, it will eliminate the huge or reasonable or marginal profits that the contractors may earn and thus it will be in the interests of the nation.

So far as the other point is concerned, namely, whether the recruitment will be through the Public

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Service Commission, this Corporation has been formed under the Companies Act and naturally the Corporation will recruit the engineers. They will take care to see that experienced people are taken. They will also take care to see that fresh graduates are being trained and that experienced surplus personnel are given priority.

So far as the representation of the States is concerned, all the shareholders—States will be represented on this Corporation. At present seven States are there and as and when more States come in, they will also contribute and will be duly represented.

I think I have explained the points raised by Mr. Reddi and Mr. Kamath.

Shri Kamath: You have not resolved the paradox.

Mr. Deputy-Speaker: He has tried to resolve it.

Shri Kamath: That is not enough.

Shri Ramachandra Reddi: What will be the relationship between the project control boards and this Corporation? Will this Corporation be a controlling authority or contracting authority?

Shri Hathi: The control board will be in charge of the project. The Corporation will be in the position of a contractor; they will not be the controlling authority. The control board can give the contract to this Corporation or to any other contractor.

Mr. Deputy-Speaker: There is one cut motion.

Shri Ramachandra Reddi: I would like to withdraw my cut motion.

The cut motion was, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That a supplementary sum not exceeding Rs. 34,07,000 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, 1957, in respect of 'Ministry of Irrigation and Power'."

The motion was adopted.

Shri Kamath: On a point of information, Sir, with regard to Demand No. 109. It is a rather awkward subject, but I would like to make some brief remarks and ask for some further information about what is given in the footnote there. At times figures are beyond me; they mystify me and baffle me. You are aware of the story about Randolph Churchill, who referred to the decimals as 'those damned dots' and all that.

The salary of the late Speaker has been referred to in the footnote. I do not wish to say anything personal in this connection, but I would like to have some clarification of the last portion of the footnote, namely, "debits in respect of the salary for the months of April, May, June and August, 1955. . ." etc.; July is missing. I also want to know what happened up to 1st October, 1955, because the footnote starts by saying,

"Prior to the establishment of a separate Pay and Accounts Office, Lok Sabha, under the scheme of separation of audit from accounts from the 1st October, 1955. . ." etc.

That means up to 1st October, the old arrangement of the payment of the salary from the Ahmedabad Treasury was being continued. But here there is reference to the debits for four months only, namely, April, May, June and August. July is not there and September is not there. I do not know what happened to those months, whether he did not draw the salary or what else happened. It is stated here:

"Further the salary for the month of February, 1956, amounting to Rs. 1397 was. . . ."

According to the computation based on the earlier part of the footnote. . . .

Mr. Deputy-Speaker: Should not the hon. Member be more concerned with what is being drawn rather than with what is not drawn?

Shri Kamath: I am referring to the second part. Working on the basis of the first part of the foot-note, the computation comes to Rs. 2,250 a month. I think the salary was Rs. 3,000.

Shri T. T. Krishnamachari: No; it is Rs. 2,250.

Shri Kamath: What happened to the debits in respect of salaries for July and September? That has got to be explained. The second part of the foot-note is definitely intriguing....

Mr. Deputy-Speaker: There is another point that has been brought to my notice. The convention is that any information that is sought in respect of the Lok Sabha has to be supplied by the Lok Sabha Secretariat or the Speaker and not by any Ministry; not by the executive Government but by the Secretariat of the Lok Sabha or the Speaker. If the hon. Member wants to have some information or elucidation of the facts that are stated here, certainly, he can be supplied that information. He may have that from the office or from the Speaker. That would be supplied to him.

Shri Kamath: Yes.

Mr. Deputy-Speaker: So these sums are granted.

DEMANDS FOR EXCESS GRANTS*, 1952-53

DEMAND NO. 39—MISCELLANEOUS ADJUSTMENTS BETWEEN THE UNION AND STATE GOVERNMENTS

Mr. Deputy-Speaker: Motion moved:

"That a sum of Rs. 70,084, be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Adjustments between the Union and State Governments' for the year ended the 31st day of March, 1953."

*Moved with the recommendation of the President.

DEMAND NO. 67—CIVIL DEFENCE

Mr. Deputy-Speaker: Motion moved:

"That a sum of Rs. 2,855, be granted to the President to make good an excess on the grant in respect of 'Civil Defence' for the year ended the 31st day of March, 1953."

DEMAND NO. 75—MULTI-PURPOSE RIVER SCHEMES

Mr. Deputy-Speaker: Motion moved:

"That a sum of Rs. 10,37,177, be granted to the President to make good an excess on the grant in respect of 'Multi-Purpose River Schemes' for the year ended the 31st day of March, 1953."

DEMAND NO. 95—MINISTRY OF WORKS, PRODUCTION AND SUPPLY

Mr. Deputy-Speaker: Motion moved:

"That a sum of Rs. 43,179, be granted to the President to make good an excess on the grant in respect of 'Ministry of Works, Production and Supply' for the year ended the 31st day of March, 1953."

DEMAND NO. 99—OTHER CIVIL WORKS

Mr. Deputy-Speaker: Motion moved:

"That a sum of Rs. 2,33,14,376, be granted to the President to make good an excess on the grant in respect of 'Other Civil Works' for the year ended the 31st day of March, 1953."

DEMAND NO. 101—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF WORKS, PRODUCTION AND SUPPLY

Mr. Deputy-Speaker: Motion moved:

"That a sum of Rs. 25,005, be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Depart-