

in desperation. So, it is connected with the larger question of people of Indian origin in Ceylon. Therefore, I would like to know if Government have thought it necessary to come to a final settlement with that Government on this larger question?

**SHRI JAWAHARLAL NEHRU:** The two questions are not connected. Even if we come to a full settlement with them, nevertheless there is the possibility of illegal immigrants going there or trying to go there. Apart from this, the hon. Member asked as to whether we had thought it necessary to come to a settlement. We have thought it very desirable all these years, Sir, but nevertheless no settlement has been arrived at about that matter.

**SHRI N. M. LINGAM:** Are Government giving deterrent punishment to those who are sent back to India so that such illicit immigration may not take place?

**SHRI JAWAHARLAL NEHRU:** I do not know what, if any, punishment is given to those who try to go there illegally. Of course, they are punished on the other side.

#### CREATION OF A STATE FOR THE NAGAS

\*266. **SHRI N. M. LINGAM:** Will the PRIME MINISTER be pleased to state the progress so far made in the implementation of Government's decision to set up a separate State for the Nagas?

**THE DEPUTY MINISTER OF EXTERNAL AFFAIRS (SHRIMATI LAKSHMI MENON):** The election of representatives to the Interim Body to be constituted during the transitional period to assist and advise the Governor of Assam in the administration of the Naga Hills-Tuensang Area has almost been completed. Only one tribe has still to elect its representative. A Regulation is being drafted to bring the transitional arrangements into force. The creation of

the new State would entail Parliamentary legislation and also amendments to the Constitution. Steps are being taken to provide for the necessary legislative measures.

**SHRI N. M. LINGAM:** Is the tribe from which the representative has not been elected the same from which the rebel leader Phizo hails? If so, are Government confident of holding election in this tribe also in the near future?

**SHRIMATI LAKSHMI MENON:** I do not know whether Phizo hails from that tribe but the tribe which has not so far sent its representative is the Angamis.

**SHRI N. M. LINGAM:** May I know whether Government is satisfied that circumstances from the political and law and order points of view are propitious for undertaking the new set-up as envisaged by the Government towards the end of this year?

**SHRIMATI LAKSHMI MENON:** Sir, conditions there do warrant the arrangement for an interim administration although there have been certain disturbances in the law and order situation.

**SHRI JASWANT SINGH:** I would like to know why this separate State for Nagas is being created even though it may be an uneconomic one. What are the special reasons for creating this State? Are the people there dissatisfied with the link with Assam? What are the reasons?

**SHRI JAWAHARLAL NEHRU:** In the course of the question, the hon. Member wants an exposition of the whole policy relating to the Nagas. I made a statement about this at the time this was done.

**SHRI MAHESWAR NAIK:** May I know whether the set-up of the new State will be a State within the State or whether this will be a full-fledged State altogether?

**SHRI JAWAHARLAL NEHRU:** I can only refer the hon. Member to the statement I made previously. He can draw his own inferences. As a matter of fact, it would take a number of years before even those provisions agreed to take effect, and as for the Tuensang part of it, for ten years definitely they do not come into the picture. It will be decided after that.

**SHRI N. M. LINGAM:** Is it a fact that the Prime Minister has been invited to inaugurate the new Council and that he has agreed to do so towards the end of December?

**SHRI JAWAHARLAL NEHRU:** Yes and no; 'yes' because I have been invited to do so but 'no' because I am not going there in December.

**SHRI B. K. P. SINHA:** May I know whether the Prime Minister is in a position to give an assurance that thereafter no States would be conceded without prior consultation with Parliament?

**SHRI JAWAHARLAL NEHRU:** The hon. Member is asking for an assurance about the future.

**SHRI K. SANTHANAM:** May I know whether this question of the Naga State is handled by the External Affairs Ministry or the Home Ministry?

**SHRI JAWAHARLAL NEHRU:** The Tuensang area was separated about two or three years ago. It was in fact a State but without certain authorities and powers of a State. All that has been done now is to give certain additional powers and to have certain internal arrangements. The separation has been there for a number of years.

As regards the hon. Member's question, it is handled by the External Affairs Ministry.

**DR. H. N. KUNZRU:** How was the Naga Hills District a State before its separation from Assam?

**SHRI JAWAHARLAL NEHRU:** It was not a separate State. I said that it was separated from Assam. The Naga Hills first became a district and then about two years ago the Tuensang Division was joined to the Naga Hills to form the Naga Hills-Tuensang Area, N.H.T.A. entirely separate from Assam. Although, in a constitutional sense there was no change made—certain orders and legislations we have placed before the Cabinet—it was quite separate and it was placed more or less on the same basis as the NEFA area.

**DR. H. N. KUNZRU:** Is NEFA regarded as a State by the Government of India?

**SHRI JAWAHARLAL NEHRU:** NEFA is not a State nor is it part of Assam. It is a separate entity, and all I am saying is that N.H.T.A. also is a separate entity more or less on the same basis as NEFA. There has been no separation nor is authority and power being given to the representatives of that separate entity.

**SHRI JAWAHARLAL NEHRU:** That under the Constitution NEFA is part of Assam but is, however, being managed by the Central Government again under the Constitution?

**SHRI JAWAHARLAL NEHRU:** That is exactly what I said. Strictly, under the Constitution, maybe it is part of Assam but in effect it has nothing to do with Assam at the present moment or for some years past.

**SHRI BHUPESH GUPTA:** We had always been told by the Government that they would take political initiative along with punitive and other measures to bring about the normal situation in that area. May I know as to what political steps or initiatives have been taken by the Government after the announcement about the future separate State for the Nagas?

**SHRI JAWAHARLAL NEHRU:** The political initiative was that announcement. It is now being carried out.

**SHRI BHUPESH GUPTA:** It is not merely a question of announcement. The question was, how to reach out to those areas?

**MR. CHAIRMAN:** It is being carried out now.

**SHRI T. S. AVINASHILINGAM CHETTIAR:** Is the formation of a new State an act of the Legislature or is it done through an executive fiat?

**SHRI JAWAHARLAL NEHRU:** Unless that is done, there will not be any State.

#### FOREIGN EXCHANGE RETENTION ON JAPANESE MODEL

\*267. **SHRI B. N. BHARGAVA:** Will the Minister of COMMERCE AND INDUSTRY be pleased to state whether Government have considered the question of introduction of the system of foreign exchange retention on the model of Japan which permits exporters to utilise part of their exchange earnings for imports without any restriction?

**THE DEPUTY MINISTER OF COMMERCE AND INDUSTRY (SHRI SATISH CHANDRA):** In view of the facilities otherwise available to exporters, Government have not thought it fit to adopt the Japanese model.

**SHRI B. N. BHARGAVA:** Is the Government aware that Japan has been able to minimise her foreign exchange difficulties by this method?

**SHRI SATISH CHANDRA:** No, Sir. This method was adopted by Japan during the last six or seven years. Japan was a large-scale exporter even before that. The system is very restricted. It is not applicable to all exports as is commonly believed. Only specified imports are allowed to come under this scheme according to which three per cent. retention quota is allowed to the exporters. Objections to this method are being taken by certain international organisations because it is considered to be a subsidy on exports.

#### RISE IN SUB-SOIL WATER LEVEL IN DELHI

\*268. **SHRI MAHESWAR NAIK:** Will the Minister of WORKS, HOUSING AND SUPPLY be pleased to state:

(a) whether it is a fact that sub-soil water level is rising in several parts of Old Delhi and poses a serious threat to structures in the Capital;

(b) if the answer to part (a) above be in the affirmative, what are the reasons for this rise; and

(c) what remedial measures are being taken by Government?

**THE DEPUTY MINISTER OF WORKS, HOUSING AND SUPPLY (SHRI ANIL K. CHANDA):** (a) No survey has been carried out by Government in respect of the level of sub-soil water in the Old Delhi area.

(b) and (c) Do not arise.

**SHRI MAHESWAR NAIK:** May I know whether it is not a fact that some rise in the sub-soil water level was recorded in New Delhi several years back? If so, was any action taken in that regard? What is the present level and how far has it been levelled down?

**SHRI ANIL K. CHANDA:** Is it with regard to New Delhi that the hon. Member is asking?

**SHRI MAHESWAR NAIK:** Yes.

**SHRI ANIL K. CHANDA:** A committee was appointed in 1953 to go into the whole question of sub-soil water level in New Delhi. They had no data to work upon and had to make their own observations and experiments. They submitted their report in 1960 which was accepted by Government. The main conclusion was that the rise in water level was, to a large extent, due to deterioration in the surface drainage system which had practically been choked up due to not being properly looked after. It was also due to the extensive use of unfiltered water for gardening purposes. They