

# RESULT OF ELECTION TO THE CENTRAL ADVISORY COMMITTEE OF THE NATIONAL CADET CORPS

MR. CHAIRMAN: Shri Hriday Nath Kunzru being the only candidate nominated for election to the Central Advisory Committee of the National Cadet Corps, I declare him duly elected to be a member of the said committee.

## THE DENTISTS (AMENDMENT) BILL, 1953

THE DEPUTY MINISTER FOR HEALTH (SHRIMATI M. CHANDRASEKHAR): On behalf of Rajkumari Amrit Kaur I move for leave to introduce a Bill further to amend the Dentists Act, 1948.

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill further to amend the Dentists Act, 1948."

The motion was adopted.

SHRIMATI M. CHANDRASEKHAR: I introduce the Bill.

## ALLOTMENT OF TIME FOR (1) THE APPROPRIATION (No. 5) BILL, 1953 AND (2) THE PEPSU APPROPRIATION (No. 3) BILL, 1953.

MR. CHAIRMAN: According to clause (2) of Rule 162 of the Rules of Procedure and Conduct of Business in the Council of States I allot 2½ hours and 1 hour respectively for the completion of all stages involved in the consideration and return by the Council of the Appropriation (No. 5) Bill, 1953 and the Patiala and East Punjab States Union Appropriation (No. 3) Bill, 1953

## THE APPROPRIATION (No. 5) BILL, 1953

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain

further sums from and out of the Consolidated Fund of India for the service of the financial year 1953-54, as passed by the House of the People, be taken into consideration."

Sir, I do not hope that the House expects me to make a speech on this subject. Already a statement showing the supplementary Demands for Grants for expenditure of the Central Government has been circulated to all the Members and that statement also contains foot-notes wherein all the explanations have been given. Sir, as will be seen from that statement, these demands are for 14.66 crores of which Rs. 2.76 crores pertain to the revenue portion and the balance of Rs. 11.90 crores pertain to the capital side. On the revenue side there are four or five important items. One item is for Rs. 90 lakhs representing aid to Kashmir which is recoverable and which is to be transferred to the loan head. There is another item for Rs. 30.70 lakhs representing excise duty realized on coal and coke in the previous year which has to be transferred to the Coal Board. Then there is another item of Rs. 25 lakhs which represents drawback of import duty collected on raw cotton used in the manufacture of fine and superfine cloth and yarn exported out of India to which the House has already agreed. Then there is an item for Rs. 30 lakhs which represents arrear payments to certain State Governments—Bombay and Saurashtra—which though met initially from the Revenue Budget will be debited to the Consolidated Fund. There is another amount of Rs. 9 lakhs in respect of Community Projects and social education organisations and training schemes to be balanced by corresponding recoveries from the Technical Co-operation Administration and the Ford Foundation. Excluding these important items which I have mentioned, there are about Rs. 90 lakhs out of which Rs. 50 lakhs will go for expenditure on displaced persons and this is largely in respect of displaced persons from East Pakistan who have come into West Bengal. The balance is spread over a number of small items

and represents unforeseen and unavoidable increase in the normal expenditure of Government. On the capital side, there are two demands. First is for Rs. 11.72 crores comprising Rs. 9.92 crores on import of 2½ lakh tons of sugar within the current year and Rs. 1.80 crores for purchase of fertiliser. The expenditure on the purchase of sugar will be more than covered by the sale proceeds, and similarly the expenditure on fertilisers will ultimately be recovered from sale proceeds. The other demand for Rs. 18.50 lakhs is to meet the additional call for capital made by the Eastern Shipping Corporation Ltd. wherein the Government have 74 per cent. interest.

Sir, I do not think that any further explanation is necessary. As I have already stated, the foot-notes carry ample notes to show why this expenditure is necessary. So, without wearying the House any more, I move.

MR. CHAIRMAN: Motion moved:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1953-54, as passed by the House of the People, be taken into consideration."

SHRI P. C. BHANJ DEO (Orissa): Mr. Chairman, silence is golden, where ignorance is bliss, but whatever the traditions on the other side of the House, ignorance is certainly not bliss as far as this side is concerned. Hence the reticence of the Deputy Minister for Finance who tries to inspire our vision, ever since his original counterpart has assumed the veil of invisibility, to the points raised by me in the previous Supplementary Budget discussion in this House which is beyond comprehension. This peace which passes all understanding becomes all the more incomprehensible when the hon. Deputy Minister himself promised me outside the precincts of this House that he would let me have the reply to the points raised during the discussion in writing later on.

SHRI M. C. SHAH: Have I not sent it to you?

SHRI P. C. BHANJ DEO: No; I have not received it anyway.

SHRI M. C. SHAH: I will look into that.

SHRI P. C. BHANJ DEO: It seems that he has promptly forgotten all about it and no amount of reminders to his original counterpart in the Finance Department has been able to disturb the slumbers of that Ministry up to date.

SHRI H. P. SAKSENA (Uttar Pradesh): Are you sure of the correctness of your address?

SHRI P. C. BHANJ DEO: Now, Sir, before I go to some of the details of the Bill before us as the second Supplementary Appropriation Bill for the current year, I would like to refer to the great delay and lack of war-time promptness in the issue of Appropriation Accounts of the Central Government together with the usual Audit Reports thereon. More valuable is the document known as the Finance Accounts of the Central Government and the Audit Report thereon. This document has not been issued after the one relating to the year 1946-47. Incidentally, I may mention that the question which I raised about the loan of Rs. 5 crores given to the Government of Thailand and which was satisfactorily answered by the Finance Ministry last Wednesday was based upon the information contained in that document—Finance Accounts of the Central Government for 1946-47 and the Audit Report thereon. Although the usual plea given for the non-issue of the Finance Accounts of the Central Government is the lack of reliable data due to the balances of assets and liabilities of the undivided Government of India and Pakistan not having so far been determined, it is my opinion and suggestion, Sir, that we in India should work out these balances on a provisional basis subject to later corrections. If we do not do this now and go on waiting for

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correct figures, which I instinctively feel will never be available to us however long we may wait for them, we shall never be able to prepare that valuable document called Finance Accounts. And on a fine morning it is quite likely, Sir, to be announced that all attempts to prepare it had been abandoned. Again it may also be announced that that document serves no useful purpose and it will be a major tragedy in my opinion in the financial administration and good government of this country.

The non-issue of the Finance accounts for the year 1946-47 is, it is my intuitive feeling, Sir, not due to the unavailability of fairly accurate data of the balances of assets and liabilities of the Central Government, but it is due to laziness. This laziness has its origin in its turn, in my opinion, in the easy availability of spurious funds through deficit financing, the classic example of which took place on a huge scale, up to about Rs. 300 crores, if I remember correctly, in 1948-49, and foreign aids to feed public expenditure in India. Since then it seems that great laxity has set in in every department of the Government, and this fault is not peculiar to the compilation of the finance accounts of the Central Government.

Sir, there is a proposal to associate this House with the Public Accounts Committee which has hitherto been confined to the other House. While welcoming this proposal, may I ask, Sir, of what use its translation into action is going to be in view of the fact that this Joint Public Accounts Committee will, at the most, be asked to examine a few old past irregularities or scandals as they are called, in the Appropriation Accounts of three or four years ago when the Members of the Public Accounts Committee go and end their task by persuading themselves into the mood 'to let bygones be bygones' and forgive the past. In other words, remedial action recommended by the Public Accounts Committee on

delayed accounts brought to its notice is extremely limited.

As regards the finance accounts, it is strange that the Public Accounts Committee has not so far looked into it. Their examination of the old volume for 1946-47 would have mended matters straight away.

I have already mentioned how a loan of Rs. 5 crores to Siam was discovered by the Government. The audit notes in that document stated that no certificate of liability for that loan was forthcoming. Now that we know for certain from the Finance Ministry that the loan has been repaid by Siam, the matter may be closed. But I submit that there still are serious irregularities in that volume for 1946-47 which deserve the attention of the Public Accounts Committee. I am quite sure that if and when the finance accounts for the years after 1946-47 are published, there will be instances of far graver concern to the finances and the good government of this country. To attribute bad motives to the other party, Sir, is not one of my specialities; but since in this instance, I believe I have no personal axe to grind other than my desire to serve the public interest, I may be permitted to say that the Finance Ministry, if not the whole Government of India, have got a vested interest in not being too eager to expedite the publication of the finance accounts for these years. I may say that the accounts of the Central Government are now in a chaotic condition; and grave errors will be disclosed if proper finance accounts are issued every year. They will reveal a great unbalance between assets and liabilities of the Government which even the statement of interest-bearing obligations and the interest-yielding assets of the Government shown in the annual budget explanatory memorandum is hardly able to suppress and hide. Specifically, I refer to the widening margin between loans and assets, euphemistically called 'uncovered debts' in the budget memorandum.

Coming to the Appropriation Bill before the House, and the Demands

underlying it, I wonder why the Finance Ministry could not anticipate these demands and include them in the main Budget of last February or, failing this, in the supplementary demands for grants passed by Parliament on the 23rd of September last. If such supplementary demands are granted by Parliament too often in a year, the value of the main annual Budget is vitiated. The unity, comprehensiveness and importance of the main annual Budget is affected by supplementary grants taken too often in a year.

I will now deal first with the two supplementary votes Nos. 125 and 138, on capital account in the Bill before the House, because they are of far greater importance, I think, to the financial position of Government than any of the other items. Further capital outlay of the Ministry of Food and Agriculture has become a regular feature because of the various training schemes conducted by it. But, in some schemes, Sir, losses are taking place which the Government may justify as being in the public interest. One such clear case is the amount spent on the Land Reclamation Schemes. The amount of supplementary grants in this case is small, namely, Rs. 5,000, but the principle involved is great and vital. We are told that this sum of Rs. 5,000 is required for meeting the excess on interest charges, which excess is due to the increase in the outstanding capital at charge on the Central Tractor Organisation arising out of the Land Reclamation Scheme. This Land Reclamation Scheme has absorbed considerable outlay while its assets are steadily decreasing or remain stationary.

Another phenomenon in this field which causes concern and bewilderment is the justification of interest being paid from capital, that is, from further loans, instead of from ordinary revenues. This capitalised interest, Sir, is the sure income, as it were, to the financial embarrassment of the Government. Of course, the Finance Ministry and its head may

have ready answers for charging interest on the scheme to capital, but they are not convincing. When I asked the Ministry of Agriculture what the net profit made by the Land Reclamation Organisation was, annually, from the year of its inception, the hon. Minister replied on the 12th May 1953, that the Land Reclamation Organisation works on a 'no profit no loss basis', and the question of profits made, therefore, did not arise. On this Organisation Rs. 7 crores had been sunk up to the 31st March, 1952. It may be the economics of a welfare State that to work for profit is sinful while to increase debts and incur loss is a sign of virtue. It was for this that only a few months ago, I had characterized this Five Year Plan on the floor of this House as a perpetual '*Shirs-asanam*' for the nation. Will the Minister be good enough to inform us what the accumulated loss of this organisation is since it was started?

As regards the other vote on capital account, namely, No. 138, this demand requires the grant of Rs. 18½ lakhs for further investment in the Shipping Corporation. It would be 3 P.M. illuminating to learn how much dividend has been declared by the Corporation each year since it was set up on the 24th of March 1950.

Now, Sir, coming to the Bill, on its Revenue Account, I wish to know from the Finance Minister why he could not foresee these charges for inclusion in the main Budget of February 1953. If these schemes or new services are so urgent, how many of them, and of what amount, may I know, Sir, appertain to the Five Year Plan? The large amount of money to be spent from our Revenue Budget in Kashmir calls for doubts and fears in the minds of thinking men because of the glaring instances of bungling and misplaced confidence in recent times in that direction. But it is not my purpose to embarrass the Government in this field, and whatever I may feel on the matter, it is better for me to leave it

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unsaid. I do not find the major head of account numbers in the case of all but the last Supplementary Grant in the Demand booklet upon which the present Bill is based. The Supplementary Grants on which this Appropriation Bill is based do not provide for the write-back to Revenue of pseudo capital expenditure except in the case of some small irrecoverable loans which the Ministry of States under Demand and Vote No. 95, has rightly converted into grants. More such irrecoverable loans given to the various State Governments are due for conversion into grants. I do not know why Supplementary Grants have not so far been demanded on the following accounts: (1) Purchase of 70 jet aircraft machines from France, (2) Payment of interim compensation to displaced persons, and (3) Unemployment relief schemes, details of which were announced the other day by the Minister for Planning in the other House. This, Sir, brings me to the end of my remarks on the Supplementary Budget of this session for the Centre. It is a subject which is above the blinkered vision of party politics and personal prejudices. Hence it is right that the Members of this House should be given ample opportunity to discuss its provisions freely and unrestrictedly in the public interest, as, I think, it is a matter of trite experience, Sir, that whereas the other House can show its strength by paying attention to brass tacks, we of the Council can show our strength through our influence by means of the spiritual forces of golden advice and discussion. It is my earnest hope that unlike my experience last time the light emanating from Ministerial wisdom will guide us to reach correct conclusions and useful criticisms, so that it may help the Government in establishing the rule of justice, which is our sole concern. Thank you, Sir.

SYED MAZHAR IMAM (Bihar):

سیّد مظہر امام (بہار): جناب

صدر - میں اس بل (Bill) کے متعلق

کوئی خاص بحث نہیں کرنا چاہتا ہوں - مگر چند باتیں گورنمنٹ (Government) کے سامنے رکھنا مناسب سمجھتا ہوں - وہ یہ ہیں کہ جو پالیسی (policy) ایگریکلچر (agriculture) کے متعلق اس وقت گورنمنٹ کی ہے اس میں کوئی شک نہیں کہ اس سے بہت کچھ فائدہ ہو رہا ہے - مگر میں سمجھتا ہوں کہ اس پالیسی میں جیتک کوئی تبدیلی نہ کی جائیگی اس وقت تک اتنا فائدہ نہیں ہو سکیگا جتنا کہ ملک کو ہونا چاہئے - اس وقت ملک کے سامنے جو سب سے بڑا سوال ہے وہ آبی گیشن (irrigation) کا ہے - اگر اس آبی گیشن کی پالیسی کو تھیک طرح سے ملک میں چلایا گیا تو میں سمجھتا ہوں کہ اس سے ملک کی پروڈکشن (production) بہت زیادہ بڑھ سکتی ہے اور اس ملک کے جو ایگریکلچرسٹ (agriculturists) ہیں وہ بہت کچھ کامیابی حاصل کر سکتے ہیں - مگر صورت یہ ہے کہ آج جو اسٹیٹس (States) میں آبی گیشن کے متعلق تین تین اور چار چار ڈیپارٹمنٹس (departments) کام کر رہے ہیں - اسٹیٹوں میں مائینر آبی گیشن (minor irrigation) اور مہجر آبی گیشن (major irrigation) کے نام سے الگ الگ ڈیپارٹمنٹ اپنی اپنی طرف سے الگ الگ اسکیمیں

(schemes) بنادے ہیں اور ایگریکلچر (Agriculture Department) اپنی طرف سے الگ اسکیم (scheme) بنا رہا ہے تو اس سے کام میں یکسانیت نہیں ہو رہی ہے۔ کہیں پر ایک ڈیپارٹمنٹ کی طرف سے پمپنگ سیٹ (pumping set) (tank) اور ندی میں باندھ بنائے جا رہے ہیں تو دوسری طرف کہیں پر دوسرے ڈیپارٹمنٹ کے تحت بجلی کے ذریعہ پانی پہنچایا جا رہا ہے۔ کہیں پر دھک بنائے جا رہے ہیں، کہیں پر کلوین کھدوائے جا رہے ہیں تو اس طرح جگہ جگہ الگ الگ کام ہو رہے ہیں۔ اس کے علاوہ اسی علاقے میں جہاں پر یہ چیزیں کی جا رہی ہیں وہاں پر مائینر اری گھشن کھلئے روپیہ مل رہا ہے۔ اس کے ساتھ ہی ساتھ صورت یہ بھی ہے کہ کچھ علاقے ایسے ہیں جہاں پر کچھ بھی کام نہیں ہو رہا ہے۔ اس لئے میں حکومت سے یہ سبجیسٹ (suggest) کرونا کہ تمام صوبے میں اور سینٹر (Centre) میں ایک منسٹری (Ministry) ہونی چاہئے تاکہ وہ ایک اسکیم اور ایک پلان (plan) تیار کرے۔ کہ ملک کے کس حصہ میں کس طرح اری گھشن ہوگا۔

سینٹر اور دیوں میں اس طرح کی اگر ایک منسٹری بن جاتی ہے تو وہ سارے ملک کھلئے آسائے سے یہ طے

کر سکتی ہے کہ اس جگہ پر ندی پر باندھ باندھنا ہے، یہاں پر دھت لگانا ہے، یہاں پر پمپنگ سیٹ لگانا ہے اور اس طرح سے جگہ بہ جگہ کچھ نہ کچھ اری گھشن چاہے وہ مائینر (minor) ہو یا میجر (major) ہو طے کر سکتی ہے۔ اس کا نتیجہ یہ ہوگا کہ سارے ملک کے حصوں میں کچھ نہ کچھ اری گھشن کا کام چلتا رہے گا اور تمام جلتا کو فائدہ پہنچتا رہے گا۔

ایک اور بات جو دیکھنے میں آ رہی ہے وہ یہ ہے کہ گورنمنٹ آف انڈیا (Government of India) کی طرف سے دیہ میں ایکسٹینسیو بلاک (extensive block) بنائے جا رہے ہیں اس کے ذریعہ کچھ گاؤں کے لوگوں کو جہاں پر یہ کام ہوتا ہے کلوین کھونے، پمپنگ سیٹ لگانے اور دھت وغیرہ لگانے کھلئے ۵۰ فیصدی رقم کی امداد ملتی ہے۔ چنانچہ اس کا نتیجہ یہ ہوتا ہے کہ اس کے پاس والے گاؤں کو جو ایکسٹینسیو بلاک میں نہیں آتے ہیں کسی طرح کی مدد نہیں ملتی ہے۔ مہری سبجے میں نہیں آتا ہے کہ یہ ایکسٹینسیو بلاک کس اصول پر بنائے جا رہے ہیں۔ اگر اس بلا پر یہ مدد دی جا رہی ہے کہ اری گھشن کا فائدہ ان علاقے کے لوگوں کو پہنچایا جائے اور دوسرے گاؤں کے لوگوں کو اس سے فائدہ نہ ہو تو میرے خیال میں ایک نامناسب بات ہوئی۔ اس لئے مہری

[Syed Mazhar Imam.]

حکومت سے یہ گذارش ہے اور یہ سنجیشن ہے کہ اس اری گیشن کے کام کے لئے سینئر میں اور تمام صوبوں میں ایک ملستری بنائی جائے جو ایک اسکیم کے تحت کام کرے جس طرح سے پانچ سالہ پلان کا کام ہو رہا ہے - اگر ایسا کیا گیا تو ملک کے تمام لوگوں کو اری گیشن کے کاموں سے فائدہ ہوسکے گا - میرا تو گورنمنٹ سے یہ سنجیشن ہے کہ اگر ایگریکلچر (agriculture) کے لئے صرف اری گیشن کا کام ہی کیا جائے تو اس ملک کی پیداوار دوگنی اور تین گنی ہو سکتی ہے - اس لئے میں نے حکومت کے سامنے یہ چلہ تجویزیں پیش کی ہیں اور امید ہے کہ حکومت ان پر غور کریگی -

دوسری چیز یہ ہے کہ ملک میں جہاں بھی حکومت کی طرف سے ایکسٹینسیو بلاک شروع کئے گئے ہیں ان کو فوراً ہٹا دیا جائے - حکومت کو جو کچھ بھی رعایت اور مدد ایگریکلچرستوں (agriculturists) کو دینا ہے اس میں ہر جگہ اسکو ایک سا لوگ کرنا چاہئے - اس کے ساتھ ہی ساتھ مجھے یہ بھی عرض کرنا ہے کہ حکومت نے دیہی مومن اس وقفہ جہاں بھی کمیونٹی پروجیکٹ (community projects) شروع کئے ہیں وہ بہترین جگہوں پر کئے ہیں - میرا کہنا یہ ہے کہ کمیونٹی پروجیکٹ

اگر حکومت کو شروع کرنے تھے تو ایسے علاقے میں شروع کرنے چاہئے تھے جو کہ ہر لحاظ سے پچھڑے ہوئے ہیں - اگر حکومت نے اچھے اچھے زرخیز علاقوں میں ان پروجیکٹوں (projects) پر روپیہ صرف کیا تو اس سے اتنا فائدہ نہیں ہوگا جتنا کہ اس علاقے سے ہو سکتا ہے جہاں پر کہ کسی طرح کی ترقی نہیں ہوئی ہے - اس سے وہاں کی جلتا کو بھی فائدہ ہوتا اور بیکار زمین کو بھی اپناؤ بنایا جا سکتا - اس لئے میری سرکار سے یہ درخواست ہے کہ وہ اس اسکیم پر بھی غور کرے جس سے کہ ان پروجیکٹوں کو پچھڑے ہوئے علاقوں میں شروع کیا جا سکے -

اب مجھے کھاد کے بارے میں آپ سے کچھ کہنا ہے - اس وقت کھاد کے بارے میں حکومت کی طرف سے اور ایگریکلچر دیپارٹمنٹ کی طرف سے کھاد خریدنے کے لئے ایڈورٹائزمنٹ (advertisement) کیا جا رہا ہے، مشتہر کیا جا رہا ہے - تو ہمارا ملک ایک فریب ملک ہے - یہاں کے کسانوں کے پاس اتنا پیسہ نہیں ہے کہ وہ اتنی قیمتی کھاد کو خرید سکیں اس لئے میں سرکار سے عرض کرنا چاہتا ہوں کہ کھاد کی قیمت جتنی کم ہو سکتی ہے کم کی جانی چاہئے تاکہ ہمارے ملک کے فریب کسان بھی اسکو خرید کر اپنے استعمال میں لا سکیں - اس کے ساتھ ہی ساتھ یہ بھی عرض کرنا

ہوں کہ یہ کھاد صرف بڑے بڑے شہروں میں بڑے بڑے ڈیلروں (dealers) کی دوکانوں میں ملتی ہے تو اس کے لئے گاؤں والوں کو تیس تیس چالیس چالیس میل کی دوری سے کھاد خریدنے جانا پڑتا ہے - تو ایسی حالت میں ایک معمولی کاشتکار کو اتنی ہمت نہیں ہوتی کہ وہ اتنا خرچ کرے اور اتنی دور سے کھاد خرید کر لائے - ایک دو زیادہ پیسے والے کاشتکار ایسا کر سکتے ہیں لیکن عام کسان کے لئے یہ بہت مشکل ہے - اس کے علاوہ جن گاؤں کے نزدیک یہ کھاد ملتی ہے وہاں پر چھوٹے دوکاندار ان کاشتکاروں سے زیادہ دام مانگتے ہیں جس کی وجہ سے وہ اسے نہیں خرید سکتے ہیں - تو اس سلسلہ میں بھی حکومت سے میری یہ درخواست ہے کہ عام کسانوں کو کھاد حاصل کرنے کے لئے اس کے دام ضرور کم کرنے چاہیں اور اس کی بکری کیلئے گاؤں کے نزدیک انتظام کرنا چاہئے -

میں پھر سرکار سے عرض کروں گا کہ وہ اس اری گیشن کے معاملے پر غور کرے اور خاص توجہ کرے اور جو میں نے سنجیشنس دئے ہیں اگر وہ مناسب ہیں تو ان پر غور کرے اور عمل میں لائے - مجھے پوری امید ہے کہ اگر اس پر عمل کیا گیا تو ملک کی بہت بہتر صورت ہو سکتی ہے -

[For English translation, see Appendix VI, Annexure No. 153.]

SHRI B. B. SHARMA (Uttar Pradesh):

श्री बी० बी० शर्मा (उत्तर प्रदेश) : अध्यक्ष महोदय, मुझे इस बिल (Bill) के सम्बन्ध में सिर्फ यह कहना है कि १७ करोड़ और १७ लाख की जो चीनी बाहर के देशों से मंगाई जा रही है उससे यहां की जनता को कितना लाभ होगा। मेरा अनुमान तो यह है कि अगर इतना रुपया व्यय करके दो चीनी की मिलें खोली जायें तो उससे देश को कुछ न कुछ लाभ ही हो जाता। अगर मिलें तैयार नहीं हो सकतीं तो इतना अवश्य होता कि यह रुपया अगर कृषकों को किसी प्रकार से लाभ पहुंचाने के निमित्त व्यय किया गया होता तो कاشتकारों को अवश्य फायदा होता।

श्रीमान्, हमारे देश में अधिकतर लोग कृषक हैं, खेती ही उनका मुख्य व्यवसाय है। खेती की जितनी उन्नति होगी उतनी ही उनकी परचेजिंग पावर (purchasing power) और क्रय शक्ति बढ़ेगी। क्रय शक्ति बढ़ने से जितने व्यापार हैं, जितने रोजगार हैं, जितनी इंडस्ट्रीज (industries) हैं, उनको कुछ न कुछ अवश्य लाभ होगा। अगर उनकी क्रय शक्ति नहीं बढ़ेगी तो देश में जितने भी नये नये रोजगार और नई नई इंडस्ट्री की जायेगी, वह उनके लिए और देश के लिए कोई लाभदायक नहीं होगी।

श्रीमान्, कृषकों के पास आज खरीदने के लिए पैसा नहीं है। यह सरकार को भली भांति विदित है कि कृषकों की आमदनी "कैश क्रोप" (cash crop) जिसे कहते हैं, वह केवल गन्ने की फसल से ही होती है। जो छोटे छोटे किसान हैं वे अपनी आजीविका केवल इस गन्ने की पैदावार से ही चलाते हैं। यही नहीं बल्कि जो कुछ गन्ने की फसल से उनको रुपया मिलता है, उससे अपनी वस्त्र की आवश्यकताओं की भी पूर्ति करते हैं। किन्तु सरकार की ओर से १७ करोड़ १७ लाख रुपये की



[Shri B. B. Sharma.]

जो चीनी बाहर में मंगाई जा रही है उसके निमित्त यह कहा जाता है कि इसमें चीनी के भाव बाजार में सस्ते होंगे। केवल चीनी के भाव सस्ते करने के लिये सरकार इतनी भारी रकम बाहर के देशों को भेज रही है। अगर इससे बाजार में चीनी के भावों में कमी आ भी गई तो उससे किसानों को कोई विशेष लाभ नहीं होगा। किसानों के लाभ के लिए यह आवश्यक है कि गन्ने के मूल्यों में बढ़ोतरी की जाती। अगर सरकार की ओर से इस तरह का कोई कदम अभी तक नहीं उठाया जा रहा है। हमारे उत्तर प्रदेश में विशेष कर जो विरोधी पार्टियाँ हैं उनका यह कहना है कि पारसाल तक तो सरकार ने गन्ने का मूल्य १ रुपया १२ आना मन रखा था, मगर इस साल १ रुपया ५ आना मन कर दिया है जिस किसानों को हानि हो रही है।

अब प्रश्न यह है कि गन्ने का मूल्य १ रुपया १२ आने मन की जगह १ रुपया ५ आना मन कब किया गया, इस साल किया गया। लेकिन सरकार को यह मालूम होना चाहिये कि गन्ने की फसल एक साल में तैयार होती है। पारसाल इसी महीने से जो खेतिहर अपने खेत में गन्ना बोना चाहता था, जनवरी और फरवरी के महीने से वह अपने खेत को तैयार करने लगता है और मार्च और अप्रैल के महीने तक वह गन्ने को बो देता है, इसके पहिले नहीं बोता है, वह जून-जुलाई यानी आषाढ में उसकी नलाई करता है। इस तरह साल भर वह उसमें परिश्रम करता है और तरह तरह के खर्च करके अपनी खेती तैयार करता है। पारसाल गन्ने के जो भाव थे उसी अनुमान से उसने मजदूरी पर व्यय किया और खर्च किया, मगर इस साल जब गन्ने के भाव घटा दिये गये हैं तो उससे तो उसकी कमर ही टूट गई है।

लोग इसके लिये हड़ताल और दूसरी तमाम प्रकार की धमकियाँ दे रहे हैं। गोरखपुर में लोगों ने मित्र वालों को गन्ना देने से इंकार कर दिया और पी० एस० पी० (P.S.P.) और कम्युनिस्ट पार्टी (Communist party) के भाइयों ने इसका आन्दोलन पूरे जोर पर चला दिया है। उन लोगों का कहना है कि गन्ने का मूल्य १ रुपये १२ आने मन कर दिया जाय जो कि पहले था। इसलिये यदि सरकार इसके लिये उत्तरदायी ठहराई जाय तो कोई अत्युक्ति नहीं होगी, क्योंकि १७ करोड़ रुपये की चीनी बाहर से मंगा कर वह चीनी का भाव गिरा रही है और उसका परिणाम यही होगा कि गन्ने का भाव गिरेगा और किसानों को नुकसान होगा। ऐसा न करके यदि गन्ने के उत्पादन से और चीनी के उत्पादन से कोई ऐसी युक्ति की गई होती कि देश में चीनी की उपज अधिक हुई होती और देश की मांग पूरी हुई होती तो अच्छा होता। कोई ऐसी बात नहीं की गई और किसानों के लिये सरकार ने कोई फायदे की युक्ति नहीं की। यह कहा जाता है कि बाहर से चीनी मंगाने से देश में चीनी का मूल्य गिरेगा लेकिन इससे फायदा किसका होगा? चीनी के खाने वाले तो शहरों में ही रहते हैं। अगर सेंसस रिपोर्ट (Census Report) देखी जाय तो मालूम होगा कि शहरों में रहने वाले लोगों की आमदनी अधिक होती है और वे लोग ज्यादा अच्छे कपड़े पहिनने वाले होते हैं, अच्छी तरह से रहने वाले होते हैं, उनके मकानात साफ और सुथरे होते हैं। तो अगर सरकार ने देहात के लोगों की दरिद्रता को बढ़ाने के लिये कमर कस ली है तो उसके लिये सिवाय इसके कि हम लोग अपनी आवाज़ उठा सकें, हमारे पास और कोई चारा नहीं है।

हम लोग जो कांग्रेसजन हैं, उनकी स्थिति बहुत ही नाजुक है। विरोधी दंड वाले हमारे

खिलाऊ यह प्रचार करते हैं कि इन्होंने ही गन्ने का भाव गिराया है, इन्हीं की सरकार ने गन्ने का भाव गिराया है और गन्ने का भाव गिरा कर तुम्हारी दरिद्रता बढ़ा रहे हैं। देहातों में जाकर ये लोग देहातियों से इस तरह की बातें कहते हैं और जब हम उनके पास जाते हैं तो सिवाय इसके और कुछ कह नहीं सकते कि यह सब तुम्हारे फायदे के लिये हो रहा है लेकिन यह बात उनकी समझ में आ नहीं सकती कि उनको एक रुपये १२ आने के बजाय १ रुपये ५ आने देने से फायदा कैसे हो रहा है। सरकार की हाई पालिटिक्स (high politics) तो उनकी समझ में आती नहीं, उनकी तो केवल जरूरत की चीजों की और पैसों की मांग रहती है। एक तरफ तो सेस (cess) और ड्यूटी (duty) लगाकर छेत्तियों का मूल्य बढ़ाया गया और दूसरी तरफ गन्ने का भाव गिरा कर उनकी आमदनी कम कर दी गई।

[MR. DEPUTY CHAIRMAN in the Chair.]

तो चूंकि इसका परिणाम भयंकर है, इसलिये मैं सरकार की तवज्जह इस तरफ दिलाना चाहता हूं, अन्यथा कांग्रेसजन होने के नाते इस बिल को सपोर्ट तो हमको करना ही है।

[For English translation, see Appendix VI, Annexure No. 154.]

SHRI RAJENDRA PRATAP SINHA (Bihar): Mr. Deputy Chairman, I will draw your attention to appropriation No. 125 in which we find that Rs. 11,72,00,000 is put for meeting the subsidy on fertilisers.

SHRI M. C. SHAH: Rs. 11 crores is not for that.

SHRI RAJENDRA PRATAP SINHA: I am referring to these two— sugar

and fertilisers. In 1952 I find from the report of the Ministry of Food and Agriculture for 1952 that 3.7 lakh tons of ammonium sulphate was allocated to the different States both for food and non-food crops. This also included a very small quantity for industrial purposes. Now the explanations that have been given along with the Supplementary Demand show that 1,80,000 tons of sulphate of ammonia was the carry over at the end of 1952 on which we are going to give this rebate to the State Governments. Therefore, I calculate that the consumption of ammonium sulphate during 1952 was about 1.9 lakh tons. This 3.7 lakh tons which was allocated to the different States included 1.7 lakh tons of imported ammonium sulphate. Now my question is, if the consumption was only 1.9 lakh tons during 1952, what was the point in importing 1.7 lakh tons of sulphate from abroad. It is also stated in this report that this 1.7 lakh tons of imported ammonium sulphate included 90,000 tons of ammonium sulphate got through the Indo-U.S.A. Technical Co-operation Assistance Programme. The Government may say that they have not paid for this quantity but why import even under this assistance scheme this quantity of ammonium sulphate when it is not required by the country? We could have made use of this assistance in some other better way. The report says that the Government proposes to import about a lakh of tons of ammonium sulphate this year under this Indo-U.S.A. Technical Assistance Programme. Our consumption of ammonium sulphate produced from the Sindri Factory and the Travancore Factory also is there. I should like to know what is the estimated consumption during the year 1953 of this fertiliser. In view of the fact that there has been a reduction in the pool price this year from Rs. 370 to Rs. 290 per ton, do the Government expect that the increase in the consumption of ammonium sulphate will justify the import of 1 lakh tons of ammonium sulphate from foreign countries? I want a clarification on this point.

[Shri Rajendra Pratap Sinha.]

The other point I would like to emphasise is that there is no point in producing or importing ammonium sulphate if that is not consumed by the agriculturists.

AN HON. MEMBER: If rains fail.

SHRI RAJENDRA PRATAP SINHA: As has been pointed out by my other friend, our cultivators are very poor and they cannot afford to purchase this high-priced fertiliser for their use. It may be difficult for the Government to reduce further the price of the fertilisers. The difficulty is that the credit facilities in the rural areas is rather drying up or shrinking as I pointed out the other day, while we were debating the Reserve Bank Amendment Bill and unless the Government strengthens the credit facilities in the country, it is no good producing only the fertilisers. We have seen that although we allocated 3·7 lakh tons of fertilisers, not more than 1·9 lakh tons was utilised. Therefore, I think that the first step that has to be taken now is to see that this fertiliser reaches the smallest and the poorest peasants. Then alone will you justify the expenditure of Rs. 37 crores on the Sindri Fertilisers.

The other point that I would like to draw your attention to is the very alarming report which was published in the *Amrita Bazar Patrika*, dated 16th December 1953. Dr. S. Ghosh, the head of the Department of Chemistry, Allahabad University, has said about the use of the chemical fertilisers, particularly the ammonium sulphate manufactured in the Sindri Factory, as follows:

"Ammonium Sulphate produced at the Sindri factory was more likely to do harm to the soil than good. Both the chemical and physical properties of the soil in this country were different, at different places. It had to be scientifically investigated as to what particular requirements were actually needed by the soil at a particular place. To

give a prescription of the foreign soil to Indian soil was erroneous. Solar energy in India is tremendous and therefore, the prescription of a temperate climate cannot do any good. Moreover, Ammonium Sulphate produced acidity and turned the soil inefficient. Again the Indian soil was poor "Humus" which could not retain Ammonium radical for a long time."

Dr. Ghosh is an eminent scientist and is reputed for his works on soil chemistry. If that is the view of such an eminent scientist regarding the use of ammonium sulphate which we are producing at Sindri, I don't know in which direction we are moving, whether by the production of these fertilisers and their distribution we are improving, or making things worse. Sir, I would urge that a more scientific approach is needed and more research work is called for before we advise the agriculturist to use these products. I would like to know from the Government what are their opinion on this point and whether their attention has been drawn to the views of this eminent scientist of India.

I now come to the question of sugar imports. We find that by the two appropriations Nos. 4 and 5, we will be spending Rs. 17,17,00,000 in importing 2·5 lakh tons of sugar. Sir, this is a very unhappy state of affairs, particularly in view of the fact that we have all the productive capacity, we have the necessary land and we claim all the "know-how" to produce sugar to meet all our internal requirement of sugar. In the year 1951-52, the sugar industry produced about 15 lakh tons of sugar. The fall started from the year 1952-53 in which year they produced only 13 lakh tons of sugar, and the estimated production in the current year, that is to say, 1953-54 is only about 12 or 12½ lakh tons of sugar. It is estimated that our consumption of sugar during the last year was about 16 lakh tons. We shall be short by about 4 lakh tons of sugar during the coming year. And now the Government have revised their sugar

policy. Previously they used to leave the industry to take care of itself and the consumers were made to depend entirely upon the Indian cane and the Indian sugar industry. Now the policy has been revised and the Government has decided to import sugar to meet the shortage. Such shortage did occur in previous years also, but there was then no decision to import sugar and there was no importing of sugar from outside. But now they have revised their policy and they are going to import sugar to meet the internal demand. This, I feel Sir, is wrought with great danger. We cannot have temporary solutions by importing sugar. We cannot allow our sugar industry to languish. We have got to meet the entire internal demand by our own production. We must find out the basic factors to stabilise this industry. And I think the conditions governing the sugar industry in this country are quite different from the conditions obtaining in other countries. In other countries, the factories own their entire farms and they are independent of cane supply from other sources. But in this country, the cane is cultivated by millions of small peasants and unless we make it remunerative for these peasants in this country to grow and supply cane to the factories, the sugar industry cannot be stabilised. We must see to it that sugar cane cultivation is remunerative to the grower of the cane. How can this happen? This can only happen if the yield per acre of cane and of sugar increases. In other countries we find that the yield per acre is very much higher than what we have in India. In India, the yield of raw sugar per acre is 1.394 tons. In Hawaii it is 6.489 tons per acre and in Mauritius it is 2.370 tons per acre. So you can see that India has got the lowest yield of raw sugar per acre. Now, the chief problem is that unless we improve the quantum of sugar produced per acre, the cultivator cannot be satisfied. Sir, we have got to see that from every acre, the cultivators do get even at low cane prices a better return per acre than what they are getting today at high prices or what they were getting

last year or the year before last at high cane prices from their land. I say this because it is not only the question of the cultivator, but we have also to see to the question of the price level generally and the interests of the consumer. The consumer wants cheap sugar and we have got to find out a *via media* to produce cheap sugar and at the same time give a better and a larger profit or return to the cultivator. This can only be possible if you increase the yield per acre of cane and sugar. What has been happening in this country? In spite of the research work that we have been doing, in spite of the Planning Commission, in spite of the efforts of both the Central and the State Governments, the yield per acre in this country has been going down from year to year. I will give some figures here. In the year 1934-35, we in India had an average of 15.09 tons of cane per acre. In the year 1949-50, this average yield came down to 13.63 tons of cane per acre. In 1950-51 it was further reduced to 13.33 tons of cane per acre. And last year, that is to say, in 1951-52, we recorded the lowest yield of 12.47 tons of cane per acre. And this has happened in spite of the fact that we have been increasing the irrigation facilities, we have been producing more of fertilisers and our research departments have been working and have shown good results. In spite of all this, the yield per acre has fallen in this country. This is a very sorry state of affairs and to this cause I attribute our having to import sugar now of 2.5 lakh tons. Sir, the grower cannot find it remunerative to grow cane when the yield is so poor. What have we been doing in the matter of improving the yield per acre? In the year 1944, the Government of Bihar and the Government of U.P. levied a cess—cane cess. This cess was imposed with the avowed purpose of developing the cane cultivation in this country and for encouraging the research work and for applying improved methods of cane cultivation in order to increase the yield per acre, in order that it may be made remunerative to the cane growers to

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grow cane. During the period between 1944 and 1951, the Government of U.P. collected a sum of Rs. 12.63 lakhs as cane cess. This cess was collected only for the purpose of developing cane. But we find that instead of applying all this money for research work or for providing facilities to the cane growers for improving their cultivation methods and their acreage, this money was utilised for other purposes, and the only amount which, during this period, that is to say, between 1944 and 1951, was utilised by the Government of U.P. on development work was Rs. 1.31 lakhs. For this period from 1944 to 1951, I do not have the expenditure figures for one year; I find that in this period only about one-twelfth of the total collection of the cane cess was utilised for the purpose of cane development, because out of the total collection of Rs. 12.63 lakhs they have spent only Rs. 1.31 lakhs for this purpose.

Now, Sir, let us see the case of Bihar. The cane cess collected during the same period, that is between 1944 and 1951, was Rs. 3,45,00,000 and during this period they have spent on cane development work Rs. 72 lakhs. Sir, therefore, it works better than in the case of U.P. because 1/3rd of the total collection has been spent but the point which I would like to place before you, Sir, is this that we have not taken any concrete measures on a large scale to develop cane on proper lines. Development for what purpose? For purposes of improving the yield. Sir, the research work done both by the Central and the State Governments has proved this fact that the yield per acre could be as good as in Mauritius or in any other country; it is only a question of carrying the benefits of research to the small cultivators. That is the only thing to be done for which we are lacking in organisation. Unless we spend all the money that we have been collecting for development of cane—on development work alone—we cannot hope to have the results that we all desire. During this period of nine or ten years what the two Governments would have

collected by way of cess and appropriated to the general revenues has all been lost in one year by the import of 2.5 lakh tons of sugar. You have seen, Sir, the amount is Rs. 17 crores for importing sugar. I think that in this year we shall be short by four lakh tons and our imports will be higher and, therefore, Sir, we will be expending more of our money in foreign exchange. This is a very short sighted policy and unless we improve the yield per acre and unless we utilise all the cane cess for the work for which it is meant, we cannot stabilise this industry.

Sir, my suggestion is that the Government has formed so many boards and it is also collecting cess and setting it apart for the purposes of that particular industry for which the money is collected. Similarly, Sir, the Government of India should see that this sugar cane cess that is collected is set apart in a separate fund, and placed directly under the Centre. After all, the sugar industry is the responsibility of the Centre and it is the Centre's responsibility to see that all the cess that is being collected by the State Governments is put separately in a separate fund and that the entire management of the cane cess is done by a board on which may be represented the Centre, the State Governments and also the industry and the cane growers. Unless this is done, Sir, there is no salvation for the industry and we shall go from bad to worse every year.

One point more, Sir. I would like to stress in this connection and that is this. I know that the Government is considering the import of raw sugar in place of refined sugar. I congratulate the Government for this scheme that they have evolved and it will be indeed doing some good to the sugar industry by importing raw sugar in place of refined sugar. I understand, Sir, that the landed cost at the port may be about Rs. 15 per maund of raw sugar of 96 lbs. and it is feasible to refine this sugar in the

Indian factories and sell at Rs 27 ex-factory per maund after paying Government excise duty Sir, if we encourage the import of raw sugar in place of refined sugar, we shall be having benefit in more than one way We shall be providing employment to our unemployed labour We shall be utilising our idle capacity, and lastly Sir we shall be saving foreign exchange because the cost of raw sugar is very much less than that of refined sugar I would like to warn Government of one temptation to which they may become a prey It is likely, Sir, that the Government may be tempted to reap higher profits by importing refined sugar as I understand, Sir, cheap sugar is available in the world market because some of the continental countries are prepared to under-sell sugar for purposes of getting foreign exchange The Government of India might very well think that they can take advantage of the situation, by buying sugar at cheaper rates and selling it at the same rates at which they are selling it in the Indian market and thereby increase their margin of profit Sir this will be a very short-sighted policy, they should not have a *bania* mentality but should look at this from the point of view of creating more economic activity in this country and this can only be done, Sir, if we import raw sugar in place of refined sugar

Then Sir I draw your attention to the Ministry of Transport's appropriation for the Eastern Shipping Corporation Ltd My hon friend, the first speaker, probably questioned how far it was proper to invest in the Eastern Shipping Corporation when it was not paying any dividend I know, Sir, that the Eastern Shipping Corporation was established only during the last two or three years and it was only for the first time in 1952 that they paid a small dividend but, Sir, investment in the Eastern Shipping Corporation is not to be looked upon from the point of view of earning dividends Sir, we have got to encourage our national shipping and we have to look upon this investment from the point of view of how far it furthers the cause of

national shipping Sir, the Planning Commission has set a target that by 1955-56 we should have an additional two lakh tons of shipping in this country Last year, that is to say in the year 1952 the net acquisition was only 35 000 tons I would like to ask the Government whether if they go on at this rate they will be able to reach the target which is a very very meagre one Sir I was looking at the figures of shipping tonnage owned by the different countries of the world and I find that India stands at the bottom Our shipping tonnage is lower than that of Finland and Belgium So we must do our best to improve the tonnage of Indian shipping

Sir it is very good that the Government has allotted one crore of rupees for the shipping companies to acquire ships for the coastal trade, but Sir, the complaint was that they took this decision rather late which has very badly hit the shipping interests Sir, it is said that if they would have taken this decision a year earlier, ships could have been bought at two-thirds the prices at which they are being bought today This is a very dismal state of affairs and the delay in taking such important decisions has resulted in the loss of foreign currency It was really very disastrous as has been pointed out by the first speaker of today

Then Sir they have allotted two crores of rupees to be given as loans to the shipping companies for purposes of acquiring ships which go abroad for overseas trade but I find, Sir, that all this money is not being utilised by the different companies I have to make a suggestion in this respect that the Eastern Shipping Corporation should be asked to make use of this money if private companies are not coming forward to utilise this money The Eastern Shipping Corporation are carrying on their business by chartering ships and they are in need of acquiring shipping tonnage for foreign trade and now if this money or a portion of this money is given to them they can very easily and quickly acquire the necessary tonnage and this company, of

[Shri Rajendra Pratap Sinha.]  
course, is under the control of the Government of India and there will be no difficulty for them to decide to acquire the necessary tonnage.

One point more in this connection I would like to say and it is that the Government should stabilise the shipping companies as best as they could. I was looking into a report which details out the steps that have been taken by industrially more advanced countries than ourselves during this year 1953 for strengthening their mercantile marine.

Sir, the shipping companies complain that they have to pay tax on the profits that they make when they sell their old vessels, whereas the cost of the second hand vessels is high and if they go to buy them from other countries they have to pay a very heavy price. They have been demanding that if they plough back into the industry the entire money that they get out of disposing of their old vessels, and if they invest the whole of that money for acquiring new vessels for them, then they should be exempted from any tax on the profits made by the sale of old vessels. I think, Sir, this is a very modest demand from them and we should, in the interest of our national shipping, look favourably to their request in this connection. Thank you.

SHRI KISHEN CHAND (Hyderabad)  
Mr Deputy Chairman, we are now considering this Appropriation Bill No 5 and an hon Member has already pointed out that this is the 5th Appropriation Bill. In years past there were never more than one or two additional Appropriation Bills and now it is almost a fashion that every session one or two Appropriation Bills are brought forward. One reason for it is that so many cesses and levies are introduced and because the proceeds of all this cess and additional excise duty go to the Consolidated Fund of India, they cannot be withdrawn without an Appropriation Bill. It will be in the interest of economy of time and better

utilisation of funds if the amounts received from these additional excise duties and these cesses are put into the Public Fund of India so that they can be drawn directly from the Public Fund of India and utilised for the purposes for which they are levied, instead of first depositing them into the Consolidated Fund of India and then withdrawing them. One such duty is the excise duty on coal and coke. I entirely agree that when the excise duty was levied on coal and coke it should be utilised for the development of coal and coke. But we are not fully informed whether the total collection from this excise duty on coal and coke amounts to only Rs. 31,00,000 or to a much higher figure or a much smaller figure. We want to know from the hon Finance Minister that these items should be self-adjusting items and the expenditure on these items should be fully covered by the income from such items. The hon. Member who has spoken just before me has pointed out another glaring case where the income from the cess on sugarcane was about Rs 12 lakhs and the expenditure was only one lakh of rupees. So I will request the hon the Finance Minister to so frame his Budget that the need for such supplementary Appropriation Bill does not arise as and when any particular cess or additional duty is levied and there should be provision in the Bill levying the additional excise duty or cess for the direct appropriation of these proceeds for the development of the particular items.

Several Members have already spoken about sugar and so I will not dilate upon it but just refer to it in a couple of minutes. As has been pointed out, we are importing 2½ lakh tons of sugar at a cost of Rs 17 crores and earning Rs 20 crores by selling it, thereby making a profit of Rs 3 crores from the poor consumers of this country.

PROF. G. RANGA (Andhra) Not exactly

SHRI KISHEN CHAND. It is all right because the interests of the local

factories have got to be safeguarded and when their selling price is Rs. 27 per maund naturally the price of foreign sugar had to be kept at Rs. 30 per maund. When we are producing so much quantity of sugarcane, if it was all converted into sugar, it would come to 40 lakh tons of sugar. But what is the reason that we are producing only 12½ lakh tons of sugar, I should like to know from the hon. Food Minister. The reason is the low price of sugarcane that we are paying to the cane-growers. If the price of sugarcane was somewhat increased more sugarcane will flow into the sugar factories and not to the *gur*-making small *nehanis*. The *gur*-making process is a wasteful process, but because the sugarcane grower feels that he can get a little higher price by converting it into *gur* he goes in for *gur*.

PROF. G. RANGA: It is only the surplus that goes to *gur*.

SHRI KISHEN CHAND: The productive capacity of our mills is much more than 12½ lakh tons as was shown two years back when they produced 16 lakh tons of sugar. Our factories can produce up to 20 lakh tons of sugar. But why are they not producing. It is because the sugarcane price is kept too low. It is so low that it does not pay the sugarcane grower to take it to the sugar factory. We have got enough sugarcane in our country. When we have got it, is it advisable to import 2½ lakh tons of sugar? Will it not be far better if we increase the price from Rs. 1-7-0 ex-factory and Rs. 1-5-0 ex-station to at least Rs. 1-8-0 and Rs. 1-10-0 respectively, giving the additional concession that if the sugar content exceeds 9 per cent. they will get 2 annas per maund. Sir, if we make this alteration in the cane price there will be no need for this Appropriation Demand of about Rs. 10 crores for the import of sugar. Therefore I will strongly oppose the sanctioning of this grant and this opposition is a token to point out to the Government that they have fixed the price of cane at too low a figure.

4 P.M.

The hon. Minister for Finance has asked for an appropriation of Rs. 1·80 crores for fertilisers. Now, the cane grower is the maximum user of this fertiliser. If the price of cane is kept low, how can he use this fertiliser? It is an inter-connected thing. If you want me to use more fertiliser, naturally you have to pay me a higher price. And therefore from that point of view also it is very essential that the price of the cane should be increased. Then we will not have any surplus. It was very bad management of the finance of our country that last year we allowed the States to keep an accumulated stock of nearly two lakh tons of ammonium sulphate. Because the States had to carry over two lakh tons, the Centre has to pay the difference in price which amounts to 1·50 crores. So on account of the wrong policy of fixing a low price for cane, the Centre has doubly lost. It has got to import sugar and it has also got to pay the difference in the price of ammonium sulphate.

Then, Sir, I come to the appropriations in the Revenue account. There is one item of loan to Kashmir. I think everyone of us is very much worried by the developments in our neighbouring countries which might affect our future relations with Kashmir. Kashmir is an integral part of India and as such we do not mind giving this loan, but I do hope that the Government will be careful that these loans are properly utilised by the Kashmir Government under the supervision of the Centre, that these loans go towards improving the lot of the agricultural population in Kashmir and towards the development of their small scale and cottage industries.

Then I come to vote No. 47. This is a demand for Rs. 15 lakhs and it arises from the fact that India got a wheat loan of nearly two million tons from America. It was rotten wheat; part of it was unfit for human consumption. It is now stored up in the godowns of the Central Government. At least 50 per cent. of it is still stored up.



THE DEPUTY MINISTER FOR FOOD AND AGRICULTURE (SHRI M. V. KRISHNAPPA): The whole lot of loaned wheat has been consumed.

SHRI KISHEN CHAND: At least if you read the explanation that due to the difference in price, which arose because the wheat was bad, the Central Government had to sell the wheat at a lower price.

SHRI M. C. SHAH: It was because of the subsidy given to the States. There was the policy of giving subsidy to the States.

SHRI M. V. KRISHNAPPA: It was not loss on account of deterioration. It is subsidy. Instead of calling it subsidy, they have called it loss.

SHRI KISHEN CHAND: You had to give this subsidy since the wheat was very bad.

SHRI M. C. SHAH: No. To keep the price low the subsidy was given.

SHRI KISHEN CHAND: I beg to withdraw my criticism on that point.

Then I come to item No. 45; that is also agriculture. That is the subsidy given by the Centre to the cotton growers. There was a loss in land revenue up to the extent of 50 per cent. and this item of expenditure of Rs. 32 lakhs is therefore really subsidy for the cotton growers. I would like to know from the hon. the Finance Minister whether any efforts are being made to improve the quality of cotton and to introduce.....

SHRI M. C. SHAH: These are only arrears to be paid. The Government in 1950 had decided that in order to grow more cotton the State Governments would be helped by making such payments. They remitted certain land revenue and for that the Government had to give grants. They were not paid so far as Bombay and Saurashtra were concerned. Now, we are only paying those arrears. That policy has now been abandoned.

SHRI KISHEN CHAND: I should like to know from the hon. Minister that if it was a question of 1950, why was it now included in the Budget of March? Why was it delayed till the 5th Appropriation Bill?

SHRI M. C. SHAH: The position was not finalised at that time and therefore this could not be taken up at that time.

SHRI KISHEN CHAND: Sir, I am glad that this is only an arrears item. I do not have anything to say about it in that case.

Then there is another item, item No. 38, relating to miscellaneous expenditure. In this I find one item is the Nilokheri Centre Community Project. I should like to know from the hon. Minister, when he is giving a reply, why it was not included in the original Budget demand. These Community Projects are not new things; they have been in existence for a long time.

SHRI M. C. SHAH: This is Social Education Centre.

SHRI KISHEN CHAND: Social Education Centres have been in existence for the last two years. Why was it not included in the original budget?

PROF. G. RANGA: Bad budgeting.

SHRI KISHEN CHAND: With these words, Sir, I resume my seat.

SHRI H. N. KUNZRU (Uttar Pradesh): Sir, I want to speak very briefly about two points. One is the price at which fertilisers are sold in this country and the other is the question of the import of sugar. So far as fertilisers are concerned, we hoped that when their manufacture in this country became a reality, it would be a great help to the agriculturists, but when the Sindri factory came into production it was found that the price of the stuff that was produced there was higher than that of the imported stuff. This year the same state of things continues and we find that the price of

sulphate of ammonia produced during the year 1952 is about Rs 370 per ton and the revised pool price to the State Governments is Rs 290 per ton. The difference between the two is therefore Rs 80. What I should like to know is whether the cost of production during the last three years has come down or not. You may for the time being bear some loss on the sale of sulphate of ammonia produced in the Sindri factory but you cannot go on bearing this loss indefinitely. Our efforts should therefore be to bring down the cost of production so that the production in this country may be able to sell in competition with the imported stuff. Unless this is done the Sindri factory cannot be supposed to have been established on a stable basis.

In an emergency, when no fertilizers can be had from outside, for instance, in a war, this factory may serve a very useful purpose. But wars are occasional and peace is the rule. We have, therefore, to think more of the state of things that should prevail in peacetime rather than of our difficulties when war breaks out. I, therefore, repeat that it is of the greatest importance to us to know to what extent the cost of production has come down during the last three years, what efforts continue to be made in order to reduce it further, and what hope there is of producing it at a price comparable with that of the imported sulphate of ammonia.

The next thing I should like to know is what are the total requirements of the country in regard to sulphate of ammonia, how much is produced in this country and how much is obtained from outside. It is possible by limiting the imported stuff to push on the sale of the sulphate of ammonia produced in this country. The cultivators will be under a compulsion to use the indigenous sulphate of ammonia if they find that its price is such as to enable them to earn a higher profit than the ordinary manures enable them to. I have asked

for the total requirements of the country in this respect and the quantity of the sulphate of ammonia imported in order to know whether, pending the desired reduction in the cost of production, it is possible to limit the quantity of the imports in such a way as to increase appreciably the sale of the indigenous stuff.

Now, Sir, a word about sugar. Much has been said about the price of the sugarcane. But, so far as I have been able to understand the position, the need for the import of sugar has arisen not because of the short production of sugar in this country but because of inadequately regulated issue of sugar by the State Governments.

THE MINISTER FOR FOOD AND AGRICULTURE (SHRI RAFI AHMAD KIDWAI) I have not been able to understand what 'inadequately regulated issue of sugar' means.

SHRI H N KUNZRU The Central Government controls the quantity of sugar and it is for it to decide the time at which the sugar will be released. What I understood from the newspapers a few months ago was—when my hon. friend was going about delivering speeches denouncing the sugar manufacturers.

SHRI RAFI AHMAD KIDWAI Did I?

SHRI H N KUNZRU The hon. Member's memory is short, but we treasure the words that fall from his lips.

SHRI RAFI AHMAD KIDWAI Ask the other benches.

SHRI H N KUNZRU It was said that the manufacturers were allowed to export sugar without any thought being given to the fact that if this sugar was allowed largely to be exported at a particular time, the sellers would be able to hoard it or the manufacturers would be able to raise its

[Shri H. N. Kunzru.]  
price. It must be within the knowledge of my hon. friend—though it may not be convenient for him to admit it just now—that the sugar manufacturers tried, after getting permission from the Government, to have the quantity which they were authorized to sell exported to the States where it was needed as quickly as possible. They used all sorts of methods in order to get the wagons required for the despatch of their sugar. What we should like to know.....

SHRI RAFI AHMAD KIDWAI: I have not been able to catch.....

SHRI H. N. KUNZRU: .....is not what happened three years ago. We are not concerned with that. We are concerned with the fact that the production, if taken along with the surplus of the previous year, would be able to meet our requirements. It is the business of the Government to say why we have to pay a higher price for sugar. It is the rise in the price of sugar that has necessitated the import of sugar. We should like, therefore, to know what the policy of the Government in this respect will be. It is not enough to say that the future policy with regard to the imports of sugar will be decided in March or April 1954 when it would be possible to have a reasonably correct idea of production during the next season.

SHRI RAFI AHMAD KIDWAI: Where is it?

SHRI H. N. KUNZRU: It is here, Sir. Either my hon. friend does not know what information is supplied by his Department to the Finance Ministry or the Finance Ministry manipulates these arguments that he is not able.....

SHRI RAFI AHMAD KIDWAI: You are not stating it correctly.....

SHRI H. N. KUNZRU: I do not know that this thing is wrong; but we have this note put in our hands. If my friend thinks that this is not correct, it is not good; it is for the hon. Minis-

ter to correct it. He is a member of the Government that has supplied this House with this information.

SHRI RAFI AHMAD KIDWAI: Am I?

SHRI H. N. KUNZRU: Perhaps he wants to follow his own policy and does not succeed in every case; and when he does not succeed, he feels that he is not a member of the Government. It is a matter of domestic interest to the Government. What we are concerned with is the policy and actions of the Government; and here it is stated in the note that has been placed before us: "It was first proposed to import only one lakh tons of sugar up to the end of December 1953, and to consider the question of importing any further quantity in March/April 1954, when it would be possible to have a reasonably correct idea of production during the next season. Supplementary Grant of Rs. 7.25 crores was accordingly obtained in the August-September 1953 session of the Parliament to cover expenditure on the purchase and import of 1 lakh tons of sugar. The position was subsequently reviewed and it was considered that import of 1 lakh tons of sugar up to December 1953, might not be sufficient to achieve the purpose in view particularly of the fact that the trend of prices and off-take continues to be steady. It was, therefore, decided to import the balance, 1 lakh tons, also." This does not weaken what I have said. It only increases the force of my remarks. It was at first proposed to import only 1 lakh tons of sugar up to March/April 1954.

SHRI RAFI AHMAD KIDWAI: May I correct him, Sir?

MR. DEPUTY CHAIRMAN: The hon. Minister may do that when he replies.

SHRI H. N. KUNZRU: I shall be very glad to have his correction now in order to be able to answer him effectively.

**SHRI RAFI AHMAD KIDWAI:** Well, the Member had once said that Government would decide its policy in March and April and he based his remarks on the note, and now he himself says that it was first decided to wait till March. But in the meantime, Government imported one lakh tons and now they have imported 50,000 tons more. And therefore, Sir, that remark is not a correct remark.

**SHRI H. N. KUNZRU:** What my hon. friend has said, fully supports what I have said. It increases our apprehensions. If during this period, instead of the proposed one lakh tons of sugar, two and a half lakh tons have been imported, what is going to be the state of things after March or April next?

**SHRI RAFI AHMAD KIDWAI:** This will be sufficient for the requirements of port towns up to May. In the meantime, we will place further orders.

**SHRI H. N. KUNZRU:** That has not been stated here. My hon. friend should have taken care, instead of trying to confuse us here now, to give us accurate information. And we have a right to complain that instead of taking adequate care to place the full facts before us, he has sent us a perfunctory note and has tried to accuse us of inaccuracy when we base our remarks on that note.

**SHRI RAFI AHMAD KIDWAI:** That has not been correctly read.

**SHRI H. N. KUNZRU:** It has been very correctly read. In fact it was read in such a way that it was to the advantage of the Government. My hon. friend has compelled me to read out the whole note which is much more disadvantageous to the Government than what I had said. So, Sir, what we should like to know is whether sugar is going to be imported in March or April or not. What is the outlook for the future? The Government may, by selling the sugar here, make a little profit, but we cannot get the foreign exchange that we have to

spend on the purchase of foreign sugar. It is therefore of the utmost importance that the policy followed by the Government, not merely with regard to the production of sugar, but also with regard to its sale in this country, should be such as to prevent a sudden rise in the price of sugar and absolve Government of the need of importing foreign sugar, which unnecessarily uses up a fairly large quantity of exchange.

**SHRI RAFI AHMAD KIDWAI:** Sir, I have heard my friend, Pandit Kunzru, with attention. He says that he is not sure of what Government's policy of sugar is going to be. I can assure him that we want to produce more in this country than our consumption so that we may be able to export. But as he is aware, we were producing about 11 lakh tons up to 1951. Then in 1952 we were able to produce 15 lakh tons. Then next year, we could have produced the same quantity, if not more, but the sugarcane crop in the Meerut area, which is the largest sugar producing area, got diseased, and therefore there was a fall in the production of sugar and also in the production of *gur*. On account of the fall in the production of *gur*, the *gur* prices went up, and in South India there was hardly any difference between the *gur* prices and the sugar prices. Therefore, there was a larger consumption of sugar than there used to be ordinarily. The sugar consumption of last year is supposed to be between 16 lakh and 17 lakh tons, which is about five lakh tons more than it used to be under the controlled economy. Then there were two alternatives open to us—either to enforce the control that we used to have or to bring more and more sugar into the market, so that the consumer may get his sugar at the prices at which he used to get it. Now, if we had reimposed control, we would have played into the hands of the hoarder who would have got much more profit than he could get under our new scheme. We, therefore, imported sugar. Firstly, we placed an

[SHRI RAFI AHMAD KIDWAI] order for one lakh tons and we thought that we will review our position in March or April. But we found that although we were supplying all the requirements of our important port towns, Bombay, Calcutta and Madras and also of other sea-coast regions like Cochin and Saurashtra, still the price of sugar was not going down. Therefore, we placed an order for another lakh of tons. In the meantime, the sugar prices outside India were falling and we took advantage of it and we placed an order for another 50,000 tons. Now, with all this sugar, we will be able to supply the port towns up to the end of March or up to the end of April. In the meantime the *gur* prices have come down. Therefore, we would watch the trend of consumption of sugar and if we find that the sugar consumption is still as high as it was last year, then we would place further orders for the import of sugar and we would continue to supply the coastal towns with the imported sugar and the rest of the country would be fed by the indigenous sugar. In the meantime, there is an attempt to re-organise the sugar industry. Some of the factories in Northern India want to shift to South India and we are going to encourage them even by offering them some inducement and we are also trying to get some new factories started. One factory has already applied for being shifted from East Africa to Mysore State and it has been given a licence. We are receiving other applications also and I hope that if we can get four or five big factories established, then our production may go up. But so long as there is the shortage of production, I think the consumer should be supplied with his full quota of requirements and therefore our imports will continue.

SHRI H P SAKSENA Will it not be a dangerous step to transfer the North Indian sugar factories to South India because South India is generally a victim of drought, and if there is no rainfall, there will be no sugar-

cane? So it will be a very risky and unbusiness-like step.

SHRI RAFI AHMAD KIDWAI I think it would be unbusiness-like to start sugar factories in North India where the season is only for 90 days, while in South India in some places it is about nine months or ten months. And I can assure the hon. Member that there are facilities for irrigation even if there is drought. There are so many sugar factories in South India and they have been working for eight or nine months in a year. Only one factory is not working this year on account of drought and that is in Mysore. But I hope they will arrange some irrigation facilities there also.

SHRI KISHEN CHAND May I ask one question? Is it possible that if the price of cane is increased then the present factories can crush up to 20 lakh tons of sugar?

SHRI RAFI AHMAD KIDWAI It is not possible and it is no use increasing the price because if we increase the price of cane, there would be no increase in the production of cane. Whatever cane people can produce, they are producing. They had produced whatever they could even last year when the prices were low. This year we have raised the prices. The other day I had quoted the figures in this House and I had said that when the price was raised from Rs. 1-6-0 to Rs. 2-0-0 a maund, the cane cultivation decreased because the price of wheat and rice also rose proportionately, and therefore the people did not care for the cane prices.

PROF. G. RANGA Sir, I am glad to be able to say that I am in general agreement with the policy pursued by my hon. friend, Mr. Kidwai.

SHRI RAFI AHMAD KIDWAI Then I would like to reconsider my policy.

PROF. G. RANGA At the same time I do not agree with him about his remarks in regard to prices. They first of all keep down the food grain prices and then they want to keep

down the sugarcane prices. When the food grain prices are up and there is less acreage placed under the cane crop, then they say that they are prepared to raise the price of the cane. This is a kind of vicious circle. I would like my hon. friend to see to it that a comprehensive study is made in regard to the prices of the cane.

Secondly, Sir, even according to the price that is found by the manufacturers to be economic to pay to our cane growers, we find that there are good manufacturers and bad manufacturers. My hon. friend, Mr. Rafi Saheb, knows very well how in South India there is what is known as a cane price formula which has been developed by the South Indian Sugar Manufacturers Association. Some of the manufacturers are prepared to pay according to that formula the prices which they have considered to be good enough to be paid to the growers, while leaving to themselves a good enough margin of profit, but there are so many manufacturers who are unwilling to pay. My hon. friend used his good offices, I was told, with one of those big mills, particularly that one in Hospet, and that he has persuaded them to pay according to this formula. But I was shocked to learn only yesterday that even this mill is going out of this formula next year.

SHRI RAFI AHMAD KIDWAI: Which mill?

PROF. G. RANGA: The Hospet Mill.

SHRI RAFI AHMAD KIDWAI: It only recently came in, and it will have to continue next year.

PROF. G. RANGA: But unfortunately there are so many other mills who refuse to do it. What happens to the cane growers? Are they to be compelled to suffer, and to go on suffering as they have been suffering, because of the very low prices that are being paid to them, even while those mills are able to get for their sugar the same price as is obtained by the other sugar manufacturers who are good

enough to pay according to this formula? Something has got to be done. I was told that my hon. friend has advised some of our men in the South that they should organise co-operatives of cane growers, and in that way to bring pressure to bear upon those manufacturers. But is it not the duty of the Government of India as well as of the State Governments to take expeditious steps in order to develop those co-operative societies and for that purpose would it not be advisable for the Central Government to set apart a portion of the money that they themselves derive even from this Sugarcane Cess Fund in order to develop these co-operative societies of the cane growers?

SHRI RAFI AHMAD KIDWAI: My hon. friend forgets that we do not get any amount from the cess, and it is for the State Governments to organise these co-operatives. U.P. and Bihar have passed legislation—Punjab also—that cane has to be supplied through the co-operative societies. Once you pass a legislation like that, they will be able to have collective bargaining power. What happened in Hospet was that they joined together and refused to supply the cane, till all the outstanding questions were settled, and that is how the settlement about Hospet came about.

PROF. G. RANGA: One of two things will have to be done. Either my hon. friend should use his good offices as well as his leadership with the State Governments in order to see that these co-operative societies do come into existence or he should get Central legislation passed to compel those bad manufacturers to pay at least the prices that the good manufacturers have decided by a majority to pay to the growers.

I am in favour of the policy that he has developed of purchasing sugar from abroad, importing it here and in that way forcing our own manufacturers to sell their sugar at a reasonably low price to our consumers. I do not think it is quite right for anyone

[Prof. G. Ranga.]

to question that, but then there is the other question of foreign exchange. It is true that we will be losing a certain amount of foreign exchange.

SHRI RAFI AHMAD KIDWAI: We have to spend that exchange.

PROF. G. RANGA: I would like to request my hon. friend whether by any chance he could allow a good enough quantity of the *gur* produced in South India which is surplus to be exported. If this is done, we would be able to get at least a small quantity of foreign exchange to counteract the loss of foreign exchange that we incur on the import of sugar. It remains a fact that three-fourths of the cane produced in South India is being utilised for *gur* manufacture, not because we don't want to send our cane to the sugar mills, but because there are no sugar mills there. My hon. friend, Mr. Saksena, was wondering whether it would be a good thing to shift the mills from U.P. and Bihar to the South of India. I can assure him that the sugar content—or the sucrose content as it is called—of the South Indian cane is twice as much as that of the cane you grow in Bihar or U.P. Therefore, from the national point of view, it is more profitable really to produce more sugarcane in South India and convert it into sugar. By this I don't mean to say that production should be confined only to the South, but at the same time there should be at least enough mills in the South to utilise at least half of the total amount of cane that is being produced there and which is now being converted into *gur*.

SHRI H. P. SAKSENA: Do it by all means but why shift the Northern India mills to South India?

PROF. G. RANGA: That is because, as has been pointed out by some hon. friends, the total capacity of the North Indian mills to produce sugar is not being utilised. This will help the manufacturers in U.P. and Bihar to make more money and at the same

time help our own growers. I would like to appeal to my hon. friend, the Food Minister, to consider this question of allowing export of *gur* from South India, and what is more, to revise his policy of allowing the State Government to restrict the right of our cane growers to sell their cane only to a particular mill. In this manner our cane growers are being put to very much loss.

SHRI RAFI AHMAD KIDWAI: You never referred to this before.

PROF. G. RANGA: This should be changed so far as South India is concerned.

The other point is about fertilisers. I am in favour of the subsidy that is being given for the sale of fertilisers in the country, and yet there is a case for seeing to it that the cost of manufacture of fertilisers from the Sindri factory should be kept down to the minimum.

SHRI RAFI AHMAD KIDWAI: That is going down every year.

PROF. G. RANGA: Let the Government take whatever steps are possible to see to it that we produce it at competitive rates so that the Government of India need not have to spend so much money. Even though my point is that we should be able to produce our fertilisers at competitive prices, I would like the Government to continue to subsidise the sale of fertilisers so that our producers will be able to get it cheaper and they could be encouraged to use more and more of these fertilisers. Sir, the Japanese method of cultivation will not be a success, unless there is greater and larger use of these fertilisers. Therefore we must popularise our fertilisers as much as possible, and in addition to popularising the use of our fertilisers, we should see to it that more and more use of these fertilisers comes into vogue and that would be possible only if we subsidise these fertilisers. For this reason, I am in agreement with the present policy.

SHRI RAFI AHMAD KIDWAI Very good

THE MINISTER FOR PRODUCTION (SHRI K C REDDY) Mr Deputy Chairman, I am sorry I was not here during the earlier stages of the debate on the Appropriation Bill. I could hardly realise that any important reference to the question of the cost of production of the Sindri fertiliser or that of the selling price of it would be raised in the course of the debate, but I understand that certain remarks have been made in connection with the cost of production of the fertiliser at Sindri and even an inference drawn that the supply of that fertiliser to the consumer is being subsidised at the cost of the exchequer and that a policy of importing fertilisers and supplying them at cheap rates to the consumer is preferable to the policy that is adopted now. I must confess that I don't exactly understand or know the tenor of the remarks that have been made by previous speakers but on the assumption that the remarks were of the nature that I have just now indicated I should like to give some information to the House and make some observations. I have not got absolutely accurate figures before me but what I would now state is from memory and I can claim some amount of authenticity for the figures that I will give presently.

One thing should be remembered and that is this. When the Sindri Fertiliser Factory went into production, initially when production was on the low side naturally the price of fertiliser had necessarily to be fixed at a higher rate. We began with a price of about Rs 350 to Rs 365 per ton. Later on when the production was geared up, as the plant went into normal production, we reduced the price to Rs 335. Later on the price was reduced to Rs 290, that is the pool price. The price at which Sindri sells to the pool is Rs 285 per ton. That is pooled with the fertiliser of

the factory at Alwaye, the price of which is naturally, because of certain inherent reasons, about Rs 335 or even Rs 350. The pooled price of indigenous fertiliser is Rs 290 and I would like the House to note that the pooled price of imported fertiliser today is Rs 310, i.e., Rs 20 more than the pooled price of the local fertiliser. So the only question that arises is this: whether intrinsically the imported fertiliser could be made available to our consumers at a much lower price than the price of the indigenous fertiliser. Whatever may be the cost of production of fertiliser in other countries, the cost at the factory, as between the landed cost of the imported fertiliser today and the cost of our fertiliser, our price compares very favourably with the landed cost of the imported fertiliser. A reference seems to have been made to the cost of a consignment of Japanese fertiliser which was imported into our country, the price of which was somewhere in the neighbourhood of Rs 230 or Rs 225 or so. That was a very special case and in the course of answering certain questions on that particular matter in this very House, I brought to the notice of the House the special circumstances under which that consignment was made available to us through the T C A. The special circumstances were these. In Japan the production of fertiliser has gone up rapidly—very high indeed—and it was a problem for Japan as to how to dispose of their accumulated fertiliser. It so happened that they were sending a steamer to Cuba to bring sugar into their country and that bottom was made use of to send some fertiliser to us here so that it may in its turn bring Cuba Sugar to their country. It was under those circumstances that through the T C A we got a Japanese consignment at a very low rate but that has not been repeated again so far as I am aware. That is the actual position. With regard to these prices, we have to be a little wary and cautious because we don't know the actual cost of production in any country nor—and I have taken up a stand for which



[Shri K. C. Reddy.]

I have been criticised very strongly—would it be desirable to disclose the actual cost of production of the Sindri fertiliser also. Anyway a general appraisal certainly is possible. So far as the cost of production of the Japanese fertiliser is concerned, I think when we got that consignment at a lower rate, our information is that the cost of production was Rs. 350 per ton whereas under the special circumstances—because of some special steps taken by them in order to clear their stocks—they made it available to us at about Rs. 230 per ton.

Having said this, I would like to make some general observations also. I don't know what exactly was said by the previous speakers. Even if the cost of production of some articles in our country—of the fertiliser, for example, is somewhat on the higher side when compared to the cost of production of similar articles elsewhere, it is in the national interest that we should stop the import of such articles to encourage the off-take of our own products. If the consumer is going to be hard hit, as my hon. friend Mr. Ranga was pointing out, we have to subsidise and that is exactly what is being done in the step that has been taken by the Food and Agriculture Ministry during the earlier part of this year. The second point to remember so far as the Sindri Fertiliser is concerned is this. We have progressively brought down the price of the fertiliser from Rs. 365 to Rs. 285 and our production now is round about 800 tons per day. We hope to reach the 950 or 1,000 tons per day target. When that is reached and when the coke oven plant, which is being installed also, goes into production and when the cement plant at Sindri, which is a subsidiary industry, goes also into production, then naturally the cost of production will come down. It is quite on the cards that we will be able to reduce the price of Sindri fertiliser—though not in the immediate future—in the course of the next few months or in a year. This is the position and I don't want a wrong

impression to be created that the Sindri Fertiliser is acting as a drag on our economy, that the price of the fertiliser is somewhat on the high side, that if we import the stuff from outside that either the country as a whole or the consumers will be very greatly benefited. That is not the position. I have stated briefly the facts of the case and if a further opportunity offers itself to me, I am prepared to place all the other details of the facts before the House.

PROF. G. RANGA: I wanted to ask for some information. May I know whether my hon. friend is aware of the fact that some of the European firms through whom they are trying to distribute the Sindri fertilisers, are offering the fertiliser at Rs. 345 whereas the pooled price is only Rs. 290 or Rs. 310?

SHRI K. C. REDDY: I am afraid the hon. Member—may I say—is confusing certain aspects of this matter. Possibly the hon. Member has in mind, when he refers to Rs. 340 or Rs. 350, the price at which the consumer is getting the fertiliser in his part of the country.

PROF. G. RANGA: Even in the north.

SHRI K. C. REDDY: Rs. 290 is the pool price f.o.r. Sindri. The same fertiliser, in the part of the country from which he comes, comes to about Rs. 335 or Rs. 340 because the freight has to be added on, incidental charges, commission, cost of gunnies, etc. So that is how I understood him but if the price at which they are quoting is higher taking all aspects into account than that at which we are offering, then that is a matter to be examined. I would request the hon. Member to pass on the information to me and I shall have the matter looked into.

THE DEPUTY MINISTER FOR RAILWAYS AND TRANSPORT (SHRI O. V. ALAGESAN): Sir, I will not take the time of the House. I am

glad that the House has been consistently evincing keen interest in the development of our shipping. When we began we began with a very ambitious plan. We wanted to raise the shipping tonnage to about 2 million. That was the recommendation of the Shipping Policy Committee but then we had to be more sober and we had to bring it down to about 6 lakh tons. Now the Five Year Plan contemplates a net addition of 2,15,000 tons to our fleet of which 1,05,000 tons will go to reinforce the coastal fleet and 1,10,000 tons for overseas purposes. Sir, in these two categories we have made provision to grant loans to the tune of Rs 19.45 crores. For coastal shipping a target of Rs 4 crores has been provided. I am glad to say that more than half of it has been already utilised by the companies engaged in coastal trade. The House is aware that coastal trade has been entirely reserved for Indian shipping. The position regarding the utilisation of these loans with reference to overseas shipping has not been so bright up till now. But in the recent meeting of the Consultative Committee of ship owners, an impetus was given to this. The Minister for Transport presided over it and invited suggestions and appealed to the shipping interests to co-operate and utilise these loans. As a result of that appeal I am glad to say that some firm commitments have been made. The provision under that head is Rs 6.5 crores, and we are now confident that before the Plan period is over this amount may be utilised to the fullest extent.

That is all that I have to say with reference to the grant of loans, the provision of loans and the utilisation for the purchase of additional tonnage.

Then I understand a question was raised as to whether the Eastern Shipping Corporation had declared a dividend. Sir, for the years 1951-52 and 1952-53 this Corporation declared a dividend of 2 per cent. The total

dividend earned by Government who hold 74 per cent of the shares is Rs 7,40,000 for two years and the Scindias who are the other shareholder and who are also the managing agent's earned a dividend of Rs 2,60,000. The Corporation have been showing profit and they are going to increase their tonnage. They are going to acquire two more cargo vessels. An order has been placed for one at the Vishakhapatnam yard and they have placed orders for another ship with one of the German yards. So I may submit that the Eastern Shipping Corporation have been working very well and they are also going to participate in other trades—in the India-East Africa trade.

SHRI M C SHAH: Sir, the questions raised with regard to sugar import, fertiliser shipping corporations and other matters have all been answered. Now what remains is only some questions about procedure. My non friend there referred to financial accounts and audit reports after 1946-47 not being available. Perhaps, he is aware that final accounts are dealt with by the Auditor General and not by the Government of India and as has already been indicated here, there were certain difficulties due to balances of loans and other aspects of the question after the partition. We could not get certain figures. They were trying to have provisional figures. So all these difficulties will have to be taken into consideration.

Then another point raised was that there was large expenditure in the Supplementary Demand. But as I have already pointed out, it is only Rs 2.76 crores or so and also there is no new service. It is not possible always to anticipate the actual expenditure. It may be that sometimes the expenditure just goes up and sometimes there are certain other items or certain other schemes which may be worked out in the course of the year. So it becomes necessary to have a supplementary demand for grants. There is nothing unusual in that step.

[Shri M. C. Shah.]

It happens in every country where a budget is presented. So it is not that there cannot be any demand for supplementary grants. So looking to the amount that is involved, I do not think that the Government have erred in any way in not anticipating these things.

There was one point raised by my hon. friend Shri Kishen Chand—unfortunately he is not here.....

AN HON. MEMBER: He is here.

SHRI M. C. SHAH: Oh, I am sorry. Well, he said that all collections from cesses must be made over to the public account and should not be put into the Consolidated Fund so that there may not be any necessity for supplementary demands. But we have consulted the Comptroller and Auditor-General as well as the Law Ministry and their advice is that it will be unconstitutional to give away these sums to the public account and that they must be first credited to the Consolidated Fund of India and thereafter these sums must be disbursed. He wanted to include the amount collected—Rs. 125 lakhs. As a matter of fact, in this respect, the Railway Department has to give the final account. So when the Railways send in the provisional accounts we deal with those sums and I would say in the case of the Railways, for the last three months there are arrears and the final accounts are received late, that is to say, after the financial year begins. So it becomes necessary to ask for supplementary demands to repay this sum to that fund.

Then my hon. friend, Shri Bhanj Deo, asked—"Why ask for this capital expenditure of Rs. 11 crores? Why not write it off to the revenue side?" Well, it is not possible, or feasible or even advisable to do so. Here it is a case of State trading. We are importing sugar and selling it and we make profit—a profit of Rs. 3 crores. So it is State trading. So we cannot write

it off to the revenue side. And regarding fertilisers also there is subsidy to be given, because, as has been already explained, there was overstocking at Sindri and all the States were persuaded to take stocks and at the end of the last financial year 1,80,000 tons remained unsold with them. And that was mostly because of the famine in Madras. If they had had rains in Madras, one lakh and odd tons would have been consumed there. When the pool prices are lower this year, I think it would be just to give some subsidy to the State Governments.

Sir, except these two or three points, there are no points that I have to reply. Certain questions were raised about the policy, but I think it would be appropriate to raise the question of policy when the Budget is presented and when the Budget is discussed. Just now it is only a question of certain supplementary grants and it is not proper to discuss policy questions at this time.

Sir, I hope the House will take this motion into consideration.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1953-54, as passed by the House of the People, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now we take up the clause by clause consideration of this Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

SHRI M. C. SHAH: Sir, I move:

"That the Bill be returned."

SHRI H. P. SAKSENA: Sir,.....

MR DEPUTY CHAIRMAN There is no time Mr Saksena

SHRI H P SAKSENA Sir, just one observation I will hardly take two minutes

MR DEPUTY CHAIRMAN There are only two minutes left You can have only one minute

SHRI H P SAKSENA Yes, Sir The point that I would like the hon the Deputy Minister for Finance to note is this that it should not be made a practice to come forward to Parliament with demands for supplementary grants It should be rather an exception than a rule Is it not possible to foresee all the expenses that one shall have to incur during the course of the year?

MR DEPUTY CHAIRMAN That point has been replied to, Mr Saksena

SHRI H P SAKSENA With these observations, Sir, I resume my seat

MR DEPUTY CHAIRMAN The question is

"That the Bill be returned"

The motion was adopted

5 P M

# THE PATIALA AND EAST PUNJAB STATES UNION APPROPRIATION (No 3) BILL, 1953

THE DEPUTY MINISTER FOR FINANCE (SHRI M C SHAH) Sir, I beg to move

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1953-54, as passed by the House of the People, be taken into consideration"

[THE VICE-CHAIRMAN (SHRI K S HEGDE) in the Chair]

Sir I do not think that I should say anything further than what is contained in the statement already circulated to the Members of the House The explanatory notes are contained in that statement Very small demands have been made which are absolutely necessary and I do not think that I should take the time of the House in going through those figures which are there in the statement already circulated

Sir, I move

THE VICE-CHAIRMAN (SHRI K S HEGDE) Motion moved

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Patiala and East Punjab States Union for the service of the financial year 1953-54, as passed by the House of the People, be taken into consideration"

SHRI P C BHANJ DEO (Orissa): Sir, the Home Minister, Dr Kailas Nath Katju, announced the other day that elections in PEPSU will be over by the end of March next year It is gratifying to note that supplementary grants have been demanded for it and is embodied in the present Appropriation Bill I am anxious to know about the preparations of the Budget of the PEPSU Government for the next year, 1954-55 I would like to know whether the elected popular Ministers will have a say in the preparation of the next Budget for the full year 1954-55 It is now more than a year, Sir that PEPSU has been under the President's Rule This Parliament passed the main annual Budget for PEPSU for this year as well as the present batch of supplementary demands crystallised in the present Bill I wish to know whether this Parliament will examine the Appropriation Accounts of PEPSU for this year when they are prepared and published I do not know whether the Minister caught my question

SHRI M C SHAH About Budget?