

आगामी गर्मियों में कुछ खास-खास स्टेशन चुन लिये जायेंगे और हर स्टेशन पर वाटरमैन (waterman जो कि यात्रियों को पानी पिए (platform जब कभी किसी प्लैटफार्म ) में कोई गाड़ी आय तो उस समय कम से कम ६ से ८ पानी पिलाने वाले आदमी मौजूद रहें जिससे कि हर डिब्बे में यात्रियों को अच्छी तरह से पानी मिल जाये। यह बात मैं मानता हूं कि यह एक खर्चीला प्रयोग है, मगर जरूरत के लिहाज से हमको इस प्रयोग को करना आवश्यक है।

मैं यहां पर यह भी कह देना चाहता हूं कि रेलवे बोर्ड (Railway Board) की तरफ से इस बात की भी को electric रही है कि इलेक्ट्रिक कूलर्स (coolers) द्वारा लोगों को ठंडा पानी दिया जाय। कुछ स्टेशनों में इसका प्रबन्ध शुरू भी कर दिया गया है। कहीं पर तो एक पैसा गिलास पर यात्रियों को ठंडा पानी आजकल दिया जा रहा है और कहीं पर तो बगैर पैसे के भी दिया जा रहा है। अभी तक ५१ स्टेशन ऐसे हैं जहां पर इस तरह के कूलर्स (coolers) लगाये गये हैं। मैंने स्वयं जाकर इन कूलर्स को देखा है और जनता को इससे काफ़ी आराम पहुंच रहा है। मैं चाहता हूं कि इसे जितना और बढ़ाया जा सके बढ़ाया जाय।

मैंने आपका काफ़ी समय लिया और अब मेरे पास इतना वक्त भी नहीं है कि जो एक दो बातें और कहनी थीं वे आपके सामने रख सकूं मैं फिर आप सबको और हाउस (House) के मेम्बरान को इस बात के (Budget) के देता हूं कि उन्होंने इस बजट का स्वागत किया और इस पर पूरी शान्ति से विचार किया जिससे कि मेरा भी उत्साह कुछ बढ़ा है। मुझे उम्मीद है कि आगे

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मैं और मेरे साथी रेलवे में काम करने वाले रेलवे के काम को और अच्छी तरह चला सकेंगे।

[For English translation, see Appendix IV, Annexure No. 32.]

#### ALLOTMENT OF TIME FOR CONSIDERATION OF THE APPROPRIATION BILL, 1953

MR. CHAIRMAN: I have to inform hon. Members that under rule 162(2) of the Rules of Procedure and Conduct of Business in the Council of States, I have allotted two and a-half hours for the completion of all stages involved in the consideration and return of the Appropriation Bill, 1953. by the Council including the consideration and passing of amendments, if any, to the Bill.

#### THE APPROPRIATION BILL, 1953

MR. DEPUTY CHAIRMAN, in the Chair.

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH): Sir, I 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 1952-53, as passed by the House of the People, be taken into consideration."

Sir, the Supplementary Demands out of which this Bill arises were laid in the form of a statement on the Table of the House on the 17th and the Demands were granted by the House of the People on Thursday last, the 19th. The memoranda placed before you in regard to the Supplementary Demands contain, in my view, a sufficient explanation of why this additional expenditure has become necessary. I shall now proceed to draw attention to a few important points.

The first point is in regard to new services, that is to say, if any of these demands constitutes what might be re-

[Shri C. D. Deshmukh.] regarded as new services. There were only six which could possibly be regarded as falling within this category. One is Demand No. 4 Commerce and Industry Ministry—Forward Markets Commission. It is a small sum of Rs. 11,000, but really committees and commissions are a normal feature. I doubt whether this can be regarded strictly as a new service. Then there is Demand No. 53—gifts received from Charitable Institutions—a small amount of Rs. 50,000; this is in accordance with our usual practice in such cases. The Health Ministry's Demand No. 53 has another item of Rs. 13,34,000. This represents transfer to the special development fund of the contribution from New Zealand Government towards the All-India Medical Institute. Now, this again is really not a new service and a larger amount has been received this year than has been provided for in the Budget. Moreover, this really is not an expenditure as it already forms another part of the Budget. Then there is the Home Ministry Demand No. 57 consequent on the introduction of passport-ewm-visa system for travel between India and Pakistan. This is a small item of Rs. 44,000. Parliament voted the supplementary demand for the passport system on the External Affairs Ministry side last December where this item was then mentioned. Then there is the Production Ministry's Demand No. 96. This is the subsidy to shipbuilding industry to cover the difference between the cost of construction at the Visakhapatnam yard and the U.K. parity price, amounting to Rs. 69,86,000. When Parliament agreed to grant the subsidy last year it was expected on that occasion that this would be continued. Lastly, there is the Home Ministry item—new item—103-A Secretariat of the Vice-President—Rs. 28,000—which again can hardly be called new service. Well, Sir, except in the case of item 6 above, we have not found it necessary to make advances from the Contingency Fund to cover the expenditure shown in the Supplementary Demand. Where ex-

penditure has already been incurred, it is estimated to be well within the grant as a whole for the year. I think, of course, the grant is now to be supplemented to cover the expenditure during the remainder of the year. The House will recall that, during the last session of Parliament, supplementary grants for Rs. 10,36,00,000 were obtained. Receipts and recoveries adjustable in reduction of this amount amounted to Rs. 3,63,00,000, leaving the net additional expenditure of Rs. 6,73,00,000; and these are in regard to six items, one of which, namely, Rs. 4,30,00,000 representing compensation to States in respect of Sugar Factories in view of reduction in the control prices in 1951-52 stocks. There were corresponding credits expected as a result of the special excise duty which was passed by Parliament. So I believe, my colleague, the Minister for Revenue and Expenditure, found that the net expenditure represented by this demand, therefore, was only Rs. 3 crores. Now, coming to the present supplementary demand, the gross expenditure involved is Rs. 46,70,00,000. Of this, Rs. 14,28,00,000 pertain to the revenue portion and the balance of Rs. 32,42,00,000 to the capital portion. The demand for Rs. 576 lakhs in the Revenue portion and Rs. 1,328 lakhs in the capital portion are for charged expenditure, making a total of Rs. 1,904 lakhs, and the remaining demands Rs. 852 lakhs under Revenue and Rs. 1,914 lakhs under Capital, making a total of Rs. 27,66 lakhs are subject to Parliament's vote and they were voted.

Now, there are recoveries against the Supplementary Demands into the details of which I shall not enter at the moment. There are various items which do not really represent actual expenditure but are mere book adjustments and of these, the largest and the most substantial one is the amount of Rs. 16 crores 58 lakhs under the Capital portion which represents the transfer of the net sale proceeds of food grains purchased from the American Wheat Loan. So, taking into

consideration these figures, the net additional expenditure involving an outgo of cash is Charged Rs. 12,95 lakhs and Voted Rs. 908 lakhs.

Lastly, I would come to some of the important items in the present list. -One is food subsidy which is Rs. 6,11 lakhs which arose out of a post-Budget decision to subsidise wheat at Rs. 2 per maund. Perhaps "subsidy" is a wrong word, because we still adhere to the principle we enunciated in regard to food subsidies, in the course of the discussions over the current Budget. We found after the close of the Budget Session that, while food ships were arriving and storage accommodation was being overstrained, wheat was not selling on account of a continuous fall in price that was taking place following the so-called slump -of March—April last year. So, as a matter of trade, we thought it wise to lower the price of the wheat in our stock rather than run the risk of losing large quantities through deterioration and other kinds of damage.

The next item is grants-in-aid to States under articles 273 and 275 of the Constitution, which is Rs. 5,65 lakhs. This payment follows the Finance Commission's Award which has been accepted by the Government. The only other big item, in addition to the one I have mentioned, transfer of net sale proceeds of the American Wheat Loan to the Special Development Fund of Rs. 16,58 lakhs, is the additional loans to State which is a charged item of Rs. 13,28 lakhs representing loans for famine relief and loans representing ways and means accommodation as well as loans for financing capital expenditure.

I ought to mention before I conclude that these Supplementary Demands do not take into account the Rs. 16J crores which will be paid to the State Governments this year as their share of the excise duty on matches, tobacco and vegetable products as a result of the Finance Commission's Award. As Members are aware, a law of Parliament is necessary before these

payments can be made and if such legislation is passed, this Supplementary Demand will be presented later in the course of this session.

MR. DEPUTY 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 1952-53, as passed by the House of the People, be taken into consideration.

SHRI B. GUPTA: Mr. Deputy Chairman, I would like to take advantage of this occasion to draw the attention of the Minister concerned to certain misuses of public funds that have taken place in various Departments. I would particularly relate the story of the Damodar Valley Corporation. Here, dealing with the subject, I would touch upon Vote Nos. 70, 115 and 123, all of which relate to allotments. When I see these grants being demanded for this particular Corporation, I am reminded of an English gentleman who, on being appointed a Judge of an Indian Court, wrote to his friends before he left England. "I am going to join in the grand loot otherwise called the British Empire." I think the American experts who are coming here on assignments in the D.V.C. might as well write to their friends, "We are going to join in the grand loot that is the D.V.C." Now, Sir, it is not possible to relate the whole story of how money is being wasted in that valley of corruption; yet I would take this opportunity to mention only a few facts. I do not want to go into the story of how these projects came to be conceived or executed in the initial stages, but I would like only to refer to certain things that are taking place today. Sir, there are lots of money that are being spent. You know that Rs. 76 crores have already been sanctioned and more. I suppose, will be required, and the American loans are there and the World Bank is there to patronise the financing of

[Shri B. Gupta.] such projects. Now, I am not going into the story of the leaky dam that has been contradicted by the Government; but the contradiction that has been made today also raises a very wrong suspicion that there is something wrong with the Tilaya Dam. I would not go into that because it is a matter of dispute between the parties concerned, i.e., the Government on the one hand who repudiated the allegation and the public and the press on the other who brought in this allegation. Sir, we find that of the loans that came to the extent of Rs. 94 crores, nearly Rs. 6 crores and 64 lakhs have been spent for purchases in the U.S.A. Not only that, they have been spent for purchases made from the International General Electric Co. with which Mr. Morgan's name is associated, and one of the Morgans is also there in the D.V.C. I do not know exactly how money is being handled, but it raises a very grave suspicion as to the manner in which these monopoly purchases are being made today. Then we find that even nuts and bolts which can be had from this country are being imported from abroad. Now, are we in such a state of industrial development that we cannot even produce nuts and bolts, and that we have to get them from the U.S.A. paying for them heavily through our nose? Why the Government cannot procure these from our internal resources is for the Minister to explain to this House. About the officials, I think, the time has come when you ask for grants, you should at least give us some proposals about how you are going to economise the various items of expenditure. The Chief Engineer of the D.V.C. happens to be one Mr. A. Komara, who is an American and gets, according to my information, Rs. 10,000 a month. The entire sum is credited to his American account in the U.S.A. Other allowances etc. are given here and also free quarters and water; as the local water does not suit him, a filter has been established there to supply him with water. The gracious wife of that mighty expert suddenly slipped in the "bath room and I

an order was at once issued to have at least 6 bath-rooms so that this lady may use the baths in the same way as the *begums* of *badshahs* used to have it in the olden days. There is a child and for that child a swing has been installed there costing Rs. 600. This money has been spent, according to my information, not from the resources of that gentleman but from the public resources. Rs. 2,100 have been spent. The daughter of that gentleman went home. Naturally the father is sending the daughter home—there is no objection to that. Americans always do this sort of going out and coming in but the trouble is that Public exchequer was charged. D.V.C. had to spend Rs. 4,869 for that. There are other officers—15 American Mistries. When Mistries come to India—when they are whitemen—they are<sup>1</sup> called Engineers. Mistries—miscalled engineers—are being given Rs. 6,000 each, as against the salary of Rs. 1,500 given to Indian Chief Engineer in Bokharo. This is another instance of how money goes by the drain and how discrimination in practice is made against Indians to feed the American white elephants. There are a number of Consulting Engineers attached to the D.V.C. We had got one Consulting Engineers' firm upto 1952. They were paid Rs. 14,90,000 as fees upto-1952 and further estimates of such consultation fees are about Rs. 7,12,000 upto 1954.

SHRI H. D. RAJAH (Madras): Are they free of Income-tax?

SHRI B. GUPTA: This figure is taken from the report. It is for them to tell whether the figure is acceptable or not. I am relating the story of eternal shame. There are other Consulting Engineers also in Maithon and Panchet. I don't exactly know how much they are being paid because the figures are not there. One of their officers is Mr. Frank Rogers. He was for some time Member of the Directorate of the D.V.C. Engineers;

and he was given Rs. 6,000 per month and his money too was credited to his American account and every other allowance and all that he required was being provided in addition to these sums.

Then, about the purchases, the loans are being spent in the U.S.A. and the one particular concern—The International General Electric Co.—is getting the lion's share in the entire purchase and lots of money have already been paid to them. We find also that there are Indians in the picture. The Indians in the picture make a little as compared to the American friends—the titans in the industry. One concern is there of which Pashabhai Patel, the nephew of late Sardar Patel happens to be the presiding deity and there are also the Hind Construction of Birlas and the Hindustan Constructions of Mr. Wal-chand Hirachand. Now about these things, we have reports. It is for the Government of India to satisfy us that the reports are false after proper examination. Certain excavators were sold to them as new which were bought from Disposals and lots of profits were made out of them. Certain dumper tractors each costing about Ks. 60,000—about ten of them—were sold to the D.V.C. and 90 per cent, of the bills were collected on account and the 10 per cent, of the bills were withheld because 4 out of the 10 machines were found to be out of order or not in a fit condition to be put into use. Similarly certain compressor machines were sold and some of them were found to be not in order. If you go to these areas you would find 40 per cent, of the machines are under repair daily. If they were new, how is it that about 40 per cent, of them would be under repair everyday? The story seems to be a little long for the time allotted.

SHRI C. D. DESHMUKH: May I know for how long has he known all these facts?

SHRI B. GUPTA: I had known the allegations before I came here to at-

tend the Session. Some of these allegations have been published—if I may quote since the point has been raised by the hon. Finance Minister—in a Calcutta daily newspaper "Swadhinata". All these are written in a series of articles, I happen to be the Chairman of the Board of Editors of that newspaper. We sent one of our editors to examine on the spot and he got reports which we published and we had no clear contradiction on anyone of the points by Government. It is no use saying that news are false. I learn that when Pandit Jawaharlal Nehru went to open a certain dam, this paper was not invited because of the little publicity it has given to the corruptions. News of corruption have their own wings. They fly across the country overpass all barriers. Similarly the trouble with the D.V.C. Board is—it is a 3-man Board and two of them have nothing to do with Engineering or science and had never anything to do with Engineering in life. One is an I.C.S. who may be very successful in other spheres of his life but certainly he is not the person to be put in charge of construction where a lot of engineering work is involved, where one requires specialised knowledge for proper Inspection and supervision. Another is Shri Phulin Pershad of Bihar. He also is not connected with any engineering. This is the position. The 3-man Board is not a Board at all which should have been entrusted with so much money and that is why lots of things are happening. To what extent they are implicated • in this I don't know. I will not say anything about them but the point nonetheless that I wish to make is this that unless and until you have a proper Board which can watch the engineering work and which can look into the various orders that are placed before them and suggestions made before them, it is impossible for a Board of lay-men to exercise proper control in the matter and that is what we find today in the D.V.C.

Many of these American officers are getting fat salaries as compared to

[Shri B. Gupta.] the Indian officers and engineers who are getting very little indeed. And that is the picture, on the one hand wastage of public money, enormous and extravagant use of public funds, and on the other you find attempts made to impose taxes, irrigation tax, development tax, water tax, all kinds of taxes upon the people to feed these firms and big schemes. We of course, want construction for the good of the country, let there be no doubt, about that. But we want the construction in such a manner as to help the people, to relieve their poverty, to take away the burdens which are already crushing them. We want construction to be carried out in a manner that the people may feel confidence in the work. We want construction to be handled by people's representatives, by people who really are experts in the matter. We want these constructions to be carried out in such a manner as not to send away so much funds every year out of our country to the United States of America. This, Sir, is a very vital matter.

The second point that I want to raise is that it is no use asking for grants—huge sums of money—and not say a word as to how the funds should be handled.

This is roughly what I want to say about the\* Damodar Valley Corporation and I hope the hon. Finance Minister would betimes wake up to the very grave threats that are there, betimes rise to the occasion and probe a little deeper into the affairs of the Damodar Valley Corporation so that we can still save the money that is possible to be saved. I hope I will not be accused of making wild allegations. These allegations have been made in the public and it is for the Government to institute a public enquiry, consisting of representatives of all parties so that we can hold such an enquiry on the subject as is necessary and produce reports before the country and tell them that the public

funds will not be wasted in the manner in which they are being wasted today.

I would now come to another grant—that is Vote No. 114. That relates to the community projects. Here also the Finance Minister requires money to support and help what they call the development schemes. I do not know, Sir, exactly what other development there is, but they have developed certain symptoms that are not very encouraging at all. Now, here we find that a sum of money would be required to finance the States, to help the States so that they could carry out the schemes of developments, their development schemes, under the Central Government. I wish to draw the hon. Minister's attention, before he sanctions this fund, to the manner in which such development schemes are being run. I shall give only one instance and that is about the Phulia development scheme in Nadia district. This scheme is now run with the authority of the Central Government by West Bengal.

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): Did you say item No. 114.

SHRI C. D. DESHMUKH: Which item is it?

SHRI B. GUPTA: I don't know which Minister is concerned.

SHRI C. D. DESHMUKH: It concerns both the Ministers.

SHRI H. D. RAJAH: It is No. 115.

SHRI B. GUPTA: It is No. 114 and it is on page 31 of the Memorandum that has been supplied to us.

SHRI C. D. DESHMUKH: There is nothing about community projects there, as far as I can see.

SHRI H. D. RAJAH: It is all about food grains, Mr. Gupta.

SHRI B. C. GHOSE (West Bengal): This money may be employed for financing the projects.

SHRI B. GUPTA: It is about development projects. I am not saying they are community projects.

SHRI C. D. DESHMUKH: Tho hon. Member did say—"community projects".

SHRI B. GUPTA: It is a Congress community development project and it is for them to decide what it is. For us it is all the same. It does not matter for a fish, Sir, whether it is fried in butter or in mustard oil; it is the same for the fish.

This scheme was started in 1950 by the great and benign Government with the blessings of the great West Bengal Minister. But soon it was found that something was wrong and then the Central Government came into the picture and one Mr. S. K. Dey who is supposed to be very high.....

MR. DEPUTY CHAIRMAN: Mr. Gupta, this Demand does not refer to any community project] at all. It refers to development schemes taken up by the Central Government and State development schemes approved by the Centre.

SHRI M. C. SHAH: It is development schema.

AN HON. MEMBER: It is a project.

SHRI B. GUPTA: I do not know whether it is a community project. But if you don't like it .....

SHRI C. D. DESHMUKH: I don't know if it is a community project or a Communistic project. But here really we are concerned with .....

SHRI B. RATH (Orissa): They are quite different things.

SHRI C. D. DESHMUKH: Yes, they are quite different and one is much better than the other. All I want to

say is that this is a technical accounting entry. It only means when certain things arrive late they are sold late and we credit the money to the development fund. Surely on this basis there can be no criticism of the development policy as such because I believe there is a ruling that policy as such is not discussed in connection with Supplementary Demands.

SHRI B. GUPTA: Policy?

SHRI B. C. GHOSE: What the hon. Finance Minister stated is quite right. But it is all the same a question of passing money for some development purposes and my friend was only illustrating a case as to how the development projects are sometimes executed. That was the only purpose.

SHRI C. D. DESHMUKH: That surely is policy. It may be an illustration, but it is really a criticism of policy.

SHRI B. C. GHOSE: It is Jh illustration.

SHRI C. D. DESHMUKH: For instance, if we had spent Rs. 10 crores on a certain multi-purpose river scheme out of a given demand, then it would be in order to discuss that particular scheme. But here is it intended to discuss all the 150 projects?

MR. DEPUTY CHAIRMAN: That is what they intend to do.

SHRI B. C. GHOSE: My friend was only giving an illustration to show how the schemes are badly managed.

SHRI C. D. DESHMUKH: It is part of the ways and means resources for financing the development, or what we call counter-part fund, that is to say, we import wheat, out of the proceeds of the loans. Then the wheat is sold in the country and the proceeds are credited into an account. It is a separate account merely for pro forma purposes. It forms part of the resources of Government. But we are not stating here the project we are going to take up with any particular identifiable portion of the ways and means resources.

SHRI B. C. GHOSE: My friend's point is that this fund should not be credited to such an account at all which could ultimately be utilised for the development projects.

MR. DEPUTY CHAIRMAN: You object to the particular policy?

SHRI B. GUPTA: I know, Sir, when I say such things the Ministers feel hurt. It is all right. It is quite all right. This year Rs. 39 lakhs have already been wasted in Phulia. The cottage industries have been closed down. The weavers have gone unemployed. People have lost their jobs. Small people financing these schemes have lost their money. I will only make this submission, Sir,

"Please stop this sort of unemployment and please don't proceed with this sort of thing until you are absolutely certain that the money sanctioned will not be wasted."

Then I pass on to another interesting thing—vote No. 6. It relates to certain stores of the Posts & Telegraphs Department. Here, Sir, I have got another example of how stores are being handled by the authorities. Here again. I would not pin him down to this particular thing, as far as the references that are mentioned here, but, I would like to draw the hon. Minister's attention to the fact that the stores are being handled in a very very objectionable manner. I would now refer to the case of the Chief Controller of Telegraph Stores.

MR. DEPUTY CHAIRMAN: It has got nothing to do with the stores.

SHRI C. D. DESHMUKH: It is the interest.

SHRI B. GUPTA: Here, Sir, it is mentioned, including stores held in stock and in process of manufacture.

SHRI C. D. DESHMUKH: It is capital investment, including value of stores.

SHRI C. G. K. REDDY: What is the procedure? If a certain vote concerns a certain Ministry, is it the contention of the hon. Minister that we should confine our remarks, only to the particular itemised expenditure.....

MR. DEPUTY CHAIRMAN: So far as Supplementary Demands are concerned, the scope is very limited; it is not a General Budget discussion.

SHRI C. G. K. REDDY: It is not at all clear. Now, the explanation may be very highly technical.....

SHRI B. GUPTA: ..... But, the time 'is very short and I will pass on to the next subject. I come to vote Number 4, Indian Exhibition in London at the time of the Coronation. Why on earth should an exhibition be held on the occasion of the Coronation, I would ask the Finance Minister to answer. Now, there is no getting out of this. It has been said, in the other House, that this exhibition has nothing to do with the Coronation; but, it has been specifically mentioned, 'on the occasion of the Coronation'. If it had not been so, the Government would not have mentioned the occasion on which this exhibition is going to be organised. They will say **that** after all, we are in the Commonwealth and all that sort of thing. We have nothing to do with it. The British Crown may be some kind of symbol for your adulation, may be some kind of symbol for your reverence, may be something that you respect; but, the British Crown is a symbol of shame and dishonour for us; it is a symbol of blood and tears for the Indian people and this is something which we have learnt through the last 200 years. It is an unimaginable shame that the Government should go there to participate in that function, in those celebrations and put up an exhibition at the time of the Coronation. We would not grant a pice for it if we may have our way. Then, who is going to organise it? What exhibits will be shown there? Who will select these exhibits? All these things are also



very very relevant and pertinent questions for us in Parliament to ask of the Government. We feel, Sir, it will be a kind of shameful thing; they will go to flaunt their love for the British Crown; they will go to show how they love and admire the Royal Family and say that "they have brought little things from India to display to the British audience". We know, Sir, what kind of audience would come. I have been in England during the ceremony of the Coronation of the late King. I have seen what sort of people go in for this kind of exhibition.

SHRI H. D. RAJAH: Why did you go during the Coronation?

SHRI B. GUPTA: I was there as a student. After my detention for four years. I was there as a student, and I saw these from a distance and I took a decision never to allow India into such affairs if we have our ways in questions of public life. The hon. the Finance Minister had been in England; he knows English people very well and you know, Sir, that when this kind of thing is put up in Earl's Court or some other big place, which sort of people would go to see them. Sir, they are not the workers, the common people of Britain who go and see them. The fashionable ladies come and show their beauties and go away. We would like to put a stop to this nonsense and the time has come to stop all this kind of functions. Sir, it is a shame that the Prime Minister chooses to go to the Corporation. If the Prime Minister would believe in his own autobiography, if he would believe in what he had written some several years ago.....

SHRI H. D. RAJAH: That is all past.

SHRI B. GUPTA: ..... in the early years of his political life, he would himself see the absurdity of going to such functions because, these functions have no meaning for us; they are an affront to the people of India. Therefore, do not come here with such a demand, because, it is a vote which, if I may use a very Parliamentary but

not quite legally admissible term, is a kind of treason to the national heritage and to the patriotism of the people of our country. Take it back. If you want to show something to the British people, by all means organise exhibitions and things like that in which the real face of India could be shown, in which the real Indian picture could be presented to the common people of Britain—I mean the British working class people and the British peasantry. Therefore, Sir, I am astounded that the hon. Minister comes here with such a fantastic demand; but, all his fatuity could have been, perhaps, pardoned had it not been for the fact that he displays certain very very—what should I say—unpatriotic and intolerable sentiments.

Then, Sir, we find vote No. 49, about Food. It is true that money is required for subsidising food and the country could have no objection if you subsidise the food with a view to making it available to the consumers, specially the workers and peasants. But, at the same time, it is essential to see that when the food is procured from countries like the United States of America and Australia, specially the United States of America, you pay a reasonable price and that you are not forced to pay exorbitant prices. It is also necessary to see that the freight charges are not much, because, the United States is taking advantage of our difficulties and they have, in fact, increased the freight charges so much so that I believe, during the last year or so, we spent nearly Rs. 50 crores on account of freight charges for the import of food grains. How much of this money went to the United States of America, I cannot exactly say, but, since the bulk of the imports came from that particular country, the bulk of the funds will have also gone there. Therefore, Sir, it is necessary to take these into account before we make such grants.

Then, Sir, there is a demand for commuted value of pensions,—I understand, Sir—for the pensions of those

[Shri B. Gupta.] gentlemen who are in the United Kingdom, those gentlemen whom our Congress leaders have taken to love in recent years. Now, why should we be paying pensions to them continuously for a number of years? Enough had already been paid. I know, Sir, that every year, we are paying, as pension to those retired officers in the United Kingdom, to the order of 10 crores of rupees. We say that not one pice is due to them as pension. After all, it is for them to pay something to us. It is they who should pay something to the Indian people. They have taken enough from our country; their loot and plunder has been limitless and it is a shame that we should still be thinking in terms of paying pension to those people who enacted Jallian-walabagh in our country, who hanged Bhagat Singh, who killed our martyrs, who even did not hesitate to assault the mother of the present Prime Minister of India Mrs. Swarup Rani Nehru in the streets of Allahabad and who assaulted Lajpat Rai and many other leaders. And, because of these actions they are getting pensions today! Don't pay a single pice to them; if possible, and, if they have got money in Indian banks, freeze that money; take that money away and put it in the public exchequer. This shame has to be put an end to; this question of paying pension to the British officers who had left the political scene only to exploit our country in a different way, has to be put an end to. Therefore, I am opposed to this pernicious grant. Not one pice should be given. If you have enough money to spare, spend that money for the welfare of the people, spend that money for the welfare of Government officers who are under-paid, spend that money on the orderlies who work in your offices, spend that money on the lower grade clerks who are starving today, instead of sending millions of rupees to those British officers who deserve to be condemned and punished if international justice has any meaning in the world today. Therefore, Sir, this obnoxious

grant should be denied altogether.

SHRI C. D. DESHMUKH: May I ask the hon. Member if he is against granting this amount?

MR. DEPUTY CHAIRMAN: He is.

SHRI C. D. DESHMUKH: He is against granting this money, whatever his arguments may be?

MR. DEPUTY CHAIRMAN: Yes.

SHRI C. D. DESHMUKH: That will deprive our own people of pension.

SHRI B. C. GHOSE: He is against only that portion which is given to Europeans.

SHRI B. GUPTA: I am objecting to the grant of pensions to those Europeans whom you have mentioned here. Give the money to our own people if you like, except those who were guilty of crimes against the national movement, even if they are Indians. Otherwise, by all means spend the money on Indians, but not a pice on Europeans.

MR. DEPUTY CHAIRMAN: I have to remind the hon. Member that there are other speakers also. He must be brief.

SHRI B. C. GHOSE: Therefore he is very concise.

SHRI B. GUPTA: Provided the hon. Minister does not interrupt me. After all, he knows the game. He need not interrupt.

Now, Sir, there is some provision for commodity control. I do not want to say much about it. I would only say that, since it has been set up, it should function much more efficiently and should associate the people belonging to other interests than those of the Congress. This committee should really go into this matter with much more speed and much more thoroughness.

About Grant No. 57, on the subject I of passports, it is very necessary to open more offices. As you know, we are totally against this passport business between India and Pakistan, but as long as it is there it should be made as easy as possible for the people on both sides of the frontier. As far as we are concerned, we should open as many offices as possible. Grants on that account would be understandable provided the difficulties of the people were removed. But we find from our experience in West Bengal that the people have to face a considerable amount of difficulty in getting passports. Therefore we feel that this matter should be gone into, with a view to opening many more accessible passport-issuing offices all over the country so that the people can really be helped. The system as it operates today is very, very inadequate. Most of the offices are not accessible to the people. I would invite the attention of the hon. Finance Minister to these aspects of the grant.

As regards expenditure on displaced persons, we find that the increase is due to "additional requirements for expenditure on establishment, clothing, feeding, medical charges and accommodation of 3-38 lakhs of additional displaced persons from East Pakistan who arrived in September and October 1952 \_\_\_\_". It is true that more money will be required for helping these people. But what I want to say is this, that the Government should see that the money is well spent. We feel, first of all, that whatever money was granted for giving relief and succour to these people was inadequate, and, secondly, the manner which the money was spent was again objectionable. I would here bring up a definite allegation and a charge against the Congress Party, that the Congress Party utilised those funds for party propaganda. Sir, we know that in Sealdah Station, while the Congress volunteers worked, all other organisations, who went there with their own materials to help those people who were arriving from East Bengal, were muscled out of the

station so that the Congress Party could make its propaganda.

KHWAJA INAIT ULLAH (Bihar): They were distributing communist propaganda.

SHRI B. GUPTA: If communist propaganda means distribution of milk, people will have communist propaganda and the milk, rather than your poison and your nonsensical propaganda. The Congress has been carrying on propaganda all its life. The trouble with their propaganda is that it has had a miscarriage. When we went to give relief, we were not allowed to help the people. The money that was granted was neither spent in the way it should have been spent. When public funds are spent, they should not be spent as if they were Congress funds; they should be spent in the manner in which everyone can have a say and there should be proper popular control over that spending. But we find the Congress Party in West Bengal, like the drowning man catching at a straw, trying to utilise every little money they get in this manner so that their falling stocks may rise a little higher in political circles. But here again they failed and it rebounded on them. Therefore I ask the hon. Finance Minister, before he makes grants, to see that Dr. Roy does not run away with this grant to the Congress Party office. These grants are meant to be spent in a public way, under public organisations; they are not meant to be spent *be-name* or openly under the aegis of the Congress organisations or with the object of helping Congress organisations.

I would only say that more money should have been sanctioned for helping the displaced persons who have come from East Bengal, and that the entire sum should have been put under the control of a popular machinery in which all the parties concerned in the country would get proper representation.

[Shri B. Gupta.]

This is all I wish to say. I know the hon. Finance Minister is a person who will say something very sweet, and, maybe, what comes now from him will be sweeter, but the point is that sweet words will not help us. If he really wants to do something, then he should by all means go into these allegations and investigate them. If he wants to assure us who have only the good of the people at heart, if he wants the public moneys to be spent properly, he must have checks at every stage, and he must set up machinery in which the people including the Congress people should have a proper say. By proper say, I mean due say—and not the monopoly of the entire say. They should have their due and their proper say, together with other people. In Bengali we have a saying about **Gouri** Sen—a person whose funds are supposed to be limitless and can be spent in any way. Now, let us not treat public funds as if they were the funds of Gouri Sen. Let us treat these public funds as money taken from the people, which the people have provided after a great deal of suffering, and every pice of which should be spent with absolute caution and for the well being of the people and not for partisan aims, not for feeding experts, nor for furthering fantastic and faddis-tic schemes of Government, but for alleviating the condition of the people, for meeting the requirements of the situation, for the material and cultural advancement and prosperity of the people of our country.

SHRI P. C. BHANJ DEO (Orissa): Mr. Deputy Chairman, legend has it that a man possessed a goose, and that goose used to lay golden eggs. Seeing all the gold appearing before him at regular intervals, the man's greed overtook him, and he took a knife, thrust it into the entrails of the goose, \*cut it open, and took out all the eggs that were there. Thus ended both his regular income and the source of that income. When I look at Appropriation No. 38 in the Bill before us and the large sum that goes with it, I am forcefully reminded of that legend and the wisdom connected with it. The grants that are included

are grants-in-aid to States. They are statutory grants, according to the recommendation of the Finance Commission, which, somewhat strangely, does not seem to take any notice of the financial implications of the Five-Year Plan, in which the resources of the whole country are committed, and for implementing which the Government itself has assumed complete and residual financial responsibility. It is probably saying it mildly—to express the fact—as a person not interested in the Budget from any parochial point of view but from the point of view of the Central Government and its financial stability, that the Financial Commission's award has almost crippled the Central financial position and the implementation of its recommendations is going to add to the genuine revenue deficit in the Central finances like the gaping wound in the entrails of the goose laying the golden eggs. This large sum of money that is being given to the various States as grants under the authority and recommendations of the Finance Commission, is not likely to be recovered; at least there is very little of it, in my opinion, which is likely to be recovered. But the tragedy of it is that the Finance Commission seems to be blissfully ignorant of it.—It was surely, in my opinion, the duty of the Central Finance Ministry to have brought forcefully to the notice of the Finance Commission, the amount of help—the amount of grants, that the Central Government is already giving to the various States and in this. I feel, even the Planning Commission seems to have neglected an important duty in failing to draw the attention of the Commission to the specific grants for development schemes made available to the various States. Even when I looked through the Supplementary Demands for Grants booklet, I have seen that no less than nine examples exist in which aid is being given to the States one way or the other. I will draw the attention of the House briefly to these and in this respect I won't refer to the Appropriation Bill but to the grants which give the various details:

"(1) For India's participation in the Industrial Exhibition at Toronto

and London, Rs. 1,11,000 have been provided under Grant No. 4, but State Governments do not contribute a farthing to this expenditure.

(2) An additional sum of Rs. 51,000 is being paid to State Governments for agency functions under Demand No. 31.

(3) Similar is the case of the additional payment of Rs. 37,000 to States provided under Demand No. 39 of this batch of Supplementary Demands.

(4) The biggest case of extra statutory aid to States is the payment of loss on imported foodgrains supplied to deficit States which was nearly Rs. 16 crores in the original Budget, but which has now risen to Rs. 22 crores by the addition of a sum of Rs. 6 crores provided in Demand No. 49 of this batch of Supplementary Grants.

(5) Under Demand No. 57—Police a part of the cost of Rajasthan Armed Constabulary amounting to Rs. 1½ lakhs is being made from the Centre."

PROF. G. RANGA (Madras): Are you opposing it?

SHRI P. C. BHANJ DEO: Yes, I am opposing it from the view that I do consider that very large grants to the various States, where there is very little possibility of getting that money back, in the present financial situation of the Central Government are detrimental to its financial stability.

Other States, having borders connected with Pakistan, will also forward similar claims, no doubt, for the Centre's share:

"(6) The whole of the expenditure on displaced persons is being met by the Central Government and large payments are being made to the States for relief and rehabilitation under Demand No. 79.

(7) Although Kashmir's case was not before the Finance Commission.

large aids are being provided for Kashmir under Demand No. 88.

(8) The large additional loans and advances of Rs. 17 crores, over and above Rs. 104 crores given to States under Demand No. 115, are going to be partly recovered. This does not seem to have been emphasised by the Central spokesman before the Finance Commission and hence the Commission gave its award to the detriment of the Central finances.

(9) The large expenditure met by the Central Government on the Damodar Valley Scheme, about which we have heard so much a little while ago—Demand No. 123—is another instance of Central aid to States of which the Finance Commission does not seem to have been made aware."

Well, Sir, I have given nine instances here of Central aid to States, taken from this very booklet, only to emphasise how serious the recommendations of the Finance Commission are as far as their baneful effects on the Central finances are concerned. The country looks up to Parliament and to the Finance Ministry of the Government to devise urgent measures to ■ rectify this state of affairs.

As far as Appropriation No. 57—Police, is concerned, I again refer to the booklet wherein it appears that the Rajasthan Government's old accounts for 1950-51 have not yet been fully audited. This state of affairs is to be deplored and strictly discouraged. Sir, in Appropriation No. 96, I do appreciate the transfer of the subsidy on the cost of Indian-built ships from the capital account to the revenue account, and can only wish that this principle were extended more fully to all other cases of this type. But, unfortunately, there are many instances of meeting subsidies and grants from capital instead of revenue to which they should be properly written back. All expenses which are not remunerative and which do not earn interest or amortisation charges should be met from revenue and not from capital. Incidentally, it would be an interesting point of information to know whether any steps

[Shri P. C. Bhanj Deo.] have been taken to reduce the scale of subsidies to shipbuilding through more economical construction of ships. It would also be illuminating to get a rough idea when we can expect to attain self-sufficiency in our requirements for ships.

Then come to the appropriation for the Public Service Commission. When less and less recruitment of men for our Government services should be going on, in my opinion, and when it is the urgent need of the country to reduce extravagance in our expenditure in order to present a good Budget and a general tightening up for our financial stability, we find that the Public Service Commission is being expanded and more charged sums are required on that account.

Appropriation No. 105.—Capital outlay for Posts and Telegraphs. This capital sum, I am afraid will lead to over-capitalisation of the whole undertaking, and in future, when postal revenue is likely to fall, that department will have very great difficulty in even paying interest on the total capital outlay.

Appropriation No. 114.—Transfer of the net sale proceeds of foodgrains purchased from the American Wheat Loans—Rs. 17 crores. While welcoming the capitalisation of the sale proceeds of the American Wheat Loan, I warn the Government against the danger of giving away this money again to the States for the reason that in my opinion it is very difficult that these loans will ever be fully recovered. I have already referred to Demand No. 115.—Loans and Advances to State Governments—Rs. 13 crores. This is in addition to the Rs. 104 crores provided in the main Budget for this year for famine relief loans to the States which will not be recovered. The Government of Madras owes a large amount of money to the Reserve Bank which it is unable to repay. Let us not fool ourselves into believing that these short-term advance will be recovered from that Government before the close of the current financial year within

one month of the passing of the Appropriation Bill. The Madras Government cannot find Rs. 6 crores to pay to the Central Government.

AN HON. MEMBER: We want Rs. 10 crores more.

SHRI P. C. BHANJ DEO: As regards the loan to the Damodar Valley Project and similar loans to Bihar, I learn that they are unable to pay interest on past borrowings without further borrowings from the Centre. So, this is not a very happy picture of the situation that I present to the House and I would again appeal to my brethren, Members of this august body from the various States of India, thus: We are responsible representatives; we should not sponsor schemes from a parochial point of view but should rather see to it that the national interest is safeguarded as the goose that lays the golden eggs from which we can all benefit will die if we do not take care to approach things sanely, and realistically.

MR. DEPUTY CHAIRMAN: Mr. Rajah.

SHRI H. D. RAJAH: Sir, this Appropriation Bill has been introduced in this House after it has been passed by the House of the People and the Finance Minister wants us to give sanction to the Government for appropriating certain sums. Whether we pass this Bill or not they will appropriate it all right. Just now, very grave allegations were made by Mr. Bhupesh Gupta on several things and especially with regard to the Damodar Valley Project. These are reflected in the budgetary provisions of Government that the total expenditure on the Damodar Valley Project has increased from Rs. 40 crores to nearly Rs. 100 crores; and if, as was stated by Mr. Gupta, such are the fabulous sums that are paid to the foreign experts in this country, ranging from Rs. 50 to 60 lakhs, I wonder whether the Finance Minister was sleeping all through. I want to ask him whether there is any machinery by which these purchases are being checked? What are the terms of the agreements that

the Government of India have entered into with foreign Governments. What is the channel by which foreign machinery is purchased and brought into this country? How many such special ■engineers have been brought and paid Rs. 40 and 50 lakhs out of the Indian ■ tax-payers' money? Is it possible that we can continue at this rate for long? I expected that our Finance Minister, whose eyes and ears should be always open and vigilant with regard to the expenses of the Government, had thought about these matters. Can he really give to this House that the statements made by Mr. Bhupesh Gupta are fantastic and non-sensical? This House is entitled to know from the Finance Minister who is in charge of expenditure of the various Departments whether the grants-in-aid to States which are given in the form of grants are expected to be paid back to the Centre. I know that when people are suffering in many parts of the country—in our own parts in South India—for drinking water, in Rayala-seema and other areas in Tirunelveli, Mathurai and Ramnad districts where the people are worst affected without a drop of drinking water, where people are migrating from their villages to the nearest towns of Tirunelveli and Mathurai, when every State Government is seriously put to the highest strain to balance its Budget, it is certainly to be considered whether such huge expenditure on the Damodar Valley Project is justifiable. I take it that the additional expenditure of the Government will bring succour to the , people affected by famine and the wherewithal to get drinking water and a comfortable place of habitation. When such huge amounts are being spent, I really want this House to have a method of going into the details as to how these expenses are taking place when the citizens of this big country -are suffering for want of even drinking water. What are your projects "worth if the Government are not ■capable of meeting the elementary -needs of the citizens of this great country? That is the question. If all •these projects cannot bring comfort to the ordinary man, then these projects •of yours stand self-condemned and

these colossal swindles that are taking place in the name of 'projects' should be put an end to. I find that money is leaking through these dams on a large scale and not water, as alleged by some.

Sir, recently I happened to come through Vijayawada. There is a great *anicut* there, called the Krishna anicut. In so many years of Congress rule, they are not able to put a bridge over that river. Five men belonging to the engineer corps were lost in that anicut.

MR. DEPUTY CHAIRMAN: Come to the Appropriation Bill.

SHRI H. D. RAJAH: I am coming to it. Every time flood washes away the anicut and it is repaired. Now, a bridge there costing a few lakhs would open up a highway from the South up to Calcutta. That is not being done. Every time flood comes, minor work on the anicut is being started, and in this way lakhs of rupees are lost. If the annual expenditure is multiplied five times, i.e. five years' expenditure on the anicut it will meet the cost of construction of a bridge on the great river Krishna. This is not being done.

Then, Sir, look at the loans and advances by the Central Government, item No. 115, Rs. 13-28 crores. You should not really call them loans. Considering the state of finances in the States and the conditions of the people there, these loans will have to be written off by the Central Government. The States have no means of paying back these loans and advances. Then why mislead the people and this House by ..saying that these are loans and advances by the Central Government to the States? Really speaking, they are not loans, they are not advances.

Then, I come to item No. 123.— Capital Outlay on multi-purpose river schemes Rs. 108 crores. My point is that this is not the way of making appropriations. When you are spending so much money, you must provide a machinery to supervise the expenditure, and when you want any appropriation, you must be in a position to answer back by giving all details, item

[Shri H. D. Rajah.]

by item as to how you are utilising this money. According to our Law Minister who is the Leader of this House, the Government is full of corrupt officials. He himself admitted it in his speech last session.

PROP. G. RANGA: Did he?

SHRI H. D. RAJAH: I will show the records if you want.

SHRI C. C. BISWAS: I never said that.

SHRI H. D. RAJAH: You said it when you introduced the Bill amending the Criminal Procedure Code in the last session. I will quote chapter and verse to show that you admitted it. I am glad that he had spoken the truth.

AN HON. MEMBER: Which he withdraws now.

MR. DEPUTY CHAIRMAN: Merely introducing a Bill does not mean it.

SHRI H. D. RAJAH: When the Government has got a department of anti-corruption, they should put that machinery into working order, so that it can be used, so that there is no leakage. When money-is being spent, make it a point to see that it is spent in the interests of the people. This is all the request that I have to make to the Finance Minister.

SHRI M. P. N. SINHA (Bihar): Sir, I have only to say a few words in regard to some of the points raised. The first is about the visit of our Prime Minister to England at the time of the Coronation of Queen Elizabeth. Much dust has been raised about this. It has been suggested by some that this invitation should not have been extended to our Prime Minister because it comes from a country where we should go in a different capacity. I do not quite follow this stand. On the other hand I consider that this is a sign of our equality with the other nations of the world. Supposing India were not independent today, do you mean to say that an invitation like

that could have been extended to our Prime Minister? On occasions like this, you invite your equals, people you have got some respect for. Therefore to criticise either the invitation or the acceptance of it by the Prime Minister is not a very wise stand. I would only add that, when the Prime Minister goes to the Coronation, he goes there not only in his private capacity but he goes there as the chosen leader of India.

Then, with regard to the purchases from U.S.A. or other countries. We have seen that there has been a lot of complaint about the quality of the American wheat. In fact, in my own province of Bihar, I have seen with my own eyes the foodstuffs imported from the U.S.A. and they were not always of the proper quality. I have seen rotten things, I have seen mixed-up things. I do not know how it happened. You must have seen in the last issue of the "American Observer" this question was put to America as to why they sent the bad stuff, and the answer given was, "Look here, the loan was sanctioned by us, but the stuff was purchased by your own agency in the U.S.A. after calling for tenders". I do not know the details of it, but it does not reflect any credit on our agency there for this purpose. Those responsible for this should be taken to account and asked to give an explanation and, if necessary, drastic steps should be taken against those people, so that we could stop a recurrence of such things in future.

Sir, some Members have taken exception to the loans and advances given to the States. I think it is not right to object to these loans. All that you can say is that the Central Government should see that these loans are spent properly. Most of the States, unless they are subsidised by the Centre, will not be able to implement the Five Year Plan or to go ahead with other developmental schemes in the States. Therefore it is a necessary duty of the Central Government to make such advances, and I think that this policy should be liberalised rather than objected to.



SHRI RAJAGOPAL NAIDU (Mad-Tas): Mr. Deputy Chairman, I found, Sir, while passing the Budget, that a sum of Rs. 15 crores had been set apart for subsidising food imports, especially coarse and broken rice, and of that Rs. 15 crores, Rs. 3 crores were set apart for the State of Travancore-Cochin. I find that a post-Budget decision was taken to spend a sum of Rs. 6-11 crores because the price of wheat had to be reduced to the extent of Rs. 2 per maund. I do not know why to such an extent wheat was imported into the country and why this wheat was allowed to stagnate in the godowns, whether they were Government godowns or the godowns of wholesale distributors, and why a preplanned import was not made into the country, and why this wheat was allowed to be eaten away by weevils and other insects, leading to a reduction in price of Rs. 2 per maund for a quicker offtake of the stock.

SHRI C. D. DESHMUKH: Who said weevils?

SHRI RAJAGOPAL NAIDU: I say that. If the hon. Minister wants to know, I will certainly send a sample to him—of food grains eaten by weevils. Last year the same thing happened with milo in Madras. There was absolutely no offtake but immediately the Madras Government announced a drastic reduction in the price of milo. It was sold, if I remember aright, at Rs. 0-6-0 per measure and it was distributed not only to the authorised whole-salers or retailers but to anybody that came and asked for that stuff so much so, that the whole milo was disposed of in 15 days or so. The Government of Madras, I am told, had incurred a loss of Rs. 1 crore and odd. and they seem to have made a claim to subsidy to that extent on the Centre. I don't know what has happened to that request. The Government of Madras had lost Rs. 1 crore and odd, and the Centre of course seem to have subsidised before, in this particular commodity to a certain extent and they had also lost a good lot of money in this. Who has benefited? It is not the consumers but it is some

72-C. of S.

merchants to whom any quantity of milo was given for the mere asking. That is the way in which these food grains are being distributed in our country. There is absolutely no planning about distribution. Great quantities of food grains are imported all of a sudden. I know, as one who has some experience of food grains distribution, that on some occasions we have all the godowns full and there will be then absolutely no demand for that. On other occasions all the godowns will be empty and there will be a mad-rush for stock from one corner of the country to the other thereby inflating the price. There is no wonder why the hon. Minister is coming forward for a grant of Rs. 11 crores for this particular commodity.

I would like to say one thing on this occasion about the International Wheat Council and the negotiations that are going on between our Government and that Council and the attitude of the U.S. Government in this regard. I find that India is now bargaining to purchase 1-5 million tons of wheat from the International Wheat Council and that India is insisting on the price agreed upon viz., 1-8 dollars per bushel which is the maximum price under the existing agreement. When India signed the agreement, a price bracket was fixed at 1-8 dollars a bushel and a minimum of 1-2 dollars a bushel and India had to pay the maximum each year because the ruling price outside the Council was much higher. Now U.S.A. had taken a very peculiar position, a very uncompromising position. I find the American Government is demanding 2-2 dollars a bushel i.e., -4 dollars a bushel more than the agreed price and I find even according to the agreement they have to demand only 1-5 dollars a bushel and by the end of 4 years, 1-2 dollars a bushel. But their argument is that the international price is much more than the price agreed upon between the Government of India and the International Wheat Council. That is not the proper attitude to be taken by America. I would suggest that for the negotiations now going on towards the far end of the termination of the

[Shri Rajagopal Naidu.]

agreement, which comes off sometime in May 1953 or so, our Government should have sent, a little in advance, our representatives to the Wheat Council to make a bargain, a bargain to our benefit—not to the benefit of the American Government. I would request the hon. Minister to see that a proper representative is sent to Washington to negotiate with the International Wheat Council and see that wheat is purchased at 1-8 dollars a bushel and not 2 dollars a bushel which I find we are going to conclude. If it is concluded at 2 dollars a bushel, that would be against the agreement entered into with the Wheat Council. I find that one of the terms in the agreement is that one of the contracting parties has to go to the International Court, if there is a violation of any of the terms of the contract entered into between the International Council and the Government of India. I would even suggest that we go to the International Court and get justice and not pay anything more than that agreed viz., 18 dollars a bushel because it would mean a great loss to us. The Indian tax-payer will have to pay through his nose if the price is increased to any extent. So I wish the hon. Minister will not come forward next year with any such demand for grant for subsidising wheat, paying much more than what has been agreed to between the -India Government and the International Wheat Council.

I don't want to take the time of the House except to refer to one or two Demands. I would go to Demand No. 70. This Demand arises consequent on the bifurcation of the Ministry of Natural Resources and Scientific Research into the Ministry of Natural Resources and Scientific Research and Ministry of Irrigation and Power with effect from 1st August 1952. I don't know why during the middle of budget period the Ministry should have been bifurcated and some more weight should have been thrown upon the tax-payer of India. What all is demanded is not relevant in my opinion and we could have waited till the budget period is over and after-

wards thought of bifurcating this into two Ministries.

Then one more word about the Union Public Service Commission. I find a demand of Rs. 1.92,000 is made for the purpose of increasing further the staff of the U.P.S.C. I don't know how it is going to be efficient after the increase of the staff but I find there is an enormous delay made by the U.P.S.C. Even taking it for granted that it is going to be efficient by the grant of this sum, I would only submit that a little more precaution should be taken to see that much money is not wasted over this august body and to see that matters are disposed of quickly and that there is no delay caused in the matter of selection of candidates for various services in the Government.. Thank you.

SHRI C. G. K. REDDY (Mysore): Mr. Deputy Chairman, actually I thought of raising a very important issue but since reference, so far as this Bill is concerned, is restricted to the items that actually appear in the Supplementary Grants, I will only take a few minutes. I will touch on only 3 votes. First I will refer to Demand No. 96 regarding the Visakhapatnam Shipyard. I first of all seek a little clarification. On the face of the explanation which appears as a footnote, it would appear that the subsidy, that will have to be paid by the Government in view of the difference between the actual production cost of the vessel and the U.K. parity price, would come down during this year. As far as I know, it is the same tonnage. Therefore I think there have been some conditions which have brought down this price, which is an extremely welcome thing. All that I would like to know is whether there are certain circumstances which have brought down this very happy reduction in the production price at our shipyard or whether it is due to other reasons, say because -the class of ship is different from the vessels which were being manufactured hitherto. There are certain other matters connected with the conditions in the Hindustan Shipyard. I would touch on those also, but unfortunately the hon.' Minister who is

in charge of this particular Ministry—is not here. In any case, I should like to know what exactly is the progress that has been made since the assurance was given to hon. Members regarding this particular shipyard, in view of certain criticisms I had offered on the working of this shipyard during the last session and before that? It appears that a French Arm of experts has been engaged to advise the administration of the shipyard and also to devise ways and means not only to train our own personnel, but also to plan out better and more economic shipbuilding. But the terms of these experts seem to me to be rather high. It appears that whatever our financial position, the financial position of this shipyard may be, I learn that a certain percentage—if I remember aright it is something like 4 per cent.—of the turnover of the shipyard has to be rvaidd to this French firm of experts. This French team has been here, I think during the last six months and I think a report was expected sometime during the end of last year. I want to know whether the progress of the work of these experts has been as speedy as we expected, and whether the payment of this 4 per cent., or whatever it is, of the turnover of the shipyard is justified in the sense that we have\* got so much valuable advice.

Secondly, also I would like to suggest that in view of the heavy subsidy that we are paying—and I am one of those who believe that for a strategic industry like the shipbuilding industry even if we have to pay double the subsidy that we do, it is worth it—when as a matter of principle we are subsidising the shipbuilding industry or any other industry, we should have supervision over the progress of the particular industry. And" we should also see whether we are going towards complete self-sufficiency in the institutions. Hon. Members sire aware, because I raised this question sometime ago, that unfortunately in this shipyard, although we have enough technical personnel in the country, as it is, we are still importing manufactured materials some of which could have been manufactured in the country it-

self and most certainly in the shipyard. I must also state that there has been a very grievous error so far as the previous administration of this shipyard is concerned. Although they were pioneers and to whom some congratulations are due from the country, they did not plan out their production and also the training of personnel \*:o see that we will not only be seif-sufficient in the matter of the manufacture of the things that go into the ship itself, but also that our own men who have attained a certain degree of skill in other like workshops are given sufficient training to see that they take over the key positions in the shipyard.

It would also be interesting for this House to know for the first time—maybe some of the hon. Members know it already—that the ships that we are making—I do not want to deride the work that is being done in this shipyard—but I know the ships that we manufacture here are not all of our design, are not, may I say, entirely suitable to the conditions thai exist in the seas with which we are surrounded and not even for the routes on which we intend to put these ships. The designs and the complete plans of these ships are either copied from a well-known class of ships or are supplied to us by certain firms in Great Britain This, Sir, is rather an important matter and though I do not want to take up much of the time of the House, I must say that this kind of copying and this kind of lifting plans from others, however eminent they may be, sometimes results in disaster as it happened sometime ago, some years ago, in Japan.

As we all know the Japanese people are extremely good at copying things, and in the beginning they did not build their own ships. They used to ask for tenders from British firms for a certain class of ships and these firms used to supply the plans :jnd quote their prices. But the Japanese never placed any orders with those British firms but started building the ships themselves with the aid of those plans. But naval architecture is such a tricky thing that

[Shri C. G. K. Reddy.]  
if there is a difference of even an inch between what are called the two centres of gravity and floatation, the ship capsizes and it actually happened. I do not know whether precaution has been taken to see that we check up the plans that are being supplied to us, that the designs that we build our ships are .....

SHRI H. D. RAJAH: Have we got competent people to do the checking?

SHRI C. G. K. REDDY: We do not, and that is our complaint. Unfortunately we have not trained up the people to check the designs and plans that are being sent to us. Therefore, although I have no objection, as I have already stated, I would not, speaking personally, object to even giving three times this subsidy so far as the ships being built in the Hindustan Shipyards are concerned, I would make it conditional upon the Hindustan Shipyard laying a definite plan which will make it possible for us in the not too distant future to be self-sufficient not only in the personnel, but also in the manufacture of almost every item that goes to make a ship.

Next I will take item Nos. 38 and 49 together. So far as item 4!) is concerned, my hon. friend the Finance Minister knows that I am a little fond of that particular item, and I have also accused Government on another occasion of what I call political immorality and lack of political ethics. Here, in Demand 49, it will be seen that apart from the Rs. 15 crores to which reference has already been made for the subsidy of food all over India, a special lump subsidy of Rs. 3 crores is to be given to Travancore-Cochin. Now, I am not complaining nor do I say that Travancore-Cochin should not get Rs. 3 crores. But what I have to submit is that Travancore-Cochin is not the only State which is in difficulties and which needs succour from the Centre. I come from a State which, as you know, Sir, is going through peculiarly difficult circumstances today. It is unfortunate for me that in this matter I have to fight on two fronts, one here and the

other in the State itself. The State Administration blames the Central Finance Minister and says that all their resources of revenue have been taken away by the Centre and we have no money to do anything. On the other hand when I come here, after appreciating the difficulties that we as a Union ourselves are suffering from, I do not know really how to solve this problem. But, I do think that Mysore particularly has been rather badly treated, especially after the publication of the Report of the Finance Commission. Now, Sir, there are certain principles, laid down in the Report of the Finance "Commission, for the fixation of the proportion that is to be given to the States out of certain Excise and other Duties. Now, I wish the Finance Commission had not put down a cut and dry rule in regard to this matter and I wish also that the Centre had not applied a uniform test hitherto in this regard as to what State should get how much.

If I may recapitulate, Sir, Mysore, as you know, and, as the House knows, enjoyed certain special sources of revenue until very lately, i.e., until integration. As in almost every other State, its Budget was, more or less, dependent on the Excise Duty, although not very well administered, the Income Tax which was awfully administered, but, still these two formed a substantial source of revenue on which the State could fall, to balance its Budget and give the amenities which the people desired and which the people ought to get. But, today, Sir, although I know that the State finances could be improved in certain ways—it has been our responsibility and we have also discharged it by suggesting to the State Administration certain fresh avenues of revenue—I would still say that Mysore should have been treated a little better. Actually, what has happened during the last one year is, as soon as the present State Administration took over, sometime in April, there was an increase in food prices; as if that was not enough, on January 1, this year, there has been another increase in food prices. It has not been just that, but, something which has

not happened in history since the reign of Ashok, has happened in our good State of Mysore. As we are all aware, hospitals are meant for treatment gratis to the poor people, but, in this year 1953, it so happens that in Mysore, people, rich or poor, have to pay for whatever treatment they have to get from the hospital. Now, the reason that is advanced by the State Administration—I am not completely agreeing with it, but, one of the things that I could support is this, that the Centre is not being very generous, is not being very appreciative of the difficulties that Mysore is going through. Now, as far as the Supplementary Demands are concerned, I find that there is an amount of Rs. 40 lakhs that is going to be given to Mysore State, I do not know Sir, whether this 40 lakhs of rupees is going to solve our problem, nor would I suggest the amount of money that is exactly needed, but, I am sure the hon. Finance Minister is aware of these conditions which are existent in my State and, of course, in other States as well—I suppose I can only speak for my own State—and, I think there has been a good deal of correspondence and a good deal of talk between the State Administration and the Finance Minister. Now, all that I ask is that, so far as Mysore, or, any other State is concerned, which has to adjust itself from a particular set of circumstances to another set of circumstances whereby it is deprived of certain sources of revenue, those States should be, shall I say, treated with a special kind of sympathy and consideration and that it should be helped, as far as it lies in our power, to see that it could discharge its limited responsibility to the people of that State.

Now, as an additional influence on the deterioration of the condition of Mysore State, I may also state that, as the hon. Members are aware, almost half the State has just passed through a famine, not a very much advertised famine as Rayalaseema Famine was, but, almost as extensive and as intensive a famine as Rayalaseema suffered,—because, geographically and in other ways, they are contiguous and,

whatever Rayalaseema suffered, Mysore also suffered. But, unfortunately, Mysore went by default because it did not make sufficient noise about it. Now, all these conditions have come together to place Mysore in a very very unfortunate and pitiable condition. I do not know how the Chief Minister of Mysore, who also happens to be the Finance Minister, is going to present his Budget in a few days' time with all these difficulties. I also expect, from that manner in which the State Administration has been going on, that there will be an additional burden put on the common people if he were to balance his Budget or if he were to reasonably present his Budget. Now, in view of these facts, I would urge, on behalf of Mysore, that some special consideration must be shown and immediately shown so that we may get over certain temporary difficulties and we may also be able to adjust ourselves during the next few years, so that we will be able to do without those sources of revenue which are no more open to us because of financial integration.

MR. DEPUTY CHAIRMAN: Only five minutes.

DR. D. H. VARIAVA (Saurashtra): Yes, Sir.

I rise to support the Bill. I know that these demands are quite reasonable. Government has to carry on the administration and the demands that they have made are reasonable and, in many cases, I think, they are very much recommendable. The only suggestion I want to make is about famine relief.

Government are giving famine relief which is very appropriate and quite necessary; but, one suggestion that I want to make is that whenever a State takes famine relief work, it does so till the rain comes. Suppose, a road is constructed; half the road is finished and, when the rain comes, the work is given up. I think the road is washed off and all the money—I think crores are spent on famine relief—is wasted. Suppose some wells are being dug; the wells are dug and some water comes and, as soon as rain comes, that work

[Dr. D. H. Variava.] is stopped and all the money is wasted. This kind of digging wells is not continuous. My suggestion is that famine relief should be continued even when there is rain, even when there is prosperity because, we are throwing away i crores of rupees in this famine relief and we do not do any permanent work in them. I do not say that people must not be relieved at that time, they must be supplied with grain; they must be supplied with some work.

MR. DEPUTY CHAIRMAN: You have to suggest it to your State Government. The Centre only makes the grant.

DR. D. H. VARIAVA: The subsidy is given by the Central Government and I think the Central Government should tell the State Governments as to how this money should be expended because, the money comes from the Central Government. I think we are all thankful to the Central Government. I do not say that the State Governments waste money, but, the method is wrong and this method should be improved; otherwise, crores of rupees are wasted. I think in Bombay too, as soon as the rains come, all the work will stop. So, my suggestion is that this relief work should be continued so that some permanent benefit accrues and the money that is spent is well spent and gives benefit to the people for whom that is spent.

Now, the second suggestion is about exemption from Customs Duty in respect of medical stores imported by charitable institutions. I think that is a very good thing that charitable institutions should be given relief from Customs Duty, but, one thing I have noticed is that some of these institutions import the drugs in the name of charity and then pass them on to the black-market. So, if there are any loopholes in this, that should be stopped and, I think, the State Governments should be instructed to be careful, because this money, after all, comes to the Central revenues to see that these drugs are given for charity alone and used\* for charity alone and not for

purposes of passing on to the black-market.

Now, the third point I want to make is about storage and transport of food grains. Well, they say that our deficit in regard to food grains is about 7 to 10 per cent, and the wastage in storage and transport is also about that, but, I have been told by a very reliable man who is connected with agriculture, that the wastage which occurs in storage is much greater than we come to know. The reason is that the storage facilities are very ancient. Though I know that we are trying to improve the storage facilities—there is necessity for it to be improved—I think State Governments are not well advised about the storage building. The buildings that are built are, I think, kutcha which produce much amount of waste and I think it is admitted by the Government themselves that the wastage is about 7 to 10 per cent. Second is transport. In transport, one officer told me that grain was being transported from a port to the interior, and an order for about 1,000 new gunny bags was placed. And then he saw what had happened. The gunny bags were old. There were holes in them, and all the way along the track hundreds of tons of grain were lost. This is only one instance. Such instances can be multiplied. If we can stop this wastage, we may be able to supply our needs very quickly, and\* we may be able to stop import of food grains. Otherwise I have no quarrel with this Bill and I heartily support it.

SHRI C. D. DESHMUKH: Mr. Deputy Chairman, I am somewhat at a disadvantage in dealing with this discussion, because in order to give an adequate answer I should require very much longer time, such as is allowed to me in the course of the budget discussions. Many of the points that have been raised here are points which, I have no doubt, would be raised again, and perhaps more amply, in the course of those discussions, and I hope, then, Sir, that I shall have further opportunities of stating my replies to them. Hon. Members have referred to various important matters, and perhaps the

most important of them is the assistance in various forms which the Centre extends to the States from time to time. I hope during the course of the budget discussion to have the opportunity of presenting a comprehensive statement of the various kinds of assistance including aid which the Centre has to extend to the States for various important branches of their Administration. But the general problem remains extremely difficult. On the one hand there is the view which is propounded by the hon. Member that the Centre is almost being crippled by the scale of this assistance and that it would not be possible for the Centre, therefore, to carry out the Five Year Plan. On the other hand, one gets fervent appeals for further special assistance to various States. Now, in order to get out of this difficulty, the existence of which the hon. Member opposite, the Leader of the Praja Socialist Party, himself admitted, we tried to take the assistance of two Commissions—the Planning Commission and the Finance Commission. The Finance Commission is a statutory one, and the Planning Commission was appointed by Government. Hon. Members are aware of the range of the deliberations of these two Commissions. The Planning Commission has drawn

up a Plan for the whole country, has tried to make an estimate of the resources available both to the Centre and to the States for carrying out the various plans, and has also indicated the measure of assistance which the Centre ought to extend to the States. Now, unfortunately there has been no synchronization of the recommendations of these two Commissions, and about a month after the publication of the final edition of the report of the Planning Commission we received the recommendations of the Finance Commission. Now, as a result of these latter recommendations it is possible that we should have to part with a sum of the order of Rs. 25 crores a year to the States. The problem before the Centre would then be, how to regulate in consequence the loan assistance which the Planning Commission indicates it should give to the States. I have no doubt that some major adjust-

ment will have to be made in the figure, because whether you call it a grant or whether you call it a transfer of revenue or whether you call it a loan, so far as the ways and means situation of the Centre is concerned, the problem remains the same, although from the point of view of the States I have no doubt that the receipt of these sums in the form of permanent revenue would certainly be welcome to all of them without exception. Therefore, there is very little now that one can do as a special case. Nor do I think it would be advisable for the Centre to enter into any elaborate justification of its acceptance of the recommendations of either the Planning Commission or the Finance Commission, subject to the major adjustment which I have indicated. I have no doubt that during the budget discussions there will be a full scale discussion on the award—I call it an award although they are recommendations to the President—of the Finance Commission. But so far as the Central Government is concerned, I think it would be the path of wisdom not to try and join issue with the protagonists of the various States who, as hon. Members confess, have to speak with a sort of mixed feeling, or with a sort of mixed attitude.

SHRI C. G. K. REDDY: I said "fight on two fronts".

SHRI C. D. DESHMUKH: I did not like to use the word "fight" at all in this matter, because it is a common problem which all of us have to try and solve. That is so far as the general situation is concerned.

Then, Sir, there was a reference made to assistance given by the Centre for famine relief. Now, here is an example where the reasonable person is, in this unsatisfactory world, continuously driven to the wall. Famine relief is constitutionally entirely the responsibility of the State. But two years ago, in view of the very severe famine which broke out in Bihar, I thought it desirable on humanitarian grounds to try and help the State Government. Therefore, I offered as Finance Minister of the Centre to share to the extent of 50 per cent, in any

[Shri C. D. Deshmukh.] expenditure that the State might incur on gratuitous relief in the course of the famine.

Now, the next State to be afflicted by famine was Saurashtra, the spokesmen of which you also heard. Now in the case of Saurashtra it was represented that there was not very much of a case for the distribution of gratuitous relief, but that on the other hand, there was very considerable scope for undertaking relief works and after hearing the account which was presented by the Chief Minister and other Ministers of Saurashtra I broadened that precedent and I said that I should bear, by way of a ways and means advance or a loan, half the cost of relief works because I recognised that they would not be allowed for in the ordinary budgeting of the State.

Now, Sir, from that we went a little further in the Finance Minister's Conference. It was represented there by the spokesman of one of the Governments present there that any famine on an extraordinary scale would not be taken into account in making an estimate of the resources available to that State for carrying out their plans and should such a famine or scarcity break out, then they would need some special assistance and such kind of special assistance should (a) be estimated and (b) be included in the Plan. Well, in consultation with the Planning Commission we also included a figure of about Rs. 15 crores for the rest of the Plan period for such special assistance to the States. Therefore, Sir, I think, I can claim justly that the Centre has really gone, as far as it possibly could, consistently with its responsibility to its own interest and to the nation as a whole, in trying to help the States in either warding off famine or in abating its rigour.

I come next, Sir, to the question of food subsidy and storage of food grains and weevils and what not. Well, I am afraid, Sir, that the statement that I made in the beginning, was somewhat misunderstood. I do not deny that wherever there is wheat, there are

weevils. They are inseparable. But I have no reason to believe that the grain in store was being damaged to the extent that these remarks would indicate. In any case, as I have said, that was not the reason why we thought it desirable to reduce the price of the wheat that we were issuing last year. As I said, the slump in a sense came as a surprise as almost the timing of it was perhaps a surprise to everybody concerned.

SHRI B. GUPTA: And we warned you against it.

SHRI C. D. DESHMUKH: Well, I think it was a good thing because the slump was really in a sense the defeat of the speculator who had hoarded.....

SHRI B. GUPTA: Is it a good thing? Is slump a good thing?

SHRI C. D. DESHMUKH: ..... against the continuance of the crisis caused by the hostilities in Korea; and it was because of the falsification of his expectations that he lost courage and the slump took place. Anyway, the point I wish to make, Sir, is that just as he lost courage, so did many other\* hoarders including hoarders of food, and in March, April and May a great deal of food came out in the open-markets or black markets. The result was that the grain that used to be issued—further stock—went out in considerably smaller quantities and it was, therefore, to compete, in a sense, with the hoarders of grain that we lowered the prices by Rs. 2 and even after this reduction, the price stood at Rs. 18-8-0 which was not unduly low.....

SHRI B. GUPTA: .....which was very high in fact for the common people.

SHRI C. D. DESHMUKH: Well, I was going to explain, Sir, that the wheat that we obtained that year was high in price because of the freight charges. The hon. Member referred to the freight charges, but I wish to point out that the freight charges were the same whether the wheat came from U.S.A. or from U.S.S.R., and the rates were exactly the same.



SHRI B. GJJPTA: Is it not a fact that ■ the United States have increased the freight charges in the course of the last two years?

SHRI C. D. DESHMUKH: The freight charges were the prevailing freight charges in the world and they were affected by various international considerations. The short point that I am making is that no specially or wickedly high rate of issue was charged by the U.S.A. which was not charged by the other nations from which we also imported some grain during that year.

There is one other point—and this is very important—which I wish to make here and that is this. I think, on the whole we were wise in importing those 2 million tons of wheat that year because today we have 1-9 million tons—today means the end of last year. In other words, we have, so to speak, just those 2 million tons of wheat in stock. Now, if one were to examine the figures of the previous year, one would find that the carry over with us was of the order of 800 thousand tons to one million tons. In other words, had we not imported this wheat, we should have had no stocks of grain at all in the country. And therefore, I think, the import of this grain, even with the assistance of a loan, was very well-timed and it was just our misfortune that it cost us such a lot.....

SHRI B. GUPTA: And it is our misfortune that it was not distributed among the people when they were famine-stricken.

SHRI C. D. DESHMUKH: I think, this is an irrelevant interruption so far as this particular point is concerned. I pass from famine now to food subsidy.

Now, there was a reference made to Travancore-Cochin. Now that, as has been explained previously, is really a very special case or has been a very special case and that is that that State depends to a far greater extent on imported grain—not wheat but imported grain which is rice unfortunately—than any other State. And so

far as rice is concerned, I am afraid, it is still a seller's market in the world. Now, to the extent to which we are able to procure rice internally, we should be able to lessen the strain of this particular assistance, whether it is to the Centre or even to the State itself, because part of the strain is taken by the State itself. That is in regard to food subsidy.

Now, there was some reference made to Mysore and the increase in prices there. That is as a result of the inability of the Mysore State to continue their own subsidy. In other words, it was not from the Centre that the prices were raised. We issued the wheat at Rs. 1&-8-0, but the issue to the population was made at lower price, the difference being the cost which was borne by the State itself.

SHRI C. G. K. REDDY: If I may explain, Sir, the first increase was due to the policy of the hon. the Finance Minister. That was last year. The second increase this year is, of course, due to the withdrawal of the subsidy from the State. I said in connection with the aid that they wished to have from the Centre, that because they had no finances and they had been asking from you, that is why they have had to have recourse to the increase in price. The first one was due to you.

SHRI C. D. DESHMUKH: Well, that has been discussed very thoroughly. It was discussed during the course of the last Budget—the general policy—and as regards the second point, it does not matter how the shortfall in resources occurs. The whole situation was considered by the Finance Commission and as a result they have transferred certain revenues to the Centre. Rs. 40 lakhs is not the only one item. There is also a share in the larger amount of Rs. 16i crores which would be 40 per cent. of certain Excise Duties, of which a share will no doubt go to Mysore.

Now, Sir, the third important point that was raised was in regard to this expenditure on Rayer Valley Projects. The hon. Member opposite has used

[Shri C. D. Deshmukh.] -some very hard words, but I think, in a matter like Appropriation it does not matter how hard the words are, because I really believe that it is the legitimate concern of every Member of this House as well as the other House to ensure that no waste takes place. But what I would like to point out is that this question of whether there is any wastage in the Damodar Valley Corporation or in the execution of any other river valley project, is a matter which is constantly before the public in one form or the other and I do not think it is necessary for any Member to get excited over something that appeared in some newspaper just about a week before. Actually, the hon. Member seems to have overlooked the note that he will find under Demand No. 70 on page 18, where there is a reference to the appointment of a Committee towards the end of September, to examine and report on various points relating to the execution of the Damodar Valley Project.

SHRI B. GUPTA: Who are the members of that Committee?

SHRI C. D. DESHMUKH: There was a Press Note which gave out the names of the members. It comprises of a Chairman and four members including one Member-Secretary and we are expecting the report of this Committee very shortly.

SHRI B. GUPTA: We demand a public enquiry into the allegations that have been made—not a got-up Committee.

SHRI C. D. DESHMUKH: I cannot really catch all the muttering of the hon. Member and my time is now being exhausted, just as, I have no doubt, the patience of the House. Therefore, Sir, I think, it does not serve any good purpose to get excited over this and one ought to try and sift evidence that comes forward and try and see where wastage could be minimised. I do not believe that wastage could be entirely eliminated when one embarks on projects of these dimensions and all that one has to be careful about is keeping one's vigilance

, eternally in order to find out and detect any avenues which had been undetected before through which money is slipping.

Now, I think, the hon. Member makes too much of the remuneration that, is paid to the American experts or American consultants that are employed on the project. It is all a matter of technical difference of opinion as to whether a particular work can be carried out entirely with the help of local talent or whether it is necessary to employ outside experts.

I am quite certain hon. Members will never claim that there is any work which any Government or any body or any authority in India undertakes which cannot be carried out by local talent. At some time or other one has to call in outside talent. There is, however, room for difference of opinion. This problem has been considered very carefully and I think the Damodar Valley Corporation had to suffer a great deal because of our hesitation in taking a decision as to whether a foreign Chief Engineer was wanted or not. Finally, I think, a decision was taken and I am satisfied, as Government is also satisfied, that a very competent Chief Engineer has been engaged and although it is true that his pay is what the hon. Member says, I think he is well worth it. I am not in a position to throw much light on the question of the six bath rooms .....

SHRI B. GUPTA: As a Minister of Finance, you should be a little concerned .....

SHRI C. D. DESHMUKH: I am concerned, all I am stating is that I am not in a position to state anything in regard to the bathrooms as it is his private matter and when I have more important points to answer.....

AN HON. MEMBER: They are concerned with bath-rooms only.

SHRI C. D. DESHMUKH: Well, Sir, these are the main points made. There are other small points about the Public Service Commission and the bifurcation of the different Ministries. It may be that it was ill-conceived and

so on; but the fact is that there was bifurcation and that the portion of expenditure allotted to one Ministry has had to be increased because of the appointment of this Committee to enquire into the affairs of the Damodar "Valley Project.

Now, Sir, I do not think it is necessary for me to answer any other point because I believe that some points were really not relevant, as for instance, there was some reference to the Coronation Exhibition. I do not know why some Members should work themselves up into a rage -----

AN HON. MEMBER: We are not working ourselves into a rage but...

SHRI C. D. DESHMUKH: What the hon. Member is discussing is our membership of the Commonwealth which, I say, is irrelevant for purposes of this debate.

SHRI B. GUPTA: The hon Minister should give as much satisfaction to the House as possible .....

SHRI H. D. RAJAH: Why are you a member of the Commonwealth?

SHRI C. D. DESHMUKH: This is obviously a question on which I can't join issue. If I have an occasion on which people from all parts of the world gather—I am not concerned for what purpose they congregate—if there is a congregation of people it is just as well that we should not lose the opportunity of exhibiting what India has to offer in the way of wares to the outside world. This exhibition is being organised entirely independently by ourselves. We are not participating with any other country, rather it is a sort of special extension in the way of exhibiting some of our wares which are in India House and other places. Here, there is a sort of formalised occasion of exhibiting commodities and wares that India has to offer to the world and I think it is a purely business proposition. I do not know why Members should work themselves into a rage.

About the Visakhapatnam Shipyard, Sir, I am sorry I am not able to give

details except that I believe— that economy will come in the increasing production of ships they will be building there. They started with 2, went up to 4; they have built now two more slipways; and they plan to build 8 ships shortly in which case the overheads will be distributed and there will be proper element of economy.

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 1952-53, as passed by the House of the People, be taken into consideration."

The motion was adopted.

We shall now take up clause by clause consideration of the Bill. There are no amendments.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

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

SHRI C. D. DESHMUKH: Sir, I move:

"That the Bill be returned."

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill be returned."

PROF. G. RANGA: Sir, I would like the hon. the Finance Minister to tell us something in regard to the International Wheat Agreement."

SHRI C. D. DESHMUKH: So far as the current International Wheat Agreement is concerned, obviously, there cannot be any variation from the previous one; and as provided for by that Agreement 1-8 dollars is the maximum price and we are not having purchases under that Agreement for a price which is above that. Negotiations are going on for a fresh Agreement. I think in regard to this, Shri Raja-gopal Naidu quoted from papers which contained reports that the United States want a price of 2-2 dollars or

[Shri C. D. Deshmukh.] whatever it is. Negotiations are still in progress. We have our own representative—the Joint Secretary of the Food and Agriculture Ministry. He is there and is constantly seeking our instructions in regard to what he should agree to. We are well aware of the whole situation and the general trend and it is not possible to make any precise statement as to what attitude we should now take because negotiations are in progress. But I can assure the House that we shall not be party to any bargain which the House will be disposed to regard as not in the country's best interests.

SHRI B. RATH: When the Ambica air-lines went into official liquidation why should the Government pay Rs. 10,000 to the Arbitrator. That is point No. 1....

SHRI C. D. DESHMUKH: I am surprised that I am expected to answer new questions which do not arise out of the debate. I do not know, Sir, how long .....

SHRI B. RATH: Since you have asked me to put questions I am asking. It is about Demand No. 6; and then I shall come to No. 9. It is about the interest charges and the adjustment of interest charges of the Postal and Telegraph Department. I draw his attention to the report that has been given by the Public Accounts Committee on page 31:

"The Committee observe that the maintenance of excessive stocks involves the tax-payer in a two-fold loss. There is the loss of interest on capital unnecessarily locked up, and loss arising from the danger of the stores becoming obsolete which may become unsaleable or which may have to be disposed of at a rate lower than the cost price etc."

My point is that the Ministry of Finance and the Government as a whole must have been very careful about the stock position of different public utility organisations, but they have not been as careful as they should have been. We have known that

Government money is spent recklessly by officers concerned with the approval of the Ministers also and that is why we have heard about so many scandals in the past. Now the Japanese Cable scandal is being investigated into by some Committee. Sir, we create conditions in which scandals arise and then we appoint Committees and Commissions to investigate into those scandals. How long are these scandals to continue? We have heard of so many scandals with regard to the D.V.C., about which my friend, Mr. Gupta, has spoken, and I need not go into them. I will speak on only one point which has come out today and that is about the agreement with the International Bank for a loan of Rs. 19.5 crores. I have not been able to examine the agreement thoroughly so far, and from it I see that on the money that we are taking, we will have to pay 6½ per cent, interest and commission charges, special and ordinary

Then I come to Ambica Airlines. I have put it in a nutshell in question form. I submit that steps must be taken to stop all these scandals. Otherwise the scandals will grow in number.

Then, Sir, recently a particular gentleman was asked to write a brochure on the Railways on contract and this gentleman has already drawn Rs. 65,000 from the Railways. He has toured to Calcutta, Bombay and other places, he has a First Class pass to travel throughout India, he stays in the best hotels wherever he goes, but this brochure has not been completed by him, and another high-placed officer of the Railway Board has been asked to write it for this grand exhibition in Delhi. This is the kind of wastage that is happening in the various departments of Government. In spite of the demand in the House that the number of officers should be reduced, we find that special officers, Assistant Secretaries and Joint Secretaries are being appointed. Similarly we find so many Committees and Commissions being appointed. Under such conditions, this House has a right to protest and demand of the Government to be vigilant and take proper measures so that there will not be any more scandals.

SHRI C. D. DESHMUKH: So far as  
1 -could gather .....

SHRI B. GUPTA: May I ask him one  
question? Is the hon. Minister pre-  
pared to appoint an All Parties' Com-  
mittee .....

MR. DEPUTY CHAIRMAN: No further  
questions.

SHRI C. D. DESHMUKH: The hon.  
"Member gave expression to some com-  
mendable sentiments in regard to stores. I  
certainly think that what the public Accounts  
Committee say is right and that there is a  
great deal of care required in regard to the  
verification and in regard to the reduction of  
quantity of stores which are kept. Otherwise,  
it means locking up of capital. I think,  
perhaps, as an afterthought the hon. Member  
was right in referring to stores in the course of  
his speech because if capital is not locked up,  
then he would not have to pay additional  
interest. That is that.

In regard to Ambica Airlines I am afraid I  
am not able to add anything #b what is  
contained in this rather lengthy note on page  
4.

As regards Committees, I don't quite know  
what the hon. Member wants us to do. As the  
public sector expands in this country, we  
shall be undertaking more and more projects,  
and mistakes and instances of neglect are  
sure to arise and I think it is much better to  
appoint a Committee than to liquidate people  
all of a sudden.

MR. DEPUTY CHAIRMAN: The question  
is:

"That the Bill be returned."

The motion was adopted.

# **THE ADMINISTRATION OF EVACUEE PROPERTY (AMEND- MENT) BILL, 1952**

THE MINISTER<sup>^</sup>FOR REHABILITATION  
(SHRI A. P. JAIN): Mr. Deputy •Chairman, I  
move:

"That the Bill further to amend the  
Administration of Evacuee Pro-

perty Act, 1950, as passed by the House of  
the People, be taken into consideration."

Sir, this Bill has remained before the House  
of the People for several months and at the  
different stages the Members of the House of the  
People have given deep consideration to the  
provisions of the Bill. In fact the Government  
took a lot of precaution in framing this Bill. A  
committee consisting of three Ministers—  
Shri N. Gopala-swamy Ayyangar, Dr. K.  
N.Katju and myself—was appointed to look  
into the Evacuee Property Act. The directive  
was that the existing law should be reviewed  
with a view to remove hardships upon those of  
our citizens who have no intention of  
migrating to Pakistan, yet upon whom the  
existing law has been placing some sort of  
hardship and at the same time, we were to take  
care that the Evacuee Property Pool does not  
suffer or is frittered away. I therefore submit  
to the House that in considering the  
provisions of this Bill, those two view-points  
should be carefully kept in mind. In fact  
whenever any matters relating to the evacuee  
property comes before Parliament, a lot of  
prejudice is created— some misinformed and  
some interested. Therefore I would very  
earnestly request the Members of this House to  
• very carefully consider the provisions of this  
Bill. I propose to go in a somewhat detailed  
manner into the principal changes that are  
proposed to be made.

The principal changes are three.

The first is the removal of the category of  
persons who are known as intending  
evacuees under the present law.

The second is the amendment of the two  
sections 16 and 52 of the existing law with a  
view to give effect to the manner in which we  
have been working the law in the light of the  
difficulties that have arisen during the last  
two and a half years.

The third main change relates 10 section  
40.

Now, I shall take up all these three matters  
some what in detail and shall refer to certain  
other things rather cursorily. In order to fully  
appreciate