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For English Shorthand & Steno Practice

TRANSCRIPTION No. 1

Now, Sir, hon. Members will RECALL that the Bill was introduced in the House of the people on the 2nd / September, 1953. It has had a long history and, in one form or another, it has / been before the public since the end of 1949. In the Statement of Objects and Reasons, / the various stages through which the Bill has passed since 1946 have been SUMMARISED and / I need not RECAPITULATE on this OCCASION the circumstances in which the then Government of India took the decision in early (100) 1946 to INITIATE an enquiry into the reform of our company law. I would remind hon./Members that between 1946 and 1948 the entire field of company law / was carefully reviewed by two DISTINGUISHED company LAWYERS who were appointed to recommend the broad lines on which the present / Act, should be revised. Their recommendations were examined in the then Ministry of Commerce and certain TENTATIVE departmental views which / EMERGED were circulated in a COMPREHENSIVE MEMORANDUM to all recognised trade and industrial associations, BAR associations, the High Courts and (200) the State Governments. That brought us to the end of 1949.

Many representations on this memorandum / were duly received from Chambers of Commerce, trade and industrial associations, State Governments and the general public. At the end / of 1950, the Government of India appointed a Committee under the Chairmanship of Shri Bhaba to go / into the entire question of the revision of the Companies Act, with particular reference to its BEARING on the development / of trade and industry in this country.

This Committee examined a large number of witnesses in many parts of the (300) country and submitted its report in March 1952. This report again was circulated to all State / Governments, Chambers of Commerce, Trade Associations, High Courts and many other bodies. At the same time, a Special Officer was / appointed in the Department of Economic Affairs, Ministry of Finance, to examine the report, in the light of the views / received from the interested public and to submit proposals to Government for the revision of the present Act. The Bill / now before the House is based largely on the RECOMMENDATIONS of the Company Law Committee modified in a few particulars. (400)

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Hon. Members will notice that so far as public relations go, the Bill has covered adequate ground. In a measure like the Companies Bill, however, which covers the entire field of the operation of joint stock companies, the limits of / consultation and discussion can never be EXHAUSTED, and I would like to inform hon. Members that although the Bill was / introduced in Parliament over seven months ago, our officers have been engaged throughout this period in further studies and informal / discussions with the interests concerned, and on occasions I have also PARTICIPATED in such discussions. I have also given some (500) further thought to some of the issues arising out of the Bill and I propose at the appropriate stage to / bring before the Select Committee any changes in the provisions of the Bill which seem to me to be WORTHY / of consideration in the light of this further examination. No hon. Members will have noticed that the Bill contains 6 / clauses and 12 SCHEDULES. I think it is probably one of the longest legislative measures in recent legislative history. But / its size might be regarded as misleading unless I make a few comments. The Bill is both, one must remember, (600) a CONSOLIDATING and amending measure. As mentioned in the Statement of Objects and Reasons, this is the first opportunity which / has OCCURRED since 1923 for the consolidation of the Companies Act. Advantage has been taken of / this opportunity to redraft several long and COMPLICATED sections in the present Act which have been SPLIT UP into a / large number of clauses. This is the largest single factor accountable for the increase in the number of clauses in / the Bill. New clauses EMBODYING SUBSTANTIAL changes in the present law would hardly constitute more than a small fraction of (700) the Bill.

I would also draw attention to the structural changes in the Bill to which a reference has been / made in the Statement of Objects and Reasons. The redraft of the Bill and the REARRANGEMENT of the existing chapters / in the Companies Act in a more LOGICAL order have, I think, resulted in a NOTICE-ABLE improvement in the form / of the Bill and I hope will FACILITATE better understanding and appreciation of the scheme. I wish that the Act / which came into effect long ago was implemented properly. I know that the Minister here is very EARNEST in implementing (800) it, but unfortunately his COLLEAGUES at the State level are disappointing him. Unfortunately, no steps have been taken for TRIMMING / or TONING UP the administration at the State level and at the district levels. They have to be taken immediately. (840 words)

Handwritten shorthand notes in Devanagari script, covering the left side of the page. The notes are dense and appear to be a transcription of the spoken text on the right.

TRANSCRIPTION No. 2

I should like now to make a few OBSERVATIONS on the Budget. This Budget marks a turning point in the / history of our country. It is no use attempting, as some of my friends have done, either to DEPRECATE the / budget very strongly or to suggest that we are not witnessing a new revolution in our methods of fiscal training / and TECHNIQUE. I want it to be quite clearly pointed out to my friends that we are now facing the / LEAN years of Indian finance. HITHERTO, we had revenue surpluses which were a form of public saving and which were (100) meant to be utilised for capital development. HEREAFTER, this form of revenue surplus would not be available. We have, therefore, / to find out ways and means of implementing our great programme of national reconstruction at minimum cost. My point is that / the deficit on revenue account would be of the order of about Rs. 19 to 20 crores. Here, let me / point out that I do not agree with those of my friends in the Finance Department who have attempted to / suggest that Rs. 9 or 18 crores which are obtained from Pakistan should be put to the revenue side (200) of the budget; they are to be put on the capital side. But that does not seriously alter the trend / of my argument. What I am suggesting is that we would have to be prepared for a deficit of a / much higher order even on the revenue side. That itself should make us realise that there are very many problems / which we have to face and that we have to undertake ways and means of increasing the resources of our / country so that it might be possible for us to have a greater amount of surplus or a greater amount (300) of public saving for the purpose of financing capital development. The Finance Minister in the course of his speech, Mr. / Deputy Minister, pointed out that the deficits during the past two years were of the order of Rs. 83 / crores. I venture humbly to disagree with him because I feel that when we are talking of deficits, we must / take into account the OVERALL deficit INCURRED by the Central Government and that would be of the order of / Rs. 200 crores. During the years of RELATIVELY light expenditure we had a SHORTFALL of about Rs. 200 crores. (400)

Undoubtedly, now when we are going to have a very great amount of expenditure, we might have a greater amount of deficit and we would have to find out ways and means of trying to meet our capital expenditure. Some Members have pointed out that DEFICIT FINANCING is good; others have pointed out that it is poison. One hon. Member / who PRECEDED me pointed out that it could be taken like a tonic. Now, I am not willing to enter / into the MERITS of deficit financing or DEMERITS of deficit financing in an ACADEMIC spirit. The time has now come (500) when we should face realities. I do suggest that we have to INDULGE IN deficit financing because without INDULGING IN / deficit financing it would not be possible for us to indulge in capital expenditure on such a large scale. But / when we are talking of the scope of deficit financing, I would like to place before the House and the / Finance Minister the two great limitations which face us.

The first limitation that faces us is that concerning the internal / price level. The hon. the Finance Minister referred to the cost of living. He said that he was going to (600) keep a watch over the cost of living so that it may not shoot up within a short period and / MAKE A MESS of the plans of capital development. But there is another limitation which has also to be borne / in mind, a limitation which has not received as much notice as it should have done in all the discussions / that have taken place on deficit financing. That limitation is the external limitation or the limitation which arises on account / of our BALANCE OF PAYMENTS position. I think this is as important, Mr. Deputy Speaker, as the internal price level (700) and I should like to ELABORATE that particular point a bit more because I feel that a time will SHORTLY / arrive when we might have either to reconsider our policy or might even have to leave the STERLING club of / which we are a member.

The second serious limitation is as serious as the first. What would be the consequences / of deficit financing on our balance of payments? The Finance Minister in his budget speech points out that so far / as the balance of payments position is concerned, they have now, whether it is by accident or design, a favourable (800) balance and they have contributed about Rs. 63 crores to the dollar pool during the past six months. But / the moment we indulge in deficit financing we have to be prepared for WORSENING of our balance of payments. (840 words)

TRANSCRIPTION No. 3

I am thankful to you for having given me this opportunity long last to say a few words on the / Budget. Already, much has been said and I think the Finance Minister has come in for his share of congratulations / as well as criticisms. So, there is not very much to say but I should like to say a few / words.

The increased development expenditure and the absence of any new taxation has earned for the Budget a good / RESPONSE even from the businessmen. I specially welcome the relief given to the middle classes by raising the exemption limit of (100) income-tax in respect of personal income. No doubt, this is some relief to the middle classes. But I would / request the Finance Minister, if he could, to raise this exemption limit from Rs. 4,000 to Rs. 6,000 / as that would give substantial relief to the middle classes.

I am indeed glad that the Taxation Enquiry Commission has / been appointed with Dr. John Mathai as the Chairman, and I am sure that many of the VEXED problems may / be solved through this Commission.

At the same time, I would request the Finance Minister to PUT OFF the ESTATE (200) DUTY Bill for the present, since this Enquiry Commission has been appointed and they may go into this question. For, / I feel that it is not an OPPORTUNE moment to put on more taxes on the people. Already, as Mr. / Gadgil has pointed out, there are so many taxes on the people. The people are over-burdened by taxes and / they are just trying to recover their STABIL-ITY. So, in regard to Estate Duty, I would ask him to consider / about it. My reason for asking it to be postponed is, as I have said, that the people are still (300) facing economic DISTRESS. And then, our Government is not able to offer the AMENITIES which other countries have, where the / Estate Duty exists, such as free compulsory education for children, free medical aid, homes for the poor and the DESTITUTE, / old age pension, etc. So, my humble suggestion is that this point may be considered by the Taxation Enquiry Commission. / I agree that there is a brighter side of the picture and that instead of continually HARPING ON our poverty, / we should also see the bright side. We are making encouraging progress towards laying the founda- tion of a welfare State. (400)

With the co-operation of all and the implementa-
tion of the Five Year Plan, I am sure, Sir, that we
should be / able to lay the foundations and FULFIL
the dreams of India. It is indeed encouraging to
know from the / Finance Minister that there is a
tendency of lowering food prices all over the world;
and in that case, the / prices in our country too
would be lowered. clock

Regarding Defence, for obvious security rea-
sons, I do not agree with my / friends who say that
the expenditure should be CURTAILED. It is not
advisable to take any undue risks and SLACKEN
(500) the defence arrangements. Indeed, defence is
one of our valuable ASSETS although, strange to
say, there seems to be adverse / opinion in some
quarters. I agree with what General Cariappa once
said that God and Army are remembered only when
/ there is trouble. The Army consists of the most
disciplined and loyal set of young men. It would not
be / proper to EFFECT economy in the pay of these
brave officers as it would not be an incentive for the
/ right type of young men to join the Army and it
would become ineffective and inefficient. I believe,
already officers (600) who were drawing Rs. 1,400 as
their pay are now getting only Rs. 700 and / about Rs.
100 as allowance. That is, they are getting about half
of what they were getting before.

It / is very hard for those officers on FIELD
DUTY to establish separate establishments for their
families and for their children / and I would spe-
cially appeal to the Finance Minister to see that the
family allowances may be RESTORED to those /
officers who are on field duty.

Economy in Army could be EFFECTED in other
ways. There is scope for more (700) efficient opera-
tion of defence industries which process seems slow
and by purchase policy of utilising goods and stores
INDIGENOUSLY manufactured. / Preference should
be given to country-made war materials such as
could be produced here and they would be cheaper
/ than foreign-made goods. I may also suggest that
the Armed Forces who are not on field service or
under / any operational COMMITMENTS could be
utilised for giving military training to the youths in
schools and colleges which would teach / discipline
and loyalty. The University authorities should make
military training as part of their compulsory educa-
tion just as they have (800) adopted social, domestic
and political sciences. The National Cadet Corps
is already INCULCATING military training in some
Universities such as / Bombay and Calcutta. But if
military training is made compulsory for our uni-
versity students, it will go a long way. (840 words)

TRANSCRIPTION No. 4

Sir, the Essential COMMODITIES Act was passed five years ago and when the Minister yesterday came with an amending Bill we expected that he would give us a brief report on the working of this measure for the last few / years. But unfortunately, we are kept in the dark in regard to the exact working of the Act and the / nature of the difficulties the Minister is facing. Sir, as far as I know, many of the provisions of this / ENACTMENT have been observed more in VIOLATION by his agents at the State level. The Food Minister may be very (100) EARNEST, may be very able and may be very anxious to see that the various provisions of the Act are / implemented in the most effective manner at the State level but unfortunately his agents at the State level are not / equally enthusiastic or equally anxious to observe the provisions of this enactment. The most important objectives of this enactment are / to control the supply and distribution of commodities and to maintain a STABLE price level. In regard to both these / aspects, I am afraid that the Government has failed to realise the objectives in view. Some time past when there (200) was SCARCITY of foodgrains, attempts were made to make PROCUREMENT from certain wholesale merchants and from rice mills. In my own State, I know of many instances of such procurement where, after making known that certain things had to be / done and certain steps had to be taken by the merchant community, nothing was done later on by the Government, / when they found that these very orders of the Government were violated. As a result of the violations, there was / a CONSEQUENT rise in the prices of foodgrains. In respect of other commodities like iron and steel, paper, etc., we (300) see a lot of SPECULATIVE activities, but the provisions of the Act have not been brought to bear on them. / Perhaps, no case of PROSECUTION was LAUNCHED against those people who CONTRAVENED the various provisions of the Act. We are / interested to know in how many cases the Government have taken steps to prosecute individuals who have violated the various / sections of the Act. The Minister said that the powers under the Act were not adequate. We sympathise with the / Food Minister but I want to know what action has been taken in this regard by the various State Governments. (400)

In regard to the amending provision, I want to know from the Minister what would be his difficulty even if / minor offences are taken to courts of law. For instance, the Motor Vehicles Act deals with various offences, both major / and minor, and various minor offences under the Act are taken to courts and people are prosecuted. What is the / difficulty in taking these cases of a minor nature to courts of law? There, the people will have some safety / that they will get a hearing and if the offences are really offences, then they would be prosecuted. Otherwise, they (500) will be ACQUITTED. Here, the Minister says that there should be a security deposit. If there is a violation of / a particular provision of the enactment, then the executive authority will have the power either to CONFISCATE a part of / the amount or the whole of the amount. We are CLOTHING the executive authority with more powers. I do not GRUDGE giving powers to the executive authority, provided they are used properly and effectively, and in a most fair manner. / But unfortunately, there have been DISCRIMINATIONS, apart from the ineffectiveness of the various provisions. Wherever these provisions were used, there (600) had been DISCRIMINATORY use of these provisions against a few or in favour of a few. Normally, when officers are / clothed with more powers, there is large scope for CORRUPTION. I feel that it would be desirable to avoid such / MALPRACTICES and it would be desirable, I think, that even for minor offences the parties should have a chance to / defend their actions. I do not think that this problem of dealing with minor offences will become COMPLEX or complicated / in any way, if we take them to courts of law. I want a reply from the Minister in what (700) way he is suffering from a HANDICAP in dealing with minor offences or offences of a technical nature.

The hon. / member made the point that even if this thing was acceptable to the House, he did not know what amount / would be demanded as security. So, the Minister should tell us what amount is normally expected from a LICENSEE in / all cases and what the offences are which are of a technical or minor nature which he has in view. / We are not told which are major offences and which are minor offences. CLARIFICATIONS on these points are necessary. (800)

I wish that the Act which came into effect long ago was implemented properly. I know that the Minister here is / very earnest in implementing it but his COLLEAGUES at the State level and at the Central level are disappointing him. (840 words)

TRANSCRIPTION No. 5

The Industrial Policy Resolution of 1948 was good so far as it went. But, unfortunately, the / spirit of it could not be understood or appreciated by the common man in this country. So, a new ORIENTA-TION / of this policy was given. And the hon. Prime Minister after his return from China PUBLICLY declared that the future / policy of the country or rather the future PATTERN of society will be the socialist pattern. That was further EMPHASISED/ by the resolution passed at the Avadi session of the Congress, and later REITERATED by Shri Dhebar, President of the (100) Indian National Congress.

I am very glad to say that the spirit of it has been caught by the nation / today. If I may say so, the nation has taken up the challenge for securing the socialist pattern of society. / It BEHOVES all sections, both inside this House as well as outside, without having mutual RECRIMINATIONS, to try and PROPAGATE/ in a sincere manner and establish the socialist pattern of society indicated by the statements of the great leaders of / our country.

It may be RELEVANT and PERTINENT, if I refer to a few sentences from the memorandum presented on (200) the 4th June 1939 by our Prime Minister, who was the Chairman of the All India / Planning Committee which came into existence when there was provincial AUTONOMY in the provinces. On pages 39 and 40 of / that report, he stated :

It is clear that the drawing up of a COMPRE-HENSIVE national plan becomes clearly an / ACA-DEMIC exercise with no relation to reality unless the planning authority or those to whom it is responsible are in / a position to give effect to the Plan. If this authority is powerless or CIRCUM-SCRIBED or restricted and has (300) limited activities, it cannot plan. An essential PRE-REQUISITE for planning is thus complete freedom and independence for the country and / removal of all outside control. This IMPLIES that the country POSSESSES in itself full SOVEREIGN authority to take any measures, / adopt any policies, and form any relations with other countries as may seem best to its governing authority in the / interests of the country and its people. National independence is thus an INDISPENSABLE PRELIMINARY for taking all the steps that / might be found necessary for CARRYING OUT the five year plan in all its various aspects throughout the whole country. (400)

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At the present moment, it is clear that not only have we in India no national independence, but we are HEDGED in and obstructed by numerous restrictions, limitations, safeguard and reservations which BLOCK the path to planning and progress. Our plan for national development must, therefore, be drawn up for a free and independent India.

THANKS to the sacrifices made / by millions of our countrymen and country-women under the leadership of the Father of the Nation, Mahatma Gandhi, we / have today secured complete sovereign political independence at a time when the nations of the world were engaged in the (500) bitterest struggle using all the weapons of destruction. If, therefore, we have secured political independence during the period of a / quarter of a century, it should not be difficult, especially when we are today masters in our own country to / secure a socialist pattern of society, as has already been indicated. But it requires the assistance, the PROPAGANDA, the active / work of all those who are interested in this. I am sure so long as my hon. friends, the Minister, / the Deputy Minister and the other Minister who represent the Commerce and Industry Ministry can give us an assurance that (600) the capitalist pattern would be avoided, some of us who believe in a cent per cent socialist democracy give an / undertaking that certainly TOTALITARIAN policy will not be introduced in this country, because we have believed ALL ALONG, during the fight that we have given to the British Government, when we secured political independence, that we shall try to maintain / democracy UNDILUTED, and a socialist democracy at that. I am absolutely certain that in this country of ours, liberty of / thought, liberty of speech, and liberty of action will be guaranteed to every citizen, to express his views in the (700) manner he pleases. I therefore assure my hon. friend that so long as we do not, in the GARB of / a socialistic pattern, support a capitalist system, India will stand hundred per cent, for a socialist democracy.

Now, luckily for / us the Fundamental Rights of the Constitution have declared that a citizen would be assured of many of the social / AMENITIES which will give reasonable comfort FROM THE WOMB TO THE GRAVE. But mere ENUNCIATION, as I have said many / times, will not satisfy the common man, unless the saying is put into effect. I am absolutely certain, therefore, that (800) so long as there is a DETERMINATION on the part of our countrymen, we will be in a position to secure a socialist pattern of society. It is not even possible to draw up a plan on any other basis. (840 words)

TRANSCRIPTION No. 6

There has been some reference to the improvement in our economic situation also. We find that we have made good / progress in production. We were faced equally with a difficult situation so far as cloth was concerned. There was a / DEFICIT of food and there was also shortage of cloth. I do remember the SCENES that we had to witness / in several cities where people had to stand in QUEUES for hours together for two yards of very ordinary cloth, / but now the situation is quite changed. We have produced much cloth and we are in a position to export (100) cloth. During the British period we were required to import cloth, but now we are in a position to export / cloth. After partition, we were faced with the question of raw material, namely, cotton. We had cotton mills, but cotton / remained in Pakistan. Even that problem has been solved. We had placed before us a target for more production of / cotton and not only has that target been achieved but it has been achieved in shorter period to the satisfaction / of all people in the country.

From this survey, Sir, you will find that everybody should be convinced that we (200) are making good progress in the realisation of the objectives of the Five Year plan.

Then there is a reference / that in several essential COMMODITIES we have got increased production. This cannot be denied. IN SPITE OF this increased production, / I must admit, we have not been able to solve the question of unemployment, but efforts are being made to / EASE the situation so far as this question is concerned.

The main thing to which I would like to refer / is that the President was pleased to say, and say very PLAINLY, that so far as cottage industries were concerned, (300) we have not been able to make good progress. As a matter of fact, very little progress has been made. If in this country we have to solve the question of unemployment, we must take, and take very seriously, to the development of cottage industries. That alone will solve this problem of unemployment. We want to increase production, but / we want to take to such means for increasing our production as would be man ABSORBING and not man-saving, / as have been RESORTED TO by the Western countries. That alone will solve our problem to a very great extent. (400)

If we organise our cottage industries, if we take to the spirit of Swadeshi, I have no doubt, we will / solve the problem of unemployment to a great extent.

Then, Sir, a reference has been made to certain additional projects / which have been included in the Five Year Plan. There was a great demand from Maharashtra to include this project / in the Five Year Plan. A couple of years ago, there was a conference presided over by my colleague from / the district, the present Revenue Minister of Maharashtra. He had presided over it and there was a UNANIMOUS demand, (500) supported by practically the entire people from Maharashtra that this project should be included in the Five Year / Plan. I take this opportunity to congratulate the Government of India and the Government of Maharashtra for having seen to / it that this project in Maharashtra is included in the Five Year Plan.

The President's Address makes reference to the / improvement of our transport and communications. Our increased production leads to the question of better transport facilities. The agricultural production is / on the increase, but, Sir, if there is no betterment of our transport facilities, this increased production in agriculture will (600) not benefit the agriculturist. In my part of the country, even now this situation PREVAILS. The production there is on / the increase, but the agriculturists are suffering on account of INADEQUATE facilities of railway transport. I was glad to find / from the President's Address that the Railways are thinking of opening even new lines very soon. It has also been / said that so far as LOCOMOTIVES and ROLLING STOCK are concerned, the manufacture of these is going on very satisfactorily, / and we have made good progress in this respect during the last few years. Any nation can be proud of (700) this achievement.

Then, there is a reference to the housing conditions. We can very well remember the scenes that we / were required to witness immediately after Partition. Thousands and tens of thousands of our BRETHREN came to this country from / Pakistan. It was a very serious question as to how to house them, but the day has come when the / question has practically been solved, or it can at least be said that we are near the solution of the / question. Seventy two crores of rupees have been spent during the last few years in constructing houses for the refugees (800) and in this very city we are witnessing an EXHIBITION where we can see the models of cheap and decent / houses. If these cheap houses are constructed for the refugees, it will provide SHELTER for them at a low cost. (840 words)

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TRANSCRIPTION No. 7

Now, I would like to say that with this measure we are now adopting, to my mind, it will not / be possible to have this system or any other system functioning effectively. The number of clauses that we have included / are so RESTRICTIVE and RIGID that it will not be possible for any system to function in this country. If / at all it is able to function, it will be able to function with a lot of difficulties. It will / be said afterwards that the industrial sector, particularly the private sector, has not been able to DELIVER THE GOODS. I (100) would like to warn the Government that if anything happens in the future in which industrial production or production in / the private sector has not gone up, it would be not because of any lack of efforts on the part / of the private sector but because of the measure that we are now adopting.

I have mentioned several times how / this particular Bill is very restrictive and how it will HAMPER the normal growth of companies in this country. It / is a pity that when we are on the THRESHOLD of the Second Five Year Plan, such a measure should (200) be passed in this House.

I would now like to make a few OBSERVATIONS about the speeches of some of / the hon. Members here. Shri Ashoka Mehta justifies the restrictions on managing agents by saying that managing agents are no / longer the main source of finance. He also argues that profits have been high and will continue to remain high, / and, therefore, he would like to see the managing agents being paid on a SLIDING scale. He is in the / habit of referring to a number of books and making QUOTATIONS from a number of them published in America or (300) in other countries and particularly by some of the professors.

I would also like to mention to him that even / when companies are FLOATED it requires a certain amount of confidence amongst the investing public and it is because a / particular firm is managing a particular company that this confidence is created in the investing public.

Even there, as the / hon. Finance Minister has said, there is a sort of OVERALL tight control. New banks and insurance companies are not / floated nowadays. What you have are the few banks which are existing and the few insurance companies that are existing. (400)

Handwritten shorthand transcription of the printed text, written in a cursive style on lined paper.

The other point is that the CREDIT-WORTHINESS of the managing agency firm does count to a certain extent in getting / credit from the banks and other financial institutions.

Yesterday, it was mentioned by my hon. friend that the CRUX of / the problem is the question of payment of REMUNERATION to a particular managing agency system. He said that in this / Bill a definite encouragement has been given to the alternative type of management, namely, the managing director or the manager, / where an individual has been permitted to take 5 per cent while in the case of the managing agency it (500) has been permitted to take about 10 per cent. I would like to point out to him that it is / not merely the question of remuneration which will decide the alternative type of management. The remuneration is not a very / important thing. Unless and until you allow a certain amount of FLEXIBILITY for any system to function, it will not / be possible to EVOLVE any other system to take the place of the managing agency system. IN SPITE of so / many SHACKLES, you may find that those few business houses which are carrying on now may have to carry on (600) on the present basis; you may not find many new people coming in the field.

Several times, it has been / mentioned in this House why the business community has not prescribed for itself a code of conduct. In this connection, / I would like to point out that a degree or diploma is essential for the profession and in case of / VIOLATION of the code, sanction should be provided by it to prevent a person from PRACTISING the profession. Today even / Ashoka Mehta and Shri C. C. Shah can set up a GROCERY shop and become businessmen. Nobody lays down any (700) condition for starting business and nobody can prevent others from continuing it, but I would like to point out that / with regard to the code of conduct, there is a certain amount of ETHICS and there are certain standards and / TRADITIONS on which business houses function. If a particular firm has not got proper ways of managing its business, you / will find that that business house will find it difficult to function and it would be difficult for it to / command the confidence of the business community. It would not be possible for it to function as effectively as a (800) firm which has proper ways of managing its business. That is sufficient as a code of conduct. It is not / possible to prescribe a certain code of conduct in the manner it has been done for the profession in general. (840 words)

TRANSCRIPTION No. 8

In CONCLUSION, I would like to say a word in regard to employment, with which I have been dealing so far. According to the figures supplied, the number of displaced persons from BANGLADESH employed through employment exchanges is only / 37,000. This is very MEAGRE, compared with their total number which comes to 32 lakhs; according to / the official figures. This is with regard to Bangladesh refugees. The number of displaced persons from Pakistan employed / through employment exchanges, is not very encouraging, but still it is 75,000. I would URGE upon the hon. (100) Minister to take this into consideration and see that something is done to find employment for these people.

Of course, / there is some expenditure incurred on general education and VOCATIONAL training, but when we look at the number of persons / who have been given vocational training, we find that the number already trained and under training is only 17,000. / This figure also seems to be very small, considering the MAGNITUDE of the problem before us.

Some programmes of general / improvement have been UNDERTAKEN by the Government of West Bengal by way of setting up new industries etc. These programmes (200) should be looked into, and put into operation, with a view to giving more employment to these displaced persons.

Within / the limited time at my disposal, I shall limit my remarks to refugees from Bangladesh. The first thing which / STRIKES one, as one looks at the various BROCHURES and publications that have been given to us, is the amount / of [CONTRADIC] TION one has to battle against. The first contradiction is in regard to the number of persons Government think / they have REHABILITATED in West Bengal. Granting that it is difficult to make a final ASSESSMENT of the number of (300) refugees who have come from Bangladesh, it is still true to say that at least there should be some / sort of PARITY between what the Union Ministry says and what the West Bengal Rehabilitation Ministry says. Only a few / days ago, the West Bengal Minister of Rehabilitation said that there are 22 lakhs of refugees who have to / be rehabilitated, but the Central Government's figures are 31 lakhs. Unless the Government know the number of people they / have to budget for, it is rather BEWILDERING to know how they mean to plan in BRINGING ABOUT their rehabilitation. (400)

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As a matter of fact, many other sources believe that the figure is far higher, but in any case, there / should be some parity and some idea as to the extent of the rehabilitation problem which still remains before the / people of West Bengal.

The other contradiction is this. On the one hand, Shrimati Renuka Ray says that in the / near future they will be making a successful completion of the work of economic rehabilitation of refugees in that State, / but only last year Shri A.P. Jain said that as yet the problem of the displaced persons from (500) Bangladesh was a matter which was giving some concern. I really do not understand why in spite of Shri / A.P. Jain recognising that the problem is still quite serious, Shrimati Renuka Ray should have made such a statement. Yet, / when we heard the hon. Finance Minister, we find that there has been a big SHORTFALL in rehabilitation budget.

I / think that if the Fact Finding Committee's Report had been published, the assessment that we have rehabilitated about fifty per / cent of the people of Bangladesh who came over as displaced persons would have become quite clear in regard (600) to its incorrectness. As a matter of fact, when we went round the camps and colonies in West Bengal, we / found that as yet, not more than fifteen percent of the people have been rehabilitated in the sense that / they are able to EKE OUT their SUBSISTENCE on the poorest levels. It is not more than fifteen per cent, / and I think the figures of the Fact Finding Committee are still lower. I think this is something that we / have to take very seriously and put our minds to, and apply all the resources that we have to find (700) out how we will be able to tackle this problem of rehabilitation.

Now, coming to the question of relief, I / feel that until we are able to give really proper rehabilitation, we cannot withdraw relief. It is no use arguing / whether relief leads to LETHARGY and moral SLACKNESS. Unless our rehabilitation policies are fruitful, have we any right to starve / the people to death? As a matter of fact, Shri A.P. Jain may know that in West Bengal, the / INCIDENCE of TUBERCULOSIS amongst the refugee population is very high. Only a small percentage of them is CATERED for by (800) the medical relief given by the Directorate of Rehabilitation. If I am to tell you the TRAGIC fate of the / refugees in West Bengal, I would refer you to a report which appeared in February, 1954. (840 words)

TRANSCRIPTION NO. 9

Sir, the Budget has been VARIOUSLY described and criticised, as one that increases the burden of the common man, one / which gives concessions to the rich and encourages foreign investments. I agree, Sir, that it is all this and much / more. But it certainly is not a HIGHWAY MAN'S budget. To my mind, Sir, the Budget is sincere, CONSCIENTIOUS and / at the same time, it is a bold effort on the part of the Finance Minister who is charged with / heavy responsibility of finding resources for the Third Five Year Plan. This Plan, to my mind, Sir, is not at (100) all ambitious, in view of our needs. It may be looked upon as a rather heavy demand, but looking to / our needs, it is not very ambitious. Sir, the fact that even the considerations of the coming general elections could / not DEELECT the Finance Minister from the course which seemed to him necessary and proper, should earn him the appreciation / of every right thinking man. The common man's interest, as I said, is nearer to our hearts than perhaps some / others can claim, or at least it is equally nearer to us, and yet there come times in a nation's (200) history when it becomes necessary for the people to postpone the fruits of their labour and ENTERPRISE to SECURE the / future. Here also, Sir, opinions may differ. According to the Communist Party, such a time came during the last Great / War when they were EXHORTING people, the common people to contribute their full MITE to the War effort. According to / us, however, Sir, we are passing through such a time at the present moment and I have no doubt that / the common people appreciate this position and will willingly tighten their belts, contribute their full mite, and will surely return (300) the Congress to power, having full confidence in the future, and looking to a future where their POSTERITY will be / assured of a far better social and economic order. Who, Sir, does not sympathise with the difficulties of the common / man? As a matter of fact, most of us come from that class, and I am sure the Finance Minister / would have liked to go away with some of the LEVIES. None would have been happier if he could have done / without these new levies but there are, Sir, certain very IMPERATIVE limitations. We are passing through a critical period.

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(back of 9)

Sir, it may not be necessary to continue these levies for a long time; rather I am inclined to think that before long it may be possible to give up some of them at least. I have very valid reasons / to think so. Our public undertakings are coming to their own and some of our important irrigation and power projects / have just been completed. Some others are nearing completion and in due course, I think in the very near future, / they must YIELD RETURNS. This will go a long way to LIGHTEN the burden of the common man.

We might, (500) Sir, also RESORT to some other ways. I suggest that we might take to public trading in some specific items / of export and import. That would also certainly go a long way and help us. The private CORPORATE sector has been STEADILY growing and has been developing capacity. It is sure to benefit from all these present concessions and develop / greater capacity. This sector must come forward to meet new demands for taxation in the future. I agree that so / far as indirect taxation is concerned, it has reached the SATURATION point, but the corporate sector, growing as it is (600) in strength, in VITALITY and in capacity, will not, I am sure, SHIRK its responsibility to contribute to the common / fund. I wish, Sir, the committee which had been appointed to go into where the additional national income had gone, / had entered upon its labours a bit earlier and had made its findings available to us. I do not want / to state its findings, but I have a feeling that the committee, when it CONCLUDES its labours, will come to / the conclusion that a major portion of this additional national income has gone into the pockets of a comparatively small (700) number of men, small number of individuals. And it is they who must in future contribute their share to the / country's taxation needs because the profits they have earned are not all due to their own efforts and enterprise only. / To a very large measure, they are the result of the economic policies of the Government and due to certain other / circumstances to which they did not contribute anything. Therefore, there is ample justification for the two taxes, the capital gains / tax and the excess profits tax. I need not go in detail into all the reasons that my hon. friend (800) has explained earlier so LUCIDLY but I must say that I entirely agree with them all. Having said this, I / would like to say a few words about allocations which have been made to the various Ministries in the Budget. (840 words)

TRANSCRIPTION No. 10

In discussing the Demands for Grants of the Finance Ministry, we have got to see to what extent the administration / of this particular Ministry has led to the development of our national wealth and the securing of the welfare which / our State claims to have in view.

Madam, we must try to ANALYSE very carefully the working of this particular / Ministry, because it is not merely a department of the Government, so to say, but it is the NERVE-CENTRE / of the administration of the country. I would like first to refer to the role of foreign capital, because in (100) DETERMINING the manner in which the PERMISSION OF CAPITAL ISSUES has been granted by the particular administration, we should keep / in our mind to what extent the interests of our nation have been served. I fully ENDORSE the statement which / the previous speaker has made so far as REPATRIATION of the investments made by foreigners and of profits are concerned. / We have dealt with this topic quite a number of times and I do not want to REITERATE anything apart / from only supporting what the hon. Member, who just now spoke, said.

I would now like to deal with the (200) investments of foreigners in India. Madam, the Government of our country accepted the PROPOSITION that in allowing foreign investment, it / should come in only in such industry and such form of production wherein our national INVESTORS will not come forward / and in which technical SKILL is wanted. There is also one other factor which the industrial policy of our Government / of 1948 as ADUMBRATED further in 1949 by the Prime Minister laid / down. It specifically said that the control and ownership of such concerns should, as far as possible, be in the (300) hands of Indian nationals and the technical KNOW-HOW of our country should be developed. I would like to emphasise / the figures that have been put forward for the last few years. From 1947 till the / end of 1952, or the early part of 1952, it has been / reported that Rs. 19 crores of foreign capital have been allowed to be invested in our country. Of that, practically / more than Rs. 6 crores have been allowed to be invested in managing agency and trading enterprises in our country. (400)

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So far as the Government policy is concerned, we find that a sum of Rs. 4 crores has been allowed / to be invested this year. We do not know how it is to be used up. We have been told / that during the period 1948-53, nearly Rs. 35 lakhs have been allowed to / be invested in textile machinery and generally in the textile industry. We have seen to what extent cotton and jute / have been dominated by the national capital and to what extent they play the role as against the demand for (500) them. We know further what the Government is doing in regard to these industries and how the Indian COUNTERPART in / these industries are behaving. Then, why this further PENETRATION of foreign capital ?

Even in regard to the expansion scheme, we / find that paints, soaps, electric fans and machine tools are some of the industries where the Government is allowed foreign / interest to establish or expand their factories. It will adversely compete with the production of the country, when the INDIGENOUS / producers do not find any market in this sphere. Therefore, we have got to see to what extent the capital (600) issue has been REGULATED by this Government and particularly by the Finance Department so that the national WELL-BEING of / the country could be GUARANTEED.

Then, we have got to look into the fact as to how far the new / industries are allowed to function. So far as the oil REFINERIES are concerned, some of them have been established and / some more are going to be established very soon. In the control of the administration, the Indians have no share. / There are only PREFERENCE shareholders and they have no voice in the management. So far as the administrative aspect in (700) this industry is concerned, the most important part of it is the technical KNOW-HOW. They do not guarantee that they / will train the Indians. That means they say, even after 20 years, we will have to face the problem of / the know-how in respect of the oil refineries. I do not know why the Government are showing softness to / foreigners in this matter.

Then, we have another investment in COLLABORATION with the Indian Chemical Industries for the manufacture of / CIVIL, EXPLOSIVES. Here, as far as I have gathered, only 20 per cent is going to be Indian capital. The (800) majority of the shares will remain with the Indian Chemical Industries. No-body else has been allowed to make any investment. / It would have been better if other companies and private individuals had been given an opportunity to purchase the shares. (840 words)

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TRANSCRIPTION No. 11

Sir, several questions raised regarding the Defence Ministry and the External Affairs and Irrigation Ministries have been clarified by my colleagues / from those Ministries. My task, therefore, has been simplified to that extent. Before I go to the questions, financial and / economic, raised by several hon. Members, I should like to clarify one or two points which are more administrative than / economic or financial. One of them was raised by my hon. friend. He raised the question about the recruitment by / the Assistant Superintendents' Departmental Competitive examination, and particularly about the examination held in 1960. He said that (100) about Rs. 6 lakhs were spent for the 1960 examination and later it was declared that no / vacancies were available. He, therefore, suggested that a definite procedure should be there and the examination should be held according / to the vacancies declared in advance, and all persons who have qualified in that examination should be eligible for promotion / or for appointment.

Sir, I do not know whether the hon. Member knows how these vacancies are filled. He probably / refers to the Section officers' Grade in the Central Secretariat Service. This is filled 50 per cent by direct recruitment (200) and 25 per cent by departmental competitive examination open to the Assistants, i.e., the next lower grade, and / the rest 25 per cent by promotion of the Assistants on the basis of seniority, subject to fitness. The / examination, therefore, that he was referring to was a departmental competitive examination for filling 25 per cent of the / vacancies. It takes about one year for the Union Public Service Commission to declare the results of the examination from / the time they take up the question of the examination. It is not, therefore, possible to declare the number (300) of vacancies to be filled in, from the very beginning. To declare them just when the results are out is / more realistic and that is what is done. Sir, if the examination is treated as qualifying examination, the number / of persons who will thus become eligible for appointment will be quite unrelated to the number of vacancies to be / filled in and then the very situation which the hon. Member wishes to avoid would arise. It would not then / be possible to hold any of the examinations at regular intervals and promotions against this quota would become very FITFUL. (400)

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The hon. Member also suggested that the rules for recruitment and promotion etc. should be UNI-FORM for all Ministries, whether / participating in the Central Secretariat Service Scheme or not. It must be, and this is so, except for the Ministry / of External Affairs and the Railways. These have different rules, but these rules are very much similar and there is / not much difference. But because these persons are recruited for different purposes and by different agencies, they are separate. Therefore, / his purpose in saying that there should be uniformity is almost CARRIED OUT. The only difference is that the Ministry (500) of Home Affairs does not control the services in these two Ministries.

Then, Sir, questions were raised about backward areas / and the backward States, and also about the city of Calcutta. If the Budget is properly SCRUTINISED, it would be / found that assistance is provided for the States, particularly the backward States, and the Finance Commission which ASSESSES the OVERALL / requirements of the States, takes this into consideration and makes its recommendations which are carried out every time the Finance / Commission's recommendations are received, and they are received PERIODICALLY according to the Constitution. Sir, I would like to give the (600) total amount paid to the States on this account.

The main objective of planning is to create conditions in which / living standards are raised in a sufficiently reasonable level and all citizens are given full and equal opportunity for growth / and service. The plans seek to provide a balanced emphasis on increase in production and employment. The development plans are / THUS accepted as the means for ensuring equitable development in the field of social services. There is no reason to / suppose that the needs of the less fortunate or PROSPEROUS States are being neglected. But it would not be proper (700) to expect that all these differences could be WIPED OUT now immediately. It must be seen whether we are going / towards that very end or not. We are DELIBERATELY going towards that end and we hope and trust that in / course of time these inequalities would be wiped out; if not completely wiped out, at any rate they would be / LESSENERD. My hon. friend complained about inadequate provision included in the plan for meeting the growing requirements of the city / of Calcutta where even the basic services like WATER SUPPLY, SEWAGE disposal and drainage were not being AUGMENTED and that (800) the Central Government was not enthusiastic about solving these difficulties. (810 words)

TRANSCRIPTION NO. 12

I have no intention of giving a certificate, about which my hon. friend, Dr. Krishnaswami, was talking some time ago, / since anything like certificate being given by any Member of the business community is likely to be misunderstood. But / the fact remains that IMPARTIAL observers both here and abroad have TESTIFIED to the soundness and stability of our finances / which have successfully WITHSTOOD severe STRESSES AND STRAINS of the changing economic factors, both national and international, and for this / the fullest possible credit is due to the wise handling of the situation by our present Finance Minister.

There have (100) been criticisms on both sides. Some have described the Budget as PRO-big business, as something which has BROUGHT ABOUT / a BOOM in the stock exchange and as something which has brought about satisfaction in the business circles. The fact / is that if there has been any satisfaction, it has been due purely to NEGATIVE features of the budget and / not because any positive relief in any direction has been given to business or industry. It is true that there were certain fears in the minds of the business community that in view of the expanding and growing needs of (200) the Centre, the Finance Minister might RESORT to certain further additional taxation and since those fears were not realised, there / has been some slight recovery in certain stock exchanges, but that does not in the least mean that whatever relief / and LEGITIMATE relief was due, to the business and industrial community has received any adequate RESPONSE from the Finance Minister. /

We have got to face the fact that we are at present engaged in the process of development. People who / talk about U.K. and U.S.A conveniently forget that these are the most highly industrialised countries in the (300) world and our taxation system, so long as we are engaged in expanding and building our economy must be adjusted / and linked with the requirements of the expanding economy and should not be compared with the high taxation levels that / may be PREVALENT in U.K. and U.S.A. Friends have talked about unemployment. But whether the raising of / the direct taxation levels will in any way MITIGATE unemployment is a question that should be considered. If the Finance / Minister gives substantial relief in direct taxation, I think that might lead to an ACCELERATION in the PACE of development. (400)

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So, it has to be considered whether it is relief in taxation which will lead to a reduction of unemployment/ or whether it is raising of taxation to the utmost levels which will dry up the resources and / CHANNELS of capital formation and thereby not only RETARD all further development but might also throw the functioning of present / industries OUT OF GEAR. So, my SUBMISSION is that when the Taxation Enquiry Committee has been appointed, it is only / LOGICAL to expect that no substantial changes in the taxation structure will be made until the findings of that Expert (500) Committee are known, until we know the INCIDENCE of taxation in the various sectors of our economy.

Now, coming to / the question of DEFICIT FINANCING, I am afraid that my ESTEEMED friend's attitude was somewhat different from the line of / opinion in the business and industrial community. Not that we ADVOCATE deficit financing for bringing any artificial rise in prices, / but the fact is that those who have criticised deficit financing have not suggested any other alternative, or made any / other constructive suggestion which will bring about necessary development plans. After all, the fact has got to be faced that (600) whatever programme we have SET OUT in the National Plan should go on UNIMPEDED by any financial considerations. An assurance / has been given by the Finance Minister that so far as financial resources are concerned, he will ensure that the / Five Year Plan will not in any way be retarded. In this connection, I can only say that deficit financing / is one thing so far as the revenue budget is concerned, so far as normal expenses and expenditure are concerned. / Certainly nobody would advocate deficit financing which might be very undesirable. But when it is a question of doing something (700) abnormal, of investing something in productive channels then certainly some risk has got to be taken and I think the / Finance Minister has been fully CAUTIOUS in taking whatever measures he has, so far.

We know the measures that the / Government took for CONTRACTING money supply about the end of 1950 and certain other measures adopted which / brought about a SLUMP. Also, from time to time, the Finance Minister did not HESITATE to MOP UP the surplus, / which, as the records would show, has been about Rs. 300 crores during the past four or five years. (800 words)

TRANSCRIPTION No. 13

In the course of the debate yesterday on the Home Ministry's Demands, a number of points were raised by hon./ members. In particular, I am happy that some Members of this House appreciated the efforts that were being made by / the State Governments as also by the Centre, so far as the various subjects under discussion were concerned; especially, so / far as the law and order situation was concerned, it was very good on the part of some Members to / have appreciated the efforts made by the State Governments in this regard.

There were a number of other points also (100) which were raised, and in respect of some of them, I should like to enlighten the House so far as / the real position is concerned. These points deal very briefly with Tripura, the Andamans, Delhi and Gujarat and they have / also some BEARING on the question of the Scheduled Castes, the Scheduled Tribes and the Services. These, therefore, are the / various points, and I should like to place the correct picture before this House, so that the House will know / what Government have been doing so far as all these questions are concerned.

With your permission, I would deal briefly (200) with Tripura first. When the Part C States Act was passed, in view of a number of circumstances, the geographical / position of the State, the backward nature of the State, the existence of a very large number of tribal people, / and a number of other circumstances, it was considered ADVISABLE, so far as the administration of this State was concerned, / that it ought to be directly under the Government of India so that they can spend more for the purpose / of developing this backward area. Now, the question is often raised why we are not immediately introducing popular government in (300) this TINY State, the population of which is half a million. That question cannot be considered SINGLY, but will be considered in the context of the Report that we are receiving very shortly, in the course of the next / three or four months from the States Reorganisation Commission. The whole question will be considered. Their recommendations will be placed / before the House, and only then Government will take appropriate action. So far as the present regime is concerned, it / will also be kindly noted that it is not an AUTOCRATIC rule in the popularly accepted sense of the term. (400)

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Handwritten shorthand notes in Devanagari script, consisting of approximately 10 lines of cursive characters.

Therefore, I am pointing out to this House certain circumstances from which the House will gather that Government have been / trying their best to improve the conditions there and to develop it to the extent that is possible.

I would / make a very brief reference to the expenditure during the last three years. For the year 1950-51, Government spent Rs.95 lakhs. There is a considerable Scheduled Tribes population as also a Scheduled Castes / population. Mostly, they have come from Bangladesh. A sum of Rs. 17 lakhs has been set apart for the (500) purpose of improving the condition of the Scheduled Castes as also the Scheduled Tribes. Then, very great efforts are being / made for the purpose of rehabilitating the refugees, most of whom are from the Scheduled Castes, and it will be / found that as a matter of fact, 1,90,000 people have been rehabilitated in this tiny State / of Tripura. Out of them, 99,000 and odd have been rehabilitated in Government colonies and land loans have / been given, facilities for education have been given, and in respect of medical facilities, it will be found that the (600) amount has increased by at least five times.

Then, a point was made that unemployment was rising. So far as / the question of unemployment is concerned, it is a general question and has only a very short specific point so / far as the State is concerned. You will find that in view of the development projects that Government have undertaken, / the number of persons employed or the service PERSONNEL in this tiny State has increased. These persons are actually under / employment in respect of the different departments, so far as development projects are concerned. Then, you will also note that (700) for the purpose of providing good buildings for offices, especially for schools and hospitals, the Government have a proposal before / them which is being implemented, according to which Rs. 1 crore are going to be spent for the purpose of / construction of various buildings. Then we are also taking care to see that crime is not increasing at all. Very / VAGUE statements were made that crime was increasing. In fact, so far as the border area is concerned, there were / only two dacoities and no more. Even all the offenders in respect of these offences have been brought under control. (800-words)

TRANSCRIPTION No. 14

Sir, Now, I would like to say something about tea. This time there is taxation on common tea, the tea / that we are consuming here so that there can be more earnings through export. But if we examine this tea / industry, we will find that we are not getting good results either by the efforts of the Tea Board or / by the efforts of Government. One-fourth of the production of the whole country is represented by tea but that / much of attention is not given by the Government to this industry. They think that it is already getting foreign (100) earning and so it should continue to get it. But efforts should be made not only to develop this industry / but also to improve the industry through research and other things. As you know, in some parts the foreign companies / which are working here are neglecting this industry. They are only after the profits; they are not thinking of the / development of the industry. There is ROOM for development in many respects but it all depends upon research work, and / research stations should be set up wherever there is neglect. No doubt, the Tea Board is there but the Tea (200) Board is not seeing to these things. That is our complaint. In the Tea Board, people are there who are / not at all EAGER to see how this industry could be developed, how we could earn more profits, how the / quality could be improved, and how the quantity could be increased. We are not seeing to that. I come from / a part where the tea industry plays an important part in the economy of that area. But I find that / it is being neglected from year to year and no attention is given to it. I find that there is (300) this DROUGHT MENACE in the tea PLANTATIONS. As a result, no further improvement in plantation is made. There, the development / of tea can be undertaken. I only suggest this to our Finance Minister. When you are giving relief to COFFEE, / why are you not giving relief to tea, which is earning much more foreign exchange? I humbly urge our Finance / Minister to see to it and remove this burden on common tea.

Now, I would like to say a word / about BE-TEL NUT. There is taxation on betelnut which is imported. In my part, large quantities of betelnuts are being smuggled. (400)

Handwritten shorthand transcription of the typed text above, written in a cursive style on a set of horizontal lines.

So, there was a representation from that area saying that betelnut should also come within the PURVIEW of CUSTOMS duty / and that part should be declared a port. A representation was made to the Finance Ministry as also the Commerce / and Indus- try Ministry, but nothing is done. I URGE upon them to see to this, whether smuggling, which is / giving no benefit to the Government and which is going to be increased, cannot be stopped. Though our land customs / department is there, it cannot deal with smuggling effectively. Smuggling is going on. So, if you want to stop (500) it, some definite steps should be taken and the representation, which was made from that part, should be given due / consid- eration.

Now, some other friend also touched upon rural economy and cottage and village industries. One thing we must do. / That is, we must remove the DISPARITY between the town and the village. If we are to remove it, what / should be done? We should develop small industries, village industries and cottage industries. How can they be developed? For that, / power should be there. Now, my hon. friend was saying that out of six lakhs of villages, only 19,000 villages (600) have been electrified. This is MEAGRE. If village electrification is not given due consideration, we cannot make progress. When / our Draft Five Year Plan was discussed among Members of Parliament, I asked for information about how much of village / electrification was CONTEMPLATED in the Third Five Year Plan. The answer was very unsatisfactory. Unless you develop your village industries, / how can you advance? They are also contemplating to employ the surplus labour and also agricultural peasants, who are not / wholly employed to develop village industries and to make a plan. But unless power is supplied, unless you have a (700) good scheme of rural electrification, how can village industries be developed in these modern days? We say big things. We / say here and we shout from housetops that so much is being done for the rural areas. But actually we / are not doing what should be done. If rural electrification is there, then rural industries can be developed. Otherwise, they cannot / be developed. Unemployment cannot be solved. The only solution for unemployment is the development of small industries and cottage / industries. Otherwise, unemployment will increase year by year and there will be FRUSTRATION among young men, particularly among the educated. (800 words)

TRANSCRIPTION No. 15

Sir, Before the House ADJOURNED for lunch yesterday, I had started speaking on the Essential Commodities (Amendment) Bill. I have / got here with me the Bill, as introduced. In the Statement of Objects and reasons, the Government pointed out that / in certain cases it might be necessary for them not to AWARD punishment prescribed in the law as it exists / at present but to FORFEIT a part of the deposit. This relates to minor offences under the Essential Commodities Act. / I can quite understand this and generally, therefore, nobody would oppose this thing, but the question that I wish to (100) raise in this connection before the House is the manner in which this Act is being implemented by the Government / and also by the State Governments, I mention the State Governments because here is a measure which is SPONSORED by / the Ministry of Food and Agriculture and in regard to many aspects of which, I believe, the Central Government has / CONCURRENT jurisdiction but much is left to the States. Our experience has been, especially in the State from which I / come, namely, West Bengal, that this Act is not implemented properly by the State authorities because of various connections of (200) certain people high up with the big business and others indulging in SPECULATION, HOARDING and so on. The result has / been that whatever should be done had not been done. The Central Government has got powers under this Act to / make rules, to give directions to the States and to supervise the manner in which the particular measure is ADMINISTERED / by the States. We found that much that should have been done was not done. What is the use of / talking about punishment of the small FRY? Certainly, if they are guilty, they have to be punished, and the smaller (300) the fry, the minor should be the punishment. I agree there, but the point is that the Act is not / properly implemented. We should like to know from the Government as to how many cases have been started under the / Essential Commodities Act. We know that foodgrains had been HOARDED, SPECULATION had been indulged in, stocks had been removed from / one State to another SURREPTITIOUSLY by unfair and illegal methods. These should have attracted the attention of the Essential Commodities / Act. The Act was passed in this Parliament with a view to putting a check on SPECULATIVE rise in prices. (400)

Handwritten shorthand transcription of the speech, written in a cursive style on lined paper.

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When it came to the question of practical implementation of this measure, we found that the Government had failed. Now, / Government should say something about it. When Government seeks to amend an Act, it should tell us as to how / the PARENT Act which is proposed to be amended has been implemented. Is it the CONTENTION of the Government that / difficulty arises because this particular provision is not there in the Act? Are Government in trouble because they do not / know how to deal with the smaller fries? Or, is it because that those who are supposed to ADMINISTER this (500) measure at the State level, at the district level, have thought it fit to ignore it, have thought it fit / to BY-PASS it? If any measure of the Central Government was needed for controlling the price of foodgrains and / ensuring the supply of essential commodities to the community, it is the Essential Commodities Act. I would like the Minister / to say something on this. I know that he was not here at the time when we passed this measure / nor was he there when the Essential Commodities Act was by-passed by many State Governments. In the past, we (600) had drawn the attention of the Minister to this problem, and that Minister is now happily going to be the /President of the Uttar Pradesh Congress Committee, but here, I would like to ask the Minister who has stepped into / his shoes as to what he is doing in order to see to the proper implementation of this Act. How / many PROSECUTIONS have taken place? The small people, of course, should be dealt with very MILDLY. I agree, and I / support the measure, but taking the law as it is today, without this amendment, it EMPOWERS Government to deal very (700) EFFECTIVELY, so far as the provisions of the law go, with the big traders, wholesalers and PROFITEERS. I would like / to know as to how they have dealt with them. How many are in jail today? How many have paid / fine? How many have suffered imprisonment? How many LICENCES have been cancelled as a result of malpractices, corruption, profiteering and / so on, all of which are provided for under this Bill? We are entitled to know. Take us into your / confidence in regard to this matter. I say from whatever knowledge we have, that very few have been prosecuted under (800) this Act. If it is so, it is not because our blackmarket trade has suddenly become whitemarket trade or those / IMPIOUS people have suddenly become VIRTUOUS with the SUCCESSION in the office of the Food Minister by a new man. (840 words)

TRANSCRIPTION No. 16

The next question that I would like to deal with is the paragraph in the President's Address relating to the / progress made in our economy, in our agricultural sector, in our industrial sector, in our foreign trade, etc. Sir, you / were pleased to read out to us a very large list of the achievements of the Congress Government during the / last DEC-ADE and the important TARGETS which have been achieved during the last ten years of our planned economy. You / also mentioned the question of increase in food production, increase in the production of agricultural commodities, etc. Fortunately, Sir, here (100) we have in our midst the ex-Deputy Chairman of the Planning Commission, Shri V.T. Krishnamachari, who has addressed / a number of meetings and seminars in New Delhi recently, drawing our attention to the weakness in our agricultural sector. / If the press reports are correct, in one seminar he mentioned that even if all the targets of the Third / Five Year Plan are achieved, still, at the end of the Third Five Year Plan period, we may be facing / a serious situation regarding the supply of agricultural commodities. He has also expressed the hope that we will be able (200) to exceed the targets which have been fixed for the Third Five Year Plan. I do not know whether his / expectation of exceeding the targets will be fulfilled or not, but it is quite clear that we have not been / able to give sufficient attention to the development of the agricultural sector. It has also been stated that development of / the agricultural sector is one of the most difficult tasks, tasks which have been found difficult both by democratic countries / as well as by countries in which total planning is going on. It is all the more reason therefore that (300) we should pay more attention to the agricultural sector so that it may be possible for us to meet our / requirements as and when they arise and the situation which he has FORESEEN at the end of the Third Five / Year Plan may not materialise. It is no use merely taking REFUGE behind some of the figures which have been COMPILED and NARRATING the progress which has already been achieved. We are happy that some progress has been achieved, but / we are anxious that more progress should be there, and for that purpose also certain definite steps will be taken.

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In this connection, I am also happy to hear what the Defence Minister said yesterday in one of his public / meetings, namely, that the Government of India is CONTEMPLATING to create a set-up in our villages wherein our panchayats / will be functioning more or less on the lines of Parliament. Unfortunately, he did not ELABORATE that point further, and /the press has not thrown any more light on what that exactly means. But if it means that the panchayats / will be IN CHARGE of the resources that are available in the villages, that they will be in a position (500) to determine how best the productive efforts in the villages are to be directed and in what direction, determine what TARGETS are to be achieved, and when the production is there and there is a surplus to be exchanged with / other centres in the country, that the panchayats will have their SAY in the matter, on what terms this surplus / will be exchanged with other centres in the country, then I think a very valuable step forward in the direction / of building our economy on a DECENTRALISED basis will have been taken.

We have always taken the view, Sir, that (600) if planning is to succeed in our country and if there is not going to be any REGIMENTATION of our / productive activity and forces, what is necessary is that the common man should have a voice in determining the economic / policies and in formulating the economic plans of development, and should have also his say in determining on what terms / a village or a group or an industry should be working for the development of economy as a whole. In / other words, some amount of competition, some amount of bargaining power is to be generated in the lowest STRATA of (700) our society and in the lowest RUNG of our economy so that, with the help of that bargaining power, under / the OVERALL influence and policy of the Planning Commission, it may be possible for us to develop our economy in / a manner which satisfies both the interests and the requirements of the nation as well as the ASPIRATIONS of the / people. When people feel that they also have their say in the formulation of policies and programmes and that such policies and programmes are not something which is dictated from New Delhi but are those which have been worked out (800) by their own efforts and as a result of their own DELIBERATIONS, to that extent these plans are a part / of their efforts in the development of their regions, of their own crafts, their own industries and their own skills. (840 words)

TRANSCRIPTION No. 17

Mr. Vice-Chairman, I rise to associate myself fully with the Resolution and the CONCERN which has been expressed from / all the various sections of the House regarding the urgent necessity of developing rural industries. As time passes by, we / are reaching a situation in our rural areas where something DESPERATE needs to be done immediately if we want to / preserve the social STABILITY of the country and also to see that full use is made of the time and / TALENT of the people in the rural areas which go waste today, as has been pointed out in the Resolution. (100) Sir, the Planning Commission and the Government of India have applied their minds to the various ISOLATED ASPECTS of rural / industries and some valuable reports have been published and some important recommendations have been made in these reports which need / consideration. But, unfortunately, there is no high level decision regarding the various ISSUES which face the country as far as / the problem of rural industrialisation is concerned. We are not quite clear as to what, first of all, rural industries / mean and what rural industrialisation IMPLIES. Does rural industrialisation mean the utilisation of local resources in order to meet the (200) local needs? Or does rural industrialisation imply the creating of surplus in the rural areas which could be exchanged with / the surplus in other centres of the country and thereby create a richer life for the rural areas? Various opinions / have been expressed with regard to this problem, but there is no authoritative determination of the policy regarding the meaning / of rural industrialisation. It has been suggested that if such import of capital and skill from urban centres were to / mean merely the MULTIPLICATION of industrial centres in the rural areas, such an industrialisation of the rural areas would NULLIFY (300) the advantages that are likely to ACCRUE as a result of the rural industrialisation. The time has come when some / decision has to be taken as to what we really mean by this rural industrialisation. There is also difference of / opinion regarding the authority that should undertake the responsibility for this rural industrialisation. From the literature that has been published / in this connection, it is quite obvious that two DISTINCT and powerful SCHOOLS have developed regarding this issue. On the / one hand, there are people who believe that the task of rural industrialisation should be ENTRUSTED to the village panchayats. (400)

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Since they represent the village people and they have the resources and the powers to raise the necessary resources from / the rural areas, the panchayats, it is felt, are the competent authorities to deal with the problem of rural industrialisation. / Equally strongly, it has been argued by others that cooperatives are the right answer to the question as to which / should be the authority that should deal with rural industrialisation. I may also mention that there is a third school / which believes that the import of private capital and private skill into the work of rural industrial development is the (500) real answer to the problem which we face in the matter of rural industrialisation. Here again, some authoritative determination of / the policy has become necessary, because in the absence of such a policy AD HOC decisions are taken which sometimes / cancel each other, and therefore the rapid progress which we hope and wish for in rural industrialisation becomes impossible.

Then / again, there is the further question of protection that may be necessary for rural industries, in view of the lack / of the internal economy from which rural industries would suffer, whatever may be the answer to the first two questions. (600) Prof. Malkani has already referred to this question and various suggestions have been put forward. But all these suggestions require / some detailed consideration as there are a large number of difficulties in implementing any one of these suggestions. DEMARICATION of / markets and the imposition of taxes in order to see that goods from the urban centres do not reach the / rural centres in unfairly competitive conditions, are some of the suggestions that have been made. One great advantage of a / vast country is the large number of markets that are available for the goods that are produced in the country. (700) However, if these markets are artificially restricted and goods are not allowed to move from one centre to another, I / am afraid, more problems would be raised than solved, if this protection is sought to be given in this manner. / Yet, protection has to be given to the rural industries if these rural industries are to develop. Therefore, serious and / competent thinking is necessary in this connection and again, time is running fast. Therefore it is desirable that we should / have some authority which could examine the various issues involved and determine the policy with regard to this matter also. (800 words)

TRANSCRIPTION No. 18

Mr. Vice-Chairman I wish the matter had not come up for discussion in this House in the form in / which it has come, because we will be discussing, it appears, the same subject more or less PIECEMEAL in connection / with the other two Bills as well. What was necessary for the Government in this connection was to provide for / a general discussion on the report of the Finance Commission, the kind of thing that we have on such reports, / and after hearing the views of the Members here they should have formulated a Bill. Even if they had formulated (100) the Bill earlier, the Bill should have been PRECEDED by a discussion on the report. It would then have given / us an opportunity of dealing with this rather important subject in our public finance and indeed in our national life. /

But now, we are asked to treat this matter piecemeal and deal with the Bill as it comes separately. I / say, Sir, this would not seem very fair. It is true that we have had two other Reports of the / Finance Commission and that we have had certain opportunities of discussing the issues raised by the Finance Commission on previous (200) occasions. But that should not have PRECLUDED a thorough discussion of the Third Report, more especially after the experience of / the two five year plans and generally also, after the experience of the States in the matter of public finance / and as regards relations between the States and the Centre. All I can say is that the Government does not / understand the MAGNITUDE of the problem or the URGENCY or the seriousness of the ISSUES involved. It is possibly because / they think that all the State Governments are under their control and that the State Governments would TOE THE LINE (300) whatever is laid down from here. Suppose, Sir, today a number of States had been outside the control of the / same party which controls the Central Government. problems would have become acute because CONFLICTS between the State Governments controlled by / certain other parties and those controlled by the Congress Party which controls the Central Government would have arisen sharply calling / for a thorough discussion and mutual consultation in a different way. Once they can get passed whatever they like and / also, once it is passed, the States will more or less accept without any protest the DISPENSATION of the Centre. (400)

Now that the Bill is before us, we have to speak on this subject rather on the general THEMES. Yet, I would like to make certain general observations in this connection because the basis of the Bill is the Report / of the Third Finance Commission. This is a long-standing issue facing the public finance of the country. Those who / have studied Economics will know well how this matter had come up even during the British time when we did / not have either independence or any kind of AUTONOMY in the States even in that set-up. Even at that (500) time, the State Governments functioning under the British felt that something should be done with regard to adjustment of finances, / especially in regard to the relations between the Centre and the States. There had been a long-standing CONTROVERSY as / to how the taxes, especially the income-tax, should be divided between the Centre and the States. I do not / deny the existence of the controversy, and this controversy is not easy to RESOLVE. I entirely agree. But I should / have thought that the Third Finance Commission should be tried to face the problems before it not more or less (600) in a routine manner but in the context of the new things not only as they are today but as / they are going to shape in the coming future. We have got what is called a QUASI-FEDERAL Constitution. I / do not say 'federal Constitution' although the spirit is there, but a quasi-federal Constitution because most of the powers, / many of the powers, that should remain with the States are now in the hands of the Central Government. Therefore, / in that way it is more UNITARY in character than federal. At the same time, structurally speaking, we have got (700) the State Assemblies, Legislatures, State Budgets and so on. They function more or less in the same way. But if / you go a little deeper into the affairs, it would immediately lead you to think that the States do not / have any SUBSTANTIAL, real power, especially in the matter of finance. Perhaps at the time when the Constitution was framed, / this aspect did not figure very much in the minds of the makers of the Constitution. We had just become / free and the CONCEPT of WELDING India into a solid nation was uppermost in the minds of those people who (800) framed the Constitution and all others as well. In that background, it was quite understandable that it should be the / DOMINANT thought as to how to put the different SEGMENTS of our country into a WHOLE, namely, the Indian Union. (840 words)

TRANSCRIPTION No. 19

Sir, I would like to make a few observations so that the hon. Minister will make a note about the / way in which these institutions are being run. It is a good thing that these institutions have been started. But / at the same time, we are suffering from lack of co-ordination in regard to our technical education. We have certain / institutes like the POLYTECHNIC, etc. under the Scientific Research and Cultural Affairs Ministry, and they are run through the State / Governments. Then, there are the engineering colleges under the universities, and thirdly, Sir, trade technical education is IMPARTED by the (100) Central Labour Ministry at the State level. In addition to that, the States have certain arrangements of their own for / technical education. I feel that there is no effort at co-ordination, and that leads to a good deal of confusion. / Perhaps, if there is effort, there are certain difficulties. I hope the hon. Minister will tell us about that. I / would also like to suggest that, even in these four institutions, as for some time the MEDIUM OF INSTRUCTION would / be English, for EMOTIONAL INTEGRATION an attempt should be made to take a few students from the neighbouring region or (200) other regions on a RECIPROCAL basis. Otherwise, these institutes will themselves be developing, as was hinted by the previous speaker, / some regional CONSCIOUSNESS.

There is great difficulty, Sir, with regard to technical PERSONNEL for teaching, and I am not aware / in what way these institutes will be STAFFED. Perhaps some foreigners will be brought in, but at the same time, / with the arrangements existing at present for taking technical help from different countries - Russia, U.K., U.S.A., and Germany - I do not know whether there will be special courses provided in these Institutes. For the teaching staff from (300) those different countries, what arrangements there are, one does not know. In the present arrangement for teaching, I should have / liked to mention the fifth arrangement for teaching at present provided through the various industrial concerns, like Bhilai, Rourkela, etc. / All these big concerns have their big technical schools and they take their students for POST-GRADUATE work as also / for research work. What will therefore happen with regard to the standard is a question. Sir, we are not at / all sure in our country about the correct use of terms. I would, for instance, mention here the word 'polytechnic'. (400)

They have one school, and even if there is arrangement for starting another subject, no art is made and no / sooner they feel they should give guarantee of some sort of technical education, without proper enquiries with regard to the / possibilities for employment, and the various mineral resources, etc., and the basic education that should enable the students to enter / the polytechnics to have the training where it is available, these polytechnics are started.

Similarly, there is some confusion about / the use of the word 'university'. We have the Roorkee University for one subject, viz., engineering. So it seems there (500) is going to be one university for one FACULTY. We have one music university also in Madhya Pradesh. We are / going to start, I am told, perhaps a university only for agriculture. So if these Institutes are there, which term / seems to be really the appropriate word in place of these one-faculty universities, I think the hon. Minister should / take the initiative in determining what should be the exact CONNOTATION of these terms. Otherwise, one day, as was pointed / out, there will be perfect confusion.

There comes also the question of the recognition of the degree given by these (600) Institutes. Of course, if the training, with the special facilities available, and the specially recruited staff available, is of a / high standard, naturally people would be very anxious to recruit the people who have passed out from there. In the / beginning, there will not be any trouble with regard to making use of the graduates turned out from there. But / the question of recognition has to be decided on certain principles, and those principles should be laid down and followed / from the beginning.

Now, I would like also to mention the question about scholarships. It was pointed out that certain (700) scholarships, especially to the children of the working class, should be given. I would like to point out here that / there is already provision for that and it is not something new. What I would like to stress is that / scholarships should be in larger numbers. The scholarships do not seem to be adequate for the rising standard of living / and the cost of living. The scholarships that are given do not meet half the need. There is yet another / matter which the hon. Minister is the proper person to enquire about and that is the merit scholarships that are (800) available in different States to students for technical subjects or to other students who pass with very high marks are / not given by the States if they read outside the State. (831 words)

TRANSCRIPTION No. 20

Mr. Deputy Chairman, Sir, I extend to this resolution my whole-hearted support, though I wish he had extended its / scope by INCORPORATING within it two more services but then I cannot deal with that subject now. You have assured / me that the matter will be taken up on a SUBSEQUENT OCCASION. I do not know when that subsequent occasion / is likely to occur.

Sir, I am grateful to the Home Minister for some kind words he has said about / me in regard to my interest in this subject. No doubt for long I have been URGING the necessity of (100) creating more all-India Services. During the last five years or so, ever since that recommendation on the subject was / made by the States Reorganisation Commission and during the last one year and a half, near about that time, I / have been TABLING Resolutions on the subject twice or thrice but they could not come up. Of course, as they / say, there are higher forces that govern the DESTINY of things and so far as Parliament is concerned, it is / the Government and the undisputed SWAY of the Chair that govern the density of Resolutions. Obviously, it was so ORDAINED (200) that this Resolution should come up only now, and that too, as a Government-SPONSORED Resolution. Even as it is, / I welcome it most HEARTILY and feel enthusiastic and even JUBILANT about it. Sir, I sincerely congratulate the hon. the Home Minister for the TACT, the FIRMNESS, the strength and the DETERMINATION which he has shown in OVERCOMING all the / DELICACIES and difficulties which, I am sure, were there in his way. The opposition and unwillingness of the States were / there initially, I know. And I also know, Sir, that about a year ago, when I tabled a question on (300) this subject, the then Home Minister told us that the Government would be only too glad to have more all-India / Services but then the HANDICAP in their way was that the States were not agreeable to it. Subsequent to / that, Sir, about the middle of this year I wrote to all the Chief Ministers requesting them to let me / know their views on this subject, and I was a little unhappy to find that no Chief Minister replied to / me saying that he was agreeable to it. One or two of them ESPECIALLY said that they were against it. (400)



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