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Dr. Humayun Kabir, Union Minister of Scientific Research and Cultural Affairs, and H.E. Mr. G.A. Zhokov, Chairman of the Committee of Ministers of the USSR for Cultural Relations with Foreign Countries, signing a cultural agreement between India and USSR in New Delhi on February 12. Shri Jawaharlal Nehru and H.E. Mr. N.S. Khrushchev were present at the ceremony



The Prime Minister of Finland, Dr. V.J. Sukselainen, with Shri Jawaharlal Nehru on his arrival at Palam Airport, New Delhi, on February 13 on a 12-day State visit to India



H.E. Herr Heinrich Rau, Deputy Chairman of the Council of Ministers and Minister of Foreign and Inner Trade, German Democratic Republic, with Shri S.K. Patil, Union Minister of Food and Agriculture, in New Delhi on February 9



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COVER : H.E. Mr. N.S. Khrushchev, Soviet Prime Minister, presenting a replica of the pennant planted on the moon by the Soviet Union, to the Prime Minister, Shri Jawaharlal Nehru, at the Civic Reception held in his honour in Delhi on February 12.

(Indian Information seeks to provide a condensed record of the activities and official announcements of the Government of India. Because of space limitation many items appear in summarized form. Such items should not be treated as complete and authoritative versions.)

Political & General

PRESIDENT'S ADDRESS TO PARLIAMENT

The President, Dr. Rajendra Prasad, opened the Budget Session of Parliament on February 8, when he addressed the joint session of the two Houses. The following is the text of his address:

Once again, it is my privilege to welcome you to your labours in a new session of Parliament.

In the year we leave behind, my Government and our people had been engaged, more than ever before, in their endeavours in nation-building. The needs and achievements in economic

and social advance are understood by our people, in town and village, in increasing measure, as basic and vital to the improvement of their conditions and their daily lives.

The incursions into parts of the territory of the Union of India, across our traditional and well understood borders, by elements of Chinese forces have, however, deeply distressed our people and evoked legitimate and widespread resentment. They impose a greater strain on our resources and our nation-

building endeavours. We regret and deplore these developments on our border. They have resulted from the disregard by China of the application of the principles, which it had been mutually agreed between us, should govern our relations. My Government have taken prompt and calculated measures, both defensive and diplomatic, to meet the threat to our sovereignty.

My Government particularly deplore the unilateral use of force by our neighbour on our common frontier, where no mili-

tary units of the Union were functioning. This is a breach of faith; but we may not lose faith in the principles which we regard as basic in the relations between nations.

Members of Parliament: You have been kept informed by the release, from time to time, of the correspondence between my Prime Minister and the Prime Minister of China, of the respective positions of our two countries in this matter. My Government have made it clear beyond doubt, that they seek a peaceful approach in the settlement of outstanding matters. They have also stated and reiterated, equally clearly, that they will not accept the course, or the results of unilateral action or decisions, taken by China. My Government, therefore, pursues a policy both of a peaceful approach, by negotiation under appropriate conditions, and of being determined and ready to defend our country.

This and the weight of world public opinion which is adverse to her action should, we hope, persuade China sooner than later to come to agreements in regard to our common frontiers which for long have been well established by treaties, custom and usage. Thus, and thus alone, can friendly relations with our great neighbour which my Government and our people desire, become a reality and endure for our common good. The actions taken and the policy pursued by my Government, it may be hoped, will be adequate to convince China of both our policy and our determination.

Members of Parliament: I have referred at some length to the situation that has developed on our border and to the consequences and problems thereof. I need hardly say that in doing so I have reiterated the sentiments of our entire country and our people and their determination to defend our territory. Defence, however, is effective only with national unity and strength. Our economic and industrial advance, the gearing of our production and our plans to

greater endeavour and larger and speedier results, which will enable the country to make available to itself the means and the resources for modern defence and, at the same time, help the nation to become strong and disciplined, can alone render her secure.

Distressing as these Sino-Indian border developments have been, we may not, and we do not, relax our efforts for the planned development of our economy and our country. In point of fact, because of this situation, my Government are taking steps to speed up further, organise and streamline our economic development.

The work on the preparation of the frame and the outline of the Third Five Year Plan with its longer perspective and higher targets is making good progress. The objective of the Third Five Year Plan is to seek almost to double the national income, taking 1950-51 as the basic level, and to pay much greater attention to agricultural production and to our food requirements, to heavy machine building and to the development of basic resources such as steel, fuel and power. Small-scale and rural industries, the speedier and healthy development of our rural economy, and the healthy relationship between rural areas and industrial centres are among the main aims of the Plan.

The Third Five Year Plan represents a critical period in our national development. It aims at making our economy more self-reliant and capable of increasing and generating resources for its further and larger development. It calls for sustained efforts and endurance of our people. Thus, our Third Plan will keep well in view, both its own developmental aspects as well as the requirements and the perspective of the Fourth Plan to follow. While we are grateful for external aid and loans, as necessary in the present stage of our development, we should, in our own interests, in consideration of those who have been our good and generous friends, and the needs of the under-developed

areas of the world, strive to shed our dependence.

The country's foreign exchange position while it showed no deterioration, remains more or less unchanged. My Government, therefore, pursue a policy to create a more favourable balance of trade and to earn more foreign exchange by strict control over imports and efforts to increase exports. It will be the endeavour of my Government to conserve our foreign resources and add to the volume of our invisible exports in which there still exists unutilised a vast and increasing field.

Our industrial production shows a pronounced upward trend, and for the first ten months of the year, an increase of over ten points has been recorded, from 138 to 149.3, over the last year's figures. This is an all-round increase to which all industries have contributed, but special mention may be made of the rise in the output of metallurgical industries. The three steel plants at Rourkela, Bhilai and Durgapur have gone into production in 1959. There has been a fifty per cent. increase in the production of pig iron and a somewhat lower, though considerable, increase in the output of steel.

The iron and steel output would help to advance Heavy Machine building projects. My Government already sanctioned a number of machine building and other projects for the Third Five Year Plan. These include the doubling of the Heavy Machinery Project at Ranchi and the steel production at Bhilai, the expansion of the Heavy Electrical Project at Bhopal, a number of new projects for power, fertiliser plants and Heavy Machine Tools.

The Chemical Industry has also witnessed appreciable advance. An Intermediate Plant to provide the basic raw materials for the manufacture of dye stuffs, drugs, explosives and plastics is being established.

The endeavours of our Railway organisation to attain self-sufficiency in regard to essential

equipment have enabled it not only to meet all the requirements of steam locomotives, coaches, wagons, signalling and lighting equipment, but also to yield as surplus for export.

Mining activities in the public sector have increased considerably. The Geological Survey of India has been expanded to undertake search and intensive investigation in virgin areas in minerals essential to our expanding economy.

A Statutory Oil and Natural Gas Commission has been established. The search for and discovery of oil in different parts of the country continues. Sixty oil wells have been drilled in Nahorkatiya for the production of crude oil required for the two State-owned Refineries in Assam and Bihar and the construction of the Refinery in Assam is in progress.

My Government have entered into an agreement with the Government of the Union of Soviet Socialist Republics for the supply of equipment for the construction of the Refinery at Barauni in Bihar.

My Government are alive to the requirement of scientists, technicians and technologists for our expanding economy. Measures are being taken to step up progressively the output in these cadres and to provide increasingly better career opportunities and a higher status for the old and new entrants. In our developing economy, there are ever growing opportunities of service in these fields, which are so important to our planned development on modern lines.

Our Atomic Energy organisation has recorded commendable progress. Increased production of isotopes, the fabrication of fuel elements, the Uranium Metal Plant at Trombay, the extraction of Plutonium from the used fuel elements and the mining of Uranium are among the achievements of this organisation. The preliminary work for the setting up of the first Nuclear Power Station is well in hand. The Uranium which is sought to be mined in Bihar will supply

sufficient raw material to feed the first Nuclear Power Station.

An additional tonnage, of one lakh gross, was added to the Indian Merchant Fleet. A National Shipping Board and a statutory non-lapsing Shipping Development Fund have been established. Indian shipping, which has suffered many handicaps in the pre-Independence period, will continue to receive all possible assistance in its modernisation and development. My Government is fully aware of the place of the Merchant Navy in our economy, in the conservation and earning of foreign exchange and in its auxiliary and reserve roles in the defence of our long sea coast.

The Code of Discipline evolved in 1958 has improved the climate of industrial relations in the country and created more favourable conditions for the maintenance of industrial peace and increase of efficiency. Compared to the previous year, there has been an appreciable reduction in the loss of man days of work in 1959.

The Employees State Insurance Scheme has been extended to further areas and now covers about fourteen and a half lakhs of factory workers, while medical care under the Scheme has been extended to about twelve lakhs of members of the workers' families.

In the field of National Education, the teaching of science subjects, expansion of girls' education and the training of women teachers have made good progress and are gathering momentum. All eligible college students belonging to Scheduled Castes and Scheduled Tribes are receiving stipends.

Advance in the production of food is vital to the sustenance, expansion and strength of our economy. Foodgrains production attained a record level of 73.5 million tons and cash crops also recorded satisfactory yields resulting in the overall increase in the Index of Agricultural Production to 131.0, an increase of 14.3 per cent. over the previous

record in 1957-58. We cannot, however, feel satisfied, much less complacent, about the food production in our country. Each year, we are obliged to import considerable quantities of foodgrains for consumption and for reserve stocks, causing great stress on our slender foreign exchange resources and rendering our economy far from self-reliant. Our production per acre falls short of the yields in many of the countries of Asia, Europe or America. My Government are giving greater attention to the increased production of fertilisers and to the supply of good seeds. It is, however, by better cultivation, avoidance of waste through pests, better animal husbandry, the advance of co-operation both in production and in marketing, and by the determination of the people to be self-reliant, that individual and national prosperity can be achieved.

To enable greater participation in the conduct of affairs and the development of our economy by the people of the country as a whole, my Government have encouraged schemes of devolution of authority to statutory institutions of the people at the basic level of our great and growing democracy. This scheme of "Panchayati Raj" has already been inaugurated in Rajasthan and in Andhra Pradesh and is making progress in other States. To make the working of the "Panchayati Raj" efficient, a comprehensive programme of training non-officials of all categories has been undertaken.

My Government have taken steps to expand the National Cadet Corps in the coming year and to form units of nursing and auxiliary services for girls. The Territorial Army and the Lok Sahayak Sena will also be expanded in numbers, and certain changes introduced in regard to their training and reserve liabilities.

A number of measures for the improvement of the conditions of service in the various categories in the Armed Forces have been implemented.

The re-settlement of ex-servicemen and the utilisation of the reservoir of disciplined manpower that they provide is continually engaging the attention of my Government. Schemes of technical and vocational training and guidance and of self-help by co-operatives are promoted. Welfare and re-settlement of ex-servicemen are integral to defence considerations and provide a necessary incentive and a legitimate measure of hope and security for those who serve the Armed Forces.

Members of Parliament are aware that in the Proclamation issued in relation to the State of Kerala on the 31st of July, 1959, which was approved by Resolutions passed by the Lok Sabha and the Rajya Sabha, it was provided that the general election for constituting a new Legislative Assembly for that State shall be held as soon as possible. The general election was accordingly held and polling took place in the entire State on February 1, the number of voters exercising their franchise being one of the highest recorded in any election. The Proclamation will be revoked and the normal constitutional machinery restored in the State shortly.

Parliament decided during the last session to extend the safeguards provided in the Constitution for the reservation of seats for members of the Scheduled Castes and Scheduled Tribes in the Lok Sabha and the State Legislatures by a further period of ten years and the Constitution (Eighth Amendment) Act embodying this decision has received my assent. Government also propose to appoint a Commission as required under Article 339 of the Constitution to examine and report on the administration of the Scheduled Areas and the welfare of the Scheduled Tribes in the States.

Sixty-three Bills were passed by Parliament in 1959. Fifteen Bills are pending before you. My Government intend to introduce a number of legislative proposals both by way of Bills and amendments. Such proposals will include:—

The Atomic Energy Bill;
The Indian Telegraph (Amendment) Bill;
The Agricultural Produce (Development and Warehousing) Corporation Bill;
The Forward Contracts (Regulation) Amendment Bill;
The Indian Patents and Designs Bill;
The Employees' Provident Fund (Amendment) Bill;
The Dock Workers (Regulation of Employment) Bill;
The Plantation Labour (Amendment) Bill;
The Central Maternity Benefit Bill;
The Indian Sale of Goods (Amendment) Bill;
The Religious Trusts Bill;
The Two-Member Constituencies (Abolition) Bill; and
The Payment of Wages (Amendment) Bill.

My Government also propose to introduce a Bill for the re-organisation of the present Bombay State and to reconstitute it as two separate States.

My Government have already announced their decisions on the major recommendations of the Pay Commission. The other recommendations are under their active consideration. The additional commitments on account of the pay, allowances and pensionary charges alone are estimated to be about thirty-one crores per annum, in respect of the Services directly covered by the Jagannadha Das Commission Enquiry.

A statement on the estimated Receipts and Expenditure of the Government of India for the financial year 1960-61 will be laid before you.

My Government note with gratification the relaxation in world tensions and the prospect of high level meetings of the Heads of Governments for the promotion of World Disarmament and Peace. The initiative of great statesmen, notably the President of the United States of America and the Chairman of the Council of Ministers of the

Soviet Union, deserve the attention and appreciation of our country and people. My Government, while welcoming the continuance of the voluntary unilateral suspension of nuclear test explosions and the increasing endeavours of both the United States of America and the Soviet Union to solve this problem, reiterate their view that the testing of weapons of mass destruction should be abandoned.

We welcome these trends and the direct contacts between the leaders of the Great Powers and wish success to their efforts, which we feel assured are inspired with sincere desire to halt the armaments race and for world peace.

We also welcome wholeheartedly, in the midst of the awesome growth of armaments and the fear and passions from which they spring and on which they rest, the newer development of the projection of the picture of a warless world, wherein nations will not only lay down their arms, but reject war as method of settling disputes and devote their energies and resources to building a peaceful world.

Devoted as my Government and people are to world peace and co-operation, they are determined to adhere to a peaceful approach and the policy of Non-alignment, to both of which our country stands fully committed by history and outlook, faith and conduct, and by the overwhelming desires and convictions of our people. Parliament has expressly endorsed this policy on several occasions.

I have had the privilege and pleasure of visiting Cambodia the Republic of Vietnam, the Democratic Republic of Vietnam, Laos and Ceylon and to receive the generous welcome and joyous greetings of their Governments and peoples.

I was happy to welcome to our Capital the President of the United States of America, and later the President of the Soviet Union, who in their persons represent not only the greatness and power of their countries, but

also the fervent desires of their peoples for world peace. We are looking forward to the visit of the Chairman of the Council of Ministers of the Soviet Union, Mr. Khrushchev, another messenger of peace in the world today. The goodwill and moral support of this country will be behind the efforts of these two great countries, and those of others, in full measure in their search for Disarmament and Peace.

My Government were glad to welcome the Prime Ministers of Afghanistan, Australia, Cambodia, Ghana, Nepal and Sweden. We look forward to the visits of President Nasser of the United Arab Republic, His Majesty the King of Morocco and the Prime Minister of Finland.

The Vice-President visited the Philippines, Norway, Sweden, Denmark and Finland, receiving cordial welcome from the Governments and the people there.

My Prime Minister visited Afghanistan, Iran and Nepal, and was welcomed with an abundance of goodwill.

The exchange of visits of my Prime Minister and the Prime Minister of Nepal has further strengthened the bonds of affinity and friendship and proclaimed the desire and determination for co-operation in the interests of our two countries.

Our relations with Commonwealth countries and our participation at various Commonwealth gatherings have served to create greater understanding of our internal and external policies and, in an appreciable measure, served also to assist our economic development.

I am happy to note that further agreements have been reached with Pakistan in regard to our boundary disputes. It is the hope of my Government that these arrangements with Pakistan will lead to a successful delimitation of our boundaries along our frontiers with our neighbour with whom we have always desired to remain in friendly relations.

Progress has also been made in regard to the settlement of

financial issues pending between India and Pakistan, and it is hoped that the long-standing Canal Waters dispute will be settled soon. I welcome these developments which bring promise of closer relations between our two countries.

The Government and the people of India were deeply grieved and shocked to learn of the assassination of the Prime Minister of Ceylon, the late S. W. R. D. Bandaranaike, on September 25, 1959. He was a great friend of India and visited us several times. Our heartfelt sympathies went out to the Government and people of Ceylon, as well as to Mrs. Bandaranaike and her children.

In the United Nations, our delegation reflected the deep feelings of our people in regard to the problem of the liberation of colonial countries and, more particularly, in regard to Algeria, in the sustained struggle of the Algerian people for their national independence.

We welcome the independence of the Cameroons, till recently under French administration. We look forward to the emergence to nationhood in the coming years of several other colonial areas in Africa.

The policy of apartheid, pursued by the Government of the Union of South Africa, inflicts untold suffering and indignity on the majority of the people who are subjects of that Government. These include large numbers of people of Indian origin. This policy constitutes a violation of Human Rights under the Charter of the United Nations, and it has again met with overwhelming disapproval by the United Nations in the last session of the General Assembly.

My Government have decided to exchange diplomatic representatives with Cuba, Venezuela and Colombia in South America and Guinea in Africa.

Members of Parliament: I have placed before you the main events and achievements and our concerns of the past year. I have also projected be-

fore you some of the great tasks and burdens that are in front of us. They must engage your dedicated attention. Your understanding and co-operation, in regard to problems of our economic planning, the defence of our country and our contribution to world peace, are required by our Government and people in increasing measure. Thus will Parliament fulfil its historic role in our Constitution.

We have celebrated this year the tenth anniversary of our young Republic. Our Constitution which we gave unto ourselves, wherein all power and authority are based upon and spring from the people, has endured and grown in strength. The policies and achievements of my Government and of our people have strengthened our democracy and continue to import into it economic and social content in increasing measure.

We are fortunate in the historic background that our national struggle developed and the inspiration that the life and example of the Father of the Nation gave to us. In this eleventh year of our young Republic, we may look back as well as forward, with pride and confidence, though not with complacency. The tasks ahead of us are stupendous. They call for constant vigilance, greater determination and discipline and a sense of purpose both among our people and in our administration. This alone will make our democracy a reality in terms of the masses of our people.

Our vast resources and the qualities of our people have become engaged in the tremendous tasks of construction and progress that lie ahead of us. In these, the quality of our administration into which must be imported an ever-increasing sense of urgency, rationalisation of procedures, the emergence and development of greater confidence at all levels, and the avoidance of waste of manpower and time, must be an urgent consideration.

It will continue to be the constant endeavour of my Govern-

ment to initiate and further, efforts and plans to bridge the gaps between the time of formulation of policies and their implementation, to enable our people to participate at all levels in our economic and social developments, and for them to feel a sense of function and dignity which Independence has brought to us.

My Government seeks to uphold the dignity and independence of our land and people, to promote our unity and social well-being, and to build a democratic and socialist society in which progress is sought and attained by peaceful means and by consent.

Members of Parliament, I bid you to your labours in this new session and wish you all success. I earnestly trust that wisdom and tolerance and a spirit of co-operative endeavour will guide you. May your labours bear fruit for the good of our country and people and the world whom we are all privileged to serve.

DECISIONS ON PAY COMMISSION RECOMMENDATIONS

In reply to a question in the Lok Sabha on February 16 the Deputy Minister of Finance, Shri B.R. Bhagat, stated that Government had taken further decisions on the Pay Commission's recommendations.

He placed the following statement on the Table of the House: (Government decisions in italics).

1. Introduction of the provision of 'added years' for service qualifying for pension subject to the following conditions: (i) The concession should be limited to appointments for which post-graduate research of specialist qualifications in scientific, technological or professional fields, or considerable experience in those fields, or in a profession, for example medicine or law, are essential; (ii) Only those appointed to Government service after completing the age of 28 years should be eligible; (iii) The power to grant the concession should be exercised in consultation with the Union Public Service Commission; (iv) The concession should be allowed

only if the age of superannuation is attained; (v) The addition to the qualifying service should be at the rate of one-fourth of the actual length of service, subject to a maximum limit of five years in all.

Accepted with the following modifications: (i) The concession should be allowed in respect of future recruitment of persons recruited above the age of 25 years; (ii) The decision to grant the concession should be taken by the administrative Ministry, at the time of making recruitment, in consultation with the Ministry of Finance and the Union Public Service Commission; (iii) The period of qualifying service should not be less than ten years at the time of superannuation; (iv) The addition to the qualifying service will be:

- (a) excess over the age of 25 years at the time of recruitment; or
- (b) one-fourth of the actual length of service; or
- (c) five years, whichever of the three is the least.

2. Highly qualified scientists and technologists who are recruited at the age of 35 and above may be given the option to join the Contributory Provident Fund Scheme in preference to the pension scheme. Accepted

3. The service rendered by scientific employees in semi-government institutions which are financed from cess or Government grant should count in full for pension on their subsequent appointment to permanent pensionable service provided the previous employers are willing to bear the proportionate pensionary charges.

Accepted. Where an officer was on a Contributory Provident Fund scheme in a semi-government institution, the contribution paid by the institution to his Contributory Provident Fund should be made over to Government and the entire service counted for pension.

4. To facilitate freer inter-change of scientists and technologists between the Government and the universities, the pensionary contribution which latter have to pay when they borrow the service of a Government servant should be restricted to the rate at which the uni-

versity contributes to the provident fund of its other employees. Accepted

5. The permanent requirements of all categories of staff should be speedily determined and there-after the margin of temporary posts should be the same for all classes.

In all permanent departments other than those in workshops and industrial units temporary posts in all grades and classes which have been in existence for not less than 3 years as on 1-3-59 should be converted into permanent posts upto a limit of 80%, if Ministries concerned are satisfied that such posts are required permanently.

The statement added that action had been taken to give effect to the above decisions, while the remaining recommendations of the Pay Commission were under active consideration and Government hoped to take decisions on them shortly.

Results of Indo-Pak Border Conference

The Prime Minister, Shri Jawaharlal Nehru and the Deputy Minister for External Affairs, Shrimati Lakshmi Menon, made a statement on February 9 in the Lok Sabha and Rajya Sabha, respectively on the results of the Ministerial-level Indo-West Pakistan Border Conference held from January 4 to 11, 1960. The statement said:

The Conference arrived at mutually agreed interpretations of the Radcliffe Award in respect of four disputes on the Punjab (India) — West Pakistan border.

These are:

- (a) *Area of the Hussaini-wala Headworks:* It was agreed that the Indo-Pakistan boundary in this area should be the pre-partition boundary between Ferozepur and Lahore districts.
- (b) *Area of the Suleimanke Headworks:* It was agreed that an adjustment should be made in the pre-partition boundary of Ferozepur and

Montgomery districts, in consideration of the fact that the Headworks had been awarded by Sir Cyril Radcliffe to Pakistan. Measures for mutual co-operation in the maintenance of the left Marginal Bund were also agreed to.

- (c) *Chak Ladhke:* The Government of Pakistan dropped their claim to this area.
- (d) *The villages of Theh Sarja Marja, Rakh Hardit Singh and Pathanke:* The Government of India dropped their claim to these villages.

As regards the dispute raised by Pakistan in respect of Kutch (India) — Sind (Pakistan) boundary, it was agreed that both Governments would collect additional data and hold further discussions at a later date.

It was also agreed that ground demarcation operations on some 70 miles of the Punjab (India) — West Pakistan border, which yet remain undemarcated, should be completed by the end of April 1960, and that return of all areas in adverse possession of either Government in this sector should be completed by 15th October, 1960.

These settlements, like the settlements reached at the October 1959 conference, were reached in a spirit of mutual accommodation and all border disputes arising out of the Radcliffe Awards had now been settled.

Karnafuli Project

Replying to a question in the Rajya Sabha on February 11, Shri Jaisukhlal Hathi, Union Deputy Minister of Irrigation and Power, said that the Indian team of engineers, which had gone to Dacca for talks with Pakistan on the Karnafuli project, obtained information relating to the design features of the Karnafuli Project undertaken by Pakistan. Certain areas in the Lushai Hills district were likely to be submerged. An

earth fill dam about 1800 ft. long with maximum reservoir level either 109 or 119 Mean Sea Level, with installed capacity of 80,000 kW immediately and 1,20,000 kW ultimately, was proposed to be constructed.

Shri Hathi added that the Pakistan delegation agreed to consider the suggestion of the Indian team that electric power should be supplied from the project to Tripura in the first stage and to Assam later.

Census Operations Started

An announcement of February 10 says that the enumeration for the 1961 Census has started in certain parts of North East Frontier Agency and the Naga Hills Tuensang area.

The early enumeration has been necessitated because of the difficult terrain and inaccessibility of areas. It will be completed by April this year.

Provision is being made to cover a population of over 40 crores and about 8 crore houses scattered over thousands of villages and towns.

MEDAL FOR ORISSA CONSTABLE

The President's Police Medal for gallantry has been awarded to Shri Braja Behari Jena, Constable, Bolangir District, Orissa, according to the Gazette of India, dated February 6.

The citation states that on March 27, 1959, when fire gutted several houses in Burda village, Constable Braja Behari Jena rescued six women from the gutted houses at the peril of his life.

S.P.E. Report For December 1959

It was announced on February 7 that, according to the monthly report of the Special Police Establishment of the Union Home Ministry, fines amounting to about Rs. 4,000 and imprisonment ranging upto one year were awarded to 20 persons, including 15 Government servants, in December last.

An Assistant Controller of Imports and Exports was convicted and sentenced to one year's rigorous imprisonment for accepting illegal gratification. An ex-I.A.S. probationer and his father were awarded imprisonment ranging from six months to one year for forgery.

PROSECUTIONS

Investigation was finalised and prosecutions undertaken against 45 Government servants for offences of bribery, corruption, cheating and criminal breach of trust.

During the month 194 Government employees, including 30 Gazetted officers, faced open enquiries. Among them were 4 Commissioned Officers.

Besides, 3 gazetted officers and 34 other Government servants were departmentally punished. One gazetted officer had his services terminated. Of the non-gazetted employees, 9 were dismissed or removed from service, 22 were reduced in rank or pay or had their increments withheld and 3 were otherwise punished.

Quarterly Report

According to the quarterly report for October to December 1959 Special Police Establishment, 11 firms and individuals lost their import and export licences and 20 firms and individuals were reported to the import and export authorities for a similar action because of dishonest practices.

The number of cases culminating into convictions totalled 61. Besides 19 private individuals, there were 31 Government employees, 4 gazetted and 27 non-gazetted. The imprisonment sentences ranged up to five years and the fines realised came to about Rs. 11,000.

Besides, 90 Government servants, including 9 gazetted officers, were punished departmentally, 20 were either dismissed or removed from service, 12 reduced in rank or pay and 25 otherwise punished. Increments were withheld in 31 cases and the services were terminated in 2 cases.

JOINT COMMUNIQUE ON VISIT OF PRESIDENT VOROSHILOV

The following Joint Communique was issued in New Delhi on February 5 on the visit of President Voroshilov to India:

Marshal K.E. Voroshilov, Chairman of the Presidium of the Supreme Soviet, U.S.S.R., Mr. F.R. Kozlov, First Vice-Chairman of the Council of Ministers of the U.S.S.R., Mme. Furtseva, Deputy of the Supreme Soviet, U.S.S.R., were in India from January 20 to February 6, 1960, on a goodwill visit at the invitation of Dr. Rajendra Prasad, President of the Republic of India, and the Government of India. They were accompanied by Mr. V.V. Kuznetsov, First Deputy Minister of Foreign Affairs, U.S.S.R., Mr. N.N. Danilov, Deputy Minister of Culture, U.S.S.R., Mr. A.I. Imamov, Minister of Culture of the Tadzhik S.S.R., Mr. V.I. Likhachov, Head of the South-East Asia Division, Ministry of Foreign Affairs, U.S.S.R., Mr. V.I. Avilov, Deputy Chief of the Press Department of the Ministry of Foreign Affairs, U.S.S.R., and Col. V.Y. Chekalov.

During their travels in India, Marshal Voroshilov, Mr. Kozlov and Mme. Furtseva were accompanied by Mr. Benediktov, Ambassador of the U.S.S.R. in India, Shri K.D. Malaviya, Minister of Mines and Fuel, and Shri K.P.S. Menon, the Indian Ambassador in the U.S.S.R.

The Soviet representatives were given a warm reception by the Indian public in Delhi and in all other places which they visited. These popular demonstrations of welcome and goodwill were an expression of the regard and friendliness of the Indian people towards the people of the Soviet Union, and evoked a cordial and generous response from the Soviet visitors. The Soviet guests expressed deep thankfulness and appreciation to the Government of India and the Indian people for a warm and hearty welcome.

From their side they were happy to have had the occasion to convey personally to the people and the Government of India the feelings of sincere brotherly friendship which the people and the Government of the Soviet Union have towards them.

In Delhi, Marshal K.E. Voroshilov, Mr. F.R. Kozlov, Mme. Ye. A. Furtseva and others accompanying them were present at the celebrations on the occasion of the Republic Day of India. Thereafter they made a rapid tour of the country, collectively or in groups. Besides the large cities of Calcutta, Bombay, Madras and Bangalore, their journey took them to many places of interest, including, in particular, Suratgarh, where a large mechanised State farm has been established with the aid of machinery and equipment given as a gift by the U.S.S.R.; Bhilai, where a steel plant built with Soviet co-operation has gone into production; and Cambay, where exploration for oil is going on with Soviet technical assistance with progressively encouraging prospects. In the course of their tour, they also visited community centres and a number of industrial and other developmental projects. They thus had an opportunity of seeing for themselves the results of the great effort that India is making, in all fields of economic and social activity, to develop her national economy and raise the standard of living of her people as rapidly as possible.

Marshal Voroshilov, Mr. Kozlov and Mme. Furtseva met and had talks in a friendly, cordial atmosphere with Dr. Rajendra Prasad, President of India, Shri Jawaharlal Nehru, Prime Minister, and other members of the Government of India. Their talks with the Prime Minister covered matters of mutual interest to the two countries, including major aspects of the current international situation, and touched also on India's develop-

ment plans, present as well as prospective.

Both sides expressed their gratification at the development of the relations between India and the Soviet Union in a spirit of goodwill and friendship as a result of their common adherence to the principles of peaceful co-existence and active pursuit of peace. These provide an expanding basis of co-operation between the two countries in the international field in the interests of world peace. The two countries, moreover, are united in their conviction that disputes between nations must be solved by peaceful means alone, and not by recourse to arms.

Both sides noted with satisfaction the recent trend towards a lessening of international tension, and welcomed the agreement reached on the holding of a 'summit meeting' in May next. This meeting and the exchanges of visits by the leaders of the Big Powers have raised high expectations throughout the world. The Indian and the Soviet sides expressed their earnest hope that the forthcoming meeting would result in substantial progress in the solution of the problems facing the world today and thus pave the way for the achievement of further success by co-operative international effort.

Both sides stressed the importance of disarmament as an essential pre-requisite to a permanent and lasting peace and to the banishment of the fear of war. Through disarmament also lay the path to world prosperity, for the technical skills, the productive effort and the human and material resources, released from the manufacture of armaments, could be diverted to peaceful purposes, and more specially to the development of countries which have lagged behind in the race towards material progress. Though discussions had been going on for years, little had been accomplished by way of advance towards an international agreement on disarmament, but the prospects seemed more favourable at the present time than ever before. Reference was

made in this context to the proposal recently put forward by Mr. N.S. Khrushchev for total and universal disarmament, and the Prime Minister of India acclaimed the proposal as a courageous and far-sighted one which demanded the close attention of all other countries. The Government of India welcome the latest substantial reduction of the armed forces of the Soviet Union as an important step towards peace.

Both sides stand for the prohibition of thermonuclear weapons and other means of mass destruction. Similarly, they are in favour of a very early agreement between the Great Powers possessing nuclear weapons for an immediate cessation of the tests of these weapons with effective international control, and call upon these and other powers to abstain voluntarily from carrying out such tests. In this connection, satisfaction was expressed from the Soviet side that the Government of India showed commendable initiative in presenting the question of the cessation of nuclear tests at the 14th session of the U.N. General Assembly.

MUTUAL COLLABORATION

A review was made of the economic and cultural relations between the two countries. The trade agreement concluded last year for a five-year period, resulting in increased commercial exchanges between the two countries, the projects for the establishment of certain new industries through mutual collaboration, and the fresh credit recently offered by the Soviet Union of 1500 million roubles had helped to strengthen the economic relations between India and the Soviet Union. A similar gratifying improvement was also to be found in the sphere of cultural relations. In order, however, further to develop these relations, in accordance with planned and defined ends, a cultural and scientific agreement is being concluded between the two countries.

Marshal K.E. Voroshilov, the Chairman of the Supreme

Soviet, U.S.S.R., and Shri Jawaharlal Nehru, the Prime Minister of India, expressed their pleasure at having been able to meet again after the lapse of almost five years. Marshal Voroshilov, Mr. Kozlov and Mme. Furtseva and Shri Jawaharlal Nehru had an opportunity to exchange their points of view and to declare the common determination of their two countries to strive ceaselessly for world peace and for better understanding between nations. The visit of Marshal Voroshilov, Mr. Kozlov and Mme. Furtseva and those accompanying them to India, their talks with the members of the Government of India and others, were fruitful and will further promote the understanding and friendship between India and the Soviet Union. Both sides are confident that the friendly relations existing between India and the Soviet Union will continue to strengthen and develop for the benefit of the peoples of both countries and in the interests of peace throughout the world.

FAREWELL MESSAGE BY PRESIDENT VOROSHILOV

President Voroshilov returned to New Delhi on February 4 after a two-day visit to Kathmandu and emplaned for Moscow from New Delhi on February 6. In his farewell address to India, broadcast from All India Radio, New Delhi on February 5, he said: 'The fifteen days of our stay in your great country,

amongst the friendly Indian people, are full of vivid and unforgettable impressions which will remain for ever in our memory.'

Referring to the question of world disarmament and pledging his country to the cause of peace, he said, 'The Soviet Union calls upon other states to strive for mutual confidence and co-operation, for the development of trade, cultural exchange and other forms of contacts among the peoples. We are not begging as poor relatives, we are not begging anybody to concede to our requests, we are proposing peaceful co-existence to all our partners as from an equal to an equal. We know, and we repeat it again and again, that it is equally advantageous and useful to one and all, to the entire world, to all humanity!'

'Ten years ago the Republic of India was proclaimed. This is a short period in the life of peoples and states. But during this period the Indian people, working enthusiastically, have achieved considerable successes. The international prestige of your country is growing from year to year. The Soviet people understand well the legitimate pride of the citizens of the Republic of India in their achievements.'

He concluded, 'May the Soviet-Indian friendship which is deep and vast as the Indian ocean, high and unselfishly pure as the summits of the Himalayas, and strong as the steel smelted at Bhilai, live and prosper for all time.'

MR. KHRUSHCHEV'S VISIT TO INDIA

The following Joint Communique was issued in New Delhi on February 17 on the visit to India of H.E. Mr. N.S. Khrushchev, Prime Minister of the U.S.S.R. :—

At the invitation of the Government of India, Mr. N.S. Khrushchev, Chairman of the Council of Ministers of the U.S.S.R., paid a visit to India from February 11 to 16, 1960.

He was accompanied by Mr. A.A. Gromyko, Foreign Minister, Mr. N.A. Mikhailov, Minister of Culture, Mr. G.A. Zhukov, Chairman of the Committee for Cultural Relations, Mr. S.A. Skachkov, Chairman of the Committee for External Economic Relations, Mr. T.U. Uljabayov, Deputy of the Supreme Soviet of the U.S.S.R., Mrs. T.A. Tairova, Foreign Minister of the Azerbaijan Soviet Socialist Republic, Mr. A.M.

Markov, Member of the Board of the Ministry of Public Health of the U.S.S.R., and Mr. I.A. Benediktov, Ambassador of the U.S.S.R. in India.

In Delhi and in the other places which he visited, Mr. Khrushchev was accorded by the public a warm and friendly reception, which was impressive for the degree of popular enthusiasm which it displayed. These manifestations of goodwill were like a tribute to a world statesman who has laboured devotedly in the cause of peace and an expression of the happy relations that exist between India and the Soviet Union and the peoples of the two countries.

During his stay in Delhi Mr. Khrushchev addressed members of the Indian Parliament, visited the World Agriculture Fair, attended a Civic Reception held in his honour by the city of Delhi, and fulfilled other public engagements. He later visited Suratgarh and Bhilai, both symbols of Indo-Soviet co-operation, one in the agricultural and the other in the industrial field. The success of these two enterprises has been a source of gratification to both countries, and augurs well for the future of economic co-operation between the two countries. His visits to these two centres gave Mr. Khrushchev a vivid impression both of the magnitude of the task upon which India is engaged and of the pace at which she is moving forward to the attainment of the immediate objectives of her developmental plans.

Mr. Khrushchev met and conferred with the President, the Vice-President, the Prime Minister and other members of the Government of India. His talks with the Prime Minister, held in a friendly and cordial atmosphere, covered a wide range of subjects in the international sphere as well as specific matters of mutual concern to the two countries.

The two Prime Ministers noted with much satisfaction the recent favourable trends in world affairs leading to a marked lessening of international tensions. This improvement is due in no small measure to the personal initiative and co-ordinated effort of the leaders of the Great Powers, notably Mr. Khrushchev, Chairman of the Council of Ministers of the U.S.S.R., and Mr. Eisenhower, President of the U.S.A.

The direct contacts which have been established between them and are being developed through interchange of visits have been a valuable factor in promoting international understanding, and have facilitated the welcome agreement to hold a meeting, at the highest level, of the leaders of the U.S.S.R., U.S.A., U.K. and France in May next. The hopes of all men of peace are centred on this and similar meetings, and it is the ardent wish of all men that the efforts of the leaders of the Great Powers will meet with a full measure of success. For her part, India gladly pledges her goodwill and moral support for these continuing and sustained efforts towards peace.

The Prime Minister of India repeated his appreciation of Mr. Khrushchev's proposals for total disarmament. In Indian eyes they were, in essence, a call for the application of the principle of non-violence to the solution of international problems. The interest which these proposals roused in all countries, and particularly in the United Nations, was a reflection not merely of man's moral sense but his acute awareness of the dangers of a nuclear war. The two Prime Ministers reaffirmed their stand regarding the prohibition of thermo-nuclear weapons and other means of mass destruction. They also expressed the hope that the first step, namely, the cessation of nuclear tests, would be taken by the Great Powers in the spirit, and on the lines, of the resolution which it was India's privilege to introduce at the last session of the General Assembly. Not only nuclear weapons, but conventional armaments too are a heavy drain on human progress. The latest reduction of Armed Forces in the Soviet Union, following similar reductions in the recent past, was recognised by India as a notable contribution towards the fulfilment of the age-old dream of turning swords into ploughshares.

In his talk with the Prime Minister, Shri Jawaharlal Nehru, and other Indian statesmen, Mr. N.S. Khrushchev, Chairman of the Council of Ministers, expressed his high appreciation of India's policy of non-alignment and non-participation in military alliances. He stressed the fact that this policy was greatly respected in the Soviet

Union. The Soviet Government was convinced that by pursuing this policy India and her Prime Minister personally were making a substantial contribution to the maintenance and consolidation of world peace. Mr. Khrushchev wished the Government and the people of India success in pursuing this policy and emphasised the fact that joint efforts by the Soviet Union and India in defence of peace would continue to be an important factor contributing to the lessening of international tension and the development of international co-operation.

As between India and the Soviet Union, at no time have their mutual relations rested on a firmer basis of friendship and understanding than now. Their common allegiance to the principles of peaceful co-existence and their common determination to assist towards the establishment of lasting peace have brought them closer together and have progressively enlarged the area of beneficent co-operation between them in the United Nations and elsewhere. The two countries share the conviction that the remarkable advance now being made in science and technology, in which the Soviet Union has taken a leading part, would little serve the cause of humanity unless the world were rid of the haunting spectre of war and the foundations were laid of an enduring peace. Disarmament, amity between nations, the rapid development of these regions of the world which have long endured poverty and neglect, these alone are the true deterrents to war. The Prime Ministers expressed their faith that to the creation of these conditions, upon which depended to so great an extent the prospects of the peaceful progress of mankind, it would be the endeavour of both their countries to make their fullest contribution.

The Prime Ministers were glad to observe that the relations between the two countries were no less close in the economic and cultural spheres. Economic and technical collaboration between India and the Soviet Union embraces a wide variety of projects: the Bhilai steel plant, which has gone into production and whose original capacity is now being more than doubled; the machine building plant at Ranchi; the power

plant at Neyveli; the Korba coal project; the two million ton refinery at Barauni; oil exploration and others. To the credits already granted, the Soviet Union has recently added a new one of 1,500 million roubles. An agreement was signed during Mr. Khrushchev's stay in Delhi as to the utilisation of this credit for major projects to be included in the Third Plan. So was also, for the first time, a cultural, scientific and technological agreement between the two countries.

Mr. Khrushchev was last in India in December 1955. Since then much has happened affecting the Indian as well as the world scene. His present visit has afforded Mr. Khrushchev an opportunity of seeing for himself, or obtaining first-hand information on, the results of the efforts which India is making, in all spheres of developmental activity, to improve the lot of the Indian people and ensure for them a higher and ever increasing standard of living. The visit has also given the two Prime Ministers the opportunity, to which they have long looked forward, of renewing their friendship and for personal discussions on the many matters that claim their common interest. The meeting between the heads of Government of India and the U.S.S.R. and the talks they have had, more particularly these on a personal level, have been profitable to them both; and to the new chapter in Indo-Soviet relations which opened with the visit of the Prime Minister of India to the Soviet Union in June 1955 has been added a significant page, recording a notable step forward in the consolidation of the cordial and friendly relations between the two countries.

Welcome At Airport

H.E. Mr. N.S. Khrushchev arrived in New Delhi on February 11 on an official visit to India. He was received at Palam Airport by Dr. Rajendra Prasad, Dr. Radhakrishnan, Shri Nehru, other Ministers, the Mayor of Delhi, and Members of Parliament and the Diplomatic Corps.

Welcoming the distinguished visitor, President Rajendra Prasad recalled the Soviet leader's visit to India four years ago and said they had been looking forward to this second visit of his

with an eagerness heightened by personal contact. During these years, India and the Soviet Union had come still closer to each other. Their collaboration in the field of economic and industrial development had begun to bear fruit. But no less important had been their common approach to world problems, specially the maintenance of peace among nations.

In his reply Mr. Khrushchev said, India and the Soviet Union were not merely neighbours; they had become good neighbours and great friends. They had the mutual desire to establish complete understanding and to consolidate and develop the friendship between their peoples. The development of personal contacts had already been fruitful in expanding Indo-Soviet co-operation in the political, economic, scientific and cultural fields. This co-operation was important in securing a durable peace throughout the world.

Address To Parliament

The same day, the Soviet Prime Minister addressed Members of Parliament at a joint session of the two Houses in the Central Hall.

Welcoming the distinguished statesman on this occasion, Dr. S. Radhakrishnan, Chairman of Rajya Sabha, said, they welcomed the Soviet leader not only as the Prime Minister of a great country but as a courageous fighter for world peace. The Vice-President referred to Russia's achievements in science, technology and engineering and said that power and strength should be accompanied by humility and humanity. In a warless world science could do marvels, he said. Pointing out that economic exploitation, political subjection and racial discrimination had been the great causes of war, Dr. Radhakrishnan said, in an attempt to eliminate them, the Soviet Union would have the wholehearted co-operation of the Government and the people of India.

MR. KHRUSHCHEV'S SPEECH

Addressing Members of Parliament Mr. Khrushchev refer-

red to India's peaceful policies and emphasized the importance of Indo-Soviet co-operation in promoting world peace. He told Members of Parliament that the Soviet Union acclaimed India's policy of non-alignment. The Soviet Union on her part was doing her utmost to liquidate the cold war and create an atmosphere of confidence between States. He said military blocs should be abolished and the armies and armed forces of all States disbanded. The Soviet Union wanted to see peace and friendship among nations all over the world. This would be possible only through general and complete disarmament which would remove the threat of war. Mr. Khrushchev referred to his plan for total disarmament placed before the United Nations last September. He expressed the hope that the coming summit conference would adopt a constructive approach to major international problems. The Soviet Prime Minister said that in the great struggle for a durable peace, the Soviet Union and India had a common interest. The people of the Soviet Union highly appreciated India's contribution to that noble goal. The principles of Panch Sheel had become a living reality largely because of India's efforts. Mr. Khrushchev then spoke of Indo-Soviet co-operation in industrial and other enterprises and said, a symbol of this co-operation was the Bhilai Steel Plant.

Proposing a vote of thanks, Shri M. Ananthashayanam Ayyangar, Speaker of Lok Sabha, said to the distinguished guest, 'Last time you came here four years ago, you came as a visitor, this time as a friend, and when you come next time, you will be a relation.'

Recalling the peaceful attitude of India through ages in political and cultural spheres, Shri Ayyangar referred to Lord Buddha and said, he 'substituted the law of force by the force of law in human relations. This dates back to 2500 years. And we have got that symbol—that is the *chakra*, which you find as

our emblem. That is the *Dharma Chakra*, the force of law as against the law of force. We still follow that.'

He continued:

'We do not want Sputniks. You are our Sputnik and you are going round the world, this globe, with the mission of peace. May your mission succeed! All that we can say is that we do not want these missiles and others. We want goodwill and love among all nations. While you are going round and you are trying to make the Summit Conference a success, I do not want to strike a discordant note. It is rather unfortunate that our erstwhile friend has started aggression against our northern territory. Whatever he may do, in spite of provocation our Prime Minister has pledged himself not to deflect from the path of peaceful negotiation. I am sure that he will succeed in the long run, and better sense will prevail.'

STATE BANQUET

A State banquet was held in honour of H.E. Mr. N.S. Khrushchev at the Rashtrapati Bhavan, the same evening. On this occasion the President of India, Dr. Rajendra Prasad, said:

'The far-reaching discoveries of science and the modern inventions will go down in history only as a one-sided development of man unless these developments bring home to human society the fact that the world is, after all, one family of which the various nations are members. For ages thinkers and idealists have dwelt on this concept. But what has so far been said figuratively now holds good realistically. The conquest of distance and the availability of better and quicker means of communications have led to closer contacts among the peoples of various nations. This development must be followed by greater understanding and tolerance among nations, so that all differences and disputes among them can be settled through negotiation and any resort to force is outlawed.'

MR. KHRUSHCHEV'S REPLY

In reply, the Soviet Prime Minister said: 'We highly appreciate the friendly relations which

have been established between our country and the Republic of India. Our two countries have much in common. Even though the principles upon which our States are built differ, this should in no way prevent the development of friendly relations between our peoples and between our Governments, for we have a common goal.

'We highly appreciate the fact that India espouses friendship and peace between all nations, irrespective of their political systems.'

Referring to the industrial aspirations of India, Mr. Khrushchev said: 'The Soviet Union understands and sympathises with this noble desire of India to create and develop her own industry, her culture and her economy. We understand this and will do our utmost to assist India to promote still further her industry and her economy.'

Reiterating the Soviet efforts for world peace, he said: 'What is most important to remember is that a modern war would mean terrible hardships, terrible destruction, for the entire world. We are doing all in our power to avert and prevent such a catastrophe. We are doing all in our power to achieve complete disarmament so as to reduce world armaments and to release huge material wealth which could be channelled for raising the well-being of all peoples.'

'We in the Soviet Union highly appreciate the role that India is playing in the struggle for peace, the role that the Indian Government and particularly the head of the Indian Government, the esteemed Mr. Nehru, is playing. On the question of the struggle for peace, the positions of both India and the Soviet Union coincide. This fact certainly serves to strengthen the friendly relations and mutual co-operation between our two countries.'

CIVIC RECEPTION

On February 12, the Soviet Prime Minister was accorded a civic reception at the Ramlila Grounds in Delhi.

Replying to the address,

the Soviet Prime Minister said, the efforts of peace-loving States were beginning to bear fruit. The sinister clouds were disappearing little by little and the rays of peace were forcing their way through them. Mr. Khrushchev reaffirmed that his country wished to outlaw war for ever; the main prerequisite for a secure peace was general and complete disarmament. If a war were unleashed, its instigators would be the first to perish in its flames. Science and technology had now reached a level of development which offered practically unlimited possibilities. If used for peaceful purposes, science would bring enormous benefits to humanity.

Mr. Khrushchev paid high tributes to India's contribution to the cause of peace and peaceful co-existence. In the growing friendly relations between the two countries, despite the differences in their social systems, was reflected the possibility of fruitful and mutually beneficial co-operation between all States.

The Soviet Prime Minister also referred to the economic and cultural agreements between India and the Soviet Union, signed earlier the same day, and said that these were of great importance in India's industrialisation and the fulfilment of targets under her Third Five Year Plan.

At the end of his speech, Mr. Khrushchev presented to Shri Nehru a replica of the pennant carried by the Soviet rocket to the moon.

SHRI NEHRU'S SPEECH

Speaking on the occasion, the Prime Minister, Shri Nehru, said, 'Mr. Khrushchev referred to cold war and pointed out how this has caused harm and can cause further harm. He is now on a journey of a number of countries with a message of how peace can be established and how war and weapons of war can be banished from the world. This is a difficult and complicated issue, difficult because fear has entered the minds of people, fear towards each other. There cannot be a greater problem before

the world today than the problem of banishing fear, stopping armaments and utilisation of its new power for the welfare of humanity. This is the message which Mr. Khrushchev brings. We welcome him today with love because he is the leader of a great country. He is a friend of our country. His country has given adequate assistance to India. The Soviet Union is also a neighbour of ours. But besides these there is a new thing which he is expounding today and for which he is working — so that the world may progress towards peace and there may be disarmament.'

'For this reason we welcome him all the more and earnestly assure him that in this work we shall give the greatest possible help.'

After his five day stay in India, the Soviet Prime Minister left for Rangoon from Calcutta on February 16.

FINNISH PREMIER'S VISIT TO INDIA

The Prime Minister of Finland, His Excellency Dr. V.J. Sukselainen, arrived in Delhi on February 13 on a 12-day State visit to India.

A banquet was held in his honour at the Rashtrapati Bhavan, on February 14. Proposing the toast, the Prime Minister, Shri Jawaharlal Nehru said:

'There are many things in Finland and indeed in the other countries of Scandinavia which have appealed to us greatly, their far-reaching measures of social security and welfare, their democratic quality and freedom and their institutions; and so far as Finland is concerned there is a particular link or kinship, if you like, which has drawn us to them; and that is in the realm of international affairs and foreign policy we have thought and acted more or less alike and in the same plane. We believe in trying to be friendly with all countries and not in joining any military alliances, that is, the policy

of non-alignment and at the same time of friendship. That also has necessarily brought us nearer to one another.'

COMMON APPROACH

Replying to the toast, the Finnish Prime Minister, Dr. Sukselainen, said:

'We follow in Finland with increasing awareness the work which is being done in India in the economic and social fields to the benefit of your country and its people. I am particularly pleased to have the opportunity to get personally acquainted with your country.'

'Although the distance in space between our two countries is great, they have got considerably closer to each other during the last few years.'

Referring to economic co-operation, he said: 'Although a country short of capital, Finland remains ready, within the bounds of her possibilities to examine ways and means of further participating in this type of co-operation which is being carried out both within the framework of the United Nations and on a bilateral basis and which has brought with it such beneficial and encouraging experiences.'

He continued, 'I have so far only touched on certain bilateral relations between our countries. These, however, are not the only ones connecting us. Our two countries often have the same kind of approach to international problems. We both strive towards the achievement of confidence between the nations of the world, we both try to avoid anything that might cause or promote conflicts and disputes between nations. We wish to work for that which dispels conflicts and misunderstandings.'

PRIME MINISTER NEHRU'S LETTER TO MR. CHOU EN-LAI

The Prime Minister, Shri Jawaharlal Nehru placed before Parliament on February 15 the letter which he sent to Mr. Chou En-lai, Prime Minister of

China on February 5 and the Note from the Government of India sent to the Government of China on February 12 in reply to the Chinese Note of December 1959. Emphasising the need for international confidence and understanding, Dr. Sukselainen said, 'This object — the return of trust between nations — is also a fundamental condition in solving a problem which at the present time all peoples and responsible politicians grapple with; I mean the problem of disarmament. The development of peaceful relations between nations depends largely on the progress made in the field of disarmament. Every step, however, small, towards complete disarmament must be regarded as a valuable contribution towards that permanent state of peace between nations which mankind has long yearned for. I feel convinced that the peoples of both Finland and India, sharing the feelings of other nations, eagerly hope that the spirit of conciliation and understanding at present prevailing between the great powers, might overcome any adversity it may encounter, remove the distrust and fear which still prevails and bring a feeling of security to the peoples of the world.'

Dr. Sukselainen was accorded a civic reception at the Red Fort on February 15. During his 3-day stay in the capital, he called on the President, Vice-President and Prime Minister and visited Parliament.

On February 16, the Prime Minister of Finland left on a tour of the country; to visit Agra, Bombay, Bangalore, Madras and Calcutta. During the tour, he will see development projects and places of cultural and historical interest. A visit to the Chittaranjan Locomotive Works and the Maithon Dam of the D.V.C. have been included in his programme.

26. The texts of both the letter and the Note are given below:

NEW DELHI,
February 5, 1960.

MY DEAR PRIME MINISTER,

My Government is sending you separately, through our Ambassador in Peking, a reply to the note of the Chinese Government which was handed to the Indian Embassy on the 26th December 1959.

I confess that I do not particularly like this long distance correspondence which consists of a reaffirmation of our respective views, and yet there is no escape from this when questions of far-reaching importance are raised between Governments and statements made which cannot be accepted.

You were good enough to suggest that we should meet to discuss these matters and, so far as we are concerned, it has been our consistent policy to welcome such meetings and informal approaches which sometimes lead to helpful results. But I found that the respective viewpoints of our two Governments, in regard to the matters under discussion, were so wide apart and opposed to each other that there was little ground left for useful talks. I suggested in my letter of November 16, 1959, certain preliminary steps which would have eased the situation and facilitated further discussions. Unfortunately you have not found yourself able to accept those proposals. I still hope that you will reconsider your decision in this matter.

In the latest note from the Government of the People's Republic of China, emphasis has been laid on our entire boundary never having been delimited. That is a statement which appears to us to be wholly incorrect, and we cannot accept it. On that basis there can be no negotiations.

It has pained me deeply that the relations between India and China which have in the past been so friendly and which we had endeavoured so much to strengthen, should have deteriorated rapidly and led to bitterness and resentment. That is a tragedy for both

our countries as well as for the larger issues in the world. For my part, I have endeavoured and shall continue to endeavour to find a way to a peaceful settlement and for a restoration of friendly relations. But for the moment, I do not see any common ground between our respective viewpoints.

Nevertheless I think that we should make every effort to explore avenues which might lead to a peaceful settlement. Although any negotiations on the basis you have suggested are not possible, still I think it might be helpful for us to meet. I am afraid it is not possible for me to leave India during the next few months. The budget session of our Parliament is beginning on February 8 and this will require my presence here. I would, however, be glad if you could take the trouble to come to Delhi for this purpose at a time convenient to you and us. You will be our honoured guest when you come here. I would suggest that some time in the second half of March might be fixed for this meeting, if it is convenient to you.

With kind regards,

Yours sincerely,
Sd./- JAWAHARLAL NEHRU

INDIA'S NOTE TO CHINESE GOVT.

The Embassy of India presents its compliments to the Ministry of Foreign Affairs of the People's Republic of China and has the honour to refer to the Chinese Government's Note handed on the 26th December, 1959, to the Embassy of India in Peking. In reply, the Embassy has been directed by the Government of India to state as follows:

2. The Government of India regret that the Chinese Government have not fully considered the various points raised in the Prime Minister of India's letter of September 26, 1959 to the Chinese Premier and in the Note handed by the Ministry of External Affairs to the Embassy of the People's Republic of China on November 4, 1959. The Government of China have merely reiterated their claims to vast areas of Indian territory and ignored the facts mentioned in the letter. It was the earnest hope of the Government of India

that a proper appreciation of the facts and historical data presented by them in support of their stand regarding the boundary would pave the way for an amicable settlement by narrowing down the issues for discussion. The Government of India have to state with regret, however, that the Government of China in their Note not only do not accept incontrovertible facts but disregard major frontier Agreements by untenable interpretation of their terms or by questioning their validity. Such an approach can hardly lead to an understanding which both countries desire.

3. The Government of China contend that the Sino-Indian boundary has not been formally delimited and in support of that contention allege that the boundary has not been determined by treaties and agreements. The Government of India cannot accept this contention. The Sino-Indian boundary, based on custom and tradition, follows natural features, and for the major part this customary and traditional boundary is also confirmed by treaty and agreement. This boundary throughout has been fixed and well-known for centuries. According to international usage and practice a customary boundary which follows well-known and unchanging natural features like main watersheds stands defined and does not require further or formal definition. It is significant that until recently no Chinese Government ever challenged it, or protested against the exercise of the sovereign jurisdiction of India up to this traditional boundary. In view of all these facts, the Government of India cannot agree that negotiations have to be conducted to reach new agreements for fresh determination of the Sino-Indian boundary.

4. The Government of China have stated that the present controversy has arisen because "the Sino-Indian boundary has never been delimited, Britain left behind in this respect a heritage of certain disputes and moreover the Indian Government made a series of unacceptable charges against China". The Government of India cannot accept either the assertions or the imputations contained in this statement. In fact the present controversy regarding the boundary and the tension on the border have arisen because the

Chinese Government laid claims to extensive areas of Indian territory for the first time on September 8, 1959, and intruded into Indian territory, both before and afterwards, in furtherance of their claims. The Government of India are particularly surprised and shocked by this attitude and action of a neighbour whose friendship they have always cherished. Despite these unwelcome developments, the Government and the people of India have shown the utmost restraint. They have always been willing to explore the possibilities of a peaceful settlement. But an amicable settlement cannot be reached on the basis that a new agreement has to be negotiated to determine afresh the entire Sino-Indian boundary. Such a basis for negotiations would ignore past history, custom, tradition and international agreements and is, therefore, entirely unacceptable to the Government of India. The Government of India wish to state again that they are prepared to discuss specific disputes in regard to the location of particular places on the boundary, and to make minor frontier rectifications by agreement, where they may be considered necessary.

5. The following paragraphs give in brief the basic data in regard to the international boundary. They deal with the arguments advanced by the Chinese Government in their Note of December 26, 1959.

6. Taking the Ladakh sector first, it is wrong to say, as the Chinese Government have done, that according to the Government of India the boundary of Ladakh was fixed by the Treaty of 1842. In fact the boundaries of Ladakh were fixed and well recognised from the 17th century onwards. The 1842 Treaty did not fix the boundary but merely confirmed it. That this traditional boundary lay where Indian maps are showing it is confirmed by those who visited this area in the 19th century. The Government of China have quoted unofficial maps published by Hayward in 1870 and Robert Shaw in 1871, as well as an article by Hayward, to prove their contention that the traditional eastern boundary of Ladakh lay where the Chinese maps are now showing it. Hayward, however, surveyed only the western extremity of Aksai

Chin, and Shaw's route lay even further westwards. Their opinions, therefore, are not authoritative for eastern Aksai Chin. The latter area was surveyed by Johnson in 1865 and visited by the second Yarkand Mission in 1873. It is their reports, therefore, that are authoritative in regard to the eastern boundary of Ladakh, and their maps and accounts substantiate the traditional Indian alignment.

7. The Chinese Government assert that the 1842 Treaty was between Tibet and Kashmir whereas about 80 per cent of the area now claimed by them is part of Sinkiang. The Government of India are surprised at this contention. Prime Minister Nehru has already dealt with this point in his letter of September 26. The Treaty itself makes it clear that China was a party to it. The following quotation from the Treaty is relevant:

"Now that in the presence of God, the ill-feeling created by the war which had intervened, has been fully removed from the hearts, and no complaints now remain (on either side), there will never be on any account in future, till the world lasts, any deviation even by the hair's breadth and any breach in the alliance, friendship and unity between the King of the world Siri Khalsaji Sahib and Siri Maharaj Sahib Raja-i-Rajagan (Raja of Rajas) Raja Sahib Bahadur, and the Khagan (Emperor) of China and the Lama Guru Sahib of Lhasa. We shall remain in possession of the limits of the boundaries of Ladakh and the neighbourhood subordinate to it, in accordance with the old custom, and there shall be no transgression and no interference (in the country) beyond the old established frontier. We shall hold to our own respective frontiers."

In fact, the treaty was concluded to terminate a war in which Tibet had appealed to China for assistance against Kashmir. The statement in the Chinese note that 80 per cent of the area was part of Sinkiang in 1842 is unfounded. Even Chinese maps of the 18th and 19th centuries show clearly that Sinkiang never

extended south of the Kuen Lun mountains.

8. The Chinese Government state that nothing came of the proposal in 1899 "to delimit the boundary". This again shows a failure to take into account the facts as stated in the Prime Minister of India's letter of September 26, 1959. It was clearly stated in that letter that the proposal made in 1899 by the British referred not to the eastern frontier of Ladakh with Tibet but to the northern frontier of Ladakh with Sinkiang. That proposal stated explicitly that the northern boundary ran along the Kuen Lun range to a point east of 80 degrees east longitude, where it met the eastern boundary of Ladakh. This showed beyond doubt that the whole of the Aksai Chin area lay in Indian territory, and the Government of China did not object to this definition of the boundary. If nothing came of the proposal of 1899, it was not because the Chinese Government declined to recognise the boundary according to the traditional alignment shown on Indian maps, but because even then they did not seem to consider necessary any formal definition of the well-known boundary in this area.

9. The Government of India never contended that the boundary had been explicitly defined in 1842 or 1899. Indeed formal definition or demarcation is not necessary for recognition of a boundary so long as it is fixed by custom and tradition and is well-known. The Chinese Government state that there is much indisputable evidence to show that this sector of the Sino-Indian boundary was not delimited. In fact the evidence that they have brought forward shows only that the boundary was not demarcated on the ground. The proposals of the then British Indian Government between 1921 and 1927 were merely for the determination of the ownership of a few pasture grounds in one particular area. There was no dispute about the main alignment, let alone a demand for its determination. The letter of Sir Arthur Lothian in *The Times* of December 11, 1959 has been quoted in this context. But this letter referred to an effort to secure delimitation "on the ground"—i.e., demarcation. The map published by the

urvey of India in 1950 showed this boundary as "undefined", to indicate that this sector had never been described in detail from point to point or demarcated on the ground. The statement of the Prime Minister in the Lok Sabha on the 28th August, 1959, that the boundary had not been marked, indicated merely that it had not been marked on the ground.

10. The Chinese Government contend that, except for the Demchok (Parigas) area, which according to them has been "occupied" by India in recent years, the rest of the area in Ladakh, claimed by China, has always belonged to her and has been under her effective control. These contentions are wholly baseless. That the Demchok area has for centuries been a part of Ladakh is proved by the treaty between Ladakh and Tibet signed in 1684, and by the accounts of travellers who visited the area thereafter. As for the rest of the area, it is wrong to state that the major part of it was under the jurisdiction of Sinkiang. As already mentioned above, Chinese maps of the 18th and 19th centuries make clear that Sinkiang never extended south of the Kuen Lun mountains. So, no part of this area could ever have been a part of Sinkiang. Nor was any portion of this territory a part of Rudok Dzong of Tibet. Moorcraft, who visited this area in 1820, stated that Pamgong Lake divided the district of Rudok from the principality of Ladakh. This in effect conforms with the traditional alignment as shown on Indian maps rather than that shown on Chinese maps. Starchey, who visited this area as a Boundary Commissioner in 1847, gave a more specific alignment, which is essentially in consonance with the alignment on Indian maps.

11. It is most regrettable that the Chinese Government should have claimed, without bringing forward any evidence in support, that their people have utilized this area for pasturage and salt-mining. In fact, the pastures and salt-mines referred to have always been the preserve of Ladakhi villagers who have regularly visited these areas; and these villagers never came across any Chinese trespassers. It is incorrect to say that since 1750 the Chinese Government has established checkposts to exercise jurisdiction

over and patrol this area. There were never any Chinese outposts south of the Kuen Lun mountains. Throughout the twentieth century, officials of the Kashmir Government and Indian traders and hunting parties moved freely in this area and they did not come across any evidence of the exercise of jurisdiction by the Chinese in that area. During these years a detailed geological survey of the whole area was carried out by the Governments of Kashmir and of India. It is only in recent years that Chinese personnel have intruded into this territory; and the Government of India are astonished that the Chinese Government use this intrusion as the basis for their claim. The statement that Indian personnel came into this territory only thrice, and that too in recent times—in September 1958, in July 1959 and in October 1959—is unwarranted by facts. Indian personnel have patrolled this area regularly. Only on the three occasions mentioned by the Chinese Government did they come across Chinese troops.

12. It is strange that the Chinese Government should have brought forward an argument based on philology and advanced a claim on the fact that names such as Aksai Chin and Karakash are of Uighur origin. It is not necessary to treat this argument seriously. The Government of India will content themselves with drawing attention to the fact that centuries ago Indian influence swept deep into China, and there are place names in Tibet and Sinkiang of Sanskrit or Prakrit origin. The name Khotan itself is derived from the Sanskrit word *Kestana*. Again, the present name of the Ari district of Tibet is an abbreviation of the Sanskrit term *Nari* in *Nari* (Ngari) Khorsum, a name by which Western Tibet is known.

13. The Chinese Government have stated in their latest note that the delineation of the boundaries of Ladakh in Chinese maps for the past 200 years have in the main been consistent. This is certainly true of the Chinese maps published up to the twenties of the present century, but these maps consistently showed a boundary which was more or less in consonance with the traditional alignment as shown on Indian maps. It is only on Chinese maps published

since the late twenties that different alignments have been shown. The broad trend in the recent Chinese maps has been to push the alignment deeper into Indian territory.

14. It is extraordinary that the Chinese Government should not be aware of their own official maps such as the one drawn in 1893, and that they should brush aside *The New Atlas and Commercial Gazetteer of China* as the publication of a private agency. It was in fact based on authoritative official surveys as stated in the introduction. However, the Government of India would like to draw the attention of the Government of China to the *Postal Map of China* published in 1917 by the Chinese Government. This map shows the whole northern boundary of India more or less according to the traditional Indian alignment.

15. The Government of China attach little importance to the fact that the alignment shown on Indian maps runs along the main watershed. They seem unaware that traditional boundaries in mountainous areas tend to follow the main watershed rather than any other natural feature. This is because a watershed is the best of all possible natural boundaries. It is liable to no change and is readily recognisable. Where there are series of mountain ranges, it is the watershed range rather than any other that becomes the traditional boundary, because the peoples on both sides tend to settle up to the sources of rivers but not beyond. That the alignment of the northern boundary of India throughout follows the major watershed supports the fact that this became the boundary through custom and tradition. The argument of the Chinese Government that the watershed boundary of Ladakh is vitiated by the fact that a river breaks through it, is untenable. There is hardly any major watershed in the world, however high and continuous, which is not pierced by some river; but that does not make it any less of a watershed. Equally untenable is the other argument that the alignment shown on Chinese maps is supported by the fact that the area now claimed by the Chinese Government is easily approached from the Chinese side and not from the Indian side. Accessibility is not a criterion for

determining the alignment of boundaries.

16. The Government of India are glad to note the acceptance by the Government of China that the alignment of the boundary as shown on Indian maps between the Punjab, Himachal Pradesh and Uttar Pradesh in India and the Tibet region "conforms to reality". This alignment conforms to the watershed principle and Chinese maps have also shown this alignment for the greater part of its length. The Government of India, however, reject the claim of the Chinese Government to certain areas in this sector—the Spiti area, Shipki pass, Nilang-Jadhang, Barahoti, Sangchamalla and Laphal. The Prime Minister of India in his letter of September 26, 1959 has given sufficient data to show that these territories have always been part of India. The Chinese Government have ignored these precise data and have merely repeated their claim. In the circumstances the Government of India consider it unnecessary to repeat their earlier statements.

17. The Government of China have also accused the Government of India of having occupied Puling-Sumdo, one of the markets for trade in the Ari district of Tibet, specified in the 1954 Agreement. The Government of India repudiate this allegation. They are not, and never have been, in occupation of this place. The Chinese Government are confusing this trade mart with a locality in the Nilang-Jadhang area in India called Pulamsumda. This latter place in India, however, has never been a trade mart. The co-ordinates of Puling-Sumdo, (also known as Poling) are 31° 19' north and 79° 27' east, and these co-ordinates were communicated by Mr. Kaul with his letter of March 26, 1954 to Mr. Chen Chia Kang. The co-ordinates of Pulamsumda are 31° 18' north and 79° 8' east. During the negotiations leading to the 1954 Agreement it was Puling-Sumdo (Poling) which was mentioned since it was a traditional trade mart. It was then made clear to the Chinese delegation that Puling-Sumdo and Poling were different names for the same place. There was no occasion to refer to Pulamsumda (31° 18' north and 79° 8'

east) and no reference was in fact made to it either in the discussions or in the subsequent Agreement. There should, therefore, be no room for misunderstanding.

18. The Chinese Government contend that the Tibetan authorities are in possession of land deeds and census and taxation papers concerning these areas which they are claiming, and give as an example a document of the eighteenth century concerning Barahoti. The Government of India are somewhat surprised to know of this. During the prolonged discussions on Barahoti which took place in New Delhi in 1958 between the Chinese and Indian delegations, the Chinese delegation did not refer to the existence of such documents. It will be recalled that the Indian delegation stated at the time that they had revenue records and other evidence in their favour.

19. The Government of India cannot accept the contention of the Chinese Government that these areas belong to China because their inhabitants are of Tibetan origin. Indeed, such arguments based on ethnic affinities had been rebutted by Premier Chou En-lai himself as early as July 1957. Addressing the Fourth Session of the National People's Congress at Peking on July 9, 1957, Premier Chou En-lai said: "The boundary question has a direct bearing on the interests of the nationalities living in compact communities on the Sino-Burmese borders. Therefore, in tackling this question we must specially take into account the interests of these nationalities. We know that the boundary line between two countries is often found dividing into two parts a nationality living in compact communities on the borders. This is the result of historical development. On the various sections of the defined boundary between China and Burma and on the border between China and other countries we find people of the same nationality living on both sides of the boundary line. So, when we solve the question of the undefined boundary line between China and Burma, we must realise before-hand that it will be hard to avoid separating the nationalities concerned by the boundary line." India is a State in which people of different races and creeds enjoy

common citizenship. There are thousands of Indian citizens of Tibetan origin. The study of the Tibetan language is encouraged by the Government of India. These Indians of Tibetan origin have always been loyal citizens of India.

20. The Government of India cannot accept that the Agreement signed in 1954 between India and China had no bearing on the question of the boundary between the two countries. It is true that during the negotiations neither side asked to discuss the boundary question. The Indian delegation did not raise it because, so far as the Government of India were concerned, the boundary was well-known and beyond dispute, and there could be no question regarding it. Not only was the boundary shown on official Indian maps, but Indian authorities had been exercising administrative control over all areas up to the international border shown on Indian maps. If the Chinese Government were at all serious about their claim to any of these areas, it would be expected that they would at least refer to their claims, if not discuss them. It is true that Premier Chou En-lai at the first meeting said that the relations between China and India were becoming closer every day and that from among the outstanding questions the two sides could settle questions which were ripe for settlement. The Indian Ambassador then pointed out that there were only small questions pending between India and China but he wished to see nothing big or small remaining outstanding between the two countries. Premier Chou En-lai replied that two large countries like India and China with a long common frontier were bound to have some questions, but all questions could be settled smoothly. In the context in which Premier Chou En-lai made this statement, it could hardly be inferred that he had in mind Chinese claims to vast tracts of territory which were shown as parts of India in Indian maps and were under Indian administration. At the meeting of January 8, 1954 the Vice-Foreign Minister of China stated that the negotiations between China and India were to settle, in accordance with the Five Principles, those pending questions that were ripe

for settlement. The Indian side accepted the principles as the basis for discussions. In his speech on April 29, 1954 after the signing of the Agreement, the leader of the Indian Delegation stated, "we have gone through fully questions that existed between our two countries in this (Tibetan) region", thus indicating that in the Indian view no dispute or question was left over. The Indian Delegation throughout took the line that all questions at issue between the two countries were being considered and, once the settlement was concluded, no question remained. In view of this the Chinese statement that Ambassador Raghavan agreed, in what is stated to be an informal talk, that the boundary question would not be discussed, is surprising.

21. In these circumstances the Government of India can only express their surprise at the contention of the Chinese Government that the question of the boundary between the two countries was not touched at all during the discussions leading to the 1954 Agreement. When Article 4, which specified six passes in this area, was being discussed, the Chinese delegation brought forward a draft which stated that the Chinese Government "agrees to open" the passes. In other words, it was claimed that these passes belonged to China. This was contested by the Indian representative Mr. Kaul, who stated that they were Indian passes. It cannot, therefore, be asserted that the question of the ownership of these passes was not raised at all. The text as finally agreed upon was: "Traders and pilgrims of both countries may travel by the following passes and route". This could only be interpreted to mean that the use of these passes does not involve ownership, because they are border passes.

22. The Chinese Government have also contended on *a priori* grounds that the boundary question could not have been discussed in 1954 because at that time "the question which the two countries were most concerned about and which called for urgent solution was the establishment of normal relations between India and the Tibet Region of China on a new basis". But surely normal relations between India and Tibet region of China could not have

been established if the Chinese Government had in mind at that time claims to large areas of Indian territory contiguous to the Tibet Region. The Government of China were then fully aware of the alignment of the Tribal areas of Assam and the North East Frontier Agency, which the Chinese Government now seek to claim as Chinese territory. In the 1954 Agreement the Chinese Government affirmed their respect for the territorial integrity of India. In the circumstances mentioned above they could not have done so if they intended to raise a demand subsequently for large areas of Indian international boundary as shown on official Indian maps. They must also have been aware of the authoritative declaration made in 1950 by the Prime Minister of India on the subject of India's frontiers. Besides, the Government of China were aware that the Constitution of the Republic of India, adopted after lengthy discussions in open sessions of the Constituent Assembly, made specific mention in its Sixth Schedule of the territory. Further, in discussions with the Prime Minister of India in 1954 and 1956-57, the Prime Minister of China did not give any indication whatsoever that his Government had large territorial claims, but, on the contrary, gave the impression that the revision of the maps was essentially a procedural issue, which would be made in due course. The conclusion is obvious that the Chinese Government have changed their position since 1954.

23. The Government of India cannot accept the contention that the area south of the traditional boundary east of Bhutan has always belonged to China and was until recently under Chinese jurisdiction. The territory was under the Varmans, the Salastambha and the Pala dynasties till the 8th century, when they came under the pressure of the Ahoms, a branch of the Shan tribe. Finally, in the 13th century, an Ahom ruler gained control over the whole kingdom and gave the name Ahom, now softened to Assam, to the country. The Ahom rulers held sway in this area for nearly six centuries till they were finally displaced by the British authority in India in 1826. During the last years of Ahom rule control over the tribal peoples in the north weakened, but

authority was re-established by the then Government of India over a period of years. At no time, however, was the sovereignty over these areas lost by the rulers of Assam or acquired by the Tibetans. The tribal areas south of the traditional watershed boundary have always been part of India.

24. In the 19th century the Government of British India asserted their authority over the tribes who acknowledged the right of that Government to maintain law and order in their areas. References to the territory of the British in the agreements concluded by the British Indian Government with the tribes meant merely that such territory was then under the direct administration of the British Government in India, as distinct from the tribal areas where they only exercised loose control. But at no time did these tribesmen cease to be under the central authority of the British Indian rulers.

25. The only evidence that the Chinese Government have brought forward to support their claim to jurisdiction over this area is with reference to Tawang and the Walong area. But Tawang and Walong form only a tiny fraction of the large area now claimed by the Chinese Government, and the evidence brought forward in regard to these two localities has no relevance to the rest of the area. Even with regard to Tawang and Walong the arguments of the Chinese Government are untenable. Tawang was never a part of Tibet. The local administration of Tawang was in the hands of a Raja, who was assisted by *Chhoryens*, or headmen of groups of villagers, and *Kachungs* or village headmen. The only functions which the Lama hierarchy exercised in this area was ecclesiastical. In Tawang there is a large Tibetan monastery, whose Abbot and monks collected religious dues from the local inhabitants, who are Lamaists. Collection of such dues could not and did not confer any territorial sovereignty on the Tibetan authorities in respect of Tawang. This view is also supported by the statement made by the Chinese plenipotentiary at the Simla Conference in 1914. Ivan Chen stated on the 7th March 1914 that "what is paid to the Tibetans is not in the shape of revenue, in

the ordinary sense of the word, but merely contributions to the monasteries. It is rather charity than a tax". And on 13th June 1914 Sun Pao-Chi, the Chinese Minister for Foreign Affairs, informed the British Minister in Peking that "the Tibetans affected to think that they had rights over all places inhabited by Lamaists, but this did not necessarily mean that these places belonged to Tibet".

26. Again, certain Tibetan families owned private estates south of the traditional boundary and collected rents. These rents cannot be regarded as Government taxes. It is possible that these rents were paid even after 1914, for the agreement between the Indian and the Tibetan representatives on the boundary safeguarded the rights of private estates.

27. The Chinese Government have quoted the agreement signed in 1853 between the British Indian authorities and the Monbas, and claimed that the Indian Government by this agreement recognised the Monbas as belonging to Tibet. Had this been so, it would be expected that the British Indian Government would have signed the agreement direct with Tibet. The Tibetan Government were, during these years, negotiating on their own, as is shown by their treaty with Nepal signed in 1956. In fact, the agreement of 1853 concerned one specific instance in which a Tibetan was involved, and the local Rajas appeared to be acting on this particular occasion for the Tibetan Government. Indeed, nine years earlier, in 1844, these Rajas accepted British authority in India by a written agreement. The key sentence of the 1844 Agreement reads as follows: "We also pledge ourselves to act upto any orders we may get from the British authorities."

28. The Walong area in the lower Lohit valley, which the Chinese Government refer to as Lower Tsayul, consists of few villages inhabited by Mishmis and refugee Tibetans. The presence of the latter does not prove that this area belonged to Tibet. These refugees resisted the attempts of the Tibetan authorities to collect taxes.

29. It is incorrect to state that the authoritative maps published in

India and China showed the boundary in this sector according to the alignment now being shown on Chinese maps. As already stated, the *Postal Map of China* published in 1917 showed the boundary in consonance with the Indian alignment as shown in Indian maps. In November 1925 the University of Peking published a map showing the Frontiers of China at a time when China had expanded most, that is in the days of the Ching dynasty before 1911. Even then the frontier east of Bhutan was shown approximately along the present alignment. As for official Indian maps, the Government of India have already drawn the attention of the Chinese Government to the Map of India published by the Survey of India in 1895, which showed the tribal area by a light orange colour wash. From 1938 to 1952 the Survey of India showed this boundary by an undemarcated symbol, because in fact the boundary had not been demarcated on the ground. As, however, the traditional boundary lay along a major watershed, the Government of India decided in 1954 that no demarcation on the ground was necessary. The undemarcated symbol was, therefore, omitted in subsequent maps.

30. The Government of China have mentioned in this connection the Map of India (1945) included in the third English edition of the book *The Discovery of India* by Mr. Nehru. The particular map was a sketch map inserted by the publisher, and the author could not be held responsible for its inaccuracy. Nor should any adverse conclusion be drawn from it, so far as the Government of India are concerned.

31. The Government of India regret that the Chinese Government should persist in questioning the validity of the Agreement reached in 1914 between India and Tibet confirming the traditional boundary east of Bhutan. This was not the first time that Tibet conducted negotiations and concluded treaties, in her own right, with foreign states. On several occasions before 1914 Tibet had conducted negotiations and concluded treaties with other states. For example, Tibet concluded a treaty with Nepal in 1856 and another with Great Britain in 1904. These treaties were never objected

to by China and were fully operative. At the Simla Conference, the Tibetan and Chinese plenipotentiaries met on an equal footing. This position was explicitly and unequivocally accepted by the Chinese Government. The three Plenipotentiaries exchanged copies of their credentials at the first session of the Conference on October 13, 1913. The credentials of the Tibetan representative issued by the Dalai Lama made it clear that Tibet was an equal party at the Conference with the right "to decide all matters that may be beneficial to Tibet", and the Chinese representative accepted the credentials of the Tibetan representative as being in order. The credentials of the British Indian representative, which were also accepted by the Chinese representative, confirmed that all the three representatives were of equal status, and that the Conference was meeting "to regulate the relations between the several Governments".

32. It is not true to say that the Agreement of March 1914 between India and Tibet about the Indo-Tibetan boundary was secret. It was an Agreement between the authorised representatives of the two parties, reached after full discussion, and approved by the Government of Tibet. There was, therefore, nothing clandestine about it. Moreover, the Indo-Tibetan boundary was delineated on the map appended to the Tripartite Convention, which was also signed by the Chinese representative on April 27, 1914. The 1914 boundary Agreement was published in the 1929 edition of Aitchison's *Treaties, Engagements, and Sanads*, the previous edition having been published as early as 1909. The Chinese Government never protested against this Agreement. In fact, long before this Agreement the Government of British India had asserted their authority over these tribal areas, concluded Agreements with the tribes and created two Frontier Tracts comprising the entire territory. These facts were all well-known and neither the Tibetan nor the Chinese Government ever challenged the British Indian authority.

33. The Government of India cannot accept the contention of the Government of China that the Simla Conference only discussed the

boundaries between Tibet and China and between Outer Tibet and Inner Tibet. It is also incorrect to say that the red line on the Convention Map which was signed by the Chinese representative represented only the boundary between Tibet and the rest of China, and that it was never stated that part of this red line was the boundary between China and India. The argument that the McMahon Line sector of the red line on the Convention Map represented the boundary between Tibet and China is fantastic. Article 9 of the Convention, initialled by British Indian, Chinese and Tibetan plenipotentiaries, dealt with the boundaries of Tibet and the map attached to the Convention clearly showed Tibet's boundary with India. It is this boundary line which is known as the McMahon Line. The Postal Map of China published by the Chinese Government in 1917 showed this line as the boundary between India and Tibet, and marked the territory south of the line as India. By no stretch of imagination can it be contended now that any Chinese territory then lay south of the McMahon Line. The contention that the red line represents the boundary between Tibet and China is contradicted by the Chinese Government's own statement that jurisdiction had been exercised in the area south of the line by the Tibetan authorities and not by the Chinese Government.

34. It is strange that the Chinese Government should now seek to rely on the Anglo-Russian Convention of 1907, and argue that the 1914 Agreement was invalid as Britain was precluded by the 1907 Convention from having direct negotiations with Tibet. As China was not a party to the Convention between Britain and Russia, she cannot invoke that Treaty in support of her contention. In fact, throughout the negotiations, the Russian Government were kept fully informed of the progress of the negotiations. A copy of the Agreement including the map was given to the Russian Government who raised no objection to the negotiations and the subsequent Agreement.

35. The Chinese note refers to four protests from 1946-47 by the Chinese Governments. It may be

stated that these protests related to acts of British Indian administration in a small area of the North-East Frontier Agency in 1943. The Government of India then replied that "the only activities in which the Government of India have been engaged in the area in question have been entirely restricted to the Indian side of the boundary between India and Tibet, which has been accepted for over 30 years". The protest of the Kuomintang Government of November 1949 merely stated that China had not signed the Simla Convention. No reply was sent to the protest as soon afterwards, in December 1949, the Government of India recognised the People's Government of China. A few months later, in August 1950, the Government of India mentioned in a note to the Government of China that the recognised frontier between Tibet and India should remain inviolate. The same year the Prime Minister of India declared publicly that India stood by the McMahon Line. There could, therefore, be no doubt about the Government of India's position in regard to the international boundary.

36. The Tibetans never protested against the Indo-Tibetan boundary as agreed upon in 1914. On more than one occasion, they acknowledged its existence and affirmed that they had no wish to dispute its validity. When the McMahon Line was verbally re-affirmed by the British Indian Representative in 1936 and 1938, the Tibetan Government replied that they were fully aware of the terms of the 1914 Agreement. It is the Government of India which protested in 1943 against illegal penetration by the Tibetans into Indian territory. Similar protests were made by the Indian Government whenever the Tibetans sought to take advantage of Indian preoccupations in order to levy illegal dues in Indian territory. When the Government of India protested, the Tibetans withdrew. As for the fantastic Tibetan claims put forward in 1947, Prime Minister Nehru's letter of September 26, 1959 has adequately dealt with them.

37. The Chinese Government are aware of the special treaty relations which the Government of India have with Bhutan and Sikkim. In view of this the Government of India wel-

come the explanations given in the Chinese note relating to the boundaries between Sikkim and Bhutan on the one hand and Tibet on the other. The note states that the boundary between Sikkim and the Tibet region of China has long been formally delimited, and that there is neither any discrepancy on the maps nor any dispute in practice. The Government of India would like to add that this boundary has also been demarcated on the ground. As for Bhutan, its northern boundary is traditional and well-known. Adjoining it on the east is the North-East Frontier Agency of India, whose boundary with Tibet is both traditional and delineated by agreement. It is not, therefore, possible for any Tibetan territory to lie south of the McMahon Line. The Government of India note with satisfaction that the Chinese Government have not repeated their map claims to any part of northern Bhutan. In view of the responsibility of the Government of India for the defence and maintenance of the integrity of Bhutan and Sikkim, the Government of India welcome the assurance of the Government of China that they will not encroach on the territory of Sikkim and Bhutan.

38. The foregoing paragraphs have set out in brief the points of substance regarding the Sino-Indian boundary question. The Government of India can only express their regret that the Chinese Government should have repeated their earlier versions of the incidents at Longju and at Kongka Pass in the Chang Chenmo valley. The true facts regarding these incidents have already been communicated to the Chinese Government in the earlier Indian notes, and the various points raised in these notes still remain unanswered. It is only necessary to point out that if in fact the Chinese personnel entered Longju 5 days after the withdrawal of the Indian personnel, the Indian casualties cannot be explained. Similarly, the detailed account of Shri Karam Singh, which was handed to the Chinese Embassy in Delhi on November 24, 1959 disproves the Chinese Government's version of the incident at Kongka Pass. The Government of India have to state once more that these unfortunate incidents, involving severe casualties

among Indian personnel, would not have occurred, if the Chinese troops had not intruded into Indian territory and taken offensive action against Indian police personnel engaged on routine patrol duty on Indian soil.

39. The Government of India share the sentiments of friendship expressed by the Chinese Government. Even before they attained independence, the people of India demonstrated in ample measure their friendship for the Chinese people. Since the achievement of independence by India this feeling of friendship has found expression in many concrete ways. The surprise and disappointment of the Indian people have therefore been all the greater at the challenge to the historic frontier of India by the Government of China. Recent developments have deeply disturbed the minds of the Indian people and created a feeling of uneasiness over the long frontier which for centuries had remained tranquil. In the interest of the two countries and of peace of the world, active steps must therefore be taken to remove the causes of the present tension and to establish a firm foundation of friendship between the two countries.

40. An essential first step is for the two Governments to agree on an arrangement without delay, which would completely eliminate the risk of border clashes and facilitate a friendly settlement of the disputes. In their latest note, the Chinese Government have repeated their earlier proposal that the armed forces of the two Governments should withdraw twenty kilometres or some other agreed distance from the border, and that the armed personnel of both sides should stop patrolling along the entire border. These suggestions have been discussed in detail in the Prime Minister of India's letter of November 16, 1959 to Premier Chou En-lai. The constructive proposals made by the Prime Minister of India in that letter are intended to secure the objective which both the Governments have in view. The Government of India would still hope that the Government of China would accept these proposals.

41. The Chinese Government have asked the Government of India to accept the position, as a preliminary

to discussions, that "the entire boundary between the two countries has never been delimited and is therefore yet to be settled through negotiations". It is clearly impossible for the Government of India to accept this proposition which they consider unreasonable and against the facts of history, geography, custom, tradition and international agreements. The facts enumerated in the preceding paragraphs entirely disprove the Chinese Government's contention. The Government of India are anxious for a friendly settlement but they cannot possibly accept suggestions which gravely prejudice their basic position.

42. In his letter of November 16, 1959 to Premier Chou En-lai, the Prime Minister of India expressed his readiness to meet the premier at a suitable time and place, but suggested that the immediate efforts of the two Governments should be concentrated on reaching an interim understanding, which would help in easing the present tension and prevent the situation worsening. Although no further border incidents

have taken place in recent weeks, the urgent need for an interim understanding is paramount. The basic causes of tension and resentment remain. The Government of India are yet unable to understand why during the last year or so the long border which had remained tranquil through the centuries should have become a source of tension and anxiety. If there are any deeper reasons for this, they are unaware of them. Apart, therefore, from the boundary question, it is important, in the interest of both China and India and of world peace in general, that the two Governments should leave nothing undone, which could remove misunderstanding and restore the traditional friendship and cordiality between the two countries on a firm basis.

The Embassy takes this opportunity of renewing to the Ministry of Foreign Affairs of the Peoples' Republic of China the assurance of its highest consideration.

Dated, Peking, the 12th February, 1960.

Planning & Finance

MEETING OF CUSTOMS AND CENTRAL EXCISE ADVISORY COUNCIL

A two-day meeting of the Customs and Central Excise Advisory Council was held in New Delhi on February 6 and 7. The Chairman of the Council, Dr. B. Gopala Reddi, Minister for Revenue and Civil Expenditure, presided.

In his presidential address Dr. B. Gopala Reddi said that Government had already initiated action on the decisions taken at the first meeting of the Customs and Central Excise Advisory Council in September last and that a great majority of the points raised had been finalised. He referred to the report of the Customs Re-organisation Committee published since the last meeting of the Council and said

that decisions had been taken on 318 out of 320 of its recommendations. Many of the decisions had already been given effect to and implementation of the others was under way. Government were keen that the accepted recommendations should be implemented as soon as possible.

AGENDA

The Council considered an agenda of 71 items. About 30 items related to Customs administration. Action had already been taken in regard to about 15 other items, not included in the agenda. These related to prompt publication of the Indian Customs Tariff Guide and the Sea Customs Manual, the proposed strengthening of the

Public Relations and Information Services in the Custom Houses, the proposal to accept continuing bonds or guarantees where at present separate ones were being taken for individual Customs transactions, and the decision to recruit eight expert Appraisers for assessing imports of machinery. On the Central Excise side, most of the 40 items were of a procedural character. The Member, Central Excise, explained broad principles underlying the procedures involved and the relevant orders on the subject. In several cases, suggestions made by members were accepted.

This was the second meeting of the Council which was constituted last year. It consists of 11 members apart from officials of the Central Board of Revenue.

Payment Of Interest On Government Loans

A Press Note issued on February 12 by the Reserve Bank of India, New Delhi, says: Government Promissory Notes of the following Loans enfaced for payment of interest at Delhi and New Delhi, interest on which falls due for payment during March 1960, will now be accepted by the Public Debt Office, Reserve Bank of India, New Delhi, for payment of interest to facilitate delivery of securities and interest warrants on the due dates.

Central Government Loans: 3% Conversion Loan 1946; 4% Loan 1960-70; 2½% Loan 1976; 3% Loan 1966-68.

State Government Loans: 3% Loans 1960; 2½% Loans 1961; 3½% Loans 1962; 4% Loans 1967; 4% Loan 1968; 4½% Loan 1969.

Holders of the above loans are advised to lodge their securities well in advance of the due dates. In view of the heavy work involved, the period for delivering securities tendered for payment of interest will be extended to six clear working days.

ISSUE OF BONUS SHARES

Replying to a question on February 11, the Finance Minister,

Shri Morarji Desai told the Lok Sabha that the total amounts of consents given to the issue of bonus share and of the shares issued in terms of those consents were Rs. 308 lakhs and Rs. 35.84 lakhs respectively in 1959. For the previous two years, the figures were Rs. 1,025.62 lakhs (consents) and Rs. 881.71 lakhs (shares issued) in 1958, and Rs. 1,551.93 lakhs (consents) and Rs. 1,011.05 lakhs (shares issued) in 1957.

EXCHANGE CONTROL VIOLATION CASES

It was announced on February 4 that during the months of November and December 1959 and January 1960, the Enforcement Directorate in the Union Ministry of Finance adjudicated 40 cases of contraventions under the Foreign Exchange Regulation Act. An aggregate penalty of Rs. 70,941 was imposed on various parties, and Rs. 616.85 in Travellers Cheques confiscated and credited to the Central Government.

Commerce & Industry

REPORT OF JAPANESE TEAM ON SMALL SCALE INDUSTRIES

An announcement of February 3 says that the Japanese Team of Experts, which visited India last year for a study of small scale industrial enterprises, has submitted its report to the Government of India. The Five-man Delegation was led by Mr. Teruhiko Iwatake.

The Delegation has recommended systematic mechanisation and modernisation of small scale industries and expansion of technical, financial and other facilities. It has expressed the view that Government's policy for development of small scale industries should be one of 'guidance and encouragement' rather than one of 'protection and fostering'. It has observed that the Government of India's policy in regard to the development of small scale industries has been worked out with thoroughness and that the steps taken by them compared favourably with those taken by the Japanese Government. The impact of the measures taken, however, has yet to make itself felt.

FINANCIAL ASSISTANCE

In regard to financial assistance, the Delegation observes that, despite the various steps

taken by the Government of India, a cautious and conservative policy is still being followed by Government financial agencies and private banks. To overcome the handicaps experienced by small scale units, the following steps, among others, are suggested:

- (a) adoption of a Credit Guarantee System whereby a Credit Guarantee Fund, under each State Financial Corporation, should be created for guaranteeing the obligations of small scale units to Financing Institutions;
- (b) creation of a Credit Insurance system whereby a Credit Insurance Fund mainly contributed by the Central Government, should be established in the Reserve Bank of India; under this scheme, the sole insurer of the Credit be the Credit Guarantee Fund and the scheme would become applicable only when the Credit Guarantee Fund, after repaying the money on behalf of the borrower, cannot collect it from him;

- (c) the establishment of a State Co-operative Bank or Apex Co-operative Bank in each State for providing finance to small scale industrial co-operatives;

- (d) routing of Government loans through State Financial Corporations; and

- (e) utilisation of the branch offices of the State Bank of India as agencies of the State Financial Corporations.

INDUSTRIAL ESTATES

The Delegation has praised the Industrial Estates scheme as unique in India and observed that the Estates have an important role to play not only in the promotion of specialised industries, but also in the decentralisation of industries and encouragement of local ones. The scheme should be expanded, step by step, in various parts of the country, giving due consideration to establishment of the Estates by co-operatives, provision of diesel power in areas where electrical power is not available, avoidance of mixing up of industrial units of various trades in one Industrial Estate, progressive increase in the rents charged from the tenants and the sale of the sheds on an easy-installment system.

The strengthening of the National Small Industries Corporation, both in personnel and organisation, has been recommended. The establishment of a 'State Small Industries Corporation' in each State to deal with the hire purchase of indigenous machinery, purchase of stores by State Government Departments and running of raw material depots for the benefit of small scale units, the simplification and liberalisation of the hire purchase procedure and increase in the number of items purchased by Government Department have been suggested.

TECHNICAL ASSISTANCE

The Delegation has recommended that the Small Industries Service Institutes and Ex-

tension Centres should be further strengthened and better equipped in order to enable them to play a more useful role. Special attention should be given by these Institutes to research and testing facilities. More such Institutes should be set up.

Emphasis should be given on vocational training in technical know-how. Apprentice workers should be attached to Public Sector factories where they can acquire advanced technical knowledge. Foreign technicians may be invited to serve in India in suitable cases and Indian technicians trained abroad.

The establishment of a Technical Committee in each State to carry out surveys and study the possibilities of development and utilisation of local natural resources, and the creation of a professional Technical Committee in each Small Industries Service Institute to deal with professional technical problems continuously have also been suggested.

Regarding the promotion of ancillary industries, the Japanese experts have suggested the establishment of a nation-wide industrial standard for common parts, accessories and raw materials, insistence on new Public Sector units on purchasing their requirements of parts and accessories from small-scale units, provision of positive technical guidance to these ancillary units by State Governments and the Small Industries Service Institutes, enlistment of the co-operation of existing large-scale units in public and private sectors for setting up efficient ancillary units and preferential consideration to ancillary units in allotment of factory accommodation in the Industrial Estates.

ORGANISATIONAL ASSISTANCE

The report points out that there is a need for strengthening Industrial Co-operatives and for the organisation of new co-operatives consisting of proprietors of small firms. These co-operatives should take up joint activities like common purchase of raw materials, common sale,

storage, transportation and quality test of finished products. The smallest unit of a co-operative may be in an area smaller than a district and an apex society or a federation of such units should be set up in each State. Trade Associations should be organised for each industry in a State, which would have among its principal functions matters of common interest like research on products, collection and dissemination of technical information, guidance in business administration, public relations activities and liaison with Government.

For promoting export of small industries' products, small units should first concentrate on the home market and should export their products to foreign countries only after perfecting their quality and ensuring about the competitive price. Handlooms and handicrafts offer scope for export. Expansion and intensification of public relations and marketing activities in overseas countries on the lines followed by the Japan Export Trade Recovery Organisation are suggested.

The need for full statistics relating to all industries and for the maintenance of quality standards of the products has been emphasised and suggestions made in the report.

Small Industries Exempted From Licence

In a Press Note issued on February 4, the Ministry of Commerce and Industry says, the Government of India have decided that industrial undertakings, which employ less than 100 persons and whose fixed assets will be less than Rs. 10 lakhs in value, can proceed without applying for a licence under the Industries (Development and Regulation) Act. This has been done in order to encourage the development of small and medium scale industries and to reduce the formalities with which they have to comply. This will apply to new units as well as schemes of expansion of existing units.

If the undertakings concerned want to import, either plant and machinery or raw materials, they should, unless they are small scale industries, apply to the Development Wing of the Ministry of Commerce and Industry of the Government of India. Small scale industries will continue to approach the State Director of Industries or the Development Commissioner, Small Scale Industries as in the past.

FREE LICENSING

The Licensing Committee set up under the Industries (Development and Regulation) Act has further decided to place a number of industries on the list for fresh licensing. The most important industries on this list are Industrial Machinery and Machine Tools. The intention is to give the maximum possible encouragement to the development of machinery industries in the country. The effect of this decision is that the production of industrial machinery in general including components and parts thereof can be undertaken from existing installed plant and equipment as well as indigenous machinery without any sanction at all. Where the import of plant is required, an application for that purpose will have to be made and all the particulars which are required for an Industries Act licence should be sent with the application. In either event, when production is established, the fact should be reported so that the capacity which has come into being is taken due note of.

Industrial Progress in First Half Of 1959

According to a review of industrial progress in India announced on February 12 during the first half of 1959, 35 new projects in public and private sectors went into production. The important public sector projects were the Rourkela and Bhilai steel works. In the Private Sector, the new projects related to the manufacture of aluminium

ingots, dye-stuffs, cement, tea, machinery and bicycle chains.

During the period, 31 units completed their expansion programme. The more important among these related to those producing cement, polythylene and paper and paper board. New lines of manufacturing activity were undertaken by 17 existing units. Some of the new articles, produced for the first time in the country, were rock drills, alkyl resins and phenolic resins.

In all, 447 licences were issued under the Industries Development and Regulation Act during January-June 1959, as against 365 during the latter half of 1958 and 273 during the first half of 1958. Of these, 88 related to establishment of new units, 121 for expansion of existing units and 86 for manufacture of new articles.

GENERAL RISE IN PRODUCTION

An industrywise break-up of the licences issued shows that mechanical and general engineering industries accounted for 68 licences, iron and steel manufactures for 54, electrical industries for 44, chemicals and fertilisers for 41, artificial silk for 37, industrial machinery for 34, drugs and pharmaceuticals for 27, textiles for 27, automobiles for 19, vegetable oils for 10 and miscellaneous industries 86.

Production continued to rise in a number of public sector projects like the Hindusthan Insecticides, National Instruments Factory, Praga Tools Corporation, Hindusthan Anti-biotics, Hindusthan Machine Tools and Hindusthan Cables. In the case of Nahan Foundry and Sindri Fertilisers, however, there was a slight fall in production.

In the private sector, too, industrial production showed an upward trend, particularly in the case of coal, steel, cement, non-ferrous metals, machinery, vehicles, chemicals, etc. There was some decline in cotton textiles, machine screws, power transformers, grinding wheels, room air-conditioners, matches,

and a nominal fall in jute manufactures.

The National Small Industries Corporation secured for small-scale industrial units 460 contracts for supply of stores to the Union Government, as against 856 contracts during the preceding half year. The Corporation also supplied 637 machines valued at Rs. 55 lakhs under the Hire-Purchase scheme. Applications for the supply of 1192 machines valued at Rs. 1.29 crores were accepted.

Annual Meeting Of Local Productivity Councils

The annual meeting of the Local Productivity Councils was held in New Delhi on February 11 under the auspices of the National Productivity Council. Dr. P.S. Lokanathan, Chairman of the Governing Council of the N.P.C., presided.

Inaugurating the meeting, Shri Manubhai Shah, Minister for Industry, said that the essential purpose of the productivity movement was to drive home how, by application of modern management and industrial engineering methods, better use could be made of the resources available to industry without the need for additional large-scale capital investment or generally scarce foreign exchange. He added that to make the productivity drive succeed, co-operation between the various factors of production labour, technicians and managers was essential, as these alone could provide the necessary climate for increasing productivity and economic working of industries.

Referring to the expansion programme, Shri Shah disclosed that establishment of over 100 more Local Productivity Councils in different parts of the country in the next two years was contemplated. There were 34 LPCs now operating.

The Minister also stressed the importance of in-country productivity teams and said that experience in mutual technical exchange would greatly benefit the industries.

National Productivity Council

The idea of a National Productivity Council was first conceived following the visit of an Indian Productivity Delegation to Japan in October-November, 1956. The Union Ministry of Commerce and Industry convened a meeting of experts drawn from employer and labour organisations, management associations, technical institutions and representatives of the U.S. Technical Co-operation Mission and the I.L.O. in India in November 1957. On the recommendations of this meeting the National Productivity Council was registered on February 12, 1958 as a society under the Societies Registration Act, 1860.

The Council has established five Regional Productivity Directorates in the country manned by specialists for organising productivity training and providing services to industrial units. It has already set up 34 local councils at various industrial centres in the country.

Steps have been taken to secure 12 foreign technicians and specialists under the T.C.M. aid. Indian technicians and experts will be associated with them. The I.L.O. is furnishing productivity experts for assistance in the training programme.

An extensive programme of training to suit all the different levels of management down to supervisors and foremen has been prepared. Technical exchange is being promoted and research in subjects of productivity as well as in specific subjects of individual industries is going on.

Manufacture Of Medical Instruments

Replying to a question on February 12 the Minister of Industry, Shri Manubhai Shah, told the Lok Sabha that new units were being encouraged to take up the manufacture of medical, surgical and dental instruments within the country. Four schemes had recently been ap-

proved for the manufacture of X-Ray and electromedical equipment. A scheme of the Government Precision Instruments Factory, Lucknow, for the manufacture of blood pressure gauges had also been approved. Last year three schemes had been approved for manufacture of clinical thermometers. A proposal to manufacture surgical instruments in the public sector with Russian collaboration was under consideration.

Shri Shah also stated that assistance was given to existing manufacturers of these instruments for importing the necessary materials and components. To encourage the manufacture of surgical instruments of superior quality in the small-scale sector, a Central Workshop had been established in Bombay under the Small Industries Service Institute.

The value of imports of these instruments during 1959 (January — November) amounted to Rs. 1.17 crores.

PORCELAIN INSULATORS

According to an announcement of February 6, the Central Glass and Ceramic Research Institute, Calcutta, has developed a process for the manufacture of porcelain insulators from indigenous materials for spark plugs which form an integral part of the automobile engine.

At present the ceramic insulators used in spark plugs are imported from abroad.

ANTIBIOTICS PLANT AT CHANDIGARH

Replying to a question on February 10 the Minister of Industries, Shri Manubhai Shah, said in the Rajya Sabha that a proposal by an American firm for setting up an antibiotics plant at Chandigarh to manufacture tetracyclines had been approved by Government. A licence had been granted to the party.

MANUFACTURE OF LOOMS

In a written reply to a question in the Rajya Sabha on February 15, Shri Manubhai Shah,

Minister of Industry, said, two existing units engaged in the manufacture of textile machinery had been licensed for the manufacture of automatic looms.

A sizeable saving of foreign exchange was expected to result on implementation of these schemes.

AGREEMENTS FOR HEAVY MACHINE BUILDING PLANTS

Agreements were signed in New Delhi on February 1 between Messrs. Prommasheexport of Moscow and the Heavy Engineering Corporation of India for the detailed working drawings for the Heavy Machine Building and the Coal Mining Machinery Projects. These projects have been undertaken for development with the assistance of 500-million rouble credit given by the U.S.S.R. and are expected to go into production by 1963.

PRODUCTION OF OPIUM

In reply to a question on February 11, the Finance Minister, Shri Morarji Desai, informed the Lok Sabha that the total production of opium in India in 1959 was 20,392 maunds (produce at 70°C), as compared with 17,572 maunds in 1958, 12,950 maunds in 1957 and 9,279 maunds in 1956.

Total prohibition of opium had not affected the production. Opium was now being produced in India mainly for export to foreign countries for manufacture of alkaloids for medicinal and scientific purposes, under strict government control, and the demand for such opium had increased considerably during the past few years.

CEMENT PRODUCTION

The Minister of Industry, Shri Manubhai Shah, told the Lok Sabha on February 9 that the total installed capacity of cement industry was likely to go up to ten million tons and total annual production to about nine million tons in 1960-61.

Shri Shah added that the production of cement during 1959 amounted to 6.82 million tons.

TANNING INDUSTRY

With a cattle population of about 20 crores, which is nearly three times that of USA, India produces about two crores of cattle hides per year. In addition there are about 7.5 crores of goats and 4 crores of sheep, producing about 3.5 crores of goat skins and 1.7 crores of sheep skins per year. Although most of the goat skin is exported in raw form, Indian tanning industry is making use of all the raw hides available in the country and also some quantities available through imports.

Tanning industry is organised mainly on a small scale basis, although there are a few big tanneries in Madras, Kanpur, Calcutta and Bombay. There are about 725 tanneries in the country, of which only 74 employ more than 50 workers.

Efforts are being made to group individual tanners in a particular locality, provide them improved facilities and form them into co-operative societies. Experiments have also been conducted to replace bag tanning by modern methods and to propagate the new processes

through a chain of village tanning centres.

For the development of indigenous tanning industry, the Union Government decided from June 15, 1959, to regulate export of raw goat skins on quota basis through established shippers.

There is a dearth in India of catechol type of tanning materials, especially wattle. India is importing about 15,000 tons of wattle extract and bark per year. A detailed programme for plantation has been chalked out. By the end of the Second Plan, the total area under wattle cultivation is proposed to be 27,000 acres.

As for facilities for training, in addition to the regional tanning institutes which are functioning at Madras, Bombay, Calcutta and Jullundur, a Central Leather Research Institute was established in Madras in January 1953. It provides facilities for both training and research. The Leather Training School at Kanpur has been turned into a full-fledged Government Leather Institute which now offers facilities for higher technical training.

Production At Bhilai

An announcement dated February 9 says that the Bhilai Steel Works produced 21,262 tons of steel ingots during January 1960, compared to 15,306 tons in December 1959.

The steel production since the first open hearth furnace went into commission on October 12, 1959, now totals more than 50,000 tons. About 5,500 tons of rolled steel in the form of slabs and billets had been despatched to consumers in India upto the end of January.

The pig iron production in Bhilai during the month totalled 43,388 tons compared to 34,975 tons in December 1959. The total pig iron production since the first blast furnace went into production on February 4, 1959, amounts to about 380,000 tons.

Indian Information

Steel In Third Plan

Inaugurating the thirteenth Annual General meeting of the Engineering Association of India, Bombay Region, in Bombay on February 5, Sardar Swaran Singh, Minister for Steel, Mines and Fuel, said that the Government were thinking in terms of an expansion of steel capacity by about four million ingot tons during the third five year plan. He however added that the target for the third five year plan was a matter which had to be related to the resources we had and the priorities we set within those resources.

Third Plan Target For Paper Industry

Inaugurating the first meeting of the Development Council for

Paper, Pulp and Allied Industries in New Delhi on February 1, the Minister of Industry, Shri Manubhai Shah, said that a target of nine lakh tons capacity and seven lakh tons production for the paper industry had been envisaged for the Third Plan period.

Referring to the Second Plan target of capacity fixed at 4.5 lakh tons, the Minister said that it had already been achieved. Schemes already in operation and those covered by import licences for plant and machinery added to a total capacity of 5.3 lakh tons and with the licensing of more units, the total capacity of the industry would be 6.88 lakh tons.

The Second Plan production target of 3.5 lakh tons, Shri Shah said, would also be fully reached despite the foreign exchange difficulties. Production of paper had reached 2.92 lakh tons in 1959, three times the production ten years ago. In terms of value, production of paper and paper products which was valued at Rs. 13.5 crores in 1956 had risen to Rs. 20 crores last year. This would rise to Rs. 48 crores by the end of the Third Plan period.

NEWSPRINT AND MACHINERY

The Minister of Industry referred to the steady increase in the production of newsprint in the NEPA mills of Madhya Pradesh and said that a proposal to increase the capacity of NEPA two-fold i.e. 200 tons per day was being approved. Three or four other proposals for setting up newsprint mills of 100 tons per day were also being examined by the Government.

He also said that the country was expected to be self-sufficient in rayon grade pulp by 1963.

Shri Shah stressed the urgent need for manufacturing paper machinery within the country, and said that recently Government had approved 6 schemes for manufacture of large scale paper-plant of 50 to 100 tons per day capacity, 4 schemes for small scale paper plants of 5 to 10 tons capacity, and 2 schemes for manufacture of ancillaries.

Efforts were being made to form groups of manufacturers of paper machinery to ensure the supply every year of two complete large scale plants from each group, one plant for speciality paper and nearly a dozen plants for small scale units.

Shri Shah referred to the importance of using alternative raw materials other than bamboo. Among the alternative raw materials, bagasse occupied a unique position. If the entire bagasse from organised sugar factories could be made use of, 1.7 million tons of paper could be produced annually from this source alone.

MORE RUSSIAN AID FOR INDUSTRIES

The Prime Ministers of India and the U.S.S.R. were present at the signing of the agreement in New Delhi on February 12 between the two Governments covering the new credit of 1500 million roubles which was recently offered by the U.S.S.R. and accepted by the Government of India.

The agreement sets out the list of projects and the details of the technical collaboration covering these projects.

The two Governments have agreed that the new credit shall be utilised for the expansion of the following enterprises: (1) Expansion of the Bhilai Steel Works and its ancillary facilities, so as to increase its capacity to 2.5 million tons of steel per year; (2) Expansion of the Heavy Machinery Plant at Ranchi to its design capacity of 80,000 tons; (3) Expansion and diversification of Mining machinery plant; (4) Completion of the oil refinery at Barauni (Bihar); (5) Manufacture of heavy electrical equipment; (6) Manufacture of precision instruments; (7) Exploration, development and production of oil and gas by the Oil and Natural Gas Commission in Cambay and in other areas; (8) Expansion of the capacity of the Neyveli Power Plant (Madras) from 250,000

kw. to 400,000 kw.; (9) Expansion of the Korba Thermal Power Station (Madhya Pradesh) by the addition of 200,000 kw. installed capacity; (10) A new thermal power station at Singrauli (Uttar Pradesh) with a capacity of 250,000 kw.

SOVIET ASSISTANCE

The scope and volume of technical assistance rendered by the Government of U.S.S.R. have been as follows:

In February 1955, an agreement was concluded for the establishment of an integrated iron and steel works at Bhilai (Madhya Pradesh). The plant is now in production.

In 1955-56 a team of Soviet experts drew up a scheme for oil exploration in India. With equipment and technical personnel obtained from the U.S.S.R. as well as from Rumania, the O.N.G.C. has been exploring for oil during the Second Plan.

In November 1957 another agreement was concluded between the two Governments by which a credit of 500 million roubles (equivalent to Rs. 60 crores in foreign exchange) became available. The projects taken up against that credit include a Heavy Machinery Building Plant (at Ranchi), a Coal Mining Machinery Plant (at Durgapur), a Thermal Power Station (at Neyveli) based on lignite, and development of the Korba Coalfields.

To discuss the possibilities of further collaboration in connection with the Third Five Year Plan, an Indian delegation led by Sardar Swaran Singh, Minister for Steel, Mines and Fuel, visited the Soviet Union in May 1959. The same month, a new agreement was concluded for the manufacture of drugs in India, and, in September, another agreement for the establishment of a major oil refinery at Barauni; also in September, an agreement was concluded at Moscow by which the Government of the U.S.S.R. made available a further credit of 1500 million roubles (Rs. 180 crores) for schemes to be taken up in the Third Five Year Plan.

HANDLOOM INDUSTRY

Production of handloom cloth in the country has increased by more than 25 per cent since the beginning of the Second Plan. Production in 1959 is estimated to have been nearly 1,900 million yards, as against less than 1,500 million yards in 1955.

Handlooms registered in the country number about 2.8 million (up to July 1959). The number of handlooms in the co-operative fold has increased from less than 9 lakhs in April 1955 to about 12 lakhs in April 1959, a rise of 35 per cent. There are 10,000 Weavers' Co-operative Societies.

Over 1600 sales depots have been set up all over the country to help market the handloom products. Besides, 9 calendering and finishing plants, 423 dye houses and 41 pattern-making factories have been established.

For the construction of housing colonies for handloom weavers, 38 schemes have been sanctioned in the States. Over 1,000 houses have already been constructed and as many are under construction.

During the first eight months of 1959, handloom fabrics worth Rs. 3.5 crores were exported, as against exports valued at Rs. 3.1 crores during the corresponding period of 1958.

Handloom Week Observed

The seventh All-India Handloom Week concluded on February 7. The main features of the week-long celebrations, which commenced on January 31, were public meetings, exhibitions, special sales drives and demonstration of the use of improved techniques, competitions among handloom weavers, etc. Silk day was observed on February 3.

The object of the celebrations is to focus public attention on the important role of handloom industry in the country's economy.

The Government of India had sanctioned an additional special

rebate on retail sales of handloom cloth all over the country except in Kerala where it will be given during the week February 21 to 28, when the Handloom Week will be celebrated. In Madras State, the special rebate had already been extended for a week from January 10 to 17.

CONCESSION TO POWER LOOMS TO CONTINUE

A Press Note issued by the Ministry of Finance on February 10 says that the Government of India have decided to continue beyond February 1960 the existing concession to cotton powerloom units in the payment of excise duty.

With effect from April 1958, cotton powerloom units employing more than 100 but not more than 300 looms were allowed to pay excise duty at compounded rates, as a temporary measure, upto February, 1960, so as to enable them to adjust their economy. Representations had since been received from the industry for continuation of the concession.

MONAZITE SAND IN ORISSA

During the question hour in the Lok Sabha on February 9, the Prime Minister stated that monazite sand had been found in the coastal districts of Orissa. Investigations were still in progress. The monazite would be utilised for extraction of rare earths, thorium and uranium.

BASIC REFRACTORIES

According to an announcement of February 1, the National Metallurgical Laboratory, Jamshedpur, has developed a new process for the manufacture of chemically-bonded basic refractories which find extensive uses in the iron and steel industry as a substitute for prefired basic refractories.

Release Of Sugar For Sale

A Press Note issued on February 4 by the Directorate of Sugar and Vanaspati, Ministry of Food and Agriculture, New Delhi,

says that the Government of India have decided to release 1.75 lakh tons of sugar. There will be no release for free sale from the factories in Uttar Pradesh, North Bihar and Punjab except a small quantity which will be released to each factory for sale to its employees.

Allotments of sugar to Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Orissa, Madras, Kerala, Bombay State, Himachal Pradesh, Assam, Manipur and Tripura, from factories in the controlled region, will be made only to the nominees of the State Governments. In case of Punjab and Jammu and Kashmir, allotments will be made direct to the State Governments or to their nominees. Allotments to Delhi will continue to be made on the existing basis.

Allotment will be made at prices fixed under Notification No. GSR 1188/Ess. Com/Sugar dated October 25, 1959. The controlled ex-factory price for U.P. and North Bihar factories is Rs. 37.85 per maund and for factories in Punjab Rs. 38.35 per maund for ISS D-29 grade with the prescribed price differentials for other grades. The fixed f.o.r. destination prices in respect of allotments made to Kanpur and Calcutta will be Rs. 38.60 and Rs. 39.85 per maund respectively for sugar of ISS D-29 grade.

MEETING OF IMPORT ADVISORY COUNCIL

A meeting of the Import Advisory Council was held in New Delhi on February 13. Inaugurating the meeting Shri Lal Bahadur Shastri, Minister of Commerce and Industry said that the balanced import policy of the Government had led to a significant increase in production. Industrial production in 1959 had shown an increase of 6.4 per cent over the previous year.

Shri Shastri observed that because of increased exports and greater utilisation of foreign loans, India's sterling balances towards the end of last month were Rs. 207 crores — Rs. 16 crores more than last year's.

This was despite the purchases of gold worth Rs. 18 crores last year as part payment of India's increased subscription to the International Monetary Fund.

Stressing the need for increased foreign exchange earnings, the Minister said that though there might be a general feeling that the foreign exchange was not a source of serious anxiety at present, the position nevertheless continued to be difficult. This was mainly due to the fact that the demands of development were heavy and would become still heavier.

The Minister expressed concern over the fact that several items imported from abroad had been selling at a very high margin. It was being admitted on all hands that our trade had not played its part. He warned that if importers continued to indulge in profiteering in some of the imported items that were in short supply, Government would be compelled to import them through any other agency that might be set up for the purpose.

RISE IN IMPORTS EXPECTED

The Minister also referred to the various improvements effected to simplify procedure for the issue of import licences and said the Government were considering some measures to safeguard against abuses. One of the measures under contemplation was the setting up of a Vigilance Organisation.

Indicating the future import policy, Shri Shastri said that in addition to the setting up of new industries whether big or small, the steady supply of raw materials to the existing industries had been ensured in order to increase production. For these reasons it seems that in the coming years there might not be any reduction in the import figures taken as a whole, while on the other hand there might be an increase. The important point to be kept in mind was the category of goods imported. They should be machinery and raw materials, while various kinds of end products and consumer goods must be curtailed as far as possible.

Reviewing the position of imports the Minister stated that during 1958, total imports amounted to Rs. 864 crores while in 1959 they were estimated at Rs. 869 crores. The slightly higher level of imports during 1959 was due to a higher level of imports of raw cotton, chemicals and road motor vehicles. The gap between exports and imports stood at Rs. 296 crores during the calendar year 1958 and it was estimated at Rs. 243 crores in 1959. An analysis of import trade during the two years showed that the percentage of imports devoted to the importation of capital goods had gone down from 18.2 in 1958 to 14.5 during 1959. On the other hand, the percentage of industrial goods had risen from 55.1 to 61.8. This was a trend which might in fact be regarded as the index of the country's industrial development.

Export Promotion Council Meets

The second meeting of the Export Promotion Advisory Council was held in New Delhi on February 14. Inaugurating the meeting, the Union Minister for Commerce and Industry, Shri Lal Bahadur Shastri, said that with the recent improvements in international trade it was likely that Indian exports would exceed the target figure of Rs. 3,000 crores by the end of the Second Plan period. The total exports last year totalled Rs. 626 crores, which was the highest ever except for the exception year of the Korean War boom.

Emphasising the need to export more in order to pay for the increased imports which might touch even Rs. 1,000 crores per annum in the years to come, the Minister said that India should aim at earning at least Rs. 50 crores more than last year. If the rate of progress was maintained, India might earn Rs. 700 crores from exports in 1961.

Honorary Export Trade Advisors At Ports

An announcement dated February 5 says that the Govern-

ment of India have appointed four prominent businessmen as Honorary Export Trade Advisors at the ports of Bombay, Calcutta and Madras. Sarvashri R.G. Saraiya and B.T. Singh Roy will be the honorary advisors at the Bombay and Calcutta ports respectively, while Messrs. Philip Hadfield and Noel Todd will be the honorary advisors at the Madras port.

The advisors, who have assumed charge of their posts, will keep in close touch with senior officers of the Ministries of Commerce and Industry and Finance on the one hand, and the trade on the other. They will preside over the deliberations of the port export promotion advisory committees and, whenever necessary, will hold meetings with traders and officials of the Central Government to resolve on-the-spot the difficulties experienced by traders.

IMPORT OF STUDIO EQUIPMENT

An announcement of February 2 says that, according to an Import Trade Control Public Notice, the Government of India have decided to permit import of permissible types of studio equipments up to 25 per cent of the face value of licences granted for import of 'cinematograph films, not exposed' under the Export Promotion Scheme.

Foreign Trade in December

In a Press Note issued on February 7, the Department of Commercial Intelligence and Statistics, Calcutta, announced, the provisional figures of foreign trade of India by all routes, on private and Government accounts during December 1959, as follows:

Merchandise, excluding overland trade with Nepal, Tibet, Sikkim and Bhutan: Exports Rs. 70.39 crores, re-exports Rs. 55 lakhs, imports Rs. 69.72 crores. The import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment and of pri-

vate merchandise under reference to Customs for verification.

Treasure: Exports (including re-exports) of currency notes Rs. 1.83 crores, gold nil and current coins (excluding gold coins) Rs. 2 lakhs. Imports of currency notes Rs. 49 lakhs, gold Rs. 4 lakhs, current coins (excluding gold coins) negligible.

Balance of Trade: Subject to the limitation in import figures mentioned above, the total value of exports (including re-exports) of merchandise and gold exceeded imports by Rs. 1.18 crores.

Commodity Prices In December 1959

A Press Note issued on February 3 by the Economic Adviser to the Government of India, New Delhi, says that, during December 1959, wholesale prices as measured by the official index (with the year ended March 1958 as 100) declined by 0.4 per cent to 117.8 as compared with 118.3 for November 1959. The index was, however, higher by 5.7 per cent when compared with 111.4 for December 1958. During the month under review, 'Food Articles' receded by 2.6 per cent to 118.2 as compared with 121.4 (revised) for the previous month and Tobacco by 1.1 per cent to 102.3 while Fuel, Power, Light and Lubricants moved up by 0.2 per cent to 116.8 as compared with 116.6 (revised) for the previous month. Industrial Raw Materials by 3.8 per cent to 127.2 and Manufactures by 1.3 per cent to 113.2 as compared with 111.7 (revised) for the earlier month.

FOOD ARTICLES

The index for Cereals came down by 5.1 per cent to 100.8 as a result of a fall in the prices of all the cereals (viz., rice, wheat, jowar, bajra, barley, maize and ragi). The index for cereals was lower by 4 per cent when compared with the corresponding month of the previous year. A decline in the prices of gram, arhar, mung, masur and urad brought down the index for Pulses by 2.5 per cent to 91.8. Prices of potatoes, oranges and bananas moved down while

those of onions and cashewnuts moved up, and the index for Fruits and Vegetables went down by 4.4 per cent to 118.7. A fall of 3.7 per cent to 107.6 in the index for Milk and Ghee was caused by a decline in the prices of both milk and ghee. An increase in the prices of groundnut oil, mustard oil and coconut oil raised the index for Edible Oils by 0.3 per cent to 127.9, despite a fall in the prices of vanaspati (dalda). Higher prices of fish and eggs pushed up the index for Fish, Eggs and Meat by 2.4 per cent to 114.1 notwithstanding a fall in the price of meat. The sub-group index for Sugar and Gur drifted down by 6.5 per cent to 150 owing to a fall in the prices of gur. The index for Other Food Articles recorded a rise of 4.9 per cent to 186.7 due to an increase in the prices of tea, black pepper, chillies, cloves, cummin (Jira) and salt, although the prices of coffee and turmeric exhibited declines.

Lower prices of raw tobacco brought down the index for Tobacco by 1.1 per cent to 102.3.

An advance of 0.2 per cent to 116.8 in the index for Fuel, Power, Light and Lubricants was caused by an increase in the prices of castor oil.

INDUSTRIAL RAW MATERIALS

Higher prices of raw cotton, raw jute, raw hemp, raw wool and raw silk raised the index for Fibres by 10.3 per cent to 123.2. The sub-group index for Oilseeds went up by 0.2 per cent to 130.9 mainly due to an increase in the prices of groundnuts, although the prices of linseed, castor-seed, gingellyseed, rapeseed, cottonseed and copra showed decline. The index for Minerals advanced by 0.4 per cent to 95.6 due to an increase in the prices of manganese ore. The sub-group index for Other Industrial Raw Materials also moved up by 0.2 per cent to 129.8 owing to a rise in the prices of tanning materials, lac, logs and timber and bamboos despite a fall in the prices of raw hides and raw skins.

The index for Intermediate Products rose by 1.7 per cent to

118 due to an increase in the prices of leather, cotton yarn, coir yarn, zinc, brass, copper and lead, notwithstanding a decline in the prices of linseed oil, rayon yarn and tin.

FINISHED PRODUCTS

A rise of 2.3 per cent to 109.4 in the index for Textiles was brought about by an increase in the prices of cotton manufactures (+1.6 per cent to 117.9), jute manufactures (+4.4 per cent to 94.2) and silk and rayon manufactures (+4.9 per cent to 97.7). Among cotton manufactures, mill-made cloth maintained its rising trend, while handloom cloth did not show any change. The sub-group index for Metal

Products stood stationary at 144.6. An increase in the prices of general chemicals raised the sub-group index for Chemicals by 0.2 per cent to 106.7. Oil cakes recorded a further fall of 8.0 per cent to 145. The sub-group index for Machinery and Transport Equipment went down by 0.1 per cent to 105.9 owing to a fall in the prices of machinery although the prices of cycles exhibited a rise. The index for Other Finished Products witnessed a rise of 0.1 per cent to 113.9 due to an increase in the prices of glass, despite a slight fall in the prices of bricks and tiles. On the whole, the index for Finished Products moved up by 1.3 per cent to 112.4 during the month.

Communications

REPORT OF RAILWAY MINISTRY FOR 1958-59

The Annual Report of the Railway Ministry for 1958-59 was published in New Delhi on February 15.

The Report states that the Indian Railways carried 136 million tons of goods during 1958-59 as compared to 134 million tons during the previous year, marking an increase of 1.8 per cent. The number of originating passengers rose from 1,430 million during 1957-58 to 1,441 million during the following year.

Out of the total traffic, Government railways accounted for 135 million tons of goods and 1,422 million passengers.

TRAIN MILEAGE

During the year ton miles (reflecting both the tonnage lifted and the distances over which it was lifted) increased to 46,752 from the previous year's figure of 45,644.

Although there was an increase in the number of passengers, the passenger mileage decreased slightly from 43,329 million to 42,501 million. The de-

crease in passenger mileage under third class was due to the fact that the average distance travelled by each passenger came down from 29.6 miles in 1957-58 to 28.7 miles in the following year. The overall distance travelled per passenger also dropped from an average of 30.3 miles to 29.5 miles.

The number of wagons loaded on revenue account (excluding those loaded on account of the railways' own service needs) averaged 12,850 per day on the broad gauge and 8,050 on the metre gauge as against 12,662 and 8,331 respectively during the previous year, registering an increase of 1.48 per cent on the broad gauge and a decrease of 3.37 per cent on the metre gauge.

Taking into account non-revenue loadings also, an average of 15,152 and 9,053 wagons were loaded every day on the broad and metre gauges respectively, as against the corresponding figures of 14,952 and 9,312 during the previous year, regis-

tering an increase of 1.34 per cent on the broad gauge and a decrease of 2.78 per cent on the metre gauge.

RECEIPTS AND EXPENSES

Gross traffic receipts of Government railways during the year amounted to Rs. 390.21 crores, made up of Rs. 116.74 crores under passenger traffic and Rs. 240.82 crores under goods traffic, the balance of Rs. 32.65 crores being contributed by parcels, luggage and other miscellaneous sources of revenue.

Passenger earnings registered a drop of about Rs. 2.36 crores while goods earnings recorded an increase of Rs. 11.14 crores.

The ordinary working expenses including suspense from the year amounted to Rs. 276.33 crores as against Rs. 264.18 crores in 1957-58, or an increase of Rs. 12.15 crores. The contribution to the Depreciation Reserve Fund was Rs. 45.87 crores.

The operating ratio was 82.72 per cent as against 81.21 per cent during the preceding year.

The increase in expenditure was mainly due to the cost of additional staff, the net effect of annual increments, interim relief to staff drawing a monthly basic salary upto Rs. 300 in the shape of increase in the rate of dearness allowance for the entire year as compared to nine months of 1957-58, increased expenditure on repairs and maintenance of permanent way and rolling stock, etc. Special measures were taken during the year to exercise closer check and control over expenditure.

After meeting all the charges including Rs. 45 crores as appropriation to the Depreciation Reserve Fund, the net revenue for the year was Rs. 59.32 crores, out of which Rs. 50.39 crores were paid to the general revenues as dividend under the revised convention of 1954.

The net results of working showed a surplus of Rs. 8.93 crores against Rs. 13.38 crores in 1957-58.

Apart from the increase in the dividend paid to general revenues (Rs. 5.99 crores), there were certain items of additional working expenses of an unavoidable nature

e.g. Rs. 2 crores on account of extra dearness allowance and Rs. 1 crore due to the increase in the price of coal.

The average receipt per freight ton mile was 5.99 nP. as against 5.85 nP. during the previous year. The average earnings per passenger mile declined from 2.77 nP. during 1957-58 to 2.76 nP. during 1958-59.

OPERATING EFFICIENCY

Passenger train miles increased during the year by 1.48 per cent to 123.18 millions against a decrease of 1.82 per cent in passenger miles. Goods train miles totalled 92.04 millions, representing an increase of 1.13 per cent over the preceding year, as against an increase of 2.34 per cent in net ton miles.

During 1957-58, the index of net ton miles per wagon day rose from the previous year's record figure of 570 to 598 on the broad gauge and from 210 to 225 on the metre gauge, but during 1958-59 it came down to 573 and 216 on the broad and metre gauge respectively. The drop is due mainly to the fact that the anticipated volume of traffic, for which assets had been built up, did not materialise fully. The percentage of wagons under or awaiting repairs in mechanical and transportation workshops and sick lines to the total goods stock on line improved on both broad and metre gauges from 3.53 to 3.35 and 3.96 to 3.48 respectively.

The index of net ton miles per goods locomotive day in use or on line also recorded increases of 0.74 and 0.15 per cent respectively on the broad gauge but declined by 7.61 and 6.74 per cent on the metre gauge.

The mileage performed daily on an average per wagon registered a decline of 3.59 and 4.32 per cent on broad gauge and metre gauge respectively.

The speed of goods trains (miles per hour) showed a slight improvement over the broad gauge from 9.32 in 1957-58 to 9.42 in 1958-59, but it decreased from 8.35 to 8.07 on the metre gauge. Better results could not be achieved due to operational difficulties and the undertaking of extensive line capacity and yard remodelling works by the railways.

The punctuality of all trains showed a slight improvement on both the

gauges, but the percentage of mail and important through transit not losing time dropped from 70.81 in 1957-58 to 69.60 in 1958-59 on the broad gauge.

SECOND FIVE YEAR PLAN

During the year, a sum of Rs. 245.17 crores was spent, making a total of Rs. 675.59 crores for the first three years of the Second Plan. The progress of implementation of Plan works was satisfactory. Increased operational efficiency, rehabilitation of depleted assets and the modernisation programme received sustained attention.

The year witnessed further progress in regard to self-sufficiency in rolling stock.

The Chittaranjan Locomotive Works produced 164 WG locomotives and also the first WT locomotive during 1958-59, while the Tata Locomotive and Engineering Company Ltd. turned out 103 metre gauge locomotives as against 85 during the preceding year.

Second shift work was initiated at the Integral Coach Factory with the object of stepping up the out-turn from 350 shells to 650 shells per annum. Steps were taken to sponsor indigenous manufacture of diesel locomotives in collaboration with foreign firms in the private sector and electric locomotives in the public sector.

During the year, 1740 coaches and 16,701 wagons were placed on line; of these 1645 coaches and 12,963 wagons were indigenously produced.

Domestic production of other railway equipment continued to increase. Amongst the new items for which production was established may be mentioned thermic syphons, steam pressure and vacuum gauges, screw and hydraulic jacks, lenses for signals and axle boxes for integral type coaches. Progressive development of indigenous manufacture of specialised railway equipment such as electric signalling, locomotive and carriage fittings including train lighting equipment was also undertaken.

Negotiations were completed for setting up the wheel plant at Durgapur so that all types of wheel sets may be available indigenously in combination with the production of

wheel sets, axles and tyres at Tata-nagar.

NEW LINES

New lines aggregating 191 miles, including 17 miles on the Dehri-Rohtas Light Railway, were opened to traffic. Electrification of the Howrah-Burdwan main line section and the Sheoraphuli-Tarakeshwar branch was practically completed. Lines totalling 544 miles were either under construction or sanctioned during the year.

Works in connection with the re-modelling of a number of yards were either completed or were in progress. Doubling of lines aggregating to 299 miles were sanctioned. Conversion of the Bhimavaram-Gudivada line of 41 miles from metre gauge to broad gauge was also sanctioned.

A total of 1264 miles of rails and 1,261 miles of sleepers were renewed on the broad and metre gauges, making a total of 3,080 and 3705 miles respectively during the Second Plan period.

PASSENGER AMENITIES

The provision of amenities for passengers and other railway users at station and in train continued to receive special attention. The expenditure on such amenities totalled Rs. 2.72 crores. The scheme of setting apart accommodation for third class passengers by distance zones was extended on three more trains. Camping coaches were provided at six more stations. The facility of sleeping accommodation in third class was extended to four more trains.

All passenger coaches are at present built to the latest design which provides for better amenities. During the year 822 broad gauge, 461 metre gauge and 12 narrow gauge lower class coaches were put into service.

To cater to the needs of the poorer sections of passengers, cheap hygienic food packets were made available for sale at important stations and milk bars opened at some stations.

TOTAL INVESTMENT

The total investment on all railways including lines under construction on March 31, 1959 amounted to Rs. 16,21.20 crores, of which Rs. 16,14.89 crores represented the in-

vestment on Government railways from different sources, viz. capital (loan account) Rs. 13,56.59 crores, Depreciation Reserve Fund Rs. 73.17 crores, Development Fund Rs. 1,27.97 crores and railway revenues Rs. 63.16 crores. The balance of Rs. 6.31 crores, representing the investment on non-government railways, was the capital raised by companies and district boards.

The total route mileage of all railways in India at the end of the year was 35,081 of which 34,636 miles were State-owned.

STORES PURCHASE

Total purchases by the railways during 1958-59 touched a new level of Rs. 254 crores, registering an increase of Rs. 32 crores or 14.5 per cent over the previous year. Indigenous materials accounted for Rs. 187.93 crores. Stores worth Rs. 43.92 crores were imported direct, while Rs. 42.23 crores worth of foreign stores were purchased through agents in India.

The purchase of Khadi amounted to Rs. 67 lakhs as against about Rs. 62 lakhs in the preceding year. The value of purchases of cottage and small scale industries products was of the order of Rs. 2.15 crores.

The value of railway equipment and stores ordered by the railway during the year amounted to Rs. 239.32 crores.

The railways settled 462,579 claims during the year, compared to 489,115 during 1957-58. The number of claims which remained outstanding at the end of the year stood at 44,084 as against 42,592 during 1957-58. The average time taken in the settlement of a claim was 52 days while in the previous year it was 49 days.

STAFF MATTERS

The Indian railways are the largest single employers in the country. The total number of employees on Government railways was 1,143,918 on March 31, 1959, as against 1,112,996 on March 31, 1958.

Salaries including allowances, provident fund contribution and gratuity paid to the staff of the Government railways totalled Rs. 183.05 crores as against Rs. 173.61 crores in the previous year.

During the year, 11,481 quarters for various categories of staff were constructed.

The medical organisation of the railways at the end of the year consisted of 70 hospitals and 148 health units/dispensaries with 4,404 beds for the exclusive use of railway employees and their families. During the year, 12 new health units/dispensaries, 384 additional beds, five mobile dispensary vans, six additional chest clinics and 49 additional midwives were provided. The number of beds sanctioned for reservation in approved sanatoria also increased from 538 to 928 in addition to 228 beds maintained in railway hospitals and chest clinics for tuberculosis cases.

The per capita rate of annual contribution from railway revenue to the staff benefit fund was increased from Rs. 2 to Rs. 4 from April 1, 1958, with a view to affording greater scope for expansion of welfare activities and to meet the expenditure on the schemes of awarding technical scholarships to the children of railway employees and vocational training centres in particular. It was also decided that the number of primary schools should be increased to 510 by June 1959.

Vigilance organisations on the railways intensified their activities during the year. As a result of departmental action, punishments were imposed in 1349 cases as against 764 during 1957-58, of these 242 were either dismissed or removed from service as against 163 in the preceding year. In addition, 280 cases of corruption and various other types of malpractices were investigated.

LABOUR RELATIONS

Relations between railway administrations and labour were generally cordial. The permanent negotiating machinery set up in 1952 with a view to maintaining contact with labour and resolving disputes and differences which may arise between staff and the administration continued to function satisfactorily at all the three tiers of the machinery.

The Working Committee of the National Federation of Indian Railwaymen met four times during 1958-59 and a second federation namely the All India Railwaymen's Federation, which was revived in the year 1957-58, consolidated its

organization and on two occasions held *ad hoc* discussions with the Railway Board on matters relating to railway staff.

The National Railway Users' Consultative Council held one meeting and discussed a variety of important subjects. The zonal and regional divisional railway users' consultative committees held 183 meetings on all the Railways taken together.

ASSISTANCE FROM ABROAD

During 1958-59, the World Bank gave a loan of \$85 millions, equivalent to Rs. 40.46 crores, to the Indian railways and the entire amount was withdrawn. An amount equivalent to Rs. 16.41 crores was also withdrawn out of loans granted by the World Bank during 1957-58. The United States Development Loan Fund also sanctioned two loans repayable in rupees amounting to \$40 millions and \$35 millions respectively or equivalent other currencies, for the modernisation and expansion of the Indian railway system. In addition, 660 metre gauge 'MC' type wagons and 12 broad gauge diesel railcars with spares were received from Australia under the Colombo Plan. Rails, fish plates and M.S. plates, etc., worth Rs. 408.31 lakhs were received under the U.S. Technical Co-operation Mission aid programme.

Sleeping Coaches For Third Class

An announcement of February 6 says that sleeping accommodation without any surcharge in newly-built coaches for class III passengers travelling over 500 miles is to be introduced on some more trains, from dates to be announced in due course.

A daily sleeping coach service is to be introduced on the Howrah-Delhi Express, Bombay-Madras Mail, Ahmedabad-Delhi Express and Poona-Bangalore Mail as well as the Express train running between Barauni and Amingaon. The sleeping service will also be provided on the Howrah-Dehra Dun Weekly Janata Express.

The Railway Board has advised the railway administrations that berths in these coaches fall-

ing vacant *en route*, and not expected to be required for passengers travelling for over 500 miles, may be made available to passengers at intermediate stations even if they hold tickets for less than 500 miles, but on payment of the usual surcharge of Rs. 3 per night.

Such new class III sleeper coaches for passengers travelling over 500 miles are already in service on the Madras-Howrah Mail and the Delhi-Bombay Central Janata Express.

New Line On N. E. F. Railway

Sanction for the construction of a broad gauge railway line between Khajuriaghat and Malda about 23 miles, has been given by the Railway Board, and the work has been entrusted to the Northeast Frontier Railway administration, says an announcement of February 13.

This is part of a project which would link up Tildanga on the Eastern Railway in West Bengal to Malda on the Northeast Frontier Railway in West Bengal, passing through Farakka and Khajuriaghat. When completed, the line is expected to reduce the distance from Calcutta to the Malda area and beyond by about 100 miles.

On the partition of the country in 1947, the line of communication between Assam and the northern district of West Bengal with the rest of India was completely disrupted. The districts of West Dinajpur and Malda could be approached only by the circuitous route via Manihari-ghat. The proposed new line will provide a direct link.

Rail Extension To Kashmir

Another announcement dated February 9 says that the Railway Board has sanctioned a final location survey for the extension of the existing broad gauge railway line from Madhopur to Kathua, in Jammu and Kashmir State, including the fixing of a

site for a bridge across the Ravi river.

Barauni-Samastipur Line

According to an announcement of February 14, the Railway Board has sanctioned the construction of a broad gauge railway line of 33 miles from Barauni to Samastipur on the North Eastern Railway.

Diversion Line

According to another announcement of February 15, the Board has also sanctioned the preliminary engineering survey for the diversion of the railway line between Pandu and Narangi in Assam.

Both the construction of Barauni-Samastipur line and the survey for the diversion line have been entrusted to the North-Eastern Railway administration.

Negotiating Machinery On Railways

In a Press Note issued on February 7, the Ministry of Railways says that the question of effecting improvements in the negotiating machinery in vogue on the railways, including provision for arbitration, was discussed at a meeting between the National Federation of Indian Railwaymen and the Railway Board on February 6. The Board explained that the Federation had been consulted in the past on certain matters affecting labour and it was decided that the Federation would continue to be consulted in matters of major policy affecting large bodies of railway staff before taking a final decision.

The question of provision of arbitration machinery at all levels was discussed and it was agreed that while the present procedure of arbitration at the Board level should continue, the subjects raised at various levels should be speedily settled or brought up to higher level in the event of disagreement. It was also decided that whether a matter is sufficiently important to

be referred to arbitration would be decided between the Railway Board and the National Federation of Indian Railwaymen by mutual discussion.

The Federation represented that the procedure of placing the award together with the reasons for any modification or rejection of it by Government before the appropriate legislature under the Industrial Disputes Act should also be made applicable to awards given by the tribunals set up under the permanent negotiating machinery terms. The Board promised to consider this matter.

Indo-Czech Air Agreement

Negotiations between a Czechoslovakian delegation and an Indian delegation for an air services agreement between the two countries, which began in New Delhi on February 8, were concluded on February 13 and the leaders of the two delegations initialled the document finalised after the negotiations. The agreement will be formally signed by the accredited representatives in due course.

INDIA-U.K. AIR TALKS

A New Delhi announcement of February 1 says that the discussion on civil air transport between delegations of the Indian and the United Kingdom Governments, which commenced in New Delhi on January 20, concluded on this day. The delegations agreed to arrangements for the operation of commercial air services between the two countries in accordance with the India-United Kingdom Air Services Agreement.

RADIO PHOTO SERVICE

A radio photo service between India and Singapore via London was opened in New Delhi on February 12 by the Overseas Communications Service. The service will be open from 1-30 p.m. to mid-night daily.

Indian Information

Food & Agriculture

USE OF RADIO ISOTOPES IN AGRICULTURAL RESEARCH

A one-month international training course in the use of radio-isotopes in agricultural research was inaugurated at the Indian Agricultural Research Institute, New Delhi, on January 20 by Dr. Panjabrao Deshmukh, Union Minister for Agriculture.

Jointly sponsored by the UNESCO, the FAO, the International Atomic Energy Agency and the Government of India, the training course is attended by 25 trainees from Burma, Cey-

lon, Pakistan, Thailand and India. The training is imparted by experts from the U.K. and U.S.A. and the teachers from the Indian Agricultural Research Institute and the Department of Atomic Energy.

In his inaugural speech, Dr. Panjabrao Deshmukh said that the Government of India attached great importance to the application of atomic energy techniques in solving agricultural problems. Special Advisory Committees had been set up both in

TOBACCO CULTIVATION IN INDIA

India is the third largest tobacco producing country in the world after the USA and China.

As a cash crop, tobacco brings to the Indian cultivators an annual income of Rs. 40 crores and contributes over Rs. 50 crores annually by way of excise duty to the national exchequer. Andhra Pradesh produces 33 per cent of the country's Virginia cigarette tobacco. Next come Bombay, Madras and Uttar Pradesh. In 1958-59, the acreage under tobacco cultivation was 8.77 lakhs.

India broke all its previous records with her export of about 106 million lbs. of tobacco in 1958, valued at about Rs. 16 crores.

Realising the necessity for a co-ordinated and systematic effort to improve and develop tobacco crop, the Government of India constituted in 1945 an autonomous body known as the Indian Central Tobacco Committee.

The Committee established a Central Tobacco Research Institute at Rajahmundry (Andhra Pradesh) for carrying out investigations of a fundamental nature. Later, four other research stations were established: (1) Cigarette Tobacco Research Sub-station, Guntur; (2) Cigar and Cheroot Tobacco Research Station, Vadasandur (Madras); (3) Hookah and Chewing Tobacco Research Station, Pusa (Bihar), and (4) Wrapper and Hookah Tobacco Research Station, Dinahata (West Bengal). Under the Second Five Year Plan, another Tobacco Research Station was established at Hunsur (Mysore).

Other schemes under the technical control of the Central Tobacco Research Institute are: Bidi Tobacco Research Sub-station, Nipani (Bombay), Bidi Tobacco Research Scheme, Anandh (Bombay) and Hookah Tobacco Research Sub-station, Ferozepur (Punjab).

An Export Promotion Council for Tobacco was set up in early 1956.

the Department of Atomic Energy and in the Indian Council of Agricultural Research to promote and co-ordinate research in this field. A three-month training course in the use of radio-isotopes was being organised at the Indian Agricultural Research Institute every year since 1956 where good facilities for such training and research existed.

Pointing out that increased agricultural production was the key to economic prosperity and political stability in countries of South Asia, the Minister called upon the scientists to find out solutions to the many complex problems facing the Indian agriculture.

Construction Of New Warehouses

A conference of the Managing Directors of State Warehousing Corporations was held in New Delhi on January 25 and 27 under the chairmanship of Shri L.C. Rajwade, Managing Director, Central Warehousing Corporation. The Managing Directors

of the Corporations from eleven States participated in the discussions.

It was decided that all efforts should be made to put up constructed space for 100,000 tons by the State Warehousing Corporations in 1960-61 besides the construction of 50,000 tons at 10 centres by the Central Warehousing Corporation.

The conference agreed that portable exhibitions should be set up in each State to publicise warehousing activities in the interior. Efforts should be made to intensify publicity in the interior to convince the public of the benefits of the warehousing programme.

To achieve the Second Plan target of 350 warehouses, a proposal for setting up a construction agency, to undertake the building of Central and State warehouses, was considered in detail.

The Conference also discussed proposals for modifying the insurance arrangements in order to reduce expenditure on insurance of stocks and rationalising storage charges.

River Projects & Power

REPAIR OPERATIONS AT BHAKRA DAM

Shri Jaisukhlal Hathi, Union Deputy Minister for Irrigation and Power, stated in the Lok Sabha on February 9 that at least about 3,30,000 acre feet of water would be available for irrigation and power from the Govindsagar reservoir behind the Bhakra Dam during the winter of 1960-61.

The accident at the Bhakra Dam, the Deputy Minister also said, would not result in any material reduction in the irrigation and power benefits during the year 1961-62, although there had been a reduction in the stored water supplies available for

irrigation during the winter of 1959-60, as water which could have been released from storage from October 59 to May '60 had, for technical reasons, to be released between October and November 1959.

Notwithstanding the accident, some 10 lakh acre feet of water were released for augmenting the rabi sowings and, during the 'Kor' water period, over 80,000 acre feet of water were supplied in addition to the inflow of the river. This meant an increase of 5,92,000 acres of rabi crop in the Punjab alone. The additional releases also helped power gene-

ration at Ganguwal and Kotla.

The Deputy Minister disclosed that the problem before the Bhakra Dam authorities now was to plug the hoist chamber. This was scheduled to commence on February 10. After this, the control valves at the lower end of the siphons in the hoist chamber would be closed and the work of plugging the right diversion tunnel would be taken up. It was expected that a sufficient length of the tunnel downstream of the hoist chamber would be permanently plugged before the end of June 1960 to withstand the pressure of water in the reservoir.

The Deputy Minister further described the repair operations at the Bhakra Dam since November 23, 1959, when a statement had been made on this subject in Parliament.

An identical statement was laid on the Table of the Rajya Sabha also by the Deputy Minister on the same day.

Irrigation And Power Projects In Andhra

In a written reply to a question in the Lok Sabha on Feb. 15, Shri Jaisukhlal Hathi, Deputy Minister of Irrigation and Power, said, the amount of Central assistance given to Andhra Pradesh for irrigation and power projects during the years 1956-60, including the allocation for 1959-60, was Rs. 39.25 crores.

Of these, Rs. 24.96 crores were for Nagarjunasagar, Rs. 11.1 crores for miscellaneous development schemes, and Rs. 3.19 crores for programme of permanent improvement of scarcity areas.

Community Development

REPORT OF WORKING GROUP ON CO-OPERATIVE FARMING

The 147-page report (first volume) of the Working Group on Co-operative Farming was released in New Delhi on February 15. It observes that 'joint co-operative farming is an effective method and agency for improving the economic and social conditions, particularly of small and medium cultivators.'

The Group has outlined a programme indicating the preparatory work and other requirements regarding composition, size, management, technical guidance, finance, training, education and research for the formation of co-operative farming societies.

A Co-operative farming society, in the view of the Group, is 'a voluntary association of cultivators for better utilisation of resources, including manpower and lands pooled and in which the majority of members participate in farm operations with a view to increasing agricultural production, employment and income'. Existing legislation in some States under which a majority of cultivators can be forced to join a co-operative farming society is contrary to the basic principles of voluntariness and undesirable on practical grounds. Such laws, even though not enforced so far, should be repealed.

PILOT PROJECTS

In the absence of a co-ordinated policy, the development of co-operative farming in the country so far, the report says, has been somewhat sporadic and haphazard. As a result, the advantages of systematic co-operative farming could not be adequately demonstrated. Difficulties in the expansion of co-operative farming arise from a lack of proper appreciation of the subject in all quarters. The average

farmer is afraid of a reduction in his income; majority of official functionaries are not particularly helpful; administrative arrangements, laws and procedures governing financial assistance are often unsuited to the needs and financial agencies are hesitant in advancing loans to such societies.

The Group has suggested that 320 pilot projects, at the rate of one in every district, be carried out during the next four years in selected NES (CD) Blocks where co-operation has made good progress. To start with, 40 such projects may be set up during the current year. In each project, 10 co-operative farming societies should be organised. By the end of 1963-64, another 20,000 societies would come into being in other areas.

FACTORS FOR SUCCESSFUL WORKING

For successful working of a society, the Group attaches great importance to the following factors: (i) provision of leadership largely by the members; (ii) a broad-based membership with homogeneity of interest; (iii) viability and mutual knowledge as the prime consideration in determining the optimum size; and (iv) equality of right to participate in the management irrespective of ownership of land.

Pooling of land should ordinarily be for a period of five years. Ownership rights of the members contributing land should not only be respected but also duly rewarded. A retiring member, who has pooled his land, should get land of equal productivity in return and not necessarily the same piece.

Management and operation should vest in an elected committee of members. The present practice of some State Governments nominating chairman or members of the committee should be discarded.

Manpower for operation of the farm should be organised in accordance with available skill, number of working members and area covered. In the interest of better supervision and greater incentive, members may be organised into groups either on ad hoc or seasonal basis. The produce of the groups should, however, be harvested and pooled jointly. Absentees should not normally be admitted as members. Instead, their lands should be taken on lease. The system of providing substitute labour should be discouraged.

USE OF MANPOWER

Village and cottage industries, which afford greater employment opportunities, should form an integral part of the scheme of co-operative farming. For fuller utilisation of manpower, societies should ordinarily undertake labour intensive schemes.

Performance of a society should be judged by the total income earned by members and not by the daily rates of wages. Differences in skill and ability of workers should be evaluated and rewarded. A substantial part of the profits, after deduction for contribution to the Reserve, Development, Share Redemption, and Common Food Funds, etc., should go to members as bonus for work done. Payment of bonus may be made on the basis of land pooled.

In respect of mechanisation, a distinction is made between the machinery which causes displacement of labour and which increases efficiency and employment. The use of the latter, such as pumps and engines for lifting water, is not ruled out.

The Group recommends the formation of Advisory Boards by Government both at the Centre and the States for planning and promotion of co-operative farming. For the sake of speedy and efficient implementation of the programme recommended by the Boards, the Central and State Departments of Co-operation should be strengthened by association of public workers having firm conviction in the subject as well as devotion to constructive work.

EDUCATION AND TRAINING

The Group lays great stress on the need for education and training in basic issues and techniques of co-

operative farming for existing as well as prospective members and workers. It suggests a two-week training course for promising young farmers in batches at a residential institute having a farm attached to it. Thus two lakh farmers should be educated to ensure at least two trained workers in a group of five villages. A three-month training course is recommended for training of about 26,000 Secretaries. In the next four years, 160 training centres for providing orientation training courses to Gram Sevaks, staff of co-operative institutions and others should be established.

The setting up of a National Institute of Co-operative Farming to organise research and study as well as training and orientation of instructors, special officers, etc. is another important recommendation.

FINANCIAL ASSISTANCE

As for financial assistance, the report recommends that Government should provide long and medium term loans not exceeding Rs. 4,000 to each society on the basis of production programmes. Short-term credit should be made available from Central Co-operative Banks without demanding a Government guarantee.

Government participation in the share capital not exceeding Rs. 2,000 per society has also been suggested as a method of increasing the societies' borrowing capacity. This should however, be retired over a period of ten years through a share redemption fund or members' contribution.

Where necessary, financial aid to a maximum of Rs. 5,000 for construction of godown-cum-cattle shed should be given in the form of loan and subsidy. A managerial subsidy of Rs. 1800 on a tapering scale for a period of three years has also been recommended.

SOCIAL FORCES

The total outlay of programme would be about Rs. 35.26 crores comprising Rs. 28.65 crores for assistance to the societies; Rs. 4.24 crores for training and education and Rs. 2.37 crores for technical staff.

The development of co-operative farming, the Group points out, can-

not be regarded as a series of isolated experiments or projects. A radical change in the structure of society and the organisation of economic activity on co-operative lines can be brought about only by generating correspondingly powerful social forces. The role of Panchayats and co-operative movement is stressed in this respect.

Decisions on the recommendations will be taken by the Government after consulting State Governments and others concerned.

The Working Group was appointed by the Government of India in June 1959, under the chairmanship of Shri S. Nijalingappa, to recommend measures for promoting a programme of joint co-operative farming in the country.

The second volume of the report, containing case studies, will be published separately.

NUMBER OF SOCIETIES

According to the report of the Working Group on Co-operative Farming there were 1,440 co-operative joint and collective farming societies in the country in 1958 out of which 1,098 were reported to be actually working.

The membership of these societies is 39,075 but only 24,687 persons work on the farms. The area held by these societies was three lakh acres, of which 2.12 lakh acres were under cultivation in 1957-58.

Taking state-wise position of the societies, Punjab accounted for 541 or 37 per cent; Bombay 223 or 15 per cent; Uttar Pradesh 161 or 11 per cent. Madras and Jammu and Kashmir had the lowest number, i.e. 4 each. In the Union territories there were 22 societies of which Delhi accounted for 13, Manipur 8 and Himachal Pradesh 1.

Role Of Co-operative Organisations

Shri S.K. Dey, Union Minister for Community Development and Co-operation, addressed

more than a hundred representatives from various non-official Co-operative Organisations in the country at Jaipur on February 1. In his speech, Shri Dey visualised the functioning of co-operative sector as a balancing force between the private and public sectors for economic development of the country.

Shri Dey recalled the recent changes in the pattern of administration brought about by introduction of panchayati raj entrusting the full responsibility of development work to the village panchayats. Rajasthan had already brought the entire State under this pattern. Andhra Pradesh had introduced this panchayati raj in Block areas. Other States were also moving in the same direction and the Minister hoped that in the course of next few years, this decentralisation of administration would have been established all over the country.

Panchayati Raj, he said could not thrive without the existence of Sahakari Samaj. It was, therefore, a matter of urgent importance to strengthen and expand the co-operative movement. Panchayati Raj and Sahakari Samaj, the Minister maintained, formed the basis of democracy and socialist society.

The Minister hoped the Panchayati Raj and Sahakari Samaj would develop organised competence of people's institutions to such a degree as would make, in course of time, the liquidation of maintaining of Community Development and Co-operation possible.

The Minister also made a reference to the question of joint co-operative farming and said, by combining voluntary joint farming with village industries and small processing units, it would be possible to develop an agro-industrial economy to improve the lot of the underprivileged section of the village society. That would act as a measure of 'alum clearance' in rural

Education & Culture

MEETING OF CENTRAL ADVISORY BOARD OF EDUCATION

The Central Advisory Board of Education concluded its two-day deliberations in New Delhi on February 7. Dr. K.L. Shrimali, Union Minister of Education and Chairman of the Board, presided over the meetings.

Members of the Advisory Board discussed at length the implications of the recommendations made by the National Service Committee and the Committee on Moral and Religious Instruction.

Welcoming the Report of the National Service Committee, the Advisory Board recommended speedy implementation of the Committee's proposals, after carefully working out details keeping in view the many practical difficulties envisaged and pointed out by some members of the Board. The entire scheme should be formulated and implemented within the broad framework of education in the country.

The resolution adopted by the Board on the Report of the Committee on Religious and Moral Instruction states that the Board approves the broad approach and principles enunciated in the Report of the Committee and recommends the implementation of the various suggestions made in it by the Union Government and the State Governments keeping in view all the important observations made by the various Standing Committees of the Board. (Endorsing the Report, the Standing Committee on Basic Education had suggested the evolution of a uniform course of study for all the schools in a State, preparation of carefully written text books, and introduction of a regular course of moral and religious instructions in the teachers' training programme.)

TEACHING OF SCIENCE

Among the other recommendations of the Board were the establishment of State Evaluation Units to promote examination reform and training of more science teachers for providing science teaching in every secondary school by the end of the third plan.

For meeting the need for an increased number of science teachers, the Board recommended both long-term and short-term measures. These measures should include expansion of training facilities at the University level and provision of short-term refresher courses for science teachers.

The Board emphasised that in future more and more science colleges should be opened in preference to other types of colleges. More funds should also be made available to the States for this purpose.

With regard to the shortage of trained women science graduates, the Board suggested that women teachers may be employed on a part-time basis if they were not able to work full-time, and even men teachers may be appointed in the schools for girls so long as the supply of women science teachers did not improve.

The various standing committees of the Board had met earlier to prepare their reports for the consideration of the Board. An informal meeting of the State Directors of Education was also held on February 3.

The Central Advisory Board of Education with the Union Minister of Education as Chairman meets every year to review the progress of education in the various States. All the State Education Ministers, Members of Parliament, representatives

of Inter-University Board and other specialised bodies and prominent educationists are represented on the Board.

Compulsory National Service for Students

The National Service Committee, which recently submitted its report to the Union Government, has recommended compulsory National Service for a period of 9 to 12 months to inculcate in students the values of discipline, social service, dignity of manual labour and dedication to the country.

The best age for drafting the youth in national service, says the Committee, is when they pass out of Higher Secondary school or pre-University class.

The Committee suggests the formation of a National Board to plan implement and evaluate a programme of national service.

The programme envisages a disciplined life for students comparable to that in the armed forces for a period of nine months to a year; social service and manual labour for at least four hours every day in the areas selected for work and provision of broad general education to bring about the emotional integration of the youth and orientation towards activities of national reconstruction.

The extension of national service to ultimately cover all the youth of the country is referred to. But it is pointed out that this will require, as a pre-requisite, the spread of secondary education to persons below the age of 17.

Referring to the need for compulsory service, the Committee states that a voluntary scheme would have the drawback of leaving out a good many, if not the majority, of students proposed to be covered and would not be assured of success unless sufficient inducements were offered. It is recommended that no exemptions should be allowed on any ground. Students hospitalised may be exempted

only for the period of hospitalisation. Others who are not physically fit for manual work could be asked to do other suitable work.

The report states that the absorption of young persons in national service spread over a year would also enable the educational authorities to select better material for university education on the basis of academic and other achievements. During this period, those students who are found to be talented should be given scholarships and other benefits to pursue higher education.

The National Service Committee was appointed on August 28, 1959 under the chairmanship of Dr. C.D. Deshmukh to revise the scheme for National Service prepared earlier by the Union Ministry of Education taking into light the views expressed by the Education Ministers' Conference of August 1959.

The recommendations of the committee were approved by the Central Advisory Board of Education at its meeting on February 7.

MERIT SCHOLARSHIPS IN PUBLIC SCHOOLS

In a Press Note issued on February 8, the Ministry of Education has announced that 60 candidates have been selected for the current year's awards under the scheme of 'Merit Scholarships in Public Schools'. Of those selected, 17 belong to the Scheduled Castes, Scheduled Tribes and other Backward Classes.

OVERSEAS SCHOLARSHIP

According to an announcement of February 11, the Union Ministry of Education have invited applications before March 14, for the award of one scholarship for study abroad to a person who by birth or domicile is a native of a Union Territory, i.e. Andaman and Nicobar Islands, Delhi, Himachal Pradesh, Laccadive Minicoy and Amindiv Islands, Manipur and Tripura, and Pondicherry.

The scholarship, tenable for three years or less, will be for study or research in any branch of the Humanities for which suitable facilities do not exist in India.

U.N. FELLOWSHIPS

The United Nations have offered 5 Fellowships for observation abroad in any of the undermentioned fields under the United Nations Social Welfare Fellowships and Scholarships Programme 1960.

The field of observation includes: Social Development (general); social welfare administration; community; family, and child welfare; migration, social defence; rehabilitation of the handicapped; housing and town and country planning; population; statistics and research; and human rights and fundamental freedom.

The duration of each fellowship is normally from three to six months. The applications are to be submitted by March 30.

[BURSARY FOR INDIAN WOMEN

A New Delhi announcement of February 9 says that the Indian Women's Education Association, London, has invited applications for the award of a Bursary of £200 for Indian women graduates desirous of studying for a one-year post-graduate course in education, including physical education, during the session 1960-61. The applications should reach the Secretary of the Association by March 1, 1960.

AUSTRALIAN FELLOWSHIP

According to a New Delhi announcement dated February 4, a candidate has been awarded the Senior Fellowship offered by the Government of Australia for the year 1959-60 for post-graduate study/training in 'Organisation of Art Galleries'.

YUGOSLAV SCHOLARSHIP

A New Delhi announcement of February 5 says that a candi-

date has been awarded a scholarship for study/research in Art (Painting) out of the five scholarships offered by the Government of Yugoslavia for study/research in that country during 1959-60

These scholarships are administered by the Ministry of Scientific Research and Cultural Affairs

Session Of Historical Records Commission

The Prime Minister, Shri Jawaharlal Nehru, inaugurated the thirty-fifth annual session of the Indian Historical Records Commission held in New Delhi on February 4 and 5. Dr. K.L. Shrimali, Union Minister of Education, presided.

A large number of distinguished historians, archivists and representatives of the Government of India, State Governments, Universities and a number of institutions in India attended the two-day session.

A number of papers based on unpublished sources were read and discussed. The Commission also discussed various resolutions received from its members.

An exhibition of historical records, manuscripts, seals etc., from among the collections of the National Archives of India and other State repositories, was organised on this occasion.

The twenty-ninth meeting of the Research and Publication Committee, an adjunct of Indian Historical Records Commission, was also held on February 5 under the presidency of Shri K.G. Saiyidain, Educational Adviser to the Government of India.

Sahitya Akademi Awards Presented

The Prime Minister, Shri Jawaharlal Nehru, President of the Sahitya Akademi, gave away the Akademi Awards for 1959 for outstanding books published in major Indian languages to the

distinguished authors at a special function held in New Delhi on February 13.

Earlier in the morning the same day, there was an informal 'Writers' Meet' when the award winners spoke about their respective books.

This year's awards were given for the most outstanding books published in seven languages — Hindi, Bengali, Kannada, Marathi, Punjabi, Urdu and Sindhi. No book qualified for the award in Assamese, Gujarati, Kashmiri, Malayalam, Oriya, Tamil, Telugu, Sanskrit and English.

The Awards were instituted by the Sahitya Akademi in 1954. [The names of awardees were published in this journal Vol. 2, No. 23.—Ed.]

NEW POSTAGE STAMP

Special First Day Covers were issued by the Posts and Telegraphs Department on the occasion of the issue of a postage stamp in honour of the Tamil Poet and Saint, Thiruvalluvar, on February 15, 1960.

The stamp, in the denomination of 15 nP., bears the portrait of Thiruvalluvar which is based on an artist's concept.

Facilities For Urdu

According to an announcement of February 3, the State Governments of Uttar Pradesh, Bihar, Punjab and Delhi Administration have intimated to the Centre the facilities they are providing for instruction and use of Urdu.

Urdu as the medium of instruction is provided in such schools of U.P., Bihar and Delhi where there are at least 40 pupils in a class. In Punjab, such facilities are available in areas where there is a demand.

For instruction in Urdu at the secondary stage of education, the State Governments of U.P., Bihar, and the Union Territory of Delhi have provided the necessary facilities. The Punjab Government is taking necessary steps.

Arrangements have also been made for the production of Urdu text-books by the State Governments of U.P., and Bihar, while the Punjab Government uses the text-books produced by the Jamia Millia, Delhi. A similar arrangement is being made by the Delhi Administration.

PETITIONS AND REPRESENTATIONS

Applications or petitions in Urdu in the Persian script are admitted in all Courts and offices in U.P. and in the areas of the former Punjab State. The Delhi Administration has issued instructions about the acceptance of such documents in Urdu. In Bihar, documents in Urdu are accepted for registration. Further facilities are being provided where necessary.

Sometime ago the Government of India had issued a statement on language to emphasise that 'Urdu is officially and constitutionally recognised as one of our national languages, and the various provisions that apply to these languages, apply to Urdu also.' The statement had asked the State Governments to provide facilities for Urdu in areas where the language is prevalent.

India-U.S.S.R. Cultural Agreement

A Cultural Agreement between India and the Union of Soviet Socialist Republics was formally signed in New Delhi on February 12. The Agreement aims at strengthening ties of existing friendship and promoting further understanding and closer co-operation in the fields of culture, science, education, art and technology, etc., between the two countries.

The Agreement consists of eight Articles and will come into force on the date of exchange of the Instruments of Ratification which shall take place at Moscow in the near future.

The present Agreement is the tenth in the series of Cultural Agreements signed by India since 1951. The earlier Agreements were signed with Turkey, Iraq, Indonesia, Japan, Iran, Poland, Rumania, United Arab Republic and Czechoslovakia.

INDO-CZECH AGREEMENT

The Instrument of Ratification of Indo-Czech Cultural Agreement was exchanged at the Foreign Ministry in Prague on February 10 by India's Ambassador to Czechoslovakia, Shri B.K. Acharya, with the Czech Minister for Foreign Affairs Mr. Vaclav David.

MEMBER OF U.G.C.

A Press Note issued on February 10 by the Ministry of Education says, the Government of India have re-appointed Pt. H.N. Kunzru, M.P., as member of the University Grants Commission.

MEMBER OF SANSKRIT BOARD

According to an announcement of February 13, the Government of India have nominated Dr. Mangal Deva Shastri, Principal (Retired), Government Sanskrit College, Varanasi, as a member of the Central Sanskrit Board in the vacancy arising out of the death of Shri Kedar Nath Sharma Saraswat.

Shri S.P. Chaturvedi, Special Officer (Sanskrit), has been appointed Secretary of the Board, in place of the Deputy Educational Adviser (Hindi).

Physical Efficiency Drive

A National Physical Efficiency Drive was launched throughout the country on February 12.

The object of the Drive is to create an awareness of the need for physical fitness and consciousness of physical efficiency among people in all walks of life.

The decision to launch the drive was taken by the Union Ministry of Education on the recommendation of the Central Advisory Board of Physical Education and Recreation.

Graded physical efficiency tests will be conducted in all States and Union Territories at 400 centres set up for the purpose. Merit Certificates — 1

Star, 2 Stars and 3 Stars — will be awarded to participants who qualify in these tests. The physical efficiency tests have been drawn up separately for men and women and for two age groups: Juniors — below 18 years, and Seniors — 18 years and above.

Committee Appointed For Physical Education

A Press Note issued on February 3 by the Ministry of Education says that the Government of India have appointed a Committee, under the chairmanship of Pandit H.N. Kunzru, to evaluate the respective merits of various schemes for physical education, recreation, character-building and discipline operating in educational institutions and to recommend measures for developing the most useful among those schemes.

SCIENTIFIC PUBLICATIONS

Prof. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs, inaugurated the Exhibition of Indian Scientific and Technical Publications on February 7 in the Science Pavilion at the World Agriculture Fair, New Delhi.

The Exhibition, organised by the Council of Scientific and Industrial Research, displayed nearly 5,000 scientific publications, published in India in English and Indian languages.

A directory, listing the publications along with relevant bibliographical details, has also been compiled for sale at the Exhibition.

Cosmic Ray Laboratory

In reply to a question in the Rajya Sabha on February 10, the Prime Minister said that it had been decided to set up a High Altitude Cosmic Ray Research Laboratory in Kashmir, with a base or valley laboratory in Gulmarg and a top or high altitude laboratory at Apharwat. The two laboratories would be connected by means of an aerial ropeway.

Work on the construction of the base laboratory at Gulmarg

had started. It was estimated to cost Rs. 6,22,700.

SMALL ATOMIC POWER STATIONS

In reply to another question, the Prime Minister disclosed that the Government were examining the feasibility of constructing smaller atomic power stations in areas remote from coal fields, such as Rajasthan.

Meeting Of Institution Of Engineers

The 40th annual general meeting of the Institution of Engineers (India) was inaugurated by Prime Minister Nehru in New Delhi on February 5.

The Prime Minister exhorted the engineers to apply their mind to reducing construction costs. He said, there was no choice for India but to go ahead with ambitious plans. And the technologically-trained people had to bear the biggest responsibility in the tremendous technological revolution taking place in India.

ASIAN CONFERENCE ON SOIL MECHANICS

The first Asian Regional Conference of the International Society of Soil Mechanics and Foundation Engineering opened in New Delhi on February 4.

Inaugurating the Conference, Shri Jagjivan Ram, Union Minister for Railways, said that in India soil mechanics research was being done by the Ministries of Irrigation, Education, Transport and Railways. Some method should be found whereby the results achieved in one Ministry were made known to others also. He believed that such conferences were necessary for exchange of scientific information.

In his presidential address, Dr. K.L. Rao, Member, Central Water and Power Commission, said that in the field of river valley projects in India, 70 million cubic yards of earth had to be handled in the construction of earth dams alone since 1947. Earth dams had begun to compare favourably with masonry

dams in respect of costs and were preferred wherever possible.

To use the earth scientifically and build structures safely, soil mechanics was employed extensively in India. For the Hirakud Dam—perhaps the longest earth dam in the world, being nearly 15 miles—numerous soil tests were conducted and close field control maintained. Further, at each major dam site in India, soil mechanics laboratories had been set up and new techniques adopted in earth dam construction by selection of soils, compaction at optimum moisture content, use of blankets, filter and drains and clay cement grouting.

He pointed out that a number of problems relating to soil mechanics and foundation engineering had arisen in India which had to be scientifically studied.

INDIAN HERITAGE

Historically tracing the development of soil mechanics as a science, Dr. Rao said that agricultural scientists were the first to investigate into the factors affecting fertility of soils. The geologists were interested in the soil only for obtaining the clue into the history of the earth. The engineer was the last to enter the field to study soil for structural purposes. At the beginning of the twentieth century, the height of earth dams rarely exceeded 50 ft. and the rules followed in constructing them were deduced from experience and intuition. But some of the rules used in India were remarkable because of their close resemblance to modern concepts. For instance, in an inscription of 1369 A.D., rules for selection of soil and fixing dimensions for earth dams in India were given, which bore similarity to modern rules.

In India a National Committee for Soil Mechanics was formed in 1948 by Dr. A.N. Khosla. The principles of soil mechanics and foundation engineering were also being practised to an increasing extent in the designs for railway bridges, road embankments and

highways, particularly for effecting economies in construction costs.

All engineering colleges had equipped themselves with soil laboratories and had included the subject in their syllabi. Some universities were offering post-graduate courses in the science. In the 17 laboratories of public works departments, covering roads and irrigation, soil mechanics had been established as a distinct division.

He referred to a large number of problems of immediate application which still awaited experimentation, and suggested that in order to popularise the science of soil engineering and latest techniques in Asia, each of the 34 National Committees in the Asian Region should maintain permanent centres for tests and training in soil mechanics and exchange scientific data in this field.

GROUND FOR STUDY

Welcoming the delegates to the Conference, Dr. A.N. Khosla, Member, Planning Commission, outlined the rich variety of soil conditions in India and the construction problems it involved.

He pointed out that the buildings in the past as well as in the present in India would prove rich material for study by the delegates. Many of the monuments of the past were of unusual design with complex foundation problems. The Taj Mahal was a notable example. Located right on the banks of the river Jamuna, it had faced many floods during the 300 years of its existence.

Concluding, Dr. Khosla said, large buildings and other structures were fast springing up in the alluvial plains of northern India as well as in peninsular India. They embraced a large variety of foundation problems and cover almost every imaginable type of soil structure. Added to this was the problem of earthquakes for structures located in areas along the Himalayan range. There were also foundation problems in railway lines, highways, including bridg-

es and other appurtenant structures, problems of refineries, steel plants and other major industries, and of large dams. All these were very major problems in soil mechanics and foundation engineering and were a challenge to modern engineering and technique.

RESOLUTIONS

The Conference adopted a set of seven resolutions, which aim at extending facilities, on a more scientific and co-ordinated basis, for study of soil sciences and the dependent techniques of foundation engineering in Asian countries.

The first resolution has empowered the International Society to make arrangements, through the good offices of the United Nations, to establish a co-ordinating centre in the Asian region. This centre would help promote scientific knowledge in the field of soil mechanics and foundation engineering, including growth and establishment of research and teaching centres.

The national societies have also been asked to seek establishment of permanent institutes, along with well-equipped libraries and information centres, showing soil samples and analysis, and serving as a repository of investigation of data, observations and behaviour of soil structures in different parts of the region.

A resolution laid emphasis on evolving a more rapid and economical procedure for quality control of placement and compaction in construction of earth embankments.

For development of economic earth structures, another resolution says, it is essential to install instruments to make observations both during the construction and afterwards, and use resultant data for improvement in designs.

The national committees have also been requested to report promptly any unusual behaviour of earth structures in their regions.

The concluding resolution has called upon the national socie-

ties of Japan, the USSR, India and Israel to give reports on the special soil stabilisation techniques adopted in their countries.

In Japan, this technique consists of the use of electro-chemicals, in the USSR of resins, in India of low cement content and in Israel of lime for stabilising soils.

Earlier, the conference discussed 7 papers on the two main topics included in the agenda.

Before returning to their respective countries, some of the foreign delegates visited selected Indian projects where earthen embankments have been constructed in the recent years.

Organised by the Indian National Society — one of the five societies in Asia — the conference concluded its four-day deliberations on February 7. It was attended by foreign delegates from France, Japan, Israel, the U.S.S.R. and a representative from Yugoslavia. Over 100 delegates nominated by Central and State Governments and technical bodies in India also participated.

Broadcasting Conference Decisions

The Fourth Commonwealth Broadcasting Conference which commenced on January 22, concluded in New Delhi on February 11. Apart from exchanges of information on professional subjects, the Conference reached decisions on several matters affecting the development of broadcasting in the Commonwealth.

RURAL PROGRAMMES

A special sub-committee was set up to discuss the provision of programmes for rural communities and the participants agreed to add to the normal farm broadcast activities, the compilation and broadcasting of folk lore, folk songs and other forms of folk culture. It was agreed to continue a quarterly journal on rural broadcasts published hitherto by the Australian Broadcasting Commission. For the present All India Radio will

undertake the editorial responsibility.

Discussing exchanges of programmes the Conference formulated a scheme for the joint production of radio features.

The need for close collaboration between broadcasting and educational authorities in order to achieve a fuller utilisation of school broadcasts at the listening end was stressed. The starting of listening and discussion clubs and special university courses was also discussed.

NEW T.V. DEVELOPMENTS

Recent television developments in the U.K., Canada and Australia were noted. Associated problems and the help which those with established T.V. can render to those who are about to start T.V. were discussed.

The right of television news organisations and agencies to obtain and present film coverage of sporting and other public events in television news bulletins without payment to promoters was reaffirmed. A code of practice on freedom of access for news, laying down reasonable limits and safeguards for promoters and holders of exclusive rights was adopted in principle.

COMMERCIAL BROADCASTS

The impact of commercial broadcasting was duly considered in detail. It was pointed out that in Asia and parts of Africa the effect of commercial programmes on the semi-literate and unsophisticated as well as young listeners could be undesirable. If, for any reason, commercial broadcasting was introduced in any country, it should be controlled by the national broadcasting organisation. To meet the financial difficulties of certain member organisations it would be better to provide low-cost receivers with a view to increasing the number of licence holders rather than resorting to advertising.

The engineering committee discussed the freer interchange of information on engineering problems and on improved ope-

ration and maintenance procedures in sound and television. It recognised in particular that uniform methods and standards were essential for the interchange of recorded programmes throughout the Commonwealth. For this those member organisations already operating television services should extend training facilities to others.

It was noted that most programme journals are run at a loss but considered that such costs are a legitimate charge on publicity funds.

The next Conference will be held in Canada in May-June 1963.

Radio Licence Fee Reduced

A Press Note issued on February 5 by the Director General of Posts and Telegraphs, New Delhi, says that the annual licence fee for radio sets (for domestic use), whose original price does not exceed Rs. 120, has been reduced to Rs. 7.50.

The reduced licence fee applies to all licences issued from January 1, 1960, and those who have already taken out licences since January 1 at the rate of Rs. 15 will be entitled to a refund on application to the Head of the Postal Circle concerned by July 31, 1960.

The concession will be admissible for only new radio sets bought either before or after January 1, 1960, from a dealer licensed by the P. and T. Department to deal in wireless receiving apparatus and on the production of a certificate of sale from the authorised dealer in a prescribed form. The concession will also apply to renewal of such licences. It will continue to apply also in the case of transfer or sale of sets which are licensed at the reduced fee.

The concession will not apply to self-assembled radio sets assembled by persons not licensed by the Department.

The fee for each additional radio set whose original price is

below Rs. 120, owned by the same licensee in the same premises, will be at the rate of Rs. 2.50 per annum.

Radio Week

All India Radio celebrated the Radio Week from February 7 to 13. During the week, various stations of All India Radio presented special programmes of music and drama before invited audiences.

The finals of the Inter-University Radio discussion competitions — both in Hindi and English — were held at Delhi as part of the celebration. In Hindi the Lucknow University was awarded the running trophy and the Poona University was adjudged the best team from among the non-Hindi speaking areas. In English, the running trophy was awarded to the Osmania University team.



ERADICATION OF SMALLPOX

An announcement dated February 10 says, the Government of India have decided that, as part of the preparatory measures for the smallpox eradication campaign during the Third Five-Year Plan period, pilot projects should be started in one district of each State and in the Union Territory of Delhi during 1960-61.

It has been further decided that the area chosen for the pilot project should, as far as possible, not have a population of more than 10 lakhs though for purposes of administrative convenience a district may be the unit.

Steps are being taken to implement the decisions. A Central organisation will be set up in the Directorate-General of Health Services for co-ordinating the work of the pilot projects.

The expenditure on the pilot projects, which will be about Rs. 34 lakhs, will be met by the Union Government.

The pilot projects are expected to begin to function by April 1.

These decisions are in accordance with the recommendation of the Central Expert Committee on Smallpox and Cholera. The committee was appointed by the Union Gov-

ernment under the auspices of the Indian Council of Medical Research as a result of the unusual rise in the incidence of smallpox and cholera reported from many States during the early part of 1958.

The committee's recommendations were approved by the Central Council of Health at a meeting in Delhi in November, 1959. The Council also endorsed the proposal for the appointment of a smallpox control commission.

Social Welfare

CONFERENCE OF STATE MINISTERS FOR HARIJAN WELFARE

A Conference of State Ministers looking after the welfare of 'Backward Classes' was held in New Delhi on January 31 and February 1, under the chairmanship of Shri G.B. Pant, Union Home Minister, to consider steps for avoiding short-falls in the Second Plan targets.

The shortfall in expending the Second Plan's allocation was expected to be Rs. 1 to 15 crores. Out of the total outlay of Rs. 90 crores, the expenditure during the first three years of the Plan has been 33 per cent for the Scheduled Tribes, 45 per cent for Scheduled Castes, 36 per cent for denotified Tribes and 27 per cent for other Backward Classes.

Among the measures recommended by the Conference to accelerate the present pace of progress were: the States which had not yet provided adequate funds to utilise the entire plan outlay should immediately examine the possibility of increasing the allocations for 1960-61; the States which had drastically reduced the plan allocations should re-examine whether they could divert provisions from other sectors to the Backward Classes sector so that the overall allocations in this sector got an equitable share.

The Conference noted with appreciation the authority dele-

gated to the State Governments to re-appropriate funds from one welfare scheme to another so long as it was within the same group of schemes. It, however, suggested that there be further delegation of authority to the States to re-appropriate funds from one group to another within the same category of Backward Classes.

In order to ensure that the benefits of the special schemes reach the most backward among the Backward Classes, the Conference recommended that a means test be applied to exclude the richer section from grants given to individuals and assistance on a larger scale be given to the lowest income groups. Special schemes might also be proposed for giving benefit to the most backward areas. The programme for developing the regional institutes for applied research, special training and socio-economic surveys, particularly for areas inhabited by Schedule Castes should be extended.

THIRD PLAN ALLOCATION

The State Ministers urged upon the Centre that the present allocation of Rs. 90 crores for the welfare schemes of Backward Classes should be at least trebled in the Third Plan.

The Conference recommended that there should be a perspective plan covering the Third and Fourth Plan periods to achieve full physical targets in such schemes as were essential. In the case of Schedule Castes, the schemes listed were: stopping the practice of carrying night-soil as headloads; provision of houses to all Scheduled Caste members engaged in sweeping and scavenging work, and free education at all levels to members of Scheduled Castes except those with an income above a fixed level.

For the Scheduled Tribes, the essential schemes detailed were: exploitation of sizable proportion of forest produce, both major and minor, through tribal co-operatives; proper settlement of shifting cultivators through allotment of new lands or improvement in the yield of lands under shifting cultivation, and a net-work of marketing and consumer's co-operatives in the Scheduled Areas.

ADEQUATE SHARE

The Conference suggested a series of steps to ensure that the Backward Classes drew the maximum advantage from the general development schemes both in the States and in the Centre. One of the steps was that the Planning Commission should keep a watch to ensure adequate share for the Backward Classes. The other was that the working groups in charge of their development sectors should co-opt representatives in charge of Scheduled Castes and Scheduled Tribes welfare. The departments in charge of the Backward Classes were also made responsible to secure the maximum share for the general schemes.

The Centrally-sponsored schemes, which were financed entirely by the Government of India, the Conference recommended, should continue as 'a separate and distinct allocation in the Third Plan' as well. However, an effort should be made to avoid overlapping of similar schemes in the State sector in which the Centre shared the cost.

The role of non-official agencies was commended. The Conference felt that a substantial portion of the work among the Backward Classes was of such a nature as required non-official organisations. Therefore they should be encouraged and developed.

The State Ministers agreed that during the remainder of the Second Plan period, every Scheduled Caste and Scheduled Tribe candidate should continue to get scholarship. In the case of the Backward Classes it should go to the most deserving candidate. To avoid delay, the State Governments should make adequate provisions in their own budget and the Education Ministry should release grants in two instalments, in early May and October.

Subsidised Industrial Housing Projects

It was announced in New Delhi on February 2 that 10 projects under the Subsidised Industrial Housing Scheme, involving the construction of 957 tenements, were sanctioned by the Governments of Madhya Pradesh, Mysore, Punjab, Rajasthan and Bombay during November 1959. The projects are estimated to cost Rs. 36.65 lakhs. The schemes, to be implemented by the State Governments themselves or their agencies, will be eligible for 50 per cent assistance from the Centre as subsidy and the balance as loan.

More Funds For Middle Income Group Housing

An announcement of February 4 says that the Government of India have sanctioned further allocations under the Middle Income Group Housing Scheme of the Union Ministry of Works, Housing and Supply for 1959-60 to 13 States. The total amount of the allocations is Rs. 232.85 lakhs.

The State-wise demand, amount already allocated, extra allocation now made, and the total amount allocated for 1959-60 in lakhs of rupees are res-

SOCIAL EDUCATION IN INDIA

The Central Advisory Board of Education set up a Committee in 1948 to consider and recommend new forms of social education in place of the idea of mere literacy. The Committee emphasised the need of education in citizenship as a necessary part of social education. It also emphasised health education and education in agriculture and handicrafts as a part of social education, thus bringing the concept of social education nearer to that of social reconstruction.

The First Five Year Plan started with the wider concept of social education. It found an integral place in the Community Projects programme.

Outside the development blocks, as in the blocks, the State Governments ran or supported literacy classes. With assistance from the Government of India, they took up the following schemes: (a) selected a few areas for intensive educational development, each area having five model community centres, a library service and a Janata College for giving short courses to the rural people; (b) developed some schools as schools-cum-community centres, and (c) set up State Central and district libraries.

Some of the results achieved during the Second Five Year Plan are: (A) Adults enrolled in adult classes — 55 lakhs in classes run by Education De-

partment and 12 lakhs in classes run in development blocks. Out of 67 lakh adults, about 35 lakhs may have attained literacy. (B) The number of community centres started in 800 development blocks is over 63,600. (C) The number of youth clubs and other community organisations started is 53,000. (D) The number of libraries set up is: State Central 7; District 100, and others 32,000.

Under the Central schemes, the Government of India set up the following institutions: (i) National Fundamental Education Centre for training the necessary personnel in the field of social education and for carrying on research; (ii) Institute of Librarianship at the Delhi University for training district librarians and other special librarians, and (iii) Workers' Institute at Indore for imparting general and citizenship education to workers.

Besides, the Government have sponsored fairly successfully schemes for the production of literature for low-skilled readers, brought out some literature for workers and assisted voluntary organisations in developing useful social education activities.

The expenditure on social education work during the First Five Year Plan was about Rs. 4 crores. The provision for the Second Plan period is Rs. 5 crores.

pectively as follows: (1) Andhra Pradesh: Rs. 75; Rs. 18.75; Rs. 56.25; Rs. 75; (2) Assam: Rs. 10; Rs. 8.25; Rs. 1.75; Rs. 10; (3) Bihar: Rs. 20; Rs. 15.50; Rs. 4.50; Rs. 20; (4) Jammu and Kashmir: Rs. 5; Rs. 2.25; Rs. 2.75; Rs. 5; (5) Kerala: Rs. 6; Rs. 6; Nil; Rs. 6; (6) Madhya Pradesh: Rs. 25.50; Rs. 9.75; Rs. 15.75; Rs. 25.50; (7) Madras: Rs. 40; Rs. 26.25; Rs. 13.75; Rs. 40; (8) Mysore: Rs. 35; Rs. 15.50; Rs. 19.50; Rs. 35; (9) Orissa: Rs. 15; Rs. 4.25; Rs. 10.75; Rs. 15; Rs. 15; Rs. 90.85; Rs. 14; (10) Punjab: Rs. 90.85; (11) Rajasthan: Rs. 27.25; Rs. 12.25; Rs. 15;

Rs. 27.25; (12) Uttar Pradesh: Rs. 50; Rs. 34; Rs. 16; Rs. 50; and (13) West Bengal: Rs. 44; Rs. 44; Nil; Rs. 44.

The Middle Income Group Housing Scheme is intended to assist persons in the income range of As. 6,001 to Rs. 12,000 to build houses for themselves. The loan under the scheme carries an interest of 5½ per cent and is recoverable in 25 annual equated instalments of principal and interest.

The scheme, which was introduced in February, 1959, is being financed by the Life Insurance Corporation, except in the case of the

Union Territories. The Corporation had originally agreed to provide loan assistance to the extent of Rs. 3 crores per annum for the three years 1954 to 1961, but in view of the large demands received from the State Governments, it has agreed to increase the provision similarly during the current financial year. The Corporation advances loans to State Governments who, in their turn, give loans to individuals or co-operatives of eligible persons.

House Building Loans By L. I. C.

Replying to a question in the Rajya Sabha on February 9, the Deputy Minister of Finance, Shri B.R. Bhagat, confirmed that the Life Insurance Corporation had decided to advance house building loans to (i) apex co-operative housing finance societies, and (ii) housing co-operatives of workers belonging to a public limited company.

He stated that in the case of the apex co-operative housing finance societies, the following three terms for granting the loan had been laid: (i) the repayment of the principal and the payment of interest on the loan should be guaranteed by the Government of the State concerned, (ii) the rate of interest on the loan would be 5 per cent per annum payable half-yearly, and (iii) the loan would be repayable within a period of not more than 20 years by equal annual instalments.

As regards housing co-operatives of workers belonging to a public limited company, the terms of loan were that (i) the company must be a public limited company engaged in business activities (industrial or commercial) and not one engaged mainly in building activities, (ii) the company was of sound financial standing and was prepared to guarantee the repayment of the principal and payment of interest on the loan (iii) the membership of the co-operative housing societies was confined to the workers of the company concerned, (iv)

the maximum amount of the loan would be restricted to 70% of the value of the property mortgaged, (v) the maximum term of the loan would be 20 years and (vi) the interest would be charged at not less than 6½% with a rebate of ½% for punctual payment.

Housing Scheme For States Govt. Employees

According to another announcement dated February 5, the Government of India have sanctioned further allocations amounting to Rs. 82 lakhs for this financial year to nine State Governments under the Rental Housing Scheme for State Governments Employees.

The State-wise demand, amount already allocated, extra allocation now sanctioned, and the total amount allocated so far during the current year in lakhs of rupees are respectively as follows: (1) Andhra Pradesh: Rs. 45; Rs. 15; Rs. 12.45; Rs. 27.45; (2) Bihar: Rs. 20; Rs. 6; Rs. 6.20; Rs. 12.20; (3) Kerala: Rs. 20; Rs. 6; Rs. 6.20; Rs. 12.20; (4) Madhya Pradesh: Rs. 100; Rs. 33; Rs. 28; Rs. 61; (5) Madras: Rs. 30; Rs. 10; Rs. 8.30; Rs. 18.30; (6) Mysore: Rs. 17; Rs. 4; Rs. 6.30; Rs. 10.30; (7) Orissa: Rs. 20; Rs. 6; Rs. 6.20; Rs. 12.20; (8) Rajasthan: Rs. 20; Rs. 8; Rs. 4.20; Rs. 12.20; and (9) West Bengal: Rs. 15; Rs. 5; Rs. 4.15; Rs. 9.15.

The scheme was introduced by the Ministry of Works, Housing and Supply in March 1959, following the concurrence of the Life Insurance Corporation to the Ministry's suggestion that the Corporation might give loans to State Governments (in addition to funds invested by it in State loans from time to time) specifically to enable them to construct houses for their employees. The Corporation had agreed to spare funds to the maximum of Rs. 1 crore per annum from 1958-1959 to 1960-61. In view of the heavy demands from States, the Corporation has increased the provision to Rs. 175 lakhs during the current

year. The loan carries on interest of 5 per cent per annum and has to be repaid in 20 years.

The Ministry introduced this scheme as a result of representations from the State Governments, particularly those affected by the States Reorganisation in November 1956, for assistance for building houses for their employees.

FAMILY PLANNING NEWS

A New Delhi announcement of February 7 says, the Directorate-General of Health Services, Union Ministry of Health, has brought out the first issue of a new monthly entitled 'Family Planning News'. The journal aims at keeping field workers informed about the progress of the family planning programme in various parts of the country. It will also educate the public on matters pertaining to family planning with a view to contributing to a better understanding of the movement.

Fire Prevention Week

The Fire Prevention Week was observed throughout India from February 8 to 14.

The week, an annual feature, is meant to arouse the public to the dangers of fire, its causes and methods of prevention.

As recommended by the conference of Chief Fire Officers from all States held in August 1955, a Standing Fire Advisory Committee has been constituted to advise the Government on technical problems relating to the fire services and such other methods.

The Union Home Ministry has also started the National Fire Service College from July 1956 to train personnel in the proper handling and prevention of fires.

Labour & Employment

WORKING JOURNALISTS SERVICE RULES AMENDED

An announcement dated February 3 says that the Government of India have made certain amendments to the Working Journalists (Conditions of Service) and Miscellaneous Provisions Rules, 1957, which have been published in a gazette notification.

In rule 7, which relates to hours of work, sub rule (2) has been amended in order to include correspondents, reporters or news photographers in an office of a news agency or a newspaper (at a place other than that of its publication) where more than one correspondent, reporter or news photographer are employed. Originally, sub rule (2) stated that the provisions relating to hours of work 'shall apply to every correspondent, reporter or news photographer stationed at the place at which the newspaper (in relation to which any such person is employed) is published.'

In sub rule (e) of rule 2, the terms 'sons' and 'daughters' have been substituted by 'sons (including adopted sons)' and 'daughters (including adopted daughters)'

Rule 29 relating to maternity leave has also been amended to provide for the grant of maternity leave to a female working journalist on full wages for a specified period 'on production of a medical certificate from an authorised medical practitioner'.

JOURNALISTS WAGE BOARD RECOMMENDATIONS

During question hour on February 12, the Union Deputy Minister for Labour, Shri Abid Ali, placed on the Table of the Lok Sabha a statement showing the progress made in the implementation of the recommenda-

tions of the Working Journalists Wage Committee.

According to the information received so far 187 establishments employing 2,127 working journalists have implemented the recommendations of the Wage Committee. The total number of establishments is 689 and of working journalists is 2,664. In Bombay, 510 establishments, which employ 534 working journalists, were stated to be subject to the Wage Committee Report. Actual inspection, however, indicated that in a large number of the cases the question of implementation did not arise.

Accident At Cambay Well

On February 10, Shri K.D. Malaviya, Union Minister for Mines and Oil, made a statement in the Lok Sabha on the accident at Cambay Well No. 3 on February 1.

He said, it appeared that the accident took place due to a terrific blow out when repairing one of the gate valves of the pipeline through which gas was being led away to be flared, as a result of which four technicians—two Rumanians and two

Indians—were killed and one Rumanian was injured. Immediately medical aid was arranged for the injured. The bodies of the two Rumanians were flown to Bucharest.

The statement observed that accidents due to blow out were not altogether uncommon in petroleum fields. In the Cambay field, which was a virgin area, particularly high temperature and pressure conditions were being encountered in the test wells. From the information available it would appear that these technicians who were involved in the accident gallantly tried to effect the repairs to the valve and also that, but for the timely action of some of them, the whole well might have caught fire.

The Oil and Natural Gas Commission were taking steps to investigate the circumstances in which the accident occurred. They were also taking in hand all necessary measures for preventing recurrence of such accidents in future. Soon after the reports of the accident reached Rumania, Mr. Iancu Horatiu, Rumanian Minister and himself an expert engineer, accompanied by a few experts from that country arrived at Cambay. They, together with Indian technical experts and Russian advisors made on the spot study and further action was being taken to repair the well for carrying out further testing operations.

A similar statement was made in the Rajya Sabha.

The States

ANNUAL PLANS OF STATES FOR 1960-61

UTTAR PRADESH

An announcement of February 5 says that the annual plan outlay of Uttar Pradesh for the year 1960-61 is of the order of Rs. 55 crores. This includes a provision of Rs. 2 crores for the development programmes of Hill areas

and Eastern Districts of the State.

Irrigation and Power gets the biggest allocation of Rs. 16.18 crores, of which the Rihand Hydro-electric Project shares

Rs. 6 crores and the Ramganga River Project Rs. 95 lakhs.

The annual plan has made an allocation of Rs. 11 crores for Agriculture and allied subjects. The programmes during the year are likely to increase the production of foodgrains by about 2.8 lakh tons. During the current year 777 seed farms are expected to be established and another 99 farms are proposed. Among other allocations, Agriculture and Social Services receive Rs. 11 crores each; Community Development and Co-operation Rs. 7.5 crores, Transport Rs. 3 crores; and Industries and Minerals Rs. 2.59 crores.

BOMBAY

An announcement dated February 12 says that an outlay of Rs. 98.75 crores has been approved for the annual plan of Bombay for the year 1960-61.

An allocation of Rs. 35 crores has been made for Irrigation and Power Schemes, including Rs. 7.5 crores for the Koyna Project. The irrigation programme includes work on the projects of the Ukai, Purna, Virar, Khadakvasla and Ghod.

Agriculture and allied subjects including co-operation and panchayats get Rs. 22.6 crores, of which over Rs. 5 crores will be spent for minor irrigation works to irrigate additional 1.72 lakh acres, Rs. 3.2 crores on co-operation and Rs. 3.13 crores on panchayats.

Other allocations are: Rs. 21.9 crores for Social Services; Rs. 8.4 crores for Transport; Rs. 7.45 crores for Community Development and Rs. 2.19 crores for industries.

MYSORE

According to an announcement of February 1, an outlay of Rs. 39.63 crores has been approved for the annual plan of Mysore for the year 1960-61.

With an allocation of Rs. 16.25 crores, the Irrigation and Power sector gets the biggest share in the annual plan. It includes Rs. 3 crores for the Bhadra Project and Rs. 1.5 crores for the

Tungabhadra Low Level Canal Project, Left and Right Banks.

Other main allocations are: Agriculture and allied subjects—Rs. 5.8 crores; Social services—Rs. 7.75 crores; Community Development and Co-operation—Rs. 2.9 crores; Transport—Rs. 2.29 crores; Industries—Rs. 2.11 crores. A scheme for the survey and exploration of iron ore is proposed. The programme for small scale industries includes a scheme for the establishment of a cocoon farm.

The Second Plan outlay of Mysore State is Rs. 145.13 crores. The total expenditure for the first three years was Rs. 59.25 crores and for the fourth year it was estimated to be Rs. 39.82 crores.

LACCADIVE MINICOY AND AMINDIVI ISLANDS

An announcement of February 11 says, the outlay for the annual plan of the Laccadive, Minicoy and Amindivi Islands for 1960-61 will be Rs. 44 lakhs.

In the Plan allocations, Transport gets the biggest share, Rs. 15.7 lakhs, and Social Services Rs. 15.4 lakhs. It is proposed to start a high school at Ameni, the first in the islands.

The other allocations are: Agricultural programmes—Rs. 8 lakhs; Power Programmes—Rs. 1.3 lakhs; Cottage Industries—Rs. 94,000; and Community Development, Rs. 18,000.

TRIPURA

An announcement of November 30 says that the Annual Plan outlay of Tripura for the year 1960-61 will be of the order of Rs. 267.09 lakhs, including a provision of Rs. 47.88 lakhs for schemes transferred to the Territorial Council. The allocations are: road transport, Rs. 75 lakhs; agriculture, Rs. 24.51 lakhs; community development, Rs. 19 lakhs; social services, Rs. 62.80 lakhs; village and small industries, Rs. 14.55 lakhs; and power Rs. 11 lakhs.

The total Second Plan outlay of Tripura Administration is Rs. 846.55 lakhs out of which the likely expenditure during the first four years of the Plan is estimated to be Rs. 658 lakhs.

ASSENT FOR RAJASTHAN BILL

An announcement dated February 8 says that the President has given assent to the Rajasthan Prevention of Funeral Feasts Bill, 1959, which seeks to put restrictions on feasts arranged on the occasion of or in connection with the demise of persons in Rajasthan.

ASSENT FOR MYSORE BILL

According to an announcement of February 8, the President has given assent to the Mysore Prevention of Animal Sacrifices Bill, 1959, which seeks to prohibit animal sacrifices in the precincts of Hindu temples throughout Mysore State.

At present, the Mysore Prevention of Animal Sacrifices Act, 1948, and the Madras Animals and Birds Sacrifices Prohibition Act, 1950, are in force in the Mysore and Madras areas respectively. But there is no similar measure in the other areas of the State. The present legislation has been promoted for the sake of uniformity.

ASSENT FOR ASSAM BILL

According to an announcement dated February 10, the President has given assent to the Assam Town and Country Planning Bill, 1959, which seeks to regulate urban development in Assam.

Since the last war the pressure of population in the urban areas of the State has increased enormously. The Municipal Boards and Town Committees have been unable to exercise adequate control over the expansion which has been often unplanned. The State Government has enacted the measure to deal with this problem.

DELHI MILK SCHEME

The milk depots of the Delhi Milk Scheme started supplying a limited quantity of cow's milk from February 13 at the price of 62 nP per litre. The milk is available in 1/2 litre bottles with plain golden yellow aluminium foil caps.

ELECTRIFICATION IN DELHI

Electricity loads were sanctioned for 12 villages in the Union Territory of Delhi, stated Shri Jaisukhlal Hathi, Union

Deputy Minister of Irrigation and Power, in a written reply to a question by Shri Naval Prabhakar in the Lok Sabha on February 15.

Defence

JOINT COMMONWEALTH NAVAL EXERCISES

The Joint Commonwealth Naval Exercises started on February 1 in the Indian Ocean.

The tenth successive, and the largest of the series to be held so far, the joint exercising fleet includes about 50 warships from seven Commonwealth navies.

During the first phase from February 1 to 14, exercises were held simultaneously off Cochin, Karachi and Singapore. The Indian fleet based at Cochin included the cruisers MYSORE and DELHI, the destroyers GODAVARI, GOMATI and GANGA, the frigates KHUKRI, KUTHAR, KIRPAN and CAUVERY. Besides, the Royal Naval Ships HMS TACTICIAN, LOCH FYNE and RFA GOLD RANGER formed part of the fleet exercising off Cochin. INS SHAKTI and INS DHARINI were also there.

The air component was provided by aircraft belonging to the Indian Navy's Fleet Air Arm, the Indian Air Force and the Royal Ceylon Air Force.

The Exercises will continue till the end of February.

Expedition 'Survival'

The seven-member Expedition 'Survival', concluded its 1500-mile voyage in an ordinary-30-foot-long naval boat and returned to Madras on February 8. The boat, a cutter named KALAPANI, sailed from Vishakhapatnam to Port Blair and back to Madras.

A function was held at Vishakhapatnam on February 12 to

felicitate the successful crew. Speaking at the function the chief of the Naval Staff, Vice-Admiral Katari said that, as far as the Navy was concerned, the lessons learned and the data compiled with regard to the survival rations and the indigenous equipment tested during this expedition, the first of its kind to be organised by the Navy, would be of great benefit to the Service. He indicated, it would be followed in due course by some more ambitious ones.

The institution of a trophy in commemoration of this 'historic expedition' was also announced by the Naval Chief. He added that this example was worthy of emulation.

Services Expedition to Annapurna II

A New Delhi announcement of February 3 says that the Indian Army is participating conjointly with the British Army and the Nepalese Army in a mountaineering expedition to Annapurna II (26,041 feet), the third highest unclimbed peak in the world, lying to the west of the Everest region in Western Nepal. The only attempt so far made on Annapurna II was in 1957 by a British party who, however, could not reach the summit.

The expedition will comprise 11 members—six British, three Indian and two Nepalese army officers.

The chief aim of the expedition is to further Commonwealth and Nepalese Inter-Service co-operation by means of a joint mountaineering enterprise. The expedition will assemble in Kathmandu towards the end of February and it hopes to launch its final assault on the summit sometime during the middle of May.

The Indian Army Mountaineering Association was founded by Gen. K.S. Thimayya, in May last year. This is the first major mountaineering venture undertaken by the Association.

GUARDS REUNION MEET AT KOTAH

The four-day first re-union celebrations of the Brigade of the Guards at Kotah concluded on February 6 with inter-unit sports competitions in which over 100 athletes, many of whom had made a mark in the Services National and Asian Games, took part. The 1st Guards won the championship shield, while 3rd and 2nd Guards closely followed. The Services sprinter in 100 metres Hav. Balwant Singh, who represented India at the Asian Games at Manila was adjudged the best athlete of the meet. Four Guards won championships in Tennis and Volleyball while the other three battalions received one trophy each, 1 Guards in Basketball, 2 Guards in Hockey and 3 Guards in Football.

NEW AIR VICE-MARSHAL

An announcement of February 6 says that Air Commodore R. Rajaram has been appointed to the post of Senior Directing Staff at the newly established National Defence College, New Delhi, in the rank of Air Vice-Marshal. He was formerly a Senior Air Staff Officer at Operational Command.

Nagas' Welcome To Defence Minister

Defence Minister Shri V.K. Krishna Menon, visited Tuensang on February 2 during his flying tour of the north-eastern border area. He was given a warm reception by thousands of Nagas, attired in their colourful costumes and armed with decorated spears and daos.

The chieftains of five prominent tribes of the Naga Hills — Tuensang Area — in welcoming Shri Krishna Menon, affirmed and pledged that they would uphold and defend the integrity and sovereignty of the frontiers of this country. The Nagas made a strong plea to the Defence Minister to develop the area by the introduction of more cottage industries and other welfare measures. The administration has already taken various measures to develop this region.

Replying to the addresses of welcome, Shri Krishna Menon assured the Nagas that the Government were fully conscious of

the need to introduce various measures to improve the lot of the people. The existing schemes would be further stepped up, he added.

Earlier arriving at Tezpur from Delhi, Shri Krishna Menon inaugurated, by planting ballis — for the construction of bhasas, Operation Amar II, another Army housing scheme, to provide accommodation for the Tezpur garrison and Air Force personnel. It is expected that the construction of living accommodation for troops and airmen will be completed before the onset of the monsoon.

Gen. S.M. Shrinagesh, Governor of Assam was present at the function.

IAF Benevolent Association

Grants amounting to Rs. 70,000 and loans amounting to over Rs. 20,000 were distributed by the IAF Benevolent Association for Servicemen from its various funds during the last one year. This was revealed in the annual

General Body meeting of the Association held in New Delhi on February 24. The report of the Secretary said that 90 per cent of the relief measures were generally meant for airmen and the remaining ten per cent for officers and their families.

Formed in 1940, the I.A.F. Benevolent Association has been helping those disabled while flying. It also brings relief to the dependents of those killed in accident and other deceased personnel and allocates grants to victims of disease and misfortune.

ARMY OFFICERS ON CIVIL POSTS

It was announced on February 13 that, during the three years 1956 to 1958, 337 military officers had been appointed in the civilian services under the Central Government. The year-wise break-up was: 1956 — 111; 1957 — 113, and 1958 — 113.

India & The World

INDIAN BOOKS PRESENTED TO INDONESIA UNIVERSITY

A collection of representative books on Indian history art, philosophy, religions and culture were presented on behalf of the Government of India at a formal ceremony on February 3 to the University of Indonesia in Djakarta.

During the past year over 1000 volumes have been presented to various Indonesian universities, educational institutions and public libraries under the Cultural Activities Programme of the Government of India. The principal recipients of these gifts have been the Bandung University, Airlangga University of Sourabaya, Danasari University of Bali and Gadjah Mada University of Jogjakarta.

TO GHANA COLLEGE

It was announced in New Delhi on February 6 that a collection of 80 books on Indian history, art, philosophy, religion and culture were presented on behalf of the Government of India to the University College of Ghana, Accra, on February 5.

New High Commissioner Of Pakistan

His Excellency Mr. A.K. Brohi, High Commissioner-designate of Pakistan in India, presented his Credentials to the President at Rashtrapati Bhavan in New Delhi on February 5.

Presenting the Letter of Credence, Mr. Brohi said that 'certain welcome developments in

our relations recently' were heartening. It was the sincere and earnest desire of the Government and the people of Pakistan that the friendly ties between India and Pakistan, bound together by long historical associations and many geographical, economic and other links, should be further strengthened. The need to foster this friendship is a historical imperative, he added.

Welcoming Mr. A.K. Brohi, President Rajendra Prasad said, 'It has been our belief that, bound as our countries are by not merely historical associations but by all the ties that can link two nations together, India and Pakistan can grow and look for the happiness and prosperity of their peoples as friends.'

NEW HIGH COMMISSIONER OF NEW ZEALAND

A Press Note issued on February 12 by the Ministry of External Affairs says, Mr. Guy Richardson Powles, C.M.G., has been appointed High Commissioner for New Zealand in India.

AMBASSADOR TO THAILAND

A Press Note issued on February 23 by the Ministry of External Affairs says, Shri Naranjan Singh Gill, till recently Ambassador of India to Ethiopia, has been appointed as Ambassador of India to Thailand. He is expected to assume charge of his assignment in March, 1960.

Finnish Mission Raised To Embassy Level

A Press Note issued on February 19 by the Ministry of External Affairs says, with a view to further strengthening the friendly relations existing between the Republics of India and Finland, the Governments of the two countries have decided to raise with immediate effect, their diplomatic representation to the level of Embassies.

Shri Kewal Singh, India's Ambassador in Sweden, will concurrently be Ambassador to Finland with residence in Stockholm. The present Finnish Minister to India, H.E. Dr. Sigurd Waldemar Von Numers, will become his country's first Ambassador to India.

INDIAN FILM IN AMERICA

A New Delhi announcement of February 6 says, India's Ambassador to the United States, Shri M.C. Chagla, inaugurated on February 5 the first showing in the United States of the Indian films 'Folk Dances of India', 'Radha Krishna' and 'Quest for Peace' at Dupont Theatre in Washington.

A CORRECTION

Indian Information, Vol. 3, No. 1, issue dated February 1, 1960 page 9, column 3, under the heading "No Licence Required from Small Scale Industries", please read 100 instead of 10, in line 3 from the bottom. The sentence should read: "It is open to anybody to set up an industrial unit in the small-scale sector if workers to be employed in the unit number less than 50 in a factory using power, or less than 100 in a factory not using power."

The error is very much regretted. Ed.

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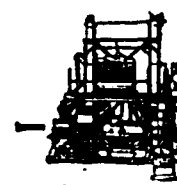
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EVENTS AT A GLANCE

FEBRUARY 1 TO 15

- February 1 — Polling for the mid-term elections to the Kerala State Assembly is held
- The Joint Commonwealth Naval Exercises commence in the Indian Ocean
- 3 — A two-day meeting of the Customs and Central Excise Advisory Council opens in New Delhi
- The Government of India announce the appointment of a committee to evaluate the merits of the various schemes for physical education, recreation, character-building and discipline, operating in educational institutions
- The report of the five-man Japanese delegation of experts, which visited India last year for a study of small scale industrial enterprises, is released
- The Finance Minister of Yugoslavia, Mr. Nikola Mincev, arrives in New Delhi on a short visit
- 4 — The first Asian Regional Conference of the International Society of Soil Mechanics and Foundation Engineering opens in New Delhi
- Prime Minister Nehru inaugurates the thirtyfifth annual session of the Indian Historical Records Commission in New Delhi
- 6 — Soviet President Voroshilov leaves New Delhi for Moscow
- Herr Heinrich Rau, Deputy Chairman of the Council of Ministers and Minister of Foreign and Inner German Trade of the German Democratic Republic, arrives in Delhi on a 4-day visit
- The Central Advisory Board of Education meets in New Delhi
- 8 — President Rajendra Prasad opens the Budget Session of Parliament
- 11 — H.E. Mr. N.S. Khrushchev, Prime Minister of the U.S.S.R., arrives in New Delhi on a 5-day visit
- 12 — An agreement is signed in New Delhi between India and the USSR, specifying the projects for which the 1500 million rouble credit, offered by Russia in connection with the Third Plan, will be utilised
- A cultural co-operation agreement is signed in New Delhi between India and the U.S.S.R.
- President Rajendra Prasad inaugurates the sixth National Convention of Farmers in New Delhi
- 13 — H.E. Dr. V.J. Sukselainen, Prime Minister of Finland, arrives in New Delhi on a 12-day visit to India
- A 3-member delegation from the United Arab Republic arrives in New Delhi on a 5-day visit to study the working of the small savings movement
- Negotiations for an air services agreement between India and Czechoslovakia conclude in New Delhi and the final draft of the agreement is initialled
- The Import Advisory Council meets in New Delhi
- 14 — The Export Promotion Advisory Council meets in New Delhi
- 15 — Prime Minister Nehru presents to Parliament his letter of February 5, addressed to the Chinese Prime Minister, and the Note of February 12 from the Government of India to the Chinese Government

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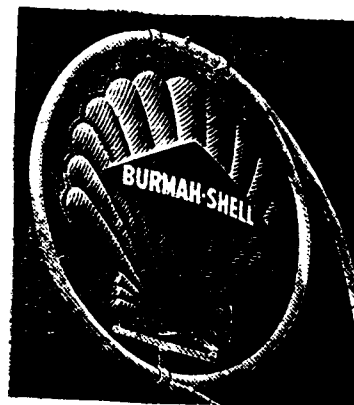
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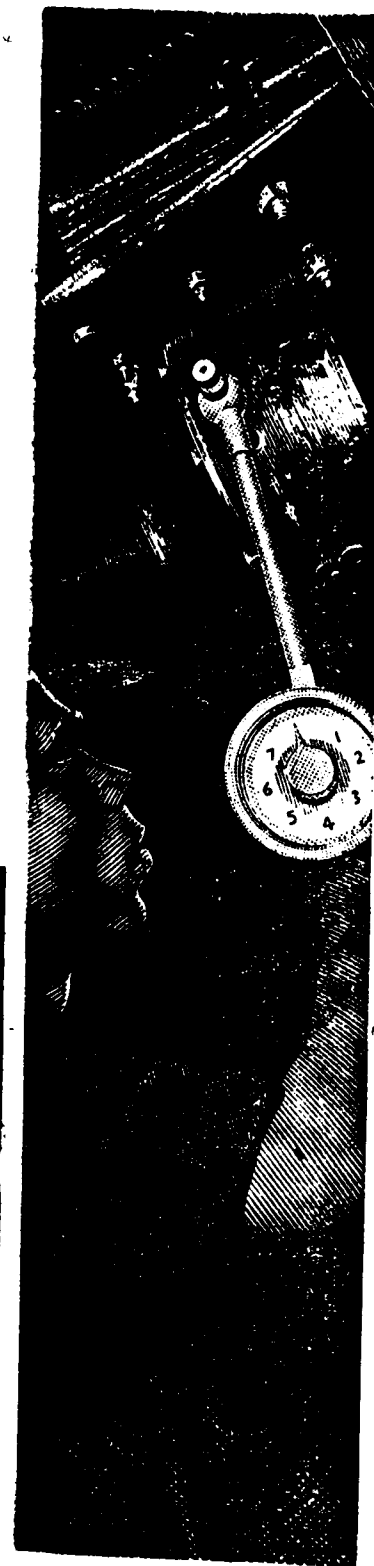
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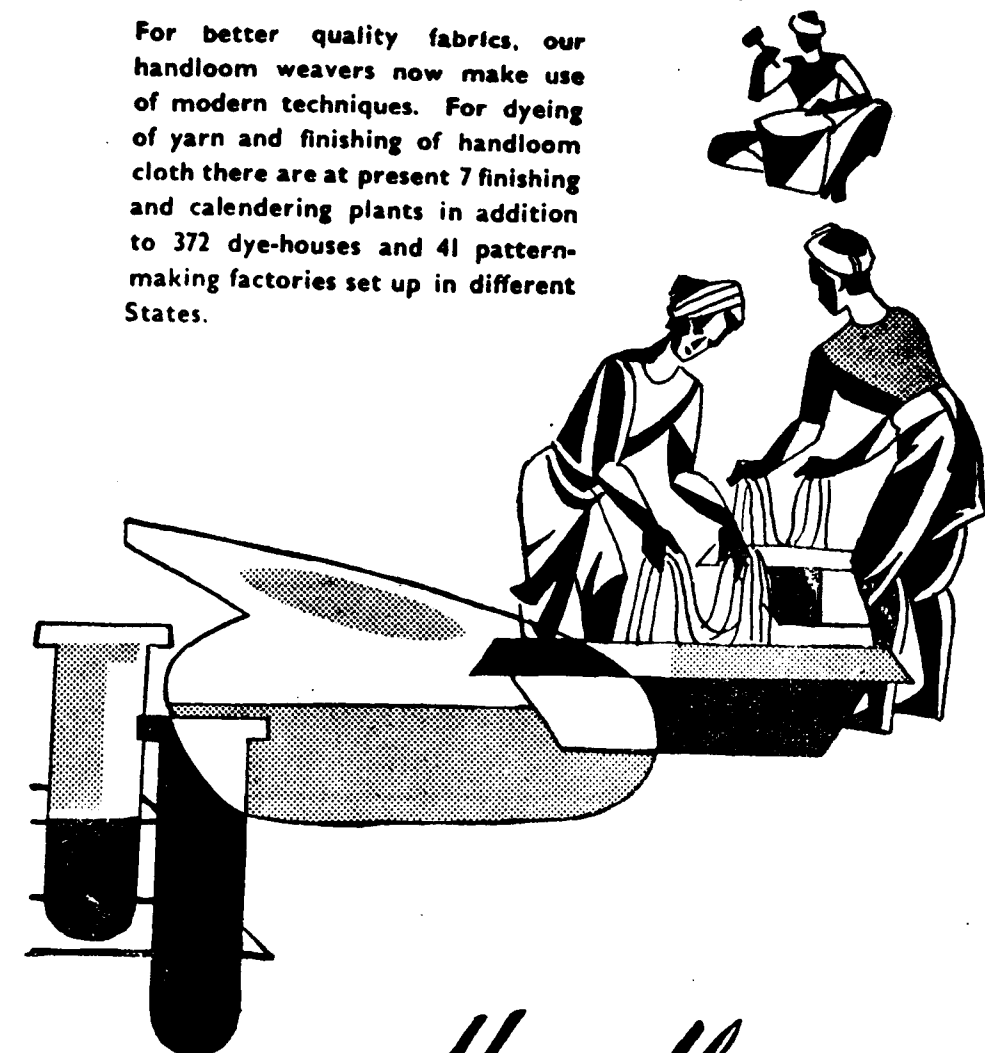


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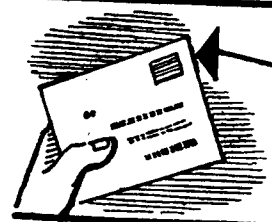
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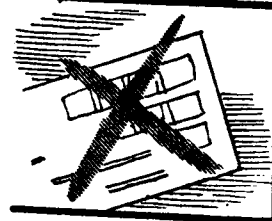
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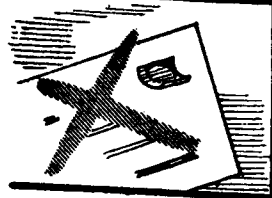
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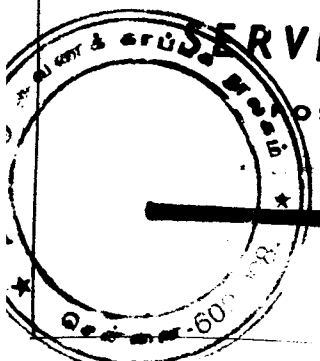
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Shri G.T. Deshpande, receiving the Sahitya Akademi Award for his book in Marathi, from the Prime Minister, Shri Jawaharlal Nehru, President of the Akademi, at a ceremony held in New Delhi on February 13 for presentation of the Akademi Awards for 1959 to authors of outstanding books in major Indian languages



Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, with a five-man U.S. Steel Delegation, in New Delhi on February 3



(Bottom Left)
Professor V.S. Yemelyanov, the Central Administrator of Atomic Energy, with Dr. K.S. Krishnan, National Physical Laboratory, arrival at the Palam Airport, Delhi



(Bottom Right)
Shri Ahmed Mohi-uddin, Minister for Civil Aviation, with H.E. Mr. Karel Stekl, Deputy of Transport, Government of Czechoslovakia (2nd from left), signing an air services agreement between India and Czechoslovakia in Delhi on February 13



Prime Minister, Shri Jawaharlal Nehru, awarding the Championship trophy to the Punjab Police at the closing ceremony of the All-India Police Athletic Meet in Delhi on February 7

Admiral R.D. Katari, Chief of the Naval Staff (second from right) with the crew of the naval cutter which sailed from Vishakhapatnam on January 7 to Port Blair (Andamans) and back to Madras, where it arrived on February 8



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Indian Information

Vol. 3

March 15, 1960 (Phalguna 25, 1881)

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Members of the Indian Everest Expedition with the Prime Minister, Shri Jawaharlal Nehru, in New Delhi

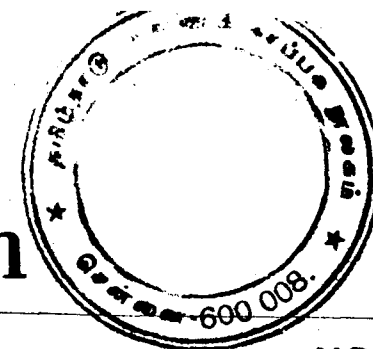


Members of the International Economic Mission, sponsored by the World Bank, with the Prime Minister, Shri Jawaharlal Nehru, in New Delhi on February 25. Left to right : Sir Oliver Franks (U.K.), Dr. Herman Abs (West Germany), the Prime Minister, and Mr. Charles A. Coombs (U. S. A.)



The 7-member Wheat Utilisation Mission, comprising of representatives of U.S.A., Canada, Australia, France and the F. A. O., with Shri S.K. Patil, Union Minister of Food and Agriculture, in New Delhi on February 20

Indian Information



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Phalgun 25, 1981

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COVER : Mr. U Nu, with the Prime Minister, Shri Jawaharlal Nehru, on his arrival at the Delhi Railway Station on March 6.

(Indian Information seeks to provide a condensed record of the activities and official announcements of the Government of India. Because of space limitation many items appear in summarized form. Such items should not be treated as complete and authoritative versions.)

Political & General

CHINESE PREMIER'S REPLY TO SHRI NEHRU'S LETTER OF FEB. 5

Prime Minister Nehru received the following letter from the Prime Minister of China. The letter was placed on the Table of both the Houses of Parliament on February 29:

February 26, 1960

Dear Mr. Prime Minister,

I thank Your Excellency for your letter of February 5, 1960 which was brought here on February 12 by Indian Ambassador to China Mr. Parthasarathi. At the same time, the reply to the note of December 26, 1959 of the Ministry of Foreign

Affairs of the People's Republic of China made by the Indian Embassy in China on the instructions of the Indian Government was also delivered by Mr. Parthasarathi to our Ministry of Foreign Affairs. The reply note of the Indian Embassy will be answered by the Chinese Ministry of Foreign Affairs after studying it.

You have in your letter agreed to the suggestion of the Chinese Government and myself for the holding of a meeting between the Premiers of China and India in the immediate future so as to explore avenues

which may lead to a peaceful settlement of the boundary issue, and invited me to visit Delhi in the latter half of March. I express to you my deep gratitude for your friendly invitation. The Chinese Government has consistently held that the friendship between the Chinese and Indian peoples is eternal, that it is necessary and entirely possible to settle the boundary issue between the two countries in a friendly and peaceful manner, and that the two countries must not waver in their common desire for a peaceful settlement of the boundary issue on

account of temporary differences of opinion and certain unfortunate and unexpected incidents. The Chinese Government, therefore, takes a positive attitude towards the forthcoming meeting and has confidence in it. As to myself, needless to say, I am very glad of the opportunity of once again visiting the capital of great India, meeting the great Indian people fighting for the prosperity, strength and progress of their motherland and for world peace, and seeing you as well as other friends whose acquaintance I had the honour of making during my last visits. I particularly hope to see the dark clouds hovering between our two countries dispersed through our joint efforts, so that the long-standing friendly relations between the two countries may be consolidated and developed.

Owing to reasons in connection with state affairs, I shall come to your country in April. The specific date will be discussed and decided upon through diplomatic channels.

With kind regards,

Chou En-lai,
Premier of the State
Council of the People's
Republic of China.

Chinese Infiltration In Jammu and Kashmir

The Prime Minister, replying to a short notice question in the Lok Sabha on February 25, whether the Chinese had occupied the Chantan Salt Mines in Ladakh and whether the people of that area had been refused access to the salt mines by the Chinese military, said that the salt mines in Chantan area and the salt lakes were in the north-east corner of Ladakh. This area was in illegal occupation of the Chinese forces. There had been no reports of persons from the Indian side having attempted to proceed there to collect salt and having been refused access. Asked whether a considerable number of unknown people in the guise of Buddhist monks had entered Zaskar from the Tibetan side, the Prime Minister said, the Jammu and Kashmir Government had already contradicted such reports. He said,

it was most unlikely that any Chinese could have come to this place after negotiating one or two snow-bound high ranges and traversing some hundred miles of Indian territory.

Chinese In Calcutta

In a written reply to a question in the Rajya Sabha on February 17, Shri G.B. Pant, Union Home Minister, said that the number of Chinese registered at present in Calcutta was 4,107, and Kalimpong 179. None of these held Formosan passports. However, 1,676 persons in Calcutta and 38 in Kalimpong possessed expired K.M.T. passports.

Since the enactment of the Indian Citizenship Act, 2,017 Chinese, 2,005 from Calcutta and 12 from Kalimpong, had applied for Indian citizenship.

The Home Minister added that the number of stateless persons in Calcutta was 1,163. There was no such person in Kalimpong.

Expenditure On Tibetan Refugees

Speaking in the Lok Sabha on February 23 on the supplementary demand for grants of Rs. 39 lakhs for the Tibetan refugees, the Deputy Minister of External Affairs, Shrimati Lakshmi Menon, referred to the *ad hoc* grant of Rs. 10 lakhs sanctioned in August last and said, 'At that time we did not know the magnitude of the problem that we had to face. The Tibetan refugees were coming in large numbers, but even so we had never imagined that the number would mount up to the present figure of over 16,000. So far, we have already spent Rs. 14,73,562 and 8 nP. That is the total expenditure incurred on the Mussoorie camp up to 31st October, 1959.' Out of this, about Rs. 13,000 was in respect of the amount already spent by the U.P. Government for the Dalai Lama and his party.

It was not likely that these people would return to their original homes. The Government were fully aware of the

situation and were making arrangements for their training, for their rehabilitation and for their absorption and settlement in India.

Detailing the arrangements made for the rehabilitation, Shrimati Menon said, 'The young people were put in schools. Those who were dedicated to a religious life have been provided with religious education and those who are old and infirm have been provided suitable accommodation and facilities to pursue their studies in perfect peace.

'We have also made arrangements for their rehabilitation in various ways. Some of them are artisans and we have got production centres in which they ply their traditional arts which have an artistic value. We are also giving training to those who are anxious to learn these arts. Thousands of able-bodied men are taken for road-making in various parts of India. They are doing road work in Sikkim, in Punjab, in Himachal Pradesh and in Uttar Pradesh. We are also thinking of settling them on land. These people were settled not very near the border but in those areas where the climatic conditions were more suitable for their healthy living and also where land was available.

Shrimati Menon mentioned the following projects which were under consideration: a handicraft centre for 250 persons in Dharmasala; settlement on land in Ladakh for 500 persons; in Siang division of the NEFA area for 1,000 to 1500 persons; settlement in various areas of Himachal Pradesh for about 200 persons. About 1000 acres of land would be reclaimed for the settlement in Ladakh.

The Deputy Minister further stated that the refugees were still coming from Tibet, though not in large numbers. Up to 2nd November, 2209 refugees came to Bhutan; but most of them were dispersed in India and at present there were 200 Tibetan refugees in Bhutan. It was understood that 10 to 15 refugees were daily coming into India in spite of the precautions taken by

the Chinese Government at the border.

VISAS FOR FOREIGNERS

It was announced on February 27 that 25,752 foreigners were granted visas for entry into India during 1959. These included 12,115 tourists and 3,117 businessmen. They came from: America (12,172), Afghanistan (883), Burma (911), France (1,343), Germany (2,040), Iran (655), Italy (1,040), Japan (546), Russia (466), Switzerland (500) and Thailand (824).

In 1958 visas were granted to 32,283 foreigners including 12,169 tourists and 4,218 businessmen.

Citizens of Commonwealth countries (other than Pakistan and Ceylon and missionaries) and Eire are not required to obtain visas provided their passports are valid for entry into India.

INDIA'S AID TO NEPAL

In reply to a question in the Lok Sabha on February 24 the Finance Minister, Shri Morarji Desai, said that the Government of India would have spent a sum of Rs. 3.68 crores from April 1, 1956 to March 31, 1960 on giving technical and economic assistance to Nepal for their development schemes.

Shri Desai added that, during 1959-60, the following progress had been made under India's Aid Programme in Nepal:

(A) Signing of the following Agreements/Exchange of letters: (1) exchange of letters for the grant of Rs. 6 lakhs for the Maternity Home and Child Welfare Centre, (2) an Agreement for assistance of Rs. 2.5 crores for the implementation of the Village Development Programme and Intensive Valley Development Projects, and (3) exchange of letters for assistance of Rs. 30 lakhs for implementation of Local Development Works in the various districts in Nepal.

(B) Payment of the following cash grants to the various insti-

tutions through the Government of Nepal and the Development Boards: (1) Rs. 1.50 lakhs to the Maternity Home and Child Welfare Board, (2) Rs. 10 lakhs to the Village Development Board, (3) Rs. 10 lakhs to the Local Development Works Board, (4) Rs. 2 lakhs for development of Trichandra College, and (5) grants amounting to Rs. 4.45 lakhs, so far, for various educational and medical institutions from the Discretionary Grant of the Ambassador.

PROGRESS OF WORKS

(C) Progress on Works/Surveys: (1) Under the Tripartite Agreement, a 2 ft. trace or centre line had been marked in 298 miles and detailed survey completed in 210 miles. Jeepable service roads had been completed in 160 miles and 78 miles had been made motorable. (2) The Tribhuvan Rajpath continued to be maintained and, since March 1959, 8½ miles of the road length had been painted and 12½ miles consolidated. (3) Under the Minor Irrigation Projects, concreting of foundations of Phewatal Dam had been completed and stone masonry was in progress. Headworks, supply channel, and Regulator on Tika Bhairawa project and two-thirds work on the Canal system had been completed. Work on Mahadeo Khola was nearing completion. Headworks and Masonry works of lower Vijaypur Canal were completed. On Jhaj Irrigation Project, head-works and masonry works on Main Canal had been completed and those on off-taking channels were in progress. (4) Dhulikhel, Karki-Manthali, and Panchmane Water Supply Schemes had been completed and had started functioning. (5) In respect of the Trisuli Hydro-electric Project, contracts had been awarded for construction of colony buildings, clearance of the weir site and 5-mile length of an approach road. Indents had also been placed for Procurement of instruments, machinery and stock materials. (6) Improvements to the Bhairava, Biratnagar, Pokhara and Simara Airstrips were in progress. Surveys for locating addi-

tional aerodromes at Nepalganj and Janakpore had been completed. (7) Under a scheme for carrying out geological surveys, five geologists from the Geological Survey of India were working in the field and the Test Laboratory set up by the G.S.I. at Kathmandu continued to function. (8) Survey of 20,318 miles, triangulation of 21,296 sq. miles, traversing of 1638.6 linear miles and fair drawing in respect of 13,380 sq. miles had been completed. Sheets in respect of 3,195 sq. miles had been published. (9) A documentary film on the first general elections in Nepal had been completed.

TRAINING AND EDUCATION

(D) Further technical assistance in the fields of education, horticulture and community projects had been given. A Rural Institute had been started for training Nepali staff for employment in the Village Development Blocks. Schemes for the development of Primary and Secondary education and for the establishment of a Model Blind School had been sent to the Government of Nepal. A sum of Rs. 2 lakhs had been sanctioned for the Tribhuvan Adarsh Vidyalaya to enable it to develop into a public school. Financial assistance to the extent of Rs. 1.24 lakhs had also been sanctioned for the Adarsh Mahila Vidyalaya.

Outlining the special steps taken by the Government of India to increase the pace of aid programme, the Finance Minister said that where the works/surveys had been entrusted to the Government of India agencies, necessary skilled personnel had been sent from India for their speedy execution. Nepali students were being trained at the Civil Engineering School and Rural Institute in order to provide local technical personnel to Nepal. In cases where the works were to be executed by the Government of Nepal, various development boards had been set up by them in order to take quick decisions on policy matters and also to see to the early execution of the various schemes. The

Government of India provided to these boards the services of skilled personnel and funds and materials, on request.

International Economic Mission

A three-member International Economic Mission, sponsored by the President of International Bank for Reconstruction and Development, arrived in New Delhi, on February 24. During this visit, lasting about three weeks, members of the Mission are to study economic conditions in India and acquaint themselves with India's current and planned development programmes. They are holding discussions with Government officials, businessmen and industrialists in the important cities of India.

The members of the Mission are Sir Oliver Franks, Chairman of Lloyds Bank, London (U.K.), Dr. Herman Abs, Chairman of the Deutsche Bank of Frankfurt, (West Germany) and Mr. Allan Sproul, formerly President of the Federal Reserve Bank of New York (USA). They are assisted by three Economic Advisers. Mr. C.R. Ross, Dr. Paul Krebs and Mr. Charles A. Coombs.

PROCLAMATION ON KERALA REVOKED

A Proclamation was signed in New Delhi on February 22, by the President, Dr. Rajendra Prasad, in relation to the State of Kerala.

The Proclamation, issued in a gazette extraordinary, reads: 'In exercise of the powers conferred by Clause 2, Article 356 of the Constitution of India, I, Rajendra Prasad, President of India, hereby revoke the Proclamation made by me under the said Article on 31st July 1959, in relation to the State of Kerala.'

Clause 2 of Article 356 says that any Proclamation issued in case of failure of constitutional machinery in a State 'may be revoked or varied by a subsequent Proclamation.'

New Administrative Unit In U. P.

In a written reply to a question in the Lok Sabha on February 9, the Home Minister, Shri G.B. Pant, said that a new Administrative Unit was being formed in the border regions of Uttar Pradesh for tackling various problems.

The scheme had been discussed between the Union Government and the Government of Uttar Pradesh and the approval of the Government of India obtained.

Shifting Of Offices From Delhi

In a written reply to a question in the Rajya Sabha on February 29, Shri K.C. Reddy, Minister of Works, Housing and Supply, said that proposals to shift some Union Government offices to Simla, Faridabad and Gwalior were under the active consideration of Government.

In a statement laid on the Table of the House, the Minister gave the names of offices which had already been shifted from Delhi to the following places:

Mussoorie: — Offices of the Custodian General of Evacuee Property, the Central Claims Organisation, the Appellate Officer (Separation), the Custodian of Deposits, all belonging to the Ministry of Rehabilitation, and I.A.S. Training School, Delhi and Staff College, Simla.

Nagpur: — Directorate of Agricultural Marketing and Inspection, Ministry of Food and Agriculture; Office of the Chief Inspector of Explosives, Ministry of Works, Housing and Supply; Excavations Section, Pre-history Section, Atlas Section and Muslim Epigraphy Section of the Department of Archaeology, Ministry of Scientific Research and Cultural Affairs; and Indian Bureau of Mines and Fuel from Delhi and Calcutta (Except Stores, Laboratory and Workshop Sections which are expected to complete shifting in the

next two months when new construction would be completed.)

Jaipur: — Office of the Salt Commissioner, Ministry of Commerce and Industry.

Vacancies In Rajya Sabha

The members of the State Legislative Assemblies and the electoral colleges of Delhi and Manipur are to elect 72 persons to fill the vacancies that will arise in Rajya Sabha on the retirement of members on April 2 next.

The State-wise vacancies are: Andhra Pradesh — 6; Assam — 3; Bihar — 7; Bombay — 9; Kerala — 3; Madhya Pradesh — 5; Madras — 6; Mysore — 4; Orissa — 4; Punjab — 4; Rajasthan — 3; Uttar Pradesh — 11; West Bengal — 5; Delhi — 1 and Manipur — 1.

The Rajya Sabha consists of not more than 250 members, of whom 12 are nominated by the President and the rest elected. The Sabha is not subject to dissolution, one-third of its members retiring on the expiration of every second year. The elections to the Sabha are indirect.

Aid To Political Sufferers

In a written reply to a question in the Lok Sabha on February 24, the Home Minister, Shri G.B. Pant, stated that the Union Government had given aid amounting to Rs. 2,13,425 to 504 political sufferers and their families from April 1, 1959 to February 15, 1960. The aid was given in the form of non-recurring cash grants and small loans, individual grants ranging from Rs. 100 to Rs. 5,000.

A sum of Rs. 3 lakhs is placed every year at the disposal of the Union Minister for Home Affairs for giving monetary grants at his discretion to persons who have served the nation in political, social, philanthropic and other fields. Individuals performing outstanding deeds of valour and public good and institutions which render public service are also eligible for this grant.

Rifle Clubs In India

An announcement of February 22 says that, in 1959, there were

301 Rifle Clubs functioning throughout India with a membership of over 36,000. Uttar Pradesh had the largest number of members—24,796, followed by Bombay with 5,407 and West Bengal with 2,323.

The State-wise breakup of the Clubs was: Andhra Pradesh—7; Assam—10; Bombay—79; Bihar—2; Kerala—3; Madras—4; Madhya Pradesh—15; Mysore—19; Orissa—5; Punjab—6; Rajasthan—11; Uttar Pradesh—94; West Bengal—37; Delhi—1; Himachal Pradesh—5; Manipur—1; and Tripura—2.

The Union Home Ministry has been assisting the establishment

and growth of rifle clubs with a view to inculcating discipline and marksmanship in the youth of the country. Among the facilities the State Governments provide to these clubs are: supply of ammunition at concessional rates, subsidy towards fees for arms licences, and financial assistance for organising the National Shooting Championship Competitions.

A sum of Rs. 1,20,000 was sanctioned to the National Rifle association of India in 1958-59 for development schemes and duty on import of arms and ammunition.

Planning & Finance

FINANCE MINISTER'S BUDGET SPEECH IN PARLIAMENT

The Union Finance Minister, Shri Morarji Desai, presented to Parliament the Budget for 1960-61 on February 29. Introducing the Budget, the Finance Minister said:

I beg to present the statement of the estimated receipts and expenditure of the Government of India for the year 1960-61.

2. The usual Economic Survey reviewing the major developments in the economy during the current year and indicating broadly the outlook for the coming year has been circulated along with the budget papers. I propose here to dwell only on such aspects of the economic situation as have a direct bearing on the budget for the coming year.

3. Agricultural production recorded a large increase in 1958-59 and there has been a marked recovery in industrial production in recent months. Despite these encouraging trends in production, both wholesale prices and the cost of living have shown a significant rise. The foreign exchange reserves held by the Reserve Bank have maintained a measure of stability during the year. There has been some improvement in export earnings and

some reduction in imports, but the major factor in the stability of our foreign exchange position has been the larger availability of external assistance. The trends in money supply and credit indicate that the expansionary impulse in the economy has been fairly strong. The stock markets have been buoyant practically throughout the year. These pointers, taken together, indicate the need in the coming year for active vigilance in regard to domestic price trends and continued austerity in imports backed by accelerated effort to step up exports.

4. The investments undertaken in the last few years are beginning to yield results and we should expect substantial increases in output in the coming years. At the same time the demands for domestic consumption and investment are increasing while the urgent need to build up exports remains. It is essential in this situation to ensure to the maximum extent possible that aggregate demand does not outstrip the supplies available. 1960-61 is the last year of the Second Five-Year Plan, and care must be taken to see that the economy is in a state of healthy balance when the year ends and the Third Plan commences.

PRODUCTION

5. The prospects for agricultural production in the current year are good. Despite floods in some parts of the country and drought in some others, the Kharif crop is expected to be about as good as last year, and the Rabi sowings so far have been satisfactory. Food production in 1959-60 will, it is hoped, be around the same high level as last year, although some reduction in the output of raw cotton and jute is likely.

6. Industrial production has shown an increase of about 7.4 per cent over the first ten months of 1959. This is a substantial improvement over the rate of increase of 1.7 per cent in 1958 and 3.5 per cent in 1957. A notable feature of the year was the increase in the production of iron, steel and aluminium which together accounted for over a third of the rise in the index of industrial production. Among the other industries which recorded substantial increases in output were automobiles, diesel engines, machine tools, sugar machinery, superphosphates, soda ash, cement and paper and paper board. The output of mill cloth was about the same as in 1958, although the off-take was distinctly larger partly on account of the revival of export demand. The production of handloom and powerloom cloth went up about 100 million yards. The production of jute manufactures over the year was slightly lower than in 1958, but it has been looking up since September last. Although the foreign exchange position continues to be tight, it has been possible to ensure, by and large, that industrial production is not hampered on that account. Actually, the increase in industrial production has been larger than the index would suggest, as the industries which have come into existence after 1951 are not included in that index.

7. In part, the increase in industrial production mentioned earlier has been on account of fuller utilisation of capacity. But there has also been expansion in installed capacity in a number of industries such as iron and steel, aluminium, paper, basic chemicals, cement, power-driven pumps, sewing machines and bicycles. Progress is being made in the production of finished machinery and equipment as well. The construction of the first phase of the heavy electrical project at

Bhopal is nearing completion and it has been decided to accelerate the remaining phases of the project and to provide for substantial expansion. The capacity of the heavy machinery project at Ranchi is also to be expanded so as to produce 80,000 tons of machinery a year. A number of plants for fertilisers, drugs and pharmaceuticals and intermediates are also being established and will go into production during the Third Plan period. The industrial potential of the country has grown considerably over the last few years, and is becoming rapidly more diversified. Government are anxious to see this process carried through further. Small-scale industries have also continued to receive encouragement and support from Government, and certain steps to assist banks to make larger loans to small industries are under consideration.

8. Indian shipping continued to expand steadily during the year. The total gross tonnage under the Indian flag at the end of 1959 was about 7,40,000 which is expected to reach the Plan target of 9 lakh tons by the end of 1960-61. With the establishment of the Shipping Development Fund in the current year, Indian shipping companies have now a permanent source from which to obtain rupee finance for their development. In the present context of a shortage of foreign exchange, it is important to develop the Merchant Fleet and save the large amount paid as freight in foreign exchange. I hope that in this effort we shall receive co-operation and assistance from foreign ship-owners, who have had an earlier start and that restrictive practices, which hamper the full utilisation of our shipping tonnage will be given up.

MONETARY TRENDS

9. The rate of increase in money supply which had slowed down in 1958 picked up again in 1959, the increase in the course of the year being Rs. 170 crores, as compared to Rs. 75 crores in the previous year. The increase in bank credit to Government was smaller in 1959 than in the previous year. On the other hand, the contractionist effect of the transactions of the private sector with the banking system was smaller and the foreign exchange reserves which had shown a decline in the previous year went up in 1959.

10. The deposit resources of scheduled banks increased by Rs. 254 crores in 1959. The addition to the investment of these banks in government securities was Rs. 151 crores as compared to Rs. 204 crores in 1958. The net borrowings of the scheduled banks from the Reserve Bank were small and except during periods of pressure for funds, money rates generally tended to remain at lower levels. The maximum deposit rates fixed in October 1958 under a voluntary agreement among the larger banks were lowered by 1/2 per cent in September 1959.

11. The stock markets were buoyant for most of the year and the gilt-edged securities maintained a firm trend. Several of the new industrial issues during the year were oversubscribed. The index of variable dividend industrial securities, which had risen by 14 per cent in 1958, rose further by about 17 per cent during 1959. While, in a growing economy the capital markets should reflect confidence and optimism, it is essential to keep a watch on any unhealthy speculative tendencies.

PRICES

12. The general index of wholesale prices has shown a rise of about 4½ per cent over the twelve months ending January 1960. The index for rice came down from 103 in November 1958 to 92 in March 1959, but it rose again to 112 by October. There was a seasonal decline to around 101 by December 1959. The index was 104.3 at the end of January 1960. Wheat prices at the end of last month were about 25 per cent lower than about a year ago. While, on the whole, the indices for cereals and pulses have shown a fall, 'food articles' as a group have gone up, mainly because of the rise in the prices of edible oil, gur and tea. Industrial raw materials went up more sharply and the index for manufactures has also shown an upward trend in recent months. The All-India cost-of-living index for December 1959 was 124 as compared to 122 a year earlier.

BALANCE OF PAYMENTS

13. As I mentioned earlier, the Reserve Bank's sterling assets have been relatively stable, their level on 19th February 1960 being Rs. 203 crores, as compared to Rs. 211 crores a year earlier. During this period

we made the gold payment towards the enlargement of our quota in the International Monetary Fund and repurchased from it rupees equivalent to \$20 million. Welcome as this improvement is, it must be borne in mind that basically our current earnings are far short of our payments, and the gap is being met by foreign loans and credits.

14. For the year 1958-59 the current account deficit in the balance of payments was Rs. 339 crores as compared to Rs. 476 crores in 1957-58. Imports were lower by Rs. 157 crores; imports on private account showing a fall of Rs. 176 crores while Government imports rose by Rs. 19 crores. Export earnings in 1958-59 were about Rs. 19 crores less than in 1957-58 due mainly to recessionary conditions abroad. Receipts on account of official donations and other invisible items were less in 1958-59 by a crore as compared to 1957-58. The current account deficit of Rs. 339 crores was met by capital inflow of Rs. 320 crores and by a drawing down of foreign exchange reserves by Rs. 19 crores. Allowing for a net outflow of Rs. 23 crores on account of miscellaneous transactions the total fall in reserves, however, came to Rs. 42 crores.

15. For the first half of 1959-60 the current account deficit was Rs. 142 crores as compared to a deficit of Rs. 211 crores in the first half of 1958-59. The improvement was accounted for by an increase in export earnings of the order of Rs. 19 crores and a reduction in imports amounting to Rs. 53 crores. The receipts on account of official donations were, however, Rs. 3 crores less. As against a deficit of Rs. 142 crores, foreign exchange reserves were drawn down by Rs. 27 crores, the balance being met mainly by external assistance.

16. While on the subject of the balance of payments and foreign exchange reserves, I would like to mention that we had drawn in 1957 from the International Monetary Fund, a credit of \$ 200 million, including a stand-by-credit of \$ 72.5 million. Under the Fund rules, a stand-by-credit is repayable within three years. We have, therefore, repaid \$ 50 million during this month and propose to pay the balance of \$ 22.5 million in June 1960.

FOREIGN ASSISTANCE

17. As the House is aware, a Conference of friendly countries was convened by the World Bank in March 1959 to discuss how India could be assisted to meet the foreign exchange requirements of the current Plan. Following this Conference, the United Kingdom Government granted a loan of £ 19 million, about Rs. 25 crores. The United States Government sanctioned a further loan of \$ 20 million, about Rs. 9½ crores, from the Development Loan Fund in July 1959 for the import of steel for projects in the private sector. An agreement under P. L. 480 was signed with the United States Administration in November 1959 for import of foodgrains, and other agricultural commodities valued at \$ 257 million, about Rs. 122 crores. Canada has authorised grants totalling \$ 25 million, about Rs. 11 crores for import of wheat, raw materials, fertilisers and scientific equipment. During the current financial year the World Bank sanctioned further loans totalling \$ 85 million, about Rs. 40½ crores. Three agreements were signed during the year with the U.S.S.R., for loans and credits totalling 1680 million roubles, about Rs. 201 crores. The bulk of this assistance is towards the Third Plan. The Governments of Czechoslovakia and Yugoslavia have also agreed to extend credits upto Rs. 23 crores and Rs. 19 crores respectively during the Third Plan period.

18. As in previous years, we have continued to receive assistance under the Colombo Plan from countries like Australia, Canada and New Zealand. We have received technical assistance from the United Nations Expanded Programme of Technical Assistance, other specialised agencies of the United Nations and the Indo-French technical co-operation programme. We have on our side, also given assistance to friendly countries. Our economic and technical assistance to Nepal under the Colombo Plan is expected to amount to Rs. 1.33 crores during the current year. We have provided scholarships and training facilities for overseas students and sent a large number of experts to help the Governments of these countries.

19. I attended the annual meetings of the Boards of Governors of the Bank and the Fund in Washington in September-October 1959. At

their meeting, the Board of Governors of the Bank adopted the U.S. proposal asking the Bank's Executive Directors to consider the broad principles on which an International Development Association as an affiliate of the World Bank should be established and to formulate the Articles of Agreement of this Association would be to promote economic development in less developed areas by providing additional finance on terms which will bear less heavily on the balance of payments position of the borrowing countries. The Articles of Association for the International Development Association have now been drafted and will be considered by member-governments.

FINANCIAL YEAR 1959-60

20. I shall now deal with the revised estimates of the current year and the budget estimates of the coming year.

21. The budget for the current year estimated the revenue at Rs. 780.10 crores and expenditure met from revenue at Rs. 839.18 crores leaving a revenue deficit of Rs. 59.08 crores. On the trend of actuals the revenue is now estimated at Rs. 838.66 crores and expenditure at Rs. 854.05 crores, leaving a deficit of only Rs. 15.39 crores.

22. The improvement of Rs. 58.56 crores in revenue is due mainly to better collections under Customs and Union Excises. Customs receipts are now estimated to go up from Rs. 132.77 crores to Rs. 160 crores; our original estimate, based largely on the trend of actuals for 1957-58, has proved to be too conservative. Union Excises would yield Rs. 350.82 crores against the budget estimate of Rs. 324.32 crores. With the progressive increase in production the revenue has shown an all round improvement, notably under steel ingots, cement and tyres and tubes. The enhancement in the duty on mineral oils during the year has also contributed to this improvement. The revenue from Income Tax including Corporation Tax, is likely to go up by Rs. 5 crores but the yield from Wealth Tax, Expenditure Tax and Gift Tax taken together will be less by Rs. 1.6 crores. The surcharge on iron and steel which is transferred to the Iron and Steel Equalisation Fund, is likely to yield Rs. 9 crores more while grants from the

U.S. Government under the P.L. 480 programme will be Rs. 13 crores less.

23. Civil Expenditure this year is now estimated at Rs. 610.35 crores against the original budget of Rs. 596.50 crores and Defence Expenditure at Rs. 243.70 crores against the original estimate of Rs. 242.68 crores.

24. The increase of Rs. 13.85 crores in Civil Expenditure is the net effect of variations over a number of heads. Debt services are now estimated to cost Rs. 7.26 crores more due chiefly to larger payments for interest on external loans. Transfer to the Steel Equalisation Fund of the surcharge on iron and steel accounts for an increase of Rs. 9 crores. Expenditure on displaced persons is more by Rs. 5.48 crores due to the conversion of certain outstanding loans into grant and to larger provision for transfer of sale proceeds of evacuee property, which are taken in reduction of the Capital expenditure on the payment of compensation to displaced persons. Payment of State's share of Union Excise Duties is now expected to exceed the budget provision by Rs. 2.30 crores following the expansion of revenue. Provision has also been made for payment to the States of a grant of Rs. 3.46 crores to compensate them for the loss in their share of income-tax following the changes in the company taxation this year. These increases would be partly counterbalanced by a drop of Rs. 13 crores in the grants from U.S.A. under P.L. 480 programme to be transferred to the Special Development Fund.

25. The revised estimate of the net Defence expenditure on revenue account during the current year shows an increase of Rs. 1.02 crores over the budget. This is made up of an increase of Rs. 6 crores under the Air Force, offset by reductions in the Navy and in Non-effective charges and by a slight increase under "Receipts and Recoveries". The increase in the Air Force budget is mainly due to liabilities carried over from 1958-59 on stores purchased from abroad and new proposals sanctioned during the course of the year. The reduction in expenditure on the Navy is mainly due to less expenditure on stores. The provision made for temporary increases in pensions of Service personnel under "Non-effective Charges" is

unlikely to be required this year and has been included in the budget for the next year.

FINANCIAL YEAR 1960-61

26. Before dealing with the estimates for the coming year, I would like to mention one or two matters which affect the estimates of that year. The first relates to a major change in the financial arrangements between General Revenues and Posts and Telegraphs. The surplus of the Posts and Telegraphs Department, after payment of interest on the capital at charge, has so far merged in the General Revenues. Part of the surplus is treated as an outright contribution to General Revenues and the balance is retained *pro forma* by the Department on which an abatement of interest is allowed. These arrangements were recently reviewed, particularly against the background of the need to encourage the Department to build up adequate reserves against its growing capital investment. With rapid expansion and technological advance, the pace of capital investment of the Department has increased considerably in recent years, the total capital at charge having risen from Rs. 38 crores in 1948-49 to Rs. 121 crores at the end of last year. But the accretions to the Renewals Reserve Fund have not been adequate with the result that replacements have to be partly financed from interest-bearing capital. It has therefore, been decided to place the P. and T. Department with effect from next year in the same position as the other great commercial department of Government, viz. Railways *vis-a-vis* General Revenues. The Department would in future pay a dividend to the General Revenues at the rate in force from time to time for the Indian Railways on the mean capital at charge during the year. The balance of the surplus, after payment of the dividend, will be retained by the Department for strengthening its Reserves, particularly the Renewals Reserve Fund.

27. The second matter concerns the Central Pay Commission. The Commission which was appointed in August, 1957, to enquire into the structure of emoluments and conditions of service of Central Government employees submitted its Report in August, 1959. The decisions

of Government on some of the major recommendations of the Commission were announced in Parliament on the 30th November, 1959. The other recommendations of the Commission are being examined and Government's decisions thereon will be announced as early as possible. The annual expenditure for Government as a whole, on the implementation of the recommendations of the Commission, including the interim relief already granted, is of the order of Rs. 44 crores, which is likely to rise ultimately to Rs. 55 crores roundly per annum. The recommendations of the Commission accepted by Government take effect from the 1st July, 1959, but no provision is being made in the revised estimates for the current year on this account as the payments will all be made in 1960-61. The budget for that year thus includes more than a year's provision for this expenditure.

28. Honourable Members had expressed some concern last year about the growth of Civil expenditure. The question of securing maximum possible economy consistent with efficiency and avoiding wastage in public expenditure has continued to receive close attention. The reports of the various teams of the Committee on Plan Projects and the Special Re-organisation Unit of the Ministry of Finance have been made available to Parliament from time to time. A continuous watch over the growth of expenditure, particularly non-developmental expenditure, is kept by the Central Economy Board and the Internal Economy Committees set up in the various Ministries. Studies of particular sections of activity in each Ministry have been initiated with a view to improve the methods of work and secure economy with efficiency. Government have imposed a ban for one year on the creation of fresh posts and the filling up of vacant posts unless they are related to the Plan or are required for security purposes. *Ad hoc* cuts have also been made in the provision for travelling allowances.

29. For the next year, on the basis of existing taxation, the revenue is estimated at Rs. 896.45 crores and expenditure at Rs. 980.35 crores, leaving a deficit of Rs. 83.90 crores on revenue account.

30. The revenue from Customs

has been assumed at the same level as the current year's revised estimate of Rs. 160 crores. Union Excise Duties are estimated at Rs. 358.91 crores, an increase of Rs. 8.09 crores over the revised estimate, which allows for the progressive increase in production and a full year's revenue from the increases levied during the current year. The receipts from Income Tax and Corporation Tax are likely to improve by Rs. 10 crores. Revenue from Wealth Tax will decline by Rs. 5 crores due to the merger of the tax on companies in their income tax. Apart from the increase of Rs. 1.43 crores in the sale proceeds of opium, the revenue from other principal heads is not expected to differ materially from the current year's revised estimates. Interest receipts would go up by Rs. 7.44 crores mainly due to the anticipated receipt from two steel companies and the Khadi and Village Industries Commission. Of the other major variations, mention may be made of an increase of Rs. 7 crores in the receipt from the surcharge on iron and steel and Rs. 8 crores in grant from the U.S. Government under the P.L. 480 programme. But these increases will be partly set off by a drop of Rs. 4 crores in the contribution from the Posts and Telegraphs following the revised arrangements mentioned earlier. The share of income-tax payable to the States next year shows a decrease of Rs. 27.26 crores as a result of the merger of company income tax in Corporation Tax, but as I mentioned in my speech last year, it is the intention to make good the loss to the States by a specific grant till the next Finance Commission reports on the allocation of income-tax and necessary provision is being made in the expenditure estimates for this purpose. The profits of the Reserve Bank have been taken at Rs. 40 crores, the same as in the current year.

31. Expenditure next year is estimated at Rs. 980.35 crores of which Rs. 272.26 crores will be on Defence Services and Rs. 708.09 crores under the Civil heads.

3. Civil Expenditure next year shows an increase of Rs. 97.74 crores over the revised estimates. Expenditure on Debt Services is likely to be Rs. 9.45 crores more on account of the progressive increase in the in-

ternal and external debt. Development and Social Services, including Community Development, are expected to cost Rs. 27 crores more in the terminal year of the current Five Year Plan. The two self-balancing items of surcharge on iron and steel and grants from the U.S.A. under P.L. 480, for which corresponding credits are assumed in the revenue estimates, account for an increase of Rs. 15 crores. *Ad hoc* grants to the States to compensate them for the loss in their share of income tax next year would be Rs. 28 crores more. The rest of the increase is spread over a number of heads. Detailed explanations for these variations have, as usual, been given in the Explanatory Memorandum.

33. Defence expenditure next year is estimated at Rs. 272.26 crores against the revised estimate of Rs. 243.70 crores, an increase of Rs. 28.56 crores. Army estimates show an increase of Rs. 26.75 crores and Navy estimates Rs. 3.46 crores, while the expenditure on Air Forces will be Rs. 2.94 crores less. Non-effective charges show an increase of Rs. 1.29 crores. The overall increase in the Defence expenditure is mainly due to the additional commitments of the Armed Forces, the further expansion of the Territorial Army and the National Cadet Corps and the provision for increased payments to Defence personnel on the basis of the recommendations of the last Pay Commission. As I have mentioned elsewhere, the provision included in the current year under non-effective charges for an increase in the rates of small pensions to Service personnel has been carried over to the coming year. The reduction in the Air Force estimates is mainly due to the inclusion in the current year's revised of substantial amounts on account of liabilities carried over from the previous year.

34. The estimates of the Defence Services have been prepared against the background of the present threat to our borders and I am sure the House will not expect me to dilate at any length on the measures which have been taken and are under consideration for safeguarding the territorial integrity of the country. It may have to come before this House for additional funds; but I have no doubt that Government will have the support of all sections

of this House in taking all the measures necessary for ensuring the security of the country.

CAPITAL EXPENDITURE

35. I shall now give a brief account of the provision made in the estimates for capital outlay. The current year's budget provided for a total capital outlay of Rs. 420.14 crores, excluding the adjustment for the transfer of capital assistance from the United States to the Special Development Fund which is notionally treated as capital expenditure. The revised capital requirements are now estimated at Rs. 362.85 crores, a decrease of Rs. 57.29 crores. The savings occur mainly under two heads. The Railways now expect to spend only Rs. 85.03 crores against the original estimate of Rs. 121.81 crores. Net expenditure on purchase of foodgrains shows a fall of Rs. 21.01 crores due mostly to larger sale proceeds and recoveries.

36. Against the revised estimate of Rs. 362.85 crores for capital outlay this year, the next year's provision stands at Rs. 370.84 crores. If the special item of Rs. 95.24 crores in the current year for payment of additional subscription to the International Monetary Fund is excluded, the capital requirements next year exceed the current year's revised estimate by Rs. 103.23 crores. This increase is spread over a number of heads and reflects the additional allotments to fulfil the Plan targets during the last year of the Plan. Outlay on industrial development, mainly on coal and oil development, would cost Rs. 30.56 crores more. The Railway and Posts and Telegraphs would also be spending Rs. 35.78 crores and Rs. 3.60 crores more respectively than in the current year. Foodgrains transactions would also involve an increase in the net outlay of Rs. 19.41 crores.

37. In addition to the direct capital outlay just mentioned the estimates provide Rs. 283.18 crores this year and Rs. 331.51 crores next year for loans to States and Rs. 221.74 crores this year and Rs. 176.74 crores next year for loans to other parties including Port Trusts, Government-owned Corporations and foreign Governments.

38. Next year's estimates include a total provision of Rs. 889 crores for implementing the Plan, Rs. 173

crores in the revenue budget and Rs. 716 crores in the Capital budget. Out of this provision, Rs. 64 crores in the revenue budget and Rs. 175 crores in the capital budget are for assistance to the States. In addition, the Railways will be spending Rs. 34 crores from their own resources and the State Rs. 251 crores. Thus the total Plan outlay in 1960-61, including interest on loans on river valley projects which are added to capital during the period of construction and short-term loans, will amount to Rs. 1,174 crores.

39. During the three years ending 1958-59, the total Plan outlay by the Central and State Governments together was of the order of Rs. 2,450 crores. The budget provision on this account for the current year is Rs. 1,121 crores and the next year's outlay as mentioned already is estimated at Rs. 1,174 crores. After allowing for the usual shortfall in expenditure, the actual outlay in the public sector over the five-year period will be near about Rs. 4,600 crores. Investment in the organised private sector is expected to reach the total envisaged in the Plan; it may even slightly exceed this. In irrigation, power, industry, mining and transport as also in the field of social services, the achievements will, I feel sure, be impressive.

WAYS AND MEANS

40. The current year's budget provided for a net expansion of treasury bills of Rs. 237 crores of which Rs. 15 crores were expected to be issued to the public. On the latest trends, the net expansion is now estimated at Rs. 190 crores. The improvement of Rs. 47 crores is due to several factors. The revenue deficit is now expected to be Rs. 44 crores less than estimated. Capital expenditure, as explained earlier, will show a saving of Rs. 57 crores and other debt heads an improvement of Rs. 32 crores. This improvement of Rs. 133 crores will be partly counterbalanced by a decrease of Rs. 71 crores in external loans and additional provision of Rs. 15 crores required to raise the closing cash balance to the normal level of Rs. 50 crores.

41. The borrowing programme envisaged by the budget was carried through successfully. In the budget I had taken credit for a market loan of Rs. 225 crores; the actual receipts

amounted to Rs. 229 crores. Two loans were floated in July 1959; the 3½ per cent Bonds 1969 at an issue price of Rs. 98.85 and the 4 per cent Loan 1979 at par. Conversion facilities were offered to the holders of the 3 per cent Second Victory Loan 1959-61 and the 2½ per cent Hyderabad Loan 1954-59 which were due for repayment during the year. The total subscriptions to these loans amounted to Rs. 184 crores, of which Rs. 89 crores came by way of conversion. Later, to meet the demand for investment from the market, it was decided to create further issues of 3½ per cent Bonds 1969 for Rs. 25 crores at Rs. 99.4 and of 3½ per cent Loan 1974 for Rs. 20 crores at Rs. 99.65. In accordance with the usual practice, these issues were taken over by the Reserve Bank on its investment portfolio for being sold in the market later.

42. Hon'ble members will recall that in the Budget Speech for 1958-59 mention was made of the proposal for the gradual funding of a part of the Treasury Bills held in the Issue Department of the Reserve Bank. A beginning was made in July 1958 when, in consultation with the Reserve Bank, Treasury Bills of the value of Rs. 300 crores were funded. This process was continued during the current year when a further Rs. 150 crores worth of Treasury Bills were funded into dated securities.

43. Small Savings have shown a steady improvement in recent years. The net collections of Rs. 78 crores during 1958-59 were the highest reached so far. This year they are expected to go up to Rs. 82 crores against the budget estimate of Rs. 85 crores. While the response has been encouraging, the collections are still far short of the average of Rs. 100 crores a year envisaged in the Plan. The Small Savings movement is more than a routine device for mobilising savings. It has a great psychological appeal in providing an opportunity for the ordinary man and woman to participate in the national effort for development. I would, therefore, appeal to every family in this country to save more and contribute its share in making the movement a greater success.

44. I may mention at this stage certain steps taken by Government

during the year to popularise the savings movement. The House will remember that in the last session, legislation was promoted to provide the facility of nomination to depositors in the Post Office Savings Bank and holders of Savings Certificates. A new Pay Roll Scheme has been introduced for the benefit of the employees in large establishments and factories, which permits deductions to be made from the wages, with the consent of the employees, for investment in Small Savings. The National Savings Advisory Committees at the Centre and in the States have been merged with the Savings Boards of the Women's Savings Campaign and constituted into composite Boards, one at the Centre and one in each State, with adequate representation of women workers. The various agency systems for the sale of Savings Certificates have been reviewed and rationalised and a standardised agency system, both for the urban and rural areas is expected to be introduced shortly. The commission due to the agents is at present claimed and disbursed through the treasuries which are always not easily accessible, particularly in the rural areas. To meet this difficulty, the responsibility for the payment of the commission is proposed to be transferred to the post offices in the coming year.

45. In response to suggestions made from various quarters from time to time, Government have decided to issue Prize Bonds. The notification setting out the terms will issue tomorrow and the Bonds will be placed on sale from the 1st April next. The issue will be in the form of bearer bonds in two denominations of Rs. 100 and Rs. 5. The bonds will not carry interest and will be repaid after five years but the holders will participate in quarterly drawal of prizes, which will be free of income tax. The total number of prizes to be awarded every quarter will be 40 in respect of each series of one lakh units of Rs. 100 bonds, the prizes ranging between Rs. 25,000 and Rs. 500. In the case of each series of ten lakh units of Rs. 5 bonds, the number of prizes offered every quarter would be 278, the prizes ranging between Rs. 7,500 and Rs. 50.

46. For the next year's budget, credit has been taken for a market

borrowing of Rs. 250 crores including the receipts from the prize bonds which I just mentioned. The net credit from Small Savings has been taken at Rs. 90 crores allowing for a small increase of Rs. 8 crores over the likely receipts this year. According to the latest information available, foreign assistance next year is expected to amount to Rs. 362 crores.

47. The overall budgetary position next year may now be summarized. At the existing level of taxation, there will be a revenue deficit of Rs. 84 crores. Capital outlay will amount to Rs. 371 crores, loans to State Governments and others to Rs. 531 crores and debt repayments to Rs. 140 crores. This total disbursement of Rs. 1,126 crores will be met to the extent of Rs. 250 crores from market borrowing, Rs. 90 crores from Small Savings, Rs. 362 crores from foreign assistance, Rs. 128 crores from loan recoveries and Rs. 119 crores from miscellaneous receipts, leaving a deficit of Rs. 177 crores, which will be met by the expansion of treasury bills.

DEVELOPMENTAL PLANNING

48. Before I deal with the problem of covering the large revenue deficit in sight, I should like to say a few words on the implications of planning for development; for, it is in relation to these that all our budgets have to be framed. The essential objective of our plans is to lift the economy from stagnation and to get it moving forward to higher levels of production and better standards of living. We embarked on this task some ten years ago, and we shall be completing the Second Plan by the end of the next fiscal year. In this period, our economy has made notable advances in several directions. One has only to look at the major industrial projects which are coming up and see something of the varied programmes of rural development that have been and are being implemented to realise the growing dynamism of the economy. Economic development is not, for us, a vague or remote ideal; it has to be part of our daily thought and work. Undoubtedly, we have had our share of difficulties, and I have no doubt, we shall continue to have some hereafter. These difficulties and stresses and strains are

a part of the process of economic and social growth.

49. At the end of the Second Plan the country would have reached a level of development at which it can hardly afford to halt. It is vital that the pace of development is not merely maintained but accelerated. This is the essential task of the Third Five Year Plan. The first pre-requisite of success for this is increased agricultural production. This is axiomatic and we cannot afford, even for a moment, to lose sight of it. But, other sectors of the economy, like industry, mining, power, transport and communications have also to be developed rapidly if the economy is to grow at a rapid enough pace over the next 10 or 15 years. The Third Five Year Plan has to keep this perspective in view.

50. It is perhaps a platitude to say that in this country we face all the time a crisis of resources in developing our economy. But I would be failing in my duty if I do not stress the point that mobilising the resources required for this is not going to be easy and will entail progressively harder work and larger sacrifices by all sections of the community. There will be need also for substantial external assistance. We are anxious to make the period of dependence on special external assistance as short as possible. I am not referring here to the normal flow of external capital, this, I hope, will continue. Private capital is apt to flow in more readily when the foundations of development have been well laid out. The scope for foreign investment in India will thus grow. But, our aim is to get as early as possible to a stage where the bulk of our investment programmes is based on the domestic output of capital goods and equipment. How far we can advance in this direction depends upon a number of factors, of which the availability of sufficient foreign exchange in the next few years is the most crucial. I feel I am right in saying that the needs of developing economies are now increasingly appreciated in the more advanced countries, and I am confident that, provided we as a nation put in the best effort we can, the necessary support from abroad will be forthcoming. What is vital, at this stage, is a clear recognition of the urgency of economic develop-

ment, for preserving and strengthening the democratic values we cherish, and the realisation that such development is not possible unless some restraint is kept on consumption and we submit ourselves to a high degree of fiscal and monetary discipline.

51. I now turn to the proposals for dealing with the revenue deficit for the coming year.

PART B

52. Honourable Members may recall that while presenting the budget proposals for the current year, I placed before the House certain broad considerations which Government took into account in deciding the extent to which the revenue deficit of a year should be covered by additional taxation. I suggested that the long era of revenue surpluses was perhaps coming to a close; for the first time the actuals for 1958-59 have disclosed a small revenue deficit of Rs. 5 crores. I also suggested that exceptional circumstances affecting the deficit of a year should be taken into account in deciding upon the extent to which the deficit should be covered and that due regard should be given to the amount of additional taxation raised in recent years. I also ventured to underline the need for the continuous mobilisation of resources for financing the increasing needs of planned development. The considerations I placed before the House last year apply with equal force to the budget of the coming year and although the large revenue deficit next year is due, in the main, to larger outlay on development in the last year of the present Plan and the increased requirements of Defence in the interests of national security, I am convinced that a part of the deficit should be covered by additional taxation. As in the current year, I propose that about a fourth of the deficit in sight, may be covered by new taxation.

53. In framing the taxation proposals for the coming year, I have had in mind something more than the immediate needs of that year. I mentioned earlier the continuous need to raise additional resources for development. In the context of planned development, it is essential, in dealing with the budgetary needs of each year, to think in terms of broadening and adjusting the

bases of taxation so that the revenue raised continues to expand with the years. The proposals for the coming year, particularly those widening the base of taxation, have been formulated with the needs of the Third Plan in view. While direct taxation will be kept under constant and continuous review so as to make it yield the maximum resources, the bulk of the expansion in taxation will have to come from indirect taxation.

INDIRECT TAXATION

54. In the field of indirect taxation, my proposals cover both the adjustment of rates of existing taxes and the levy of taxes on certain new commodities. The proposals are explained in detail in the memorandum circulated with the budget papers and I propose to mention them only briefly.

55. My first proposal is to levy a duty of Rs. 200 per metric tonne on tin plates and tinned sheets. Suitable adjustments would be made where duty paid steel is used in their manufacture. The yield in a full year is estimated at Rs. 208 lakhs.

56. My second proposal is to impose a small duty of Rs. 10 per metric tonne on pig iron. Pig iron used in the manufacture of steel will be exempted from the duty, which is expected to yield Rs. 60 lakhs a year.

57. My third proposal is to levy a duty of Rs. 500 per metric tonne on aluminium sheets and circles and Rs. 300 per metric tonne on aluminium ingots. Necessary adjustments will be made in the duty on circles, sheets, etc., when duty paid ingots are used in their manufacture. The estimated yield is Rs. 86 lakhs.

58. My next proposal is to levy a duty of 10 per cent *ad valorem* on all types of internal combustion engines used as prime movers for transport vehicles. A lower rate of 5 per cent *ad valorem* will be charged on stationary types of these engines which are generally used in industry and for agricultural purposes. The yield is estimated at Rs. 107 lakhs a year.

59. I also propose to levy a small tax on certain essential cycle parts. A duty of Rs. 2 on each free wheel and Rs. 4 on each rim will be levied.

This will ensure the realisation of Rs. 10 on each completed cycle without bringing into the excise net a large number of small assemblers of cycles and manufacturers of cycle parts. The annual yield is estimated at Rs. 100 lakhs.

60. Electric motors and parts thereof are now subject to tax. It is proposed to levy a duty ranging from 5 per cent to 15 per cent *ad valorem* on various types of motors used for different purposes. The revenue from this is estimated at Rs. 46 lakhs a year.

61. A duty on exposed cinematograph films is also being levied. It will vary from 10 naye paise per metre to 50 naye paise per metre depending on the type of the films. News reels and shorts would be subject to the lower rate of duty. The yield from this is estimated at Rs. 75 lakhs.

62. My last proposal for new excises relates to silk fabrics on which a duty of 30 naye paise per square yard will be levied. The handloom sector will not be affected by this measure which is expected to yield 30 lakhs.

I shall now turn to the adjustments in the existing rates of duty on certain commodities.

64. The House will remember that in 1956 an excise duty was levied on the larger passenger motor cars while all commercial vehicles and small and medium cars, motor cycles and scooters were not taxed. I now propose to levy a duty ranging up to 15 per cent *ad valorem* on all types of motor vehicles. The total revenue is estimated at Rs. 625 lakhs.

65. Refined diesel oil was made subject to duty in 1956 when a tax at 5 naye paise per imperial gallon was levied. Although the tax has since been raised to 80 naye paise per imperial gallon, the consumption of this commodity has been increasing rather rapidly. The growing imbalance between the internal production and consumption of this commodity is causing a considerable drain on the foreign exchange resources of the country. I, therefore, propose to raise the basic rate of duty by a further 25 naye paise per imperial gallon. This will bring in a revenue of Rs. 504 lakhs a year.

66. Complete footwear manufactured in power operated factories was subjected to an excise duty in 1955 but a large number of small scale units were kept out of the scope of the taxation. Some of the larger units are reportedly adopting a deliberate policy of decentralisation to evade taxation. Mainly to protect the revenue, I propose to levy an excise duty on machine made soles and heels made of materials other than leather or wood. The rate of duty will be 15 per cent *ad valorem* and will yield a revenue of Rs. 20 lakhs a year.

67. In the field of textiles, I propose to make two changes with some revenue significance. I propose to remove the existing total exemption on fabrics produced from staple fibre yarn and cut pieces of cotton textiles, the so-called fents. The former will now be treated on par with artificial silk fabrics. In the case of cut pieces, the present definition is being revised and small specific duties, at levels substantially below the fabric rates, will be levied. These changes are estimated to yield Rs. 195 lakhs a year of which Rs. 65 lakhs will accrue to the States.

68. Electric fans, bulbs and batteries were first made subject to excise in 1955 and no change has since been made in the rates of duty on these commodities. The production trends indicate that these lines are expanding and they can bear an increase in taxation. I propose to raise the existing duties by 50 per cent with a suitable increase in the duty on components. These changes will yield a revenue of Rs. 90 lakhs a year.

69. The tea industry has been complaining of the difficulties caused to it by the imposition of a number of taxes at various stages by different agencies. We propose to explore the possibility of removing this hardship by a suitable readjustment of the excise duty, bearing in mind the financial interests of the State Governments concerned, and the need to secure that their resources are not adversely affected. To enable this to be done, we are raising the permissible maximum limit of the excise duty from 19 naye paise to 30 naye paise per lb. This is merely an enabling measure and does not involve any change in the effective rates of the duty now imposed rang-

ing, as the House is aware, from 2 naye paise to 12 naye paise per lb.

70. A few other minor readjustments are also being made about which I need not weary the House. The total financial effect of these changes is to bring in an additional revenue of Rs. 27 lakhs a year of which Rs. 5 lakhs will accrue to the States.

71. The net effect of the various measures which I have mentioned is to increase the revenue by Rs. 21.73 crores, of which Rs. 70 lakhs will accrue to the States.

72. With regard to customs duties, I propose to make no change except for an increase in the duty on wines and spirits and other alcoholic liquors. Following the changes in excise duties, provision is being made, wherever necessary, for the levy of a countervailing import duty, so that the indigenous producer is not placed at a disadvantage. The changes in the customs levy are estimated to yield a revenue of Rs. 2.5 crores in the coming year.

DIRECT TAXATION

73. I now turn to direct taxation. I do not propose to make any change in the rate structure of personal income tax. With regard to company taxation, steps are being taken to implement in its entirety the new scheme of company taxation introduced in the current year's budget. Formal action is being taken to abolish the Wealth Tax on companies and the tax relating to excess dividends with effect from the financial year commencing on the 1st April, 1960.

74. The House will remember that last year, for purposes of advance payment for the assessment year ending the 31st March, 1961, I had provisionally adopted a rate of 45 per cent for company taxation. We have not had sufficient experience of the effect of this rate. I do not, therefore, propose to make any change in this rate but to adopt it as the final figure. Smaller companies with a total income not exceeding Rs. 25,000 will continue to be assessed at a figure 5 per cent less. Last year I had promised to consider certain matters connected with the new system of company taxation, and I am making two provisions in the Finance Bill, one relating to the assessment of dividends paid out of profits taxed in the past

and the other relating to taxes on companies holding less than 50 per cent share in the capital of another company, and have taken them into account in my estimates of revenue.

75. I propose to make two changes in regard to the deduction of tax at source. The House will remember that it was decided last year that tax should be deducted at source at a rate of 30 per cent on dividends paid to resident individuals and at 45 per cent on dividends paid to Indian companies. It has been represented that this difference in the rate of deduction at source has given rise to some difficulties. I, therefore, propose to apply a uniform rate of 30 per cent for deduction of tax from both the individuals and companies. In order that this change may not affect the revenue receipts, I propose to amend Section 18A so as to enable Government to collect from Indian companies the remaining 15 per cent as advance tax on the dividends received by them.

76. The existing provision with regard to the deduction at source from dividends paid to preference shareholders also appears to be causing some difficulty. The amount of the dividends which companies are required to pay to the shareholders is governed by the terms of their contract with them and Government would not like, as the current Finance Act implies, to make any assumptions regarding such amounts. I accordingly propose in the Finance Bill to provide for the deduction at source from the payments to these shareholders as in the case of any other dividends, leaving the actual amounts of these dividends for the companies themselves to decide.

77. I would now briefly refer to a few other proposals to amend the Income-tax Act. The period for which exemption is available under section 15C to new industrial undertakings is proposed to be extended by a further five years. The limit up to which donations for charitable purposes qualify for exemption from tax is proposed to be increased from 5 per cent of total income or Rs. 1,00,000 whichever is less, to 7½ per cent of total income or Rs. 1,50,000 whichever is less. At present, the amounts paid to scientific research associations and educational institutions to be used for scientific research are allowed as

deductions in computing the business income of the donor if the scientific research is related to the class of business carried on by him. It is proposed to allow this deduction even if the scientific research is not related to such business. In respect of properties constructed before 1st April, 1950, the full amount of taxes levied by a local authority and borne by the owner, is proposed to be allowed to be deducted in computing the taxable income from the property, as against half the amount of such taxes allowed at present. My next proposal is with regard to the taxation of co-operative societies. At present, the business income of such societies is exempt from tax. This exemption is justified having in view the objective of the Co-operative Societies Act of 1912, namely, to facilitate the formation of co-operative societies for the promotion of thrift and self-help among agriculturists, artisans and persons of limited means. However, as the House is aware, of late, co-operative societies have widened their fields of activity and are carrying on substantial business involving transactions of a large scale with non-members. There is no justification for a complete tax exemption of business profits in their case. It is, therefore, proposed that while the business incomes of co-operative societies connected with agriculture, rural credit and cottage industries should continue to be wholly exempt from tax, the business incomes of other societies should be exempt only up to a sum of Rs. 10,000. These proposals will not materially affect the revenue.

78. A few amendments of a comparatively minor character are proposed to Expenditure Tax and Gift Tax Acts. The amendments to the Expenditure Tax Act provide for allowances for expenditure incurred on leave travel in India as well as education of children in India. It is also proposed to allow in full the taxes paid by an assessee to a foreign government instead of only a portion as at present. The amendment to the Gift Tax Act provides that the advance tax payable will be at the same rate as the tax payable on regular assessment. These changes are not expected to have any significant effect on revenue.

NET EFFECT OF PROPOSALS

79. I may now summarise the net

effect of the budget proposals. The changes in the Union Excise duties, exclusive of the revenue accruing to the States, are expected to bring in an additional revenue of Rs. 21.03 crores. Changes in the customs duties, largely consequential on the changes in Union Excises, are expected to bring in Rs. 2.5 crores. The total additional revenue would thus stand at Rs. 23.53 crores, reducing the revenue deficit from Rs. 83.9 crores to Rs. 60.37 crores and the overall deficit from Rs. 177 crores to Rs. 153 crores. I propose to leave the revenue deficit uncovered; the overall deficit will be met by the expansion of treasury bills.

CONCLUSION

80. Next year's budget would cover the last year of the current Plan and I would like to mention briefly what the position at the end of that year would be so far as the implementation of the present Plan is concerned. In an earlier part of my speech, I mentioned that at the end of the budget year, the total Plan outlay would have reached a figure of about Rs. 4,600 crores. During the current Plan period, we have, at the Centre, raised substantial sums of revenue for meeting our Plan commitments including the assistance provided to the States from the revenue budget. Over the period of five years covered by the Plan, I expect that we would have an accumulated revenue surplus of over Rs. 50 crores, after meeting all our commitments for the Plan and providing very substantial assistance to the States for implementing their Plans. I know that there has been some criticism about the extent to which we have had to resort to deficit financing for meeting the capital expenditure of the Plan. Even here, I venture to suggest that our record has not been as bad as some of our critics make out. In the first three years of the Plan, the total amount of deficit financing amounted to Rs. 885 crores or so. In the current year, assuming that the State Governments do not contribute to this in any significant measure and they are unlikely to do so, the amount of deficit financing is likely to be Rs. 190 crores. Taking a figure of Rs. 153 crores for the coming year, the total amount of deficit financing during the Plan period would have amounted to only a little over the sum of Rs. 1,200 crores.

envisaged in the Plan. Although our performance in the matter of savings has not been as good as we could wish, our record in the matter of raising resources and limiting deficit financing to the minimum amount possible and practicable, has, I think, been quite good.

81. There is, however, no reason to take a complacent view of the situation. The end of the Second Plan merely marks the beginning of the Third Plan which will require greater efforts and larger sacrifices on the part of the community if the country has to sustain, as it inevitably must, a larger Plan. The path of our progress is bound to be difficult until our economy gets over the

hump and becomes self-generating. Until this position is reached, which one might hope may be at the end of the next Plan, we shall have to strain every nerve to mobilise the maximum resources, from both taxation and savings, to enable the country to make the progress that is imperative to our survival. It is perhaps a truism to say that no one, much less an under-developed country like ours, can stand still or stay stagnant. We have to move forward and make whatever sacrifices are necessary for this. I have no doubt that this will be done and I would ask the House to consider the budget, which I am placing before it, against this background.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rupees)

REVENUE	Budget 1959-60	Revised 1959-60	Budget 1960-61
Customs	132.77	160.00	160.00
Union Excise Duties	324.32	350.82	358.91
Corporation Tax	58.75	78.00	21.03
Taxes on Income other than Corporation Tax	87.63	72.68	52.94
Estate Duty	14	9	10
Taxes on Wealth	13.00	12.00	7.00
Taxes on Railway Fares	11	(-) 51	11
Tax on Expenditure	1.00	80	90
Tax on Gift	1.20	80	80
Opium	3.92	4.26	5.69
Interest	10.75	8.27	15.71
Civil Administration	35.80	47.54	53.19
Currency and Mint	55.60	55.87	57.22
Civil Works	3.00	3.13	3.04
Other Sources of Revenue	41.93	35.00	39.73
Posts & Telegraphs—Net contribution to General Revenues	4.20	4.16	47
Railways—Net contribution to General Revenues	5.98	5.75	5.64
TOTAL REVENUE	780.10	838.66	896.45
EXPENDITURE			
Direct Demands on Revenue	101.65	103.54	107.33
Irrigation	16	14	17
Debt Services	57.88	65.14	74.59
Civil Administration	222.73	233.35	267.76
Currency and Mint	9.83	9.86	10.27
Civil Works and Miscellaneous	19.35	18.94	20.32
Public Improvements	9.63	10.00	10.11
Pensions	19.69	25.17	20.28
Miscellaneous—	71.30	73.02	111.70
Expenditure on Displaced Persons	49.02	48.98	51.81
Other Expenditure	35.26	22.21	33.75
Grants to States etc.	242.68	243.70	272.26
Extraordinary Items			
Defence Services (Net)			
TOTAL EXPENDITURE	839.18	854.05	980.35
Deficit (-)	(-)59.08	(-)15.39	(-)60.37

*Effect of budget proposals

Enlarged Excise Scheme For Non-Essential Oils

A Press Note issued on February 21 by the Ministry of Finance says that the Government of India have decided to withdraw the Simplified Procedure Scheme and to enlarge the scope of the Compounded Levy Scheme so as to enable a large number of manufacturers, producing vegetable non-essential oil with the aid of power, to become eligible for working under the Scheme. The payment of composition fee has also been fixed at lower rates for small-scale manufacturers and the Scheme contemplates recovery on weekly basis instead of monthly, as was the case in the previous scheme.

Full details of the Scheme are available from the local Central Excise Officers.

With a view to helping the small-scale manufacturers of vegetable non-essential oil Government had prescribed a Simplified Procedure Scheme for the control of, and realisation of duty from, such manufacturers. Also these manufacturers were given the option to opt for a Compounded Levy Scheme under which the manufacturers were required to pay a composition fee on the rated capacity of the equipment employed, instead of following the normal procedure of paying the duty on actual production. But these procedures were confined to units having an installed capacity of producing not more than 75 tons a year.

Compounded Excise Levy Scheme For Khandasari

A Press Note issued on February 21 by the Ministry of Finance says that with a view to helping the manufacturers of Khandasari sugar, working without the aid of sulphitation plants, the Government of India have decided to introduce a Compounded Levy Scheme by virtue of which manufacturers will be required to pay a composition fee on the rated capacity of the equipment employed and would thereafter be absolved from the day-to-day checking or verifica-

tion of the production by the Central Excise staff.

The rates for different types of centrifugals used by the industry have been notified in a Gazette of India Extraordinary. Details of the Scheme are available from the local Central Excise officers.

The Scheme will come into operation with effect from March 1, 1960.

SECRECY PROVISIONS IN INCOME-TAX ACT

Replying to a question on February 17, the Finance Minister, Shri Morarji Desai, informed the Rajya Sabha that the Government of India had decided to relax the secrecy provisions of the Income-tax Act in respect of income-tax assessments.

Shri Desai said that necessary amendments to give effect to Government's decision were being drafted and would be placed before Parliament in the form of a Bill when finalised.

Decline In The Value Of Indian Rupee

During the question hour on February 24 the Deputy Minister of Finance, Shri B.R. Bhagat, informed the Lok Sabha that quotations for the Indian rupee had fallen in several free markets. The fall in the rate in the foreign open markets was due to the measures taken by Government to prevent the leakage of foreign exchange caused by the smuggling out of Indian currency notes to enable the smuggling in of gold or other banned imports.

The Deputy Minister said the extent of decline varied from market to market. In Singapore the decline since May 1959 had been about 28 per cent; the Hong-kong quotations in January 1960 were about 32 per cent lower than in May 1959; in New York, the rate fell only nominally. In Ceylon and Burma the decline came to around 17 per cent and 13 per cent respectively, although in both these countries the rate was still well above the

par value of the Indian rupee. The open market rate in Nepal had improved by 2.8 per cent.

SMUGGLING OF GOLD

In reply to a question in the Lok Sabha on February 16, the Finance Minister, Shri Morarji Desai, said that smuggled gold seized by the Customs and Central Excise authorities during the calendar year 1958 was 1,02,460 tolas plus 6 Sovereigns valued at Rs. 1,06,40,113 and 47,507 tolas plus 38 Sovereigns valued at Rs. 53,38,769 in 1959.

Various legislative and executive measures had been adopted from time to time to combat smuggling of gold as well as other contraband goods. These included the enhancement of the powers of investigation of customs officers engaged in anti-smuggling work, systematic rummaging of suspected vessels

and aircraft, regular as well as surprise patrolling of vulnerable sections of the coast line and land borders, closer follow-up of information and utilisation of a scientific instrument known as the 'Metal Detector', etc. In addition to heavy penalties imposed under the Sea Customs Act, prosecutions were also launched in deserving cases so as to render the punishment really deterrent. A Directorate of Revenue Intelligence was also functioning at the Centre to consolidate more effectively the anti-smuggling activities of the various field organisations.

Shri Morarji Desai added that smuggling of gold was prominent through the main Sea and Air Ports, ports on the Saurashtra Coast and on the borders of Goa, Daman, West Pakistan, Rajasthan, Burma and East Pakistan.

Commerce & Industry

PROGRESS OF LIGHT ENGINEERING INDUSTRIES IN 1959

A review of the progress made by the light engineering industries during 1959 was released on February 21. It shows that the Second Plan production target for bicycles and sewing machines has already been achieved — one year before the end of the Plan period.

In a number of other light engineering industries, the additional capacity already licensed and under implementation indicates that the Plan target will be fully achieved, if not exceeded.

BICYCLES

The production of bicycles during 1959 in the large and small-scale sectors has been estimated at about 13 lakhs, as against the plan target of 12.5 lakhs. By the end of the Second

Plan period, production of cycles may go up to about 15 lakhs.

A striking feature of the bicycle industry in the last few years has been the steady decline in the use of imported components. At present, the value of imported components accounts for Rs. 2 to 5 per cycle. Even this would disappear in the near future.

Export of bicycles has shown an upward trend recently. While exports were negligible until about a year ago, they have risen to 6,000 cycles valued at Rs. 6 lakhs during the past few months.

For the third plan period, a target of 2.5 million bicycles has been proposed by the Development Council.

SEWING MACHINES

The target for production of sewing machines has also been achieved. The production in 1959 has reached 3 lakhs, which is the target envisaged under the Plan by 1960-61.

A noteworthy feature of this industry is that all parts are now made in the country. In some cases, however, domestic production has to be supplemented by imported components which account for about Rs. 8 to 10 per machine.

The entire requirements of domestic sewing machines and light industrial sewing machines are now met by the indigenous industry. During the past two years, good progress has been made in the production of heavy industrial and zig-zag sewing machines.

Export of sewing machines has been steadily increasing. In 1958-59 the exports valued at Rs. 30 lakhs as compared to Rs. 6.5 lakhs in 1955-56.

The Development Council has proposed a target of 6 lakhs sewing machines of all types for the third plan period.

OTHER INDUSTRIES

Production of typewriters, a development of the Second Plan period, has been about 70 per cent higher in 1959 than in 1956. By 1960-61 the production may reach 35,000 typewriters of standard and portable size.

In the case of razor blades, the production has increased from 25 million pieces in 1951 to 395 million pieces in 1959, an increase of 16 times during a period of eight years. Substantial additional capacity has been licenced recently and by the end of the second plan, the production is expected to go up to 650 million blades.

Several new schemes have been sanctioned for the production of time-pieces, clocks and watches. Two units are already producing electric clocks. Two schemes for manufacture of lever clocks are now under implementation. For time-pieces, two schemes with a total capacity of 1.8 lakhs have already

TECHNOLOGICAL DEVELOPMENT

India is now producing basic and conventional machine tools such as lathes, drilling machines, tool grinders and milling and planing machines with about 80 to 95 per cent of indigenous content.

Only a few years back almost the bulk of sugar machinery had to be imported. Now some 80 per cent of it, including high speed centrifuges, are being fabricated in India.

In the electrical industry, India is making all the distribution transformers, electrical motors and switch gear; and with the Heavy Electrical Project in Bhopal going into production, the country would attain self-sufficiency.

In 1953 the country had, by and large, only assembly plants for automobiles. Today, taking the different types of vehicles, the indigenous content varies between 50 and 73 per cent and is expected to go up to 75 to 85 per cent by the end of the Second Plan.

An attempt has been made in India completely to engineer, design and manufacture a peni-

cillin factory; the plant is expected to go into production by the middle of this year.

Production of sulphuric acid, which is one of the conventional yardsticks of industrial advance, has gone up from 100,000 tons in 1951 to about 250,000 tons in 1958.

Within twelve years of work the Hindustan Shipyard has built 24 modern diesel cargo ships and delivered them to ship owners. Three more have been launched and fitted out. Keels have been laid for four, three of them being 9,500 tonners. The range of vessels built at the Shipyard includes cargo, cargo-cum-passenger, survey, mooring vessels, barges and tugs.

At the Integral Coach Factory, whereas in the earlier batches raw material and fittings worth Rs. 37,000 per coach had to be imported, in the latest batches the imported items have been cut down to only Rs. 18,000 per coach. With steel plates and sheets available within the country in 1960-61, the coach will be 95 per cent indigenous in its raw material content.

es, bicycle tube walls and metallic safety razors.

Production Of Automobiles

Replying to a question in the Rajya Sabha on February 24, Shri Manubhai Shah, Minister of Industry, stated that the production of motor vehicles during 1959 amounted to 36,468, the highest recorded so far. The production was expected to reach nearly the level of the Second plan targets by the end of 1960-61. The targets were: Cars—20,000; Jeeps—5,000; and commercial vehicles—40,000.

Shri Shah added that the decline in production during 1958, more noticeable in the case of cars, was primarily due to the shortage of foreign exchange on account of which the import of components needed for indigenous manufacture could not be allowed freely.

SCOOTERS

In reply to a question in the Rajya Sabha on February 24, the Minister of Industry, Shri Manubhai Shah, stated that production of scooters, now amounted to more than 900 per month and was expected to go up to 1,500 per month shortly when the second unit already licenced would go into production by April-May this year. Foreign exchange for importing more components was being released to step up the production still further.

Shri Shah added that the Government were considering the issue of licences for two more scooter manufacturing units.

Revision Of Optical Glass Manufacture

Replying to a question in the Lok Sabha on February 22, the Minister of Industry, Shri Manubhai Shah, stated that the Soviet authorities had been requested to revise the scope of the Optical and Ophthalmic Glass Project by dropping the production relating to optical glass and including in its place other types of glasses. The details regarding the scope of the revised project were being awaited from the Soviet experts.

He added that the revision of the project was undertaken on the basis of information received from the Central Glass and Ceramic Research Institute that they had successfully evolved the technical 'know-how' for producing certain types of optical glass and would be in a position to undertake production of other main types by 1962.

The Minister also said that the detailed project report for the Optical and Ophthalmic Glass Project prepared in accordance with the contract entered into with M/s Techno-export of Moscow had been received by the Government of India.

U. S. Bank Credit For Industrial Plant

The Deputy Minister of Finance, Shri B.R. Bhagat, told

the Lok Sabha on February 19 that the Export-Import Bank, Washington, had authorised a credit for Rs. 225 lakhs for an industrial plant to be located at Ballabgarh, District Gurgaon, Punjab.

Shri Bhagat added that the Bank approved in principle the grant of a loan in favour of the Goodyear Tyre and Rubber Company of India (Private) Limited out of the portion of PL 480 rupee funds which was earmarked for its lending to business firms. The funds would be used for financing the acquisition or construction in India of land, buildings and machinery of Indian origin in connection with the establishment and operation of a rubber products manufacturing plant. The loan would be repayable in 18 approximately semi-annual instalments, commencing not later than February 15, 1963. Interest would be at the rate of 6 per cent per annum, payable semi-annually.

Development Council For Sugar Industry

The Development Council for Sugar Industry at its tenth meeting held in New Delhi on February 16 recommended a consumption target of 30 lakh tons of sugar for the Third Five Year Plan. This will make available per capita consumption of 13.87 lbs. of sugar in 1965-66, as against 11.70 lbs. at the end of the Second Plan.

The Third Plan estimate of consumption is based on the assumption that 25.06 lakh tons of sugar would be required for a population of 480 millions at the existing rate of consumption, 2.14 lakh tons required to cover increase due to changes in dietary habits and 2.51 lakh tons to meet the demand due to increase in purchasing power of the people.

RISE IN PRODUCTION

Addressing the Council, Shri Ameer Raza, Joint Secretary, Union Ministry of Food and Agriculture, and Chairman of

the Council, said that the production of sugar had gone up by about 2.3 lakh tons during the current season up to February 7, 1960 as compared with the corresponding period of the preceding season. The area under sugarcane was also estimated to be higher than that in the last year when it was 5.1 million acres against 4.7 million acres during 1958-59. The over-all supply position of sugar would considerably improve this year.

Referring to the steps taken by the Government for increasing production during the current season, Shri Ameer Raza stated that the minimum price of sugarcane was raised from Rs. 1.44 to Rs. 1.62 per maund for delivery at the gate of the factories. A rebate of 50 per cent was also allowed in the basic excise duty of the production during 1959-60 which will be in excess of their average production of the previous two years. Further, the factories in U.P., and North Bihar were given incentives this year in the form of a concession of 31 nP. per maund on cane crushed by them up to the specified date.

ADDITIONAL CAPACITY

The last year was a difficult one for the sugar industry. There was a decline in production from 19.78 lakh tons in 1957-58 to 19.19 lakh tons during 1958-59 against the internal consumption of 20.80 tons. As a result, the programme of exports had to be suspended for the time being.

As regards the establishment of the additional capacity, 27 factories had gone into production and 28 existing factories completed expansion by 1958-59 season, covering a total capacity of 453 lakh tons. About 50,000 tons of additional capacity, due to part expansions of some of the units, was also in operation. Besides four new factories went into production this year and two were expected to have a trial run this season. During 1960-61, another 11 new factories would go into production.

In the field of machinery, the indigenous manufacturers were

RAILWAY BUDGET FOR 1960-61

The Railway Minister, Shri Jagjivan Ram, presented to Parliament the Railway Budget for 1960-61 on February 17. Introducing the Budget, he said:

I rise to present to the House the estimates of receipts and expenditure of the Indian Railways for the year 1960-61, the concluding year of the Second Five Year Plan.

2. As usual, I propose to give the House a brief resume of the completed accounts for the year 1958-59. The gross traffic receipts came to Rs. 390.21 crores, and fell short of the Revised Estimate of Rs. 394.38 crores by Rs. 4.17 crores. This drop was mainly under goods traffic and to a minor extent under other coaching earnings. Economic factors principally, and road competition partially were the contributory causes. The total revenue expenditure, including net miscellaneous expenditure, was practically the same as the Revised Estimate figure of Rs. 331.35 crores. The net surplus was about Rs. 8.93 crores, against the Revised Estimate of Rs. 13 crores, the shortfall of Rs. 4.07 crores practically corresponding to the drop in earnings. The entire amount of the surplus was credited to the Development Fund as in the preceding year.

REVIEW OF THE SECOND PLAN

3. Before I come to the Revised Estimates for the current year, I shall give an account of the progress made in the Railway's Second Five Year Plan which will shortly enter its concluding phase. The Railways' Plan allocation was Rs. 1121.5 crores. During the four years upto March 1960, we would have spent about Rs. 872 crores out of the total allotment; we hope that we would cover the balance by the end of the Second Plan period.

4. In regard to the achievements of physical targets during the period of 4 years, the fleet of rolling stock would have increased by 14 per cent.

in locomotives, 27 per cent. in wagons and 15.5 per cent. in coaches, over the holdings at the beginning of the Plan. Railways would have completed doubling of nearly 700 miles and opened about 600 miles of new lines, with equal mileages in various stages of execution. It is significant that, in the planning and execution of these works, the priorities given to the requirements of the steel plants have conformed to their varying needs. The extensive doubling on the South Eastern Railway serving the steel works has practically been completed. Development of marshalling yards and other improvements in this area have moved in step with the requirements. A number of new lines in the steel and coal belts have been completed in time to feed the raw products into the steel plants.

Amongst the new lines, those under construction include Muri-Ranchi-Hatia, Baraset-Basirhat-Hasanabad, Karanpura-Ramgarh coal field area, Bakhtapur-Rajgir, Damodar-Kalipahari, Robertsganj-Garhwa Road, Ghaziabad-Tughlakaabad including the second Yamuna Bridge, Tildanga-Farakka-Khejuria-ghat-Malda, Bondamunda-Dumaro, Baoridand-Karonji with spurs to

Korea coalfields, Bondamunda-Nowagaon-Puranapani, Sambalpur-Titilagarh, and the remaining 73 miles of Khandwa-Hingoli line.

Doubling of the line between Barsoi and Siliguri is under construction which, with the conversion of Barsoi-Malda-Katihar to Broad Gauge and construction of the Broad Gauge line between Tildanga-Farakka and Khejuria-ghat and Malda, will provide a through Broad Gauge route between Calcutta and Siliguri. This will greatly improve the communications in this area, and help augment the capacity for the movement of oil and other traffic from Assam.

The conversion of Gudivada-Bhimavaram Section on the Southern Railway is also in progress.

Doubling of Barauni-Samastipur Section by a Broad Gauge line has also been sanctioned, to ease the difficulties of transport in this area.

Final location surveys for Udaipur-Himmatnagar, Jhund-Kandla, Delhi Avoiding Lines, Hindumalkot-Sri Ganganagar, Patharkandi-Dharmanagar, Diva-Panvel-Uran, Guna-Shajapur-Maksi and Bimalgarh-Kiriburu projects are in progress as a preliminary to the constructions. These, together with Bailadilla-Kottavallasa Survey, aggregate to nearly 900 miles.

The bridge over the Ganga at Mokameh was opened to traffic by the Prime Minister on the 1st May, 1959. I am happy to say that the work was completed 8 months ahead of schedule.

RAILWAY BUDGET AT A GLANCE (IN CRORES OF RUPEES)

	Actuals	Revised Estimate	Budget Estimate
	1958-59	1959-60	1960-61
Gross Traffic Receipts	390.21	422.03	464.50
Ordinary Working Expenses	276.33	291.92	326.90*
Net Miscellaneous Expenditure	9.45	15.78	16.82
Appropriation to Depreciation Reserve Fund	45.00	45.00	45.00
Payments to Worked Lines	0.11	0.07	0.08
Total:	330.89	352.77	388.80
Net Railway Revenues	59.32	69.26	75.70
Dividend to General Revenues	50.39	54.51	57.27
Net Surplus	8.93	14.75	18.43

*Including about Rs. 20 crores on account of the effect of Pay Commission's recommendations from July 1, 1959 to March 31, 1961.

The foundation stone of the Brahmaputra Bridge was laid on the 10th January, 1960, by the Prime Minister. Of the 11 main piers, two have been completed, and the work on 5 piers is in progress. One of the two shore piers has also been completed. Fabrication and erection of girders will be taken in hand during the course of the year. With the completion of this Bridge, an important missing link in the net work of Railways in Assam will have been provided, and this will greatly assist the industrial growth of this area.

The work of electrification on Durgapur-Gaya, Asansol-Sini-Tatanagar-Rourkela and Rajkharwan-Dongaoposi on the Eastern and South Eastern Railways is progressing satisfactorily, and is expected to be completed during the Second Plan.

With regard to the remaining sections, contracts for the supply and erection of Overhead Equipment for sections Gaya-Moghalsarai and Khargpur-Tatanagar are likely to be placed soon. Civil Engineering works are in progress on Sealdah-Ranaghat and Dum Dum-Bongaon sections. On the Igatpuri-Bhusawal section as well, the Civil Engineering survey is proceeding. On the Madras-Tambaram-Villupuram section, 80 per cent. of the Civil Engineering works are complete, and technical details are being worked out to undertake the electrification.

5. The Railway Plan was designed to gear up the entire machinery to handle a total of 162 million tons of goods traffic and an increase of 15 per cent. in passenger traffic. The yearly rise of goods traffic has been from 114 million tons to 124 million tons in the first year; to about 132.5 million tons in the second year; to about 135 million tons in the third year, and is anticipated to rise to 145 million tons in the fourth year. During the third year of the Plan there was a set-back to the economic development in the country of which we took note and rephased our requirements. Subsequent trends, however, indicate a revival of vigour in the national economy, reinforced by a progressive development of steel production. The current and the future outlook thus seems much brighter. Agricultural production and the heavy industries are now

coming up. The opening of the 'Rajendra Pul' near Mokameh has brought fresh life into the transport net-work in the North Bihar, West Bengal and Assam, and forebodes a good prospect for the economic advancement of this area. The two new refineries, one at Gauhati and the other at Barauni, are the beginning of this process and will bring additional traffic. Having regard to these prospects, it is anticipated that the Railways may be called upon to carry 17 million tons of additional traffic in the ensuing year, thus concluding the Plan by the achievement of the target of 162 million tons. It is to be appreciated that, with an increasing tempo and seasonal fluctuations, the output during the busy months commencing from December will greatly exceed the average for which we have to provide.

I am glad to say that the execution of developmental works which, as the House is aware, are of an unprecedented nature, has kept pace with the industrial growth and is in consonance with the total monetary allocation, nearly 78 per cent. of which will have been spent during the four years ending 1959-60. Adjustments made in the Plan from time to time have kept in view the total allocation and the need for conservation of foreign exchange. We expect to achieve a saving of about Rs. 90 crores in foreign exchange.

The increase in the passenger traffic at the end of the first three years of the Plan was nearly 12 per cent. During the current year, it would appear that the rate of increase may be higher than the average for the three earlier years, and it seems evident that the anticipated increase of 15 per cent. by the end of the Plan will be exceeded.

6. It is premature to apprise the House of the developments envisaged in the Third Five Year Plan of the Railways, as the whole question hinges upon the transport needs which will emerge out of agricultural and industrial growth. This matter at present is under the consideration of the Planning Commission; and until a complete picture of these developments has been finalised, Railways' Plan will remain undefined. We are aiming at a rapid advance with a view to the develop-

ment of a self-generating economy, and in this endeavour the heavy industries will have a prominent share. There is, therefore, little doubt that the dominant role of rail transport in this expanding economy will continue. Our developmental machinery is well geared to undertake bigger tasks, and I need hardly assure the House that the Railways will not shrink from added responsibilities or shouldering greater burdens whatever be the calls made on them in the future.

TRANSPORT POSITION

7. Reverting to the year 1958-59, the depressed economic climate in evidence led to a shortfall in the anticipated increase of traffic. This was purely a reflection of the economic set-back experienced by the country, due *inter alia* to a low agricultural production, foreign exchange difficulty, shortage of industrial raw products, and a depressed export recession in some of the leading countries of the world with whom we have trade relations. Operational machinery had, however, been geared to a higher rate of advance, and the shortfall in anticipations naturally led to the rolling stock remaining temporarily idle with consequent adverse effect on the operational results.

8. The trends in the current year however, are refreshing. Things started looking up from February 1959, and the indications are that the current year will end up with the handling of an increased tonnage over 1958-59 of a little more than 10 millions. This will still be less than the estimated figure of 14 million tons mentioned in my last Budget Speech. This is mainly due to a drop in the output of coal production. During the slack month thousands of wagons remained idle in the coalfields and elsewhere, and by the end of October, 1959, the stocks at the pit heads had run down to a low level. This was the time to build up stocks of coal with the consumers, but due to deficient production this could not be done in accord with the wagon availability. Since the third week of November 1959, there has been a steep rise in the demand for wagons leading to a shortage of wagons for coal. Every endeavor

however, is being made to ensure that the industrial needs are fully met. Considerable chasing has been done to improve the turnaround of wagons, and about 10 per cent. more traffic than in 1958-59 is now being carried with only 3 per cent. increase in wagon supply. This increased demand has synchronised, unfortunately, with the delay in the receipt of steel, on account of which wagon manufacture programme has suffered a set-back at a time when wagons are most needed. It is, however, hoped that the steel supply will materialise shortly; and with the special steps which have been taken to overtake the arrears in the manufacture of wagons, it is expected that the stream of fresh supplies, which comes out mainly in the coalfield area, will help to liquidate the outstanding demands.

9. The Railways' experience from year to year, however, emphasises the imperative need of evening out the wagon demand to the maximum extent practicable during the busy and the slack seasons. It is to be appreciated that, if Railways are to work economically and efficiently, we cannot countenance a large surplus of rolling stock lying idle during the slack season, though admittedly the utilisation of rolling stock at the same level as in the busy season cannot be expected. A large surplus of wagons is wasteful in many ways. It needs additional yard accommodation for stabling, the immobilisation involves extra expenditure on maintenance, and special staff is needed to check pilferage of fittings. I would, therefore, earnestly plead for the co-operation of Trade and Industry in the country, and request that stocks of minerals, coal and other non-perishable goods may be built up at the source during the busy season, so that they could be shifted to the consuming centres during the slack season. This would maximise the utilization of Railways' rolling stock, and obviate a considerable waste for which ultimately Trade and Industry have to pay.

10. It is a matter of satisfaction that the Railways have been able to meet the challenge of increasing traffic concurrently with the strains and stresses inherent in an extensive developmental programme, as works in execution inevitably hind-

er and slow down the natural flow of traffic — necessitating as it does operational restrictions, engineering blocks, diversion of traffic, etc. Abnormal floods during the monsoons caused extensive breaches and added to our problems. The Railways, however, showed commendable zeal and resourcefulness in circumventing these difficulties, and kept the loadings generally current. The outstanding registrations, which stood at 57,356 wagons on the Broad Gauge and 25,444 wagons on the Metre Gauge at the end of March 1958, were brought down to 32,439 and 23,442 wagons respectively on 31st March, 1959, during the peak of the busy season. There was a further drop to 7,591 wagons on the Broad Gauge and 15,956 wagons on the Metre Gauge by the end of October, 1959, representing less than 2 days' loading.

11. We are devoting sustained attention to the removal of bottlenecks. Movement via the important transshipment points has been fairly satisfactory. The transshipment at Viramgam and Sabarmati was substantially stepped up, and steady flow of traffic was maintained throughout the year 1958-59. Similar improvement was effected at a number of other transshipment points. The performance at Garhara (Barauni), where the transshipment work was shifted from May 1959, after the completion of the 'Rajendra Pul', deserves special mention. In spite of the teething troubles to which every new yard is liable the performance has shown progressive improvement; and conditions have since stabilised. While the transshipment at Mokameh Ghat had varied from 90 to 100 Broad Gauge wagons per day, transshipment at Garhara yard rose to 158 in November 1959. The movement via Moghalsarai, which has been somewhat restrictive, was also better, being an average of 2,184 wagons in the Up direction, against 2,037 in the previous year, and a record figure of 2,568 in September 1959.

12. The speeds of goods trains, about which comments were made by the Hon'ble Members at the last budget discussion, registered a general improvement on all the Railways. Compared with the corresponding period of the last year, the increase was about 8.8 per cent, on

the Broad Gauge and 4.9 per cent. on the Metre Gauge upto November, 1959. It is hoped that, with the improvement in facilities and removal of restrictive factors coupled with the persistent drive which has been initiated by the Railway Administrations at all levels, this important feature of operation would show a significant change for the better. A detailed study of this problem has also been made recently by the Efficiency Bureau of the Railway Board; their recommendations will be followed up.

13. The problem of punctuality of passenger trains has received our constant attention. The average performance in 1958-59 did not show a significant change compared with the previous year, though it was slightly better. A noteworthy feature, however, is that the subsequent results have been distinctly better; and in particular, during the summer months when human endurance is taxed to the utmost and in rainy months when other factors intervene, the performance has greatly improved. Results attained for all trains during the period April to October 1959 were 82.9 per cent. on Broad Gauge and 81.8 per cent. on Metre Gauge, as compared to 76.3 per cent. and 79.0 per cent. respectively during the corresponding period in the previous year.

14. I wish to assure the House that the Railways are alive to the need to keep up the general operational efficiency, and to this end they have mobilised all their energy and resources. Wagon chasing has been intensified, marshalling yard delays are under constant review, loads of goods trains are being watched, and long distance marshalling and formation of blockloads is being resorted to. "Crack Specials" and Express goods services, which have speeded up movement, are being extended wherever practicable.

15. It had been considered that longer and heavier freight trains could provide an effective solution to our problems in the steel and coal belts. With growing industrialisation, this solution would equally apply to some other areas as well. A small nucleus of large capacity bogie wagons, fitted with couplers of adequate strength, together with suitable type of motive power, have been procured in this connection.

further expansion of similar equipment has been programmed. 100 main line diesel locomotives have already been commissioned for this purpose. A few 3,000 ton trains, as against the normal load of 1,900 tons, have already been introduced. Trials with trains loads upto 6,800 tons have also been conducted.

16. In deference to the wishes of the House, I have placed a separate note with the Budget papers, which endeavours to give a picture of our performance in relation to costs and brings out clearly the important operational features. It is, therefore, unnecessary for me to dilate further on the details of operational efficiency.

REVISED ESTIMATES 1959-60

17. Coming to the current year's Revised Estimates, the passenger traffic, which showed signs of revival towards the end of the last year, has maintained this trend, and an advance of about 8.42 per cent. on the Broad Gauge and 3.98 per cent. on the Metre Gauge has been registered in the passenger miles upto the end of October, 1959, as compared to the corresponding figures of the previous year. The Revised Estimate of Passenger Earnings is now placed at Rs. 124.08 crores, or an increase of Rs. 5.78 crores on the budgeted figure. An increase of Rs. 1.20 crores is anticipated under "Other Coaching Earnings", and about Rs. 1.60 crores under "Sundries" partially accountable to an increased turnover in Departmental Catering.

The goods traffic, as indicated earlier, is likely to advance by about 10 million tons, as against the original estimate of 14 million tons. In consequence, goods earnings have been assessed at Rs. 264.00 crores, registering a shortfall of Rs. 8.58 crores from the budgeted amount. In view, however, of the anticipated increase under passenger, other coaching and sundries, it is not proposed to alter the overall budget figure of Rs. 422.03 crores for gross traffic receipts.

18. The ordinary working expenses for the current year are estimated in the net to exceed the Budget figure of Rs. 283.71 crores by about Rs. 8.21 crores. The bulk of this increase — amounting to about Rs. 6 crores — is due to unavoidable or

unforeseen items of expenditure, such as expenditure on repairs to track, bridges and other assets damaged by abnormal floods on a number of railways, increase in the price of coal and in excise duty on coal and fuel, increase in the price of other supplies, increased consumption of coal due to supplies of a greater proportion of inferior quality, etc. It will be appreciated that, as a result of continued strict control over expenditure, the increases have been limited largely to unavoidable items.

19. The contribution to Depreciation Reserve Fund has been maintained at Rs. 45 crores. With a reduction in miscellaneous expenditure of about a crore of rupees, chiefly under expenditure on Open Line Works chargeable to Revenue, and an increase in miscellaneous receipts of about Rs. 87 lakhs, the surplus is now expected to be Rs. 14.75 crores; this will be credited to the Development Fund.

20. The Revised Estimate of expenditure on Works, Machinery and Rolling Stock during the current year has now been placed at about Rs. 196.10 crores, or a reduction of about Rs. 39.08 crores from the Budget Grant. The shortfall is mainly under Rolling Stock and Electrification. The shortfall under Rolling Stock is attributable largely to a drop in wagon manufacture, owing to the difficulty in the availability of the matching steel which is likely to be made good during the Budget year. As regards Electrification, this was due to some set-back in the anticipations regarding procurement of Overhead Equipment for certain sections and in the delivery of electric locomotives which are likely to be substantially overtaken in the coming year.

FUND BALANCES

21. It is anticipated that the balances at the end of 1960-61 in the Depreciation Reserve Fund and Revenue Reserve Fund together will be about Rs. 71 crores. The Depreciation Reserve Fund opened with a balance of Rs. 98 crores at the beginning of the Second Five Year Plan; but with the extensive rehabilitation programme under way, there have been substantial inroads into the Fund, which is likely to close

with a balance of about Rs. 18 crores. I am alive to the need to build up an adequate amount in the Depreciation Reserve Fund. This matter should, however, await the recommendations of the next Convention Committee to whom this question, amongst others, will be specifically remitted. The Revenue Reserve Fund remains undisturbed, and the balance will stand at about Rs. 53 crores. In regard to the Development Fund, which is fed solely from revenue surpluses, I had explained in my last Budget Speech why it had become necessary to ask for a temporary loan from the General Revenues. The loan of Rs. 10.88 crores asked for in the budget of 1959-60 will not now be sufficient, as the revised estimate of Rs. 14.75 crores falls short of the budgeted surplus of Rs. 21.19 crores; and in consequence, the loan will have to be stepped up to Rs. 14.85 crores. In the ensuing year, a loan will again be necessary, but of a smaller amount.

CONVENTION COMMITTEE

22. As the House is aware, the period covered by the 1954 Convention was extended by one year at the last Budget Session. The present Convention will, therefore, expire on 31st March, 1961, and I shall come up shortly with the request to set up the next Convention Committee to review the working of the present Convention and submit recommendations in advance of the next quinquennial period (1961 to 1966).

PAY COMMISSION

23. The Government have announced their decision on some of the major recommendations contained in the Pay Commission's report—in regard to pay and allowances, retirement benefits, casual leave, etc. The fixation of pay of a large number of staff in the revised pay structure, the computing of the net additional amounts due, after the merger of dearness allowance in pay wherever required and recovering provident fund arrears therefrom, will necessarily take time. Special machinery has been set up to do the work as expeditiously as possible. Nevertheless, it would not be feasible to complete the work and to make the payments in the current year; these will be made in the next

year, including also the amounts due in respect of the current year. The cost of the implementation of the Pay Commission's recommendations works out approximately to Rs. 13 crores per annum. A total provision of about Rs. 20 crores has been made in the 1960-61 Budget, to cover payments due both in respect of the budget year as well as in respect of the current year from 1st July, 1959.

BUDGET ESTIMATES 1960-61

24. I now turn to the Budget Estimates for 1960-61. There has so far been an upward trend in passenger traffic in the current year. This trend might taper off and the Budget Estimate of Passenger earnings for 1960-61 has been placed at Rs. 125.50 crores, providing a small increase of Rs. 1.42 crores over the current year's Revised Estimate. The estimate of "Other Coaching Earnings" has been placed at Rs. 25.00 crores, or practically at the same level as for the current year. The estimate of goods earnings provides an increase of Rs. 27.00 crores and has been placed at Rs. 291.00 crores. This is based on the assumption that the Railways will be called upon to carry about 17 million tons of additional traffic, bringing the total goods traffic to about 162 million tons. The increase is made up of 3 million tons of general goods traffic, 4 million tons of coal for the Railways and public, 1 million tons of export ores and 9 million tons of raw products and finished steel. Sundry earnings are estimated at Rs. 10 crores, or at the same level as the Revised Estimate. After allowing for a small variation in traffic 'Suspense', the Gross Traffic Receipts for 1960-61 are estimated at Rs. 450.50 crores on the existing fares and freights.

25. The Budget Estimate of Ordinary Working Expenses for 1960-61 has been placed at Rs. 326.90 crores, providing an increase of Rs. 34.98 crores over the Revised Estimate of Rs. 291.92 crores for the current year. This increase covers a sum of Rs. 20.12 crores for implementation of the recommendations of the Pay Commission in respect of the period 1st July, 1959 to 31st March, 1961. Rs. 1 crore is provided for the proposed assumption of 'carrier liability' by the Railways in the course of 1960-61. The balance of the in-

crease viz., Rs. 13.86 crores, has to be viewed in relation to the anticipated additional traffic receipts of Rs. 28.47 crores; there will be increases in expenditure necessitated by the requirements of additional traffic, as well as by other factors. Provision has been made for a complete year for increase in the price of coal and in excise duty on coal and fuel, which came into force in the course of 1959-60. The effect of annual increments to staff and the progressive increase in their medical, health and welfare facilities, etc., have also been taken into account.

26. The provision for Open Line Works chargeable to Revenue in 1960-61 has been placed at Rs. 14 crores. With further outlay on capital works, an increase of about Rs. 2.75 crores is anticipated in the Dividend payable to the General Revenues. Allowing for minor variations, the likely revenue surplus for the Budget year for credit to the Development Fund, left after meeting the large commitments arising from the Pay Commission's recommendations, etc., will work out to a very small figure of about Rs. 4.5 crores only.

27. Hon'ble Members will appreciate how, due to various reasons, such as progressive liberalisation of the wage structure and of other conditions of service of staff, in pursuance of general Governmental policy, steady rise in the prices of materials and in particular, coal, and the increasing emphasis laid on the standard of the Railways' service to the public, there is an inevitable increase in Working Expenses. In spite of the utmost attention paid to the securing of economies in operation, maintenance and administration, the increases which are of substantial magnitude cannot be balanced.

I mentioned in my last year's Budget Speech that the Railway Freight Structure Enquiry Committee's recommendation relating to the responsibility of the Railways as carriers was under detailed examination. This examination has now been completed; and taking into consideration also the long-standing demand of the trading public in this matter, it is proposed to implement the recommendation and to bring up the

necessary legislation for this purpose at an early date.

28. These increasing commitments make it imperative that suitable adjustments must be made in freight rates. The House may recollect that, while making a statement in connection with the implementation of the recommendations of the Railway Freight Structure Enquiry Committee, I explained that, instead of an overall increase of about 13 per cent. recommended by the Committee, only an increase of 4 per cent. was being made to minimise the incidence on the general price structure. In the present circumstances as explained, I propose, with effect from 1st April next, to levy a supplementary charge of 5 naye paise per rupee on freights of goods and coal traffic, excluding export ores, Military, Postal and Railways' own traffic. The incidence of this increase, on an average, will be less than 5 nP. per maund, or in terms of the retail unit of sale, about 1/4th nP. per seer. I have deliberately kept the proposed increase as low as possible. The anticipated yield will be about Rs. 14 crores a year.

29. The Budget Estimate for the Works, Machinery and Rolling Stock has been placed at Rs. 222.81 crores. Of this, Rolling Stock accounts for Rs. 79.06 crores, Plant and Machinery Rs. 4.64 crores, construction of new lines and restoration of dismantled lines Rs. 55.86 crores, track renewals Rs. 27.20 crores, other Open Line Works etc. Rs. 54.30 crores, and investment in road services Rs. 1.75 crores.

The provision for Railway users has been kept at about Rs. 2.20 crores, while a provision of about Rs. 9 crores has been made for staff amenities and staff quarters.

ECONOMY IN FUEL CONSUMPTION

30. The problem of fuel economy has been receiving our constant attention. Of the 41 recommendations made by the Expert Committee on Coal Consumption on Railways in August, 1958, all but four have been accepted and a majority of those requiring action by the Railways have been implemented. An Inspection Organisation is being set up under railway control, as recommended, to ensure that coal loaded by collieries conforms to the specified grades; complementary to

this, the procurement of coal will be done under contracts executed by the suppliers with the Railways, so that the Railways themselves could deal with the collieries which do not give satisfaction, instead of leaving this to the Coal Controller. The recent grading of outlying coals is in line with the Committee's recommendations, and the revision of grades allotted to collieries in the Bengal and Bihar Coalfields is being pursued. Unfortunately, the quality of coal supply has deteriorated further; and apart from increasing consumption, it has adversely affected operation. Punctuality of passenger trains has suffered, and increased stalling and time failure of engines are in evidence.

It is imperative that coal washeries should be set up as early as possible, so that a consistent quality of coal supply to the Railways may be ensured. These matters so vital to us are being pursued with the Ministry of Steel, Mines and Fuel (Department of Mines and Fuel).

Fuel economy efforts in the meantime have been directed towards checking up on sub-grade supplies and making the best use of the coal received, besides ensuring a judicious distribution of the available supplies, balancing stocks between sheds and diverting coal wagons to sheds in distress. Coal trials recommended by the Expert Committee have also been completed, and Railways have been directed to revise the trip ratings accordingly. On the Southern Railway, the rise in consumption during the past year was investigated by a Departmental Committee, with which an experienced locomotive driver was associated. Similar examinations will be made on other Railways as required.

EXTERNAL ASSISTANCE

31. In my last Budget Speech, I referred to the loan of 85 million dollars from the World Bank; this was received in September, 1958. The loan was fully utilised by 31st March, 1959. In July, 1959, a subsequent loan of 50 million dollars was negotiated with the World Bank. I may add that negotiations in respect of a further loan of 30 million dollars from the Development Loan Fund of America have been practically finalised.

Indian Information

SELF-SUFFICIENCY ON RAILWAYS

32. An endeavour towards self-sufficiency has been the key-note of the policy pursued by the Railways. The Chittaranjan Locomotive Works produced 165 locomotives in 1958-59, and are expected to turn out 173 locomotives during the current year and 168 in the following year. A steel foundry of 7,000 tons capacity is being set up in the Works, with a provision for expansion to 10,000 tons. This is another step towards self-sufficiency and conservation of foreign exchange.

TELCO Works delivered 103 locomotives in 1958-59, 100 are likely in the current year and the same number in the following year. In this connection, the House may be interested to know that the Arbitrator, who was appointed to determine the prices payable to Telco for locomotives to be supplied from 1st April, 1958 to 31st March, 1960, has awarded a price of Rs. 3,80,917 per locomotive; this is against the price of Rs. 3,92,861 claimed by Telco and Rs. 3,74,994 offered by the Railway Board.

The production in the Integral Coach Factory has been rising steadily. It turned out 380 coaches during 1958-59 and its production during the current year is likely to be slightly more. The second shift working recently introduced would further increase the out-turn. The average cost of manufacture is also coming down progressively.

We are now self-sufficient in respect of steam locomotives, with steady increase both in the number produced and in the indigenous content. In fact, a stage has been reached when we can enter the export market. The standard of manufacture is high and our costs are competitive. Similarly, in respect of wagons and coaches, we are self-sufficient, and here again we can build for export.

Electric multiple units (coaches) have been manufactured indigenously for the first time at Jessop's Workshop in Calcutta. Arrangements are being made to start production of electric locomotives at Chittaranjan. Manufacture of Diesel locomotives is being planned through private agencies. Indigenous manufacture of the components for the Overhead Equipment for

Electrification is also being progressed.

33. The Development Cell of the Railway Board continued to function in co-ordination with the Development Wing of the Commerce and Industry Ministry, to accelerate the pace of indigenous production of other railway equipment. During the current year, new items of equipment, such as turbo-generators for locos, relays for train lighting, catenary and contact wire for electrification works, were produced in the country for the first time. Analysis of purchases made by the Railways during 1958-59 shows that, excluding raw materials and basic steel, imports account for only 10 per cent. of the total purchases. Similar trend has been maintained in the current year, notwithstanding the progressive increase in the purchase of new types of equipment, such as diesel spares, electric signalling equipment, roller bearings, etc.

34. With a view to encourage the small scale industrial enterprises, as part of the Government's general policy, the Railway Administrations have been instructed to purchase a limited number of specified items exclusively from small scale units and have been authorised to give a price preferential upto a maximum of 15 per cent. to those recognised by the National Small Industries Corporation.

35. A Productivity Cell has been set up in the Board's Office to improve the productivity in Railway Workshops by the introduction of incentive bonds on the Chittaranjan pattern. This decision has been taken in consultation with the Federations of Labour, and their full support has been assured in this endeavour. Time studies are in progress in a number of workshops for building up the norms, both for manufacturing and repair operations. At the Integral Coach Factory, Perambur, the incentive scheme has been introduced in one section, and will be extended by progressive stages.

In the nature of things, Railways turn out considerable quantity of ferrous scrap. Instead of disposing it off as waste material, a special drive for its reclamation and utilization, to the maximum extent possible,

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has been instituted. A substantial portion of the annual arisings is being utilized directly on the railways; some portion is converted for the railways by Ordnance Factories and private steel foundries and Rolling Mills, and the balance is supplied to Steel Plants in the Public Sector. It is also proposed to set up a few electric furnaces in the Railway Workshops for melting and processing the scrap and putting it to a variety of uses.

A significant example of the utilisation of scrap by the Railways is the conversion of the worn out Broad Gauge axles and steel sleepers into their Metre Gauge counterparts, with ancillary uses for the off cuts and manufacture of the bars. A "Material Economy Display" has been set up at Delhi, where items manufactured in Railway workshops from scrap have been exhibited to demonstrate what can be done. Two mobile units, one Broad Gauge and one Metre Gauge, are also under construction and will be taken round to various centres for the same purpose.

RESEARCH, DESIGN AND STANDARDS ORGANISATION

36. The activities of the Railway Research, Designs and Standards Organisation have been expanded. It has since been placed under the charge of a Director General—an experienced officer of the status of a General Manager of Railways—for co-ordinating the functions of the three different wings of the Organisation. I have also decided to set up an Advisory Committee manned by technical experts and scientists of repute, to advise on the programme of research and technical developments. The organisation will necessarily take time to build up and achieve major results, but the House will be interested to know some of their activities.

The Locomotive Section has designed a new tank engine for use on suburban services; the prototypes are on trial.

The Carriage and Wagon Section of the Mechanical Design Wing finalised designs of Broad Gauge refrigerated vans for transport of fish. Further study on the transport of fruit and vegetables in cooled vans is in progress. The lay-out of sleep-

ing coaches for third class passengers, providing the same number of berths at night as the number of seats during the day, has been finalised; some of these have already been put into service. Considerable investigation has been made in respect of the design and the strength of the new type of Bogie wagons. Another investigation in hand is to reduce the ratio of tare weight to the pay load of wagons. Investigations about the use of coal ash as aggregate and as Pozzolana for replacement of lime and cement and enlargement of the scope for treatment of boiler feed water with indigenous softening compounds, as well as study in the preparation of paints and emulsions from material available in the country, were conducted. Impact tests were carried out with petrol tank wagons, to evolve the most suitable type of internal baffles and also saddles for mounting them on the underframe. Nine patents were taken out by the Organisation during the year.

COMMITTEE FOR TRANSPORT POLICY

37. Since the question of the diversion of high-rated traffic to road transport came up before this House, considerable controversy has proceeded on this subject. The Planning Commission have remitted this problem to a Committee under the chairmanship of Shri K. C. Neogy. It is hoped that, out of their deliberations, a national transport policy will evolve, which would cater to the transport needs of an expanding economy and reconcile the differences of outlook into an integrated pattern most beneficial to the country.

IMPROVEMENTS IN FREIGHT SERVICES

38. With a view to improving the quality of service, the Railway Administrations have initiated a number of steps, such as opening of a large number of out agencies and city booking agencies, introduction of street delivery and collection services at important cities, expansion of the Quick Transit and Express Goods services, wherever feasible. Another important facility afforded is the reduction in the minimum weight for charge in respect of certain commodities. I may also mention that special "in-transit rates" have been introduced for plantains

booked from East Khandesh area to Amritsar, thus facilitating sorting out the riper plantains at Delhi for local sale before despatching the balance onward to Amritsar. This obviates the additional burden experienced in the past due to freight on the fresh booking from Delhi under normal rules. In the result, the rates charged are not much higher than the rates which would have been paid, if the plantains had been booked through to Amritsar as one transaction. The facility has resulted in substantial savings to Trade.

STIMULATING OF EXPORTS

39. The question of reduction in freight rates for stimulating exports has continued to receive attention. A number of requests were considered by the inter-ministerial committee set up for the purpose, and concession was extended to 16 additional commodities raising their number to 25. For expeditious clearance of export traffic, all such traffic has been upgraded to item 'D' of the Preferential Traffic Schedule, which would result in prompt clearance of traffic to ports.

CHANGE-OVER TO THE METRIC SYSTEM

40. As the House is aware, the Indian coinage (Amendment) Act, 1955, was passed in the year 1955, and the Railways switched over to the decimal coinage from the 15th of September, 1957, in the case of passenger fares, and from the 1st of October, 1958, in the case of freight on goods, parcels and other traffic. In pursuance of the Standards of Weights and Measures Act of 1956, a beginning will be made by the Commercial Department of the Railways by adopting the Metric system of weights and measures from 1st April, 1960. From that date, the unit of weight for purposes of charge will be quintal (or 100 kilograms) instead of maund, and the distance between stations will be reckoned in kilometres instead of in miles. The passenger fare tables will give the fares in terms of kilometres instead of miles, and the rate for goods, parcels and other traffic will be notified in terms of per quintal (100 kilograms) per kilometre, instead of per maund per mile. In change-over from one system to the other, a slight variation by way of either an increase or a decrease in the fares and freight rates between specific points is inescapable consequent on

the rounding off rules. These variations have been kept down to the minimum necessary.

PASSENGER AMENITIES AND INCREASE IN TRAIN SERVICES

41. We have for several years now been following a regular programme of improving amenities for passengers in well-defined directions, specially for the III class passengers. This programme will be continued in the Budget year. All steps which have been recently initiated for providing amenities and travel facilities for the passengers are designed to overtake the problems of overcrowding and to improve the conditions of travel.

I am glad to be able to say that overcrowding has been appreciably checked. On the Metre Gauge, there has been decrease from 30 per cent. in 1955 to 14 per cent. in 1958, and on the Broad Gauge from 16 per cent. in 1955 to 13 per cent. in 1958. Census results indicate that overcrowding is now mostly confined to certain popular trains on the main lines, and that too over specific areas or sections. There has been no lack of endeavour on the part of the Railways even in the cases referred to, but there are limitations. Railways have been directed to increase the passenger carrying capacity of trains by withdrawing dining cars and air-conditioned coaches, where these were not fully justified, as well as by increasing the number of coaches on passenger trains to the maximum extent possible.

During 1958-59, 170 new trains were introduced — 151 on the Broad Gauge (which include 17 diesel rail services in replacement of steam services) and 19 on the Metre Gauge —, while the run of 85 trains was extended — 57 on the Broad Gauge and 28 on the Metre Gauge; the consequential increase in daily train mileage was 5,269 on the Broad Gauge and 1,846 on the Metre Gauge. During the current year upto 1st December 1959, 178 new trains were introduced — 157 on the Broad Gauge and 21 on the Metre Gauge —, while 118 trains were extended — 93 on the Broad Gauge and 25 on the Metre Gauge; the resultant increase in daily train mileage is 9,258 on the Broad Gauge and 2,334 on the Metre Gauge. A weekly Janata Express train was intro-

duced from 2nd/4th September 1959 between Howrah and Hardwar, and the frequency of Janata trains running between Bombay V.T. and Madras was increased from bi-weekly to tri-weekly from 1st October 1959.

A start has been made to provide sleeping accommodation to III class passengers travelling over 500 miles without any additional charge. This will give some relief to long distance passengers. As I stated earlier, a new type of third class coach, with equal capacity of berths as seats, was designed, and is now running on the Madras-Howrah Mails and Delhi-Bombay Central Janata Expresses. Construction of 200 more Broad Gauge sleeper coaches and 200 more Metre Gauge coaches of the new design has been ordered; as these coaches become available, the service will be extended to additional trains. The long-term objective is to provide at least one such coach on each long distance train.

ACCIDENTS

42. It is gratifying that there has been no major accident in the current year. Another satisfactory feature is that even amongst the nine accidents enquired into by the Government Inspector of Railways during the year, only three had involved any fatalities; even in these cases, the fatalities were only 5, as compared to 83 and 50 in railway accidents during the previous two years (1957-58 and 1958-59). Irrespective of whether this is fortuitous or is a reflection of sustained human endeavour, we can only work and pray for continued absence of any serious mishaps.

A comprehensive Review of Accidents on Indian Railways has been furnished with the Budget papers. It brings out that improvement has been maintained despite a slight increase under certain categories. Judged in the light of the increasing volume and tempo of traffic, the position seems to be satisfactory, as far as it goes. Without any reservation I want to assure the House that there is no complacency in this regard. Besides the strict watch which is being kept at all levels, a persistent endeavour is being made to enliven safety consciousness amongst staff. The Review would furnish to Hon'ble Members an idea of the preventive measures which

are being implemented to reduce the incidence of accidents. In many cases the cause of the accidents has been determined as "human failure". I do hope that the Railway staff will continue to discharge their duties with greater attention and care so as to set up a high standard of safety. A high sense of duty and discipline is indispensable in the performance of the task of a Railwayman. I am sure they will give no cause for complaint to any body on this score. It is also hoped that they will receive co-operation and encouragement from all sections of Society in developing this sense of duty and discipline.

ERADICATION OF CORRUPTION

43. The problem of weeding out corruption, as the Hon'ble Members will appreciate, is no small task, and is a reflection of the general standard of morality in the country. It is, therefore, a big national problem. We are, however, pursuing this evil with determination. Activities of the Vigilance Organisation were intensified, with encouraging results. 1,854 cases were dealt with and finalised in 1958-59, culminating in disciplinary action in 1,349 cases. Assistance and co-operation of various Chambers of Commerce, Trade Union officials and railwaymen has been sought, to make the drive for eradicating corruption more effective. I am grateful to the Members of Parliament and of State Legislatures for the growing interest evinced by them in these matters. I am regularly receiving not only complaints, but suggestions also, from the Hon'ble Members, the business community at large and the general public. There is growing evidence of co-operation and help from everyone, for which I am thankful.

ALARM CHAIN PULLING AND TICKETLESS TRAVEL

44. It is a matter of regret that, in spite of every effort and appeals all round, the incidence of alarm chain pulling has not only not abated but has tended to show an increase much to the inconvenience of the general users of Railways. Effort have continued in the shape of educative propaganda in schools and colleges, intensive checking by Railway staff in co-operation with the State Police, blanking off of alarm

chain apparatus, increase in the penalty for misuse of the alarm chain, etc. We have, however, not yet succeeded in awakening social consciousness to a degree so as to receive co-operation from the other passengers in locating the evil doers.

45. The evil of ticketless travelling also continues, in spite of a sustained drive to combat it. Members of the National Railway Users' Consultative Council were already authorised to secure the aid of Ticket Examiners on trains, to exercise checking of tickets in their presence. This authority has been extended to the members of the Zonal and Divisional Committees as well. Here again, may I request the Hon'ble Members to extend their co-operation in awakening the public conscience against this social evil and strengthening our hands in combating it.

46. Sustained efforts have continued to secure further improvement in regard to the reduction and prevention of claims for goods lost or damaged. As a result of various measures taken during 1958-59, the position, in regard to both the incidence of new claims and the amount paid as compensation, has shown an improvement. The number of new claims during 1958-59 was 4,64,071, against 4,76,856 in 1957-58; the amount paid was Rs. 3.13 crores in 1958-59, against Rs. 3.27 crores in 1957-58. The amount of compensation claims paid by our railways, however, is still high. There is no relaxation of effort in this matter, and the steps taken to minimise the claims will be continued and intensified.

CATERING

47. Departmental catering has now come to stay — its turn-over has risen to over Rs. 2 crores per year. In order to cater to the needs of the ordinary passenger, 'Jarata Meals' at a low cost have been introduced. Public opinion to an increasing degree is being associated with Departmental Catering by setting up local advisory committees of well-known social workers, preferably ladies. The Members of the National Railway Users' Consultative Council have also been requested to assist by checking and reporting on the functioning of the catering establishments wherever possible.

ble. I appreciate that much remains to be done, but it shall be our constant endeavour to effect further improvements in regard to this important aspect of service to the travelling public.

NON-OFFICIAL COMMITTEES

48. I am grateful to the various non-official Committees, such as the Users' Consultative Committees, Time-table Committee, Suburban Railway Users' Consultative Committee, Passenger Amenities Committee, Catering Supervisory Committee and the Book-stall Committee, who have continued to render valuable assistance to the administration in improving the services to their patrons. Ad hoc Committees consisting of eminent educationists and authors in English and in Hindi and in all the Regional languages were constituted, to prepare a list of about 100 books in each language, which could be made available for sale at Railway Book-stalls of the respective areas. Some of these Committees have finalised their selections, while the deliberations of others are in progress. This will improve the service in the book-stalls on the various Railways.

PARLIAMENTARY CONSULTATIVE COMMITTEES

49. In consultation with you, Sir, and the Minister of Parliamentary Affairs, Zonal Parliamentary Committees have been constituted which meet the respective General Managers of the Zonal Railways in company with the Railway Minister, his deputies and the Railway Board. Two such meetings have been held, and a great variety of problems of interest have been discussed in a free and informal way. I have emphasised on maintaining the informal character of these meetings, so that subjects may be discussed without any reserve on both sides. I consider this is a useful forum for the Members of the Parliament to discuss Railway matters with the Administration, where day-to-day problems may be sorted out. This procedure, I am sure, will resolve many problems and save time of the House.

INTERNATIONAL RAILWAY CONGRESS ASSOCIATION

50. The Permanent Commission of the International Railway Congress

Association held their annual session here in December, 1959. The discussions of a highly technical nature were beneficial to us, but much more valuable was the exchange of thoughts on technical and administrative matters between our Railwaymen and the top ranking Railway Executives assembled on the occasion. The members of the Permanent Commission were shown round some of the important development works under execution, and they were greatly impressed by our technical advancement according to a communication received by me from the President of the International Railway Congress Association.

RAILWAY PROTECTION FORCE

51. I can well appreciate the general feeling in regard to crime on the Railways and the sense of insecurity generated thereby. Though law and order is a State subject, I have endeavoured to ensure that constant and effective liaison is maintained with the State Governments in this matter and whatever we can do must be done. Various meetings have been held with the officials of the State Police, to emphasise the need for greater vigilance. At our instance, the Home Ministry have addressed the State Governments to take up this matter with greater vigour.

Recently, at a conference of State Inspectors General of Police, this question was prominently put to them and their assistance solicited.

We have also very recently designed an arrangement in which a push-button will be provided in the ladies' compartments; this, if pressed, will start the ringing of a bell in the guard's lobby and light up a red light outside the compartment. The experiment will now be tried out on one or two important trains on different Railways. If any other idea of a practical nature occurs to any one, I would request that it may be passed on to us.

Further progress has been made in the reorganisation and consolidation of the Railway Protection Force as a national force and in its training for dealing more effectively with security arrangements on the Railways. The overall crime position in regard to Railway property remained well under control. The Railway

Protection Force staff are being trained with the Police in up-to-date methods of prevention and detection. A dog squad was also formed on one Railway to hunt out the criminals. The Armed Wing of the Force played an important part, in particular, in maintaining the morale of the Railway Staff in outlying areas, and acted in support of the Uniformed Branch in dealing firmly with the criminals. Two companies of the Armed Wing were sent, on the request of the Government of Assam, to assist the State Police in the disturbed areas. Anti-sabotage measures have been further examined in consultation with the Intelligence Bureau, and intensified patrolling introduced where necessary. There are still certain acts of indiscipline, obstruction to trains by passengers, thefts from Railway yards and other railway installations, damage to Railway equipment, and nuisance of beggars and hawkers. It is a very regrettable feature that some students, who will be leaders in future in various fields of our national life, at times, indulge, in undesirable activities like ticketless travel and alarm chain pulling, thereby putting many people to inconvenience. In the eradication of all these evils, co-operation of the public will be of invaluable assistance. To awaken the public conscience to a realisation of the value we attach to their co-operation in combating crime on Railways, a committee known as "Public Co-operation Committee", consisting of 10 Members drawn from the members of the National Railway Users' Consultative Council and including Members of Parliament, was constituted. The Committee have already met twice, and are considering the suggestions received from the various passenger associations, Chambers of Commerce, etc.

STAFF WELFARE

52. The House is aware that the Government stands committed to follow a progressive policy in relation to its workers. Medical facilities have been substantially expanded and improved. A beginning has been made in setting up family planning centres. Steps have also been taken during the current year to implement the National Malaria Eradication Scheme in collaboration with the States.

53. During the first three years of the Second Plan, 36,000 quarters have been constructed and 9,000 are expected to be added during the current year. Provision for some 10,000 quarters has been made in 1960-61, bringing the total number of quarters to 55,000 during the entire plan period. In addition, the Railway Administrations continue to improve the standards of amenities provided in the older types of quarters.

54. 431 primary schools have been opened recently, to augment the education facilities provided for the children and wards of Railway employees. 5 High Schools are being converted into multi-purpose schools and discussions with the State Governments are in progress for similar conversion of some more. As indicated in my Budget Speech last year, subsidised hostels have been started in the major linguistic areas in suitable rented houses or other available buildings, to accommodate the children of the employees who are posted outside their own linguistic area.

One of the Directive Principles of State Policy in the Constitution is that free education should be provided for all children. In pursuance of this, most of the States have provided free primary education, while a few others are in various stages of implementing this policy. In a number of railway schools, already no tuition fees are charged in the primary classes. Keeping in view the objective in the Constitution, I have decided that full remission of fees in primary classes should be allowed to children of railway employees in all railway schools where the medium of instruction is an Indian language.

55. The provision of facilities for imparting adequate training to the recruits to the various Railway Services and refresher and promotion courses for serving employees has continued to receive attention. A number of basic training centres have been set up, and more are being put up in the various workshops and running sheds as recommended by the Estimates Committee. It has also been decided to expand the existing facilities in the workshops to a small extent, to give "in-plant training" to nominees of other departments, State Govern-

ments and semi-Government bodies at their cost. A Committee consisting of two retired General Managers has been appointed to review the facilities available in Railway training schools and to recommend measures to standardise the curriculum and improve the standards of training.

56. The holiday home at Pahalgam, which owes its existence to the good offices of the Prime Minister of Kashmir, was made available to the staff during a part of the 1959 summer season. I have no doubt that this holiday home will develop into one of our most popular centres of rest and recreation.

CO-OPERATIVE ACTIVITIES ON RAILWAYS

57. Co-operative activities have continued to advance. The total working capital of the 26 co-operative societies on the Railways amounted to Rs. 24.42 crores on 31st March, 1959. Besides these, there are about 143 consumer co-operative societies, with a turn-over of about 104 lakhs. These societies are becoming increasingly popular.

LABOUR RELATIONS

58. The negotiating machinery established to deal with labour organisations functioned satisfactorily at the centre and on the Railways.

59. The relations with Railwaymen throughout the year remained cordial. Unfortunately, our endeavour to combine the two Railway Federations did not succeed; and ultimately, in August 1959, I decided that the All-India Railwaymen's Federation would be accorded the same privileges and facilities as the National Federation of Indian Railwaymen. I still hope that the two Federations may unite, which I am convinced will prove more beneficial to the employees.

60. The Ad Hoc Tribunal, which had been set up to deal with the two items on which agreement could not be reached between the Railway Board and the National Federation, submitted its recommendations sometime ago. With the setting up of the Pay Commission, it was decided that the decision on the recommendations might be deferred until the receipt of the Pay Com-

under each of these categories may be organised have been given in the paper.

UNSKILLED LABOUR

For utilising the large resources of unskilled and semi-skilled labour available in the rural areas the Planning Commission has urged speedy utilisation of newly created agricultural facilities as a programme. The labour co-operative has been recommended as the method of organisation.

Many projects calling for large numbers of unskilled and semi-skilled labour are included in the plans of States, e.g., irrigation and flood control projects, land reclamation schemes including waterlogging and drainage and reclamation of saline lands (as at the Banthra farm near Lucknow), afforestation and soil conservation schemes, roads, etc.

The Planning Commission points out that the traditional view, that once the works were completed the agriculturist should be left to use the facilities gradually, was totally out of date in the present day conditions. There are four processes connected with planning for such works which are inter-linked and there should be no time-lag between them.

LABOUR CO-OPERATIVES

If these groups of projects are to provide the maximum employment possible to the people of each area, certain changes in the existing methods of executing works are necessary. As far as possible they should be carried out in close co-operation with the local block organisation, which includes the panchayat samiti and the village panchayats. Where possible, one or more labour co-operatives may be formed. Such labour co-operatives can maintain supplies of tools, obtain contracts from the Departments concerned and arrange for the execution of works to enable batches of persons from different villages to work at convenient distance from their homes.

Further suggestions include the following: Such works should be planned for execution during the slack seasons. Their planning should be taken in hand well in advance so as to ensure the necessary co-ordination with the block development organisations concerned. In all cases of works to be undertaken by villagers, wages should be paid at village rates. The services of voluntary organisations like the Bharat Sevak Samaj and popular bodies such as panchayats and co-operatives should be fully utilised. Within the block, the responsibility for carrying out the works programmes should be placed on the Block Development Officer and the block team. Where villagers have to do the work in place of contractors, they should be allowed more time than is commonly done, and payment and measurement of work should be prompt. If it is found that certain types of labour required for these works will not be locally available in sufficient number, arrangements should be made for importing such labour before commencing construction. The possibility of organising a small task force of trained workers for giving a push to the works programmes at the block level should be investigated.

IRRIGATION UTILISATION

The Planning Commission has also proposed to the States that village panchayats should be empowered by legislation to enforce the obligations of the community or of beneficiaries in respect of the maintenance of field channels and other requirements which are necessary for the fullest utilisation of irrigation facilities.

If the community or the beneficiaries fail to carry out the works in time, the panchayats should carry them out and realise the cost. In the event of the panchayat failing to carry out the works, the Government or, on its behalf, the panchayat samiti for the Block should arrange for its execution, the cost being recovered eventually from the beneficiaries.

In respect of contour bunding and soil conservation, the Planning Commission has suggested action along the following lines. The Government should have power under the legislation to frame a scheme of contour-bundling for the basin of a river or a stream or for a group of villages and notify it for objections. After the receipt of objections, the scheme should be confirmed. In any approved scheme the Government should bear the cost of afforestation of the catchment area, and of works common to more than one village. Within a village, for works common to the village as a whole, the cost should be levied from the beneficiaries in proportion to their holdings. The beneficiaries may be given loans by the Government or the co-operative, repayment being spread over a period of five to ten years. Works in individual holdings should be carried out by the beneficiaries.

L.D. WORKS PROGRAMME

The Planning Commission has further suggested the expansion of the local development works programme and the inclusion of schemes which would enable village communities to build up remunerative economic assets.

It is proposed to provide increased allocation for this programme in the Third Plan. The Planning Commission has suggested that during the interim period a relatively large proportion of the fund should be reserved by State Governments for backward areas, areas not covered by the C.D. Programme, pre-extension blocks and blocks which have completed the first and second stage of the C.D. Programme. The State Government have been requested to reserve a proportion of the total grants, up to 10 per cent for giving additional help to the more backward blocks.

The objective of Government policies and administration should be to facilitate the building up of community assets which would belong to the village as a whole, such as village tanks, fisheries, fuel plantations and common pastures. There

should also be suitable schemes for enabling the village community to build up other remunerative economic assets in the shape of subsidiary activities such as poultry farming, village industries, etc.

Programmes for building up such assets should be planned in terms of the requirements of the development block as a whole as well for individual villages, execution being arranged through the latter. The general aim should be that every village panchayat should secure through such action a minimum annual income of, say, Rs. 1000.

Industrial Projects In C. D. Areas

The Study Team, which conducted a survey of the Industrial Projects in Community Development areas, says in its report, published on February 22, that further concentration of industries in cities should be discouraged and a wide dispersal, with complete delegation of authority at the operational level, ensured. Migration to the cities, the report adds, will continue unless employment opportunities are provided in the rural areas.

In spite of insurmountable hurdles and difficulties, the Team's report observes, the projects have made slow but 'sizeable progress.' Money spent on them has been utilised profitably. They have highlighted the need for the closest possible integration and co-operation of the rural industries programme with the general programmes of village development on the one hand, and with the general industrialisation programme on the other. The projects should become an integral part of the programme of development of small industries in each State under the Third Plan.

SMALL INDUSTRIAL ESTATES

The Team recommends financial, organisational and technical assistance to 300 traditional artisans and the setting up of at

least 5 industrial co-operative societies in each Block during the Third Plan. The Industries Extension Officer at the Block level should be supported by craft specialists and other technical hands, depending on local needs. To ensure integrated and effective development, the pilot project districts, at the rate of one in each State undertaken during the Third Plan, should be identical with those already selected for intensive and comprehensive development of agriculture under the programme recommended by the Ford Foundation Team.

There are certain villages wherein commercial and industrial activities have tended to develop and take roots. These should be selected for establishing a 'common facility unit'. To provide increased employment, it is necessary that industries in such areas should be further developed by the establishment of rural or small industrial estates. The direction of the estates should be entrusted to a Committee or Corporation whose functions should include surveys and prospecting of industrial potential in the area, development of sites, providing built-up space, power, help in drawing plans, construction of factory buildings, procuring finance, raw materials, technical know-how, etc.

ACHIEVEMENTS

Of the 26 pilot projects, according to the Team, 25 were functioning at the end of March 1959, and the total expenditure incurred was about Rs. 2.3 crores. These projects were reported to have provided full-time employment to 39,000 persons and part-time employment to 79,000 persons. The production of goods, worth Rs. 4 crores, and sales, totalling Rs. 3.5 crores, for the three-year period ending March 1959, related mostly to the organised sectors of the village industries, such as co-operatives and government production centres. As many as 1,074 industrial co-operative societies, with a membership of 37,000 and a paid-up share capital of Rs. 14

lakhs, have been organised. Small industrial estates were sanctioned for 10 projects. Of these seven have been completed.

Only a few projects like those in Bihar, Madras and Kerala have built up reasonably successful marketing programme with the support of the State Governments through State store purchase schemes.

ASSISTANCE TO ARTISANS

The experience of these projects, the report adds, shows that where facilities for the growth of industrialisation like electricity are lacking or are inadequate, and where the area is generally backward, a programme of assistance to traditional and village industries can still be undertaken successfully.

Needs of the traditional artisans for credit were not satisfied because they were too poor to provide any security. The report, therefore, recommends that this problem should be given first priority. They should also be given strong technical support by providing improved tools and equipment, electric power and technical know-how and marketing assistance.

The Team, presided over by Shri S.D. Misra, Parliamentary Secretary to the Minister, Community Development and Co-operation, was appointed in July last year, to study the working, achievements and failures of the pilot projects, bearing in mind the objectives with which they were initiated. It was also to assess and recommend experience suitable for application, or multiplication, in the development of village and small-scale industries in blocks.

HIGHER YIELD OF CROPS IN C.D. BLOCKS

According to an announcement of February 21, the sample surveys, carried out under the technical direction of National Sample Survey from 1955-56 to 1958-59, have clearly indicated that the yield rates of principal crops in Community Development Blocks have been higher than those in other areas during the last four years.

The yield rate of wheat is higher by 20 per cent and that of rice by 15 per cent. The difference is most pronounced in respect of jowar where it is as high as 25 per cent.

In the initial year, the survey was confined to C.D. Blocks

opened up to 1953 and covered about ten per cent of the geographical area. In 1958-59, the survey extended over three times that area.

A detailed report of the surveys is under preparation.

Education & Culture

REPORT OF UNIVERSITY GRANTS COMMISSION FOR 1958-59

The third Report of the University Grants Commission for 1958-59 was placed on the Table of both Houses of Parliament by Dr. K.L. Shrimali, Union Minister of Education, on February 23.

The Commission has stated in the Report that new colleges, each reasonably well-equipped and well-supported for looking after a restricted number of students, will have to be established to meet the increasing demand for university education. The university students' population, which has been increasing in the last few years at the rate of over 50,000 per annum, is likely to touch the million mark in a few years.

There were 35 universities in 1958-59 including four universities newly established. Besides, on the recommendation of the Commission, the Government of India declared the Indian Agricultural Research Institute to be a university under the provisions of the University Grants Commission Act.

The Report points out that following the framing of regulations to bring colleges within the Commission's purview, as part of the universities, the Commission now has a list of 718 affiliated colleges which are eligible for grants. Of these, 267 colleges came under the scheme for upgrading the salaries of teachers in 1958-59. The Commission's share towards the implementation of the scheme was about Rs. 17 lakhs.

The Commission feels that it is necessary to determine the principles on which the admissions are to be made into a university so that unnecessary wastage of national resources may be avoided. The university should not be treated as though it were some kind of 'waiting room' in which young men and women collect before entering upon a wage-earning career.

There is much to be said in favour of the principle that university education should be restricted to those who, by any acceptable test, have the necessary aptitude. Secondary education of a diversified nature as well as education of a technical character might be expanded and made easily available for ordinary students.

UNIVERSITIES

The Report observes that in the foreseeable future, we shall have to continue to depend upon the teaching type of university. While a unitary residential type of university may be the ideal, it is more expensive. Further, unitary universities cease to be academically satisfactory or administratively manageable when their student numbers increase appreciably beyond 5000. Recent experience has shown that some of the most difficult instances of student indiscipline have occurred in the unitary universities.

The Commission urges that the numbers in the existing unitary universities should be limited and high standards insisted on in admitting students.

The Report says that as the problems of administration and conduct of examinations increase with the increasing number of students in affiliated colleges, it might become necessary to break up an affiliated university into two or more manageable universities.

The Commission notes with satisfaction that some improvement has been brought about in a large majority of universities in the matter of giving higher scales of pay to teachers. Twenty State universities had participated in a scheme for upgrading, on a sharing basis, the salaries of their teachers.

It is recommended that the basic time-scale of pay for university and college lecturers should compare favourably with that offered for Class I posts in the administrative services of the States and the Central Government.

Among the measures taken to benefit teachers were travel grants to science teachers and technicians to visit other institutions; travel grants to senior science teachers to attend international academic conferences; selection of university teachers for foreign studies; refresher courses for teachers and seminars for research workers.

MEDIUM OF INSTRUCTION

The problem of general behaviour of students continues to be a serious one. The Commission has appointed a committee to study the whole problem of indiscipline among the students and the steps to be taken for meeting student welfare.

The Commission still adheres to the view that the changeover from English to an Indian language should be carefully prepared for and should be made only gradually having regard primarily to the effectiveness of teaching and learning. It is proposed to have the whole question examined thoroughly by a working group in the near future. However, it is emphasised that the medium of instruction is an academic and not a political question and that any change that might be considered necessary should be introduced only after reaching full accord on the matter with the universities.

The Commission recommends the establishment of a convention, as in the U.K., by which the Government

entrust to the Commission the whole responsibility of determining the financial needs of universities without interference in matters of policy or in the detailed administration of university affairs. In order that the Commission may be truly responsible for co-ordination of standards of teaching and research in the universities, it is desirable that grants-in-aid should not be given by any of the Ministries of Government to any university directly and without consultation with the Commission.

EXAMINATION REFORM

The Report states that a committee consisting of seven educationists, who have experience of the examination system in India and abroad, has been appointed to study the problem and to make recommendations for the improvement of the system of evaluation in the universities. The final report of the Committee is under preparation. It is also proposed to undertake a random sample survey of the post-graduate examinations of certain universities in order to ascertain and compare their standards.

At present the system of grants-in-aid to affiliated colleges varies very widely. It is necessary, therefore, for the State Governments to re-examine their grant in aid system and assist colleges more generously and on a more uniform basis.

The Report notes that all the teaching and affiliating universities in India except the Bombay have agreed in principle to implement the scheme of the three-year degree course.

SCHOLARSHIPS AND FELLOWSHIPS

To encourage good students to pursue higher education, the Commission initiated a number of scholarships and fellowships. In the humanities, 80 post graduate and 50 research scholarships of the value of Rs. 100 and Rs. 150 respectively were awarded by the Commission during the year. Later, the value of the research scholarships in the humanities and social sciences was raised from Rs. 150 to Rs. 200 each per month to place them on a par with those awarded in science and technology.

Post—M.Sc. research scholarships of the value of Rs. 200 per month

each were awarded in science, engineering and technology to 94 students at various university centres.

Against 40 senior research fellowships for science, engineering and technology of the value of Rs. 500, only 17 candidates were found suitable for the award. Similarly, against 70 vacancies of post-doctoral fellowships of Rs. 300 each, 26 candidates were found suitable for the award.

Funds were made available during the year to enable universities to provide additional library space, specialised equipment and reference literature. In addition, grants were given for the publication of monographs and research works of university teachers. Among the other schemes financed were the etymological English-Tamil dictionary of Madras University and the blueprint for phased development of linguistics in Indian universities being prepared by Poona University.

REVIEW COMMITTEES

With a view to ascertaining the impact of grants on the standards of university education, Review Committees were appointed with wide terms of reference and full freedom to make recommendations on any aspect of the subject entrusted to them. Among the subjects covered were physics, zoology, botany and mathematics, geology and applied geology, humanities and social sciences.

The Commission also gave grants for the establishment of hobby workshops in selected universities and the implementation of a scheme for teaching south Indian languages in some north Indian universities. The universities of Aligarh, Banaras, Delhi, Bombay and Saugar have introduced the teaching of some of the south Indian languages.

A seminar on the role of universities in the promotion of emotional integration of India was also organised.

The Report has referred to the important role of the private college in the present university set up. It recommends the evolution of a system by which private colleges are largely left free to organise and develop their own internal life

while receiving liberal financial assistance from public funds.

The Commission approved proposals for the establishment of student health centres at several universities. The scheme initiated by the Commission for the establishment of student aid funds in universities and colleges has proved popular.

University Libraries Opened To Public

A New Delhi announcement of February 25 says that the following universities have agreed to make available their library facilities, including library membership, to members of the public who desire to make use of these facilities for serious study: Marathwada, Kerala, Rajasthan, Annamalai, Saugar, Delhi, Bombay, Aligarh, Andhra, Madras, Mysore, Gujrat, Osmania, Karnatak and Gauhati and Sardar Vallabhbhai Vidya Peeth.

This decision has been taken in pursuance of the recommendation of the Library Advisory Committee that there should be co-ordination of the activities of and co-operation among University and Public Libraries.

The following universities have also agreed to provide reference services to the public: M.S. University of Baroda, Marathwada University, Sardar Vallabhbhai Vidya Peeth, Saugar University, Delhi University, Bombay University, Aligarh Muslim University, Madras University.

The reference inquiries are to be made with the State Central Library where one exists. It would be for the State Central Library to draw upon the services of the University Library in its area.

In addition, the libraries of the following universities would assist State Central Libraries to draw up book lists on various subjects of interest to the public or their members:

Marathwada University, Sardar Vallabhbhai Vidya Peeth, Kerala University, Delhi University, Aligarh Muslim University, Mysore University, Osmania University and Gauhati University.

Film Societies In Universities

Replying to a question in the Rajya Sabha on February 17, Dr. K.L. Shrimali, Minister for Education, disclosed that the University Grants Commission had prepared a scheme for the setting up of film clubs in Universities. There will be a Universities Film Council consisting of four Vice-Chancellors representing the participating Universities as members and the University Film Clubs as member clubs along with certain other members.

The intention was that, after the ground work had been completed, the Universities Film Council would become a regular registered society. It was hoped to have at the disposal of the Council 16 films a year out of which 12 might be foreign and 4 Indian, providing one film every fortnight. The total expenditure was estimated at Rs. 1,20,000.

The scheme had not yet come into operation.

Progress In Establishing Engineering Colleges

Dr. Humayun Kabir, Union Minister of Scientific Research and Cultural Affairs, gave details in the Lok Sabha on February 24, of the progress made in implementing the scheme for the establishment of eight Centrally-sponsored engineering colleges in the country.

Dr. Kabir said that in addition to the college at Warangal, which had already started functioning, the State Governments concerned had intimated that the other colleges, except the one at Allahabad, would make their first admissions in 1960. The College at Allahabad was expected to start functioning in 1961.

The Minister added that the sites for the colleges in Mangalore, Durgapur, Warangal and Srinagar had been acquired and steps had been initiated in this regard by the State Governments concerned for the colleges in Jamshedpur and Nagpur. The

construction of some of the buildings had commenced in Mangalore and Durgapur and tenders had been invited for the buildings in Warangal.

PROGRAMMING BOARD FOR GEOLOGICAL SURVEY

An announcement of February 24 says, the Government of India have set up a Programming Board for the Geological Survey of India and the Indian Bureau of Mines.

The Board will vet the Plan framework and the annual programme of the Geological Survey of India and ensure co-ordination between the Geological Survey of India, the Indian Bureau of Mines, the Department of Atomic Energy, and the Oil and Natural Gas Commission.

The Board will also devote its attention to some problems of a general nature, e.g. having a common cadre of geologists, provision of training facilities, question of full employment of geology graduates, etc.

Dr. D.N. Wadia of the Department of Atomic Energy will be the Chairman of the Board which will include one more representative from that Department, the Directors of the Geological Survey of India and the Indian Bureau of Mines, a representative each of the Oil and Natural Gas Commission and the Ministry of Steel, Mines and Fuel, and Dr. W.D. West, Professor and Head of the Department of Applied Geology, University of Saugar.

Museum At Konarak

The foundation-stone of the building of an Archaeological Museum at Konarak was laid near the famous Sun Temple by Dr. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs, on February 27.

The Museum will house a large number of sculptures and other architectural relics from the famous temple — which was built in the 13th century. Frag-

ments from the temple's colossal spire, which has collapsed, including a slab containing the representation of the 9 planets, about 20 feet long, will be kept in the Museum.

The Archaeological Museum at Konarak will be one among the numerous site and local museums which the Union Department of Archaeology has decided to open. Recently Dr. Kabir, declared open at Srirangapatnam a museum devoted to Tipu Sultan's relics. The construction of museums at Lothal in Gujarat and Nagarjunakonda in Andhra Pradesh has already been undertaken.

Azad Memorial Lectures

Dr. Arnold Toynbee, the eminent British historian, delivered three lectures in the Azad Memorial Lectures series from February 21 to 23. The theme of the lectures was 'One World And India'.

The Azad Memorial Lectures are held every year to commemorate the memory of late Maulana Abul Kalam Azad, who was the founder-President of the Indian Council for Cultural Relations. The first lectures were given last year by the Prime Minister, Shri Jawaharlal Nehru.

Under the Azad Memorial Lectures Scheme, eminent scholars from India and abroad are to be invited every year to deliver these lectures on subjects relating to various aspects of India's composite culture and her cultural relations with other countries. The scholars are paid an honorarium of Rs. 5,000.

'URDU MAJLIS' ON A.I.R.

All India Radio, Delhi, commissioned an additional channel from February 22. The new channel, known as Delhi 'C' operates on 219 metres or 1370 k.c./s. It carries the Vividh Bharati programme from 7.30 to 9 a.m., 6.30 to 7.45 p.m. and 8.15 to 9.45 p.m. on all days of the week.

February 22, which synchronised with the second death anniversary of Maulana Abul Kalam Azad, also marked the

beginning of a new programme called the 'Urdu Majlis'. The new programme is broadcast daily for half an hour at 7.45 p.m. on Delhi 'C' and on 49.30 metres or 6085 k.c./s.

New Community Receivers

According to announcement of February 26, a community receiver radio set with transistors has been developed at the National Physical Laboratory. Its running cost is only 60 per cent of the average valve type community receiver.

So far nearly 50,000 community receivers have been installed in India and every year 12,000 more are being brought into use. Power for running the sets is obtained from batteries which constitute an expensive source of energy. On an average three batteries are needed per set every year.

The installation of transistors in receivers results in the battery being used for a much longer period. The new receiver requires only 1300 mw of average battery power as against 2300 mw required by a valve type of community receiver. Besides, it is simpler and cheaper in fabrication.

DIRECTORATE FOR HINDI

Steps were being taken to establish by March 31, 1960, a Directorate for Hindi under the Union Ministry of Education, stated Dr. K.L. Shrimali, Union Minister for Education, in reply to a question in the Lok Sabha on February 19.

The Minister stated that the major functions of the Directorate would include work relating to the enrichment of Hindi by evolution of terminology and preparation of Hindi dictionaries, encyclopaedia, etc., development of Hindi through production of literature, translation of standard books, etc. and promotion of the spread of Hindi language.

SCHOLARSHIP IN HINDI

In a written reply to a question in the Lok Sabha on Febru-

ary 24, Dr. K.L. Shrimali, Union Education Minister, stated that the revised scheme for award of scholarships for post-Matric studies in Hindi in non-Hindi speaking States would now apply to all non-Hindi speaking areas of Hindi-speaking States as well.

Dr. Shrimali added that voluntary organisations working for the propagation of Hindi, particularly in the non-Hindi speaking States, would be brought within the scheme. The awards would now be re-allocated among these States and areas on the basis of population.

The value of awards for study in non-Hindi speaking States would be: Rs. 50 p.m. for Intermediate, Pre-University Course and 1st year of the 3 years Degree Course; Rs. 75 p.m. for B.A., B.A. (Hons), 2nd and 3rd-years of the Degree course and Rs. 100 p.m. for M.A. course in Hindi. The rates for studies in Hindi-speaking States would be Rs. 80 p.m., Rs. 105 p.m. and Rs. 125 p.m. respectively.

SCHOLARSHIPS IN MEDICINE

According to an announcement of February 24, the Government of India have increased the number of scholarships awarded from the Countess of Dufferin's Fund for undergraduate medical studies from 50 to 75 from the next academic year, 1960-61. The value of each scholarship has also been raised from Rs. 50 to Rs. 75 per month.

LONDON UNIVERSITY FELLOWSHIP

A New Delhi announcement of February 23 says that two Fellowships have been offered by the Imperial Relations Trust at the London University Institute of Education for conducting investigations into some live educational problems of India.

The academic year begins in October, 1960.

Application forms and other particulars may be had from the Ministry of Education, Scholarships Division, Section S-1, 4/19,

Asaf Ali Road, Mehta Mansion, New Delhi.

Last date for receipt of applications is March 31.

XIX NATIONAL GAMES

The sounding of a fanfare of trumpets, the hoisting of the Indian Olympic Association flag, the release of pigeons and the booming of 19-gun salute simultaneously marked the opening of the XIX National Games of India at the National Stadium in New Delhi on February 25. Dr. S. Radhakrishnan, Vice-President of India inaugurated the games.

Soon after the flag-hoisting, the last of 500 odd runners relaying the torch, lit from the eternal flame at the Jogmaya temple at Jawalamukhi, over a distance of 345 miles, made his appearance in the amphitheatre. He then kindled the sacred flame, which burnt ceaselessly throughout the four-day duration of the Games.

OVER 1,200 COMPETITORS

More than 1,200 competitors took part in the National Games this year. Besides athletics, the other events, commencing a day before the actual opening of the Games, were wrestling, weight-lifting and volleyball.

Some years ago the I.O.A. decided to rename the India Olympic Games as the National Games and the control and management of the 1954 National Games was entrusted to the S.S.C.B., which had built up for itself a reputation for sports promotion in India's Armed Forces. Endowed with resources and manpower and known for their efficiency in making a success of a national venture of this kind, the Services had again accepted the responsibility for organising the National Games which concluded on February 28.

A.I. Council of Sports Meeting

The All India Council of Sports concluded its two-day session in New Delhi on February 28.

NEW MINISTRY IN KERALA

An eleven-member Congress-PSP coalition Ministry assumed office in Kerala on February 22. Simultaneously the President's Proclamation issued on July 31 imposing President's rule in Kerala was revoked. The new Kerala Ministry includes 8 Congressmen and 3 PSP representatives. They are: Shri Pattom Thanu Pillai (Chief Minister), Shri R. Sankar, Shri P.T. Chacko, Shri K.A. Damodara Menon, Shri E.P. Poullose, Shri K.T. Achuthan, Shri P.P. Ummer Koya, Shri V.K. Velappan, Shri K. Kunhambu, Shri K. Chandrasekharan and Shri D. Damodaran Potti. The newly constituted Kerala Assembly will begin its first session on the 12th of next month, when the newly elected members will be sworn in and the House will elect the Speaker. The Governor will address the House the same day.

Judicial Arrangement In Himachal Pradesh

Replying to a question in the Rajya Sabha on February 23, Shri G.B. Pant, Union Home Minister, said that, Government had accepted the recommendation of Justice Satyanarayana Rao that the existing judicial arrangements in Himachal Pradesh be continued for at least 10 years.

Justice Satyanarayana Rao was appointed in May 1957 to examine whether a Circuit Bench of the Punjab High Court be established at Simla for Himachal Pradesh or the existing judicial arrangements for the State be continued.

Increasing Hospital Beds In Delhi

In a written reply to a question in the Rajya Sabha on February 25, Shri D.P. Karmarkar,

Minister of Health, said that during 1959-60, 475 beds had been added in the following hospitals in New Delhi: (i) Safdar-jang Hospital 228, (ii) Willingdon Hospital 60, (iii) Irwin Hospital 137, and (iv) Lady Harding Medical College Hospital 50.

It was proposed to add 715 more beds during 1960-61 by opening new hospitals and by expanding the bed strength in the existing hospitals.

It was also proposed to construct a 650 bed hospital for the All-India Institute of Medical Sciences during the Third Plan period.

Delhi-Ghaziabad Phone Exchange

The first phase of a pilot project of the P. and T. Department for linking up telephone systems of neighbouring cities on an automatic basis was completed on February 24 with the opening of a new Telephone Exchange at Ghaziabad inter-connected with Delhi.

The pilot project sets a new pattern for telephone inter-communication to meet a situation arising from the development of large number of industrial townships closely connected economically with neighbouring cities.

The introduction of this automatic routing of calls between Ghaziabad and Delhi will, besides giving a more efficient service, result in economy consequent upon saving in operating costs. Calls between Ghaziabad and Delhi will be charged for as local calls on the same basis that calls within Delhi or within Ghaziabad were charged for, viz., 12 calls to a rupee.

The data that will be available from the operation of the Ghaziabad-Delhi direct dialing scheme will be useful in designing similar schemes in other parts of the country. Schemes for linking up Delhi and Agra and Kanpur and Lucknow are already being processed.

Electric Supply In Delhi

The maximum demand on the generating system of the Delhi

Electric Supply Undertaking had exceeded the safe generating capacity, and no material augmentation was feasible before the beginning of the next year, said Shri Jaisukhlal Hathi, Union Deputy Minister of Irrigation and Power, in a written reply to a question in the Lok Sabha on February 18.

Shri Hathi also confirmed that the Delhi Administration had decided not to give power connections to new industrial establishments for a considerable time.

In a written reply to another question Shri Hathi said that additional capacity to the extent of 4,000 kw was expected to be commissioned by the Delhi Electric Supply Undertaking shortly. Apart from this, 40,000 kw of power was expected to be received from the Punjab during the first quarter of 1961.

NEW STEAM PLANT

An announcement of February 23 says that the Delhi Electric Supply Undertaking has already augmented its generating capacity by 20,000 kw. of power since the beginning of the Second Plan period.

Further, a steam Plant, with a generating capacity of 30,000 kw., may be commissioned during the year 1963.

At present DESU has got 80,000 kw. of firm power for distribution. The load survey, recently conducted by the Central Water and Power Commission, indicates that the demand for power is about 129,400 kw.

ASSENT FOR ORISSA BILL

The President has given assent to the Orissa Preservation of Private Forests (Amendment) Bill, 1959.

The legislation extends the life of the Orissa Preservation of Private Forests Act, 1947, for a further period of two years. The Act, which expires on March 14, 1960, was passed to provide for preservation of private forests and to prevent their indiscriminate destruction in Orissa State.

EVENTS AT A GLANCE

FEBRUARY 16 to 29

- February 16 — The Rajya Sabha passes the Geneva Conventions Bill and the Displaced Persons (Compensation and Rehabilitation) Amendment Bill, both as adopted by the Lok Sabha
- 17 — The Railway Minister, Shri Jagjivan Ram, presents the Railway Budget for 1960-61 to Parliament
- A Wheat Utilisation Mission, comprising of seven members from the U.S.A., Canada, Australia, France and the F.A.O., arrives in New Delhi
- 19 — The West German Foreign Minister, Dr. Brentano, arrives in New Delhi on a five-day visit
- 21 — The annual meeting of the General Assembly of the Indian Council of Cultural Relations begins in New Delhi
- Dr. Arnold Toynbee delivers the first lecture in a series of three in the second Azad Memorial Lectures in New Delhi
- 22 — The Lok Sabha unanimously adopts the motion of thanks to the President for his address to Parliament
- The President, Dr. Rajendra Prasad, signs a Proclamation revoking the earlier Proclamation of July 31, 1959 relating to the President's Rule in Kerala, and the new coalition Ministry of eleven members assumes office
- The report of the Study Team on Industrial Projects in Community Development areas is released
- 23 — The third report of the University Grants Commission for 1958-59 is placed on the Table of Parliament
- 24 — The International Economic Mission, sponsored by the President of the World Bank, arrives in New Delhi on a three-week visit
- The Services team wins the National Hockey Championship beating the Uttar Pradesh team in the replayed match at Calcutta
- 25 — Dr. S. Radhakrishnan, Vice-President of India, inaugurates the Nineteenth National Games in New Delhi
- 26 — Mr. Paul Hoffman, Managing Director of the United Nations Special Fund, arrives in New Delhi from Karachi on a four-day visit
- The Central Purchase Advisory Council meets in New Delhi
- 27 — The All-India Council of Sports holds its meeting in New Delhi
- 29 — The Finance Minister, Shri Morarji Desai, presents the Budget for 1960-61 to Parliament

PORTRAIT OF A VILLAGE ON THE ROAD TO PROSPERITY

The village of *Samargopalpur made news last summer with an inspiring story of achievement in the annals of National Savings. To the campaign the villagers brought out their best efforts—a praiseworthy sense of patriotism backed by local leadership and the spirit of self-help and co-operation already very much to the fore in their development activities. Total collections amounted to Rs. 94,000, a record for Punjab villages. 397 out of 415 families participated—every man, woman and child rising to the occasion. The highlight of this success story—the lambardar's wife contributing her jewellery worth Rs. 6,000 for investment in NATIONAL PLAN SAVINGS CERTIFICATES.

AN EXAMPLE TO FOLLOW



***SAMARGOPALPUR**
District Rohtak, Punjab

Population: 2668, mostly Rajputs.
Total area: 5418 acres.
Under cultivation: 4558 acres.
Canal irrigated: 1945 acres.
Chief crops: Wheat, Gram, Bajra, Maize,
Jowar, Sugarcane, American Cotton etc.
Development Facilities available include
two tractors, model farms, 85 manure pits,
6 irrigation wells and improved methods
of farming.

**SERVE INDIA
SAVE AND PROSPER
INVEST IN
NATIONAL
SAVINGS
SCHEMES**

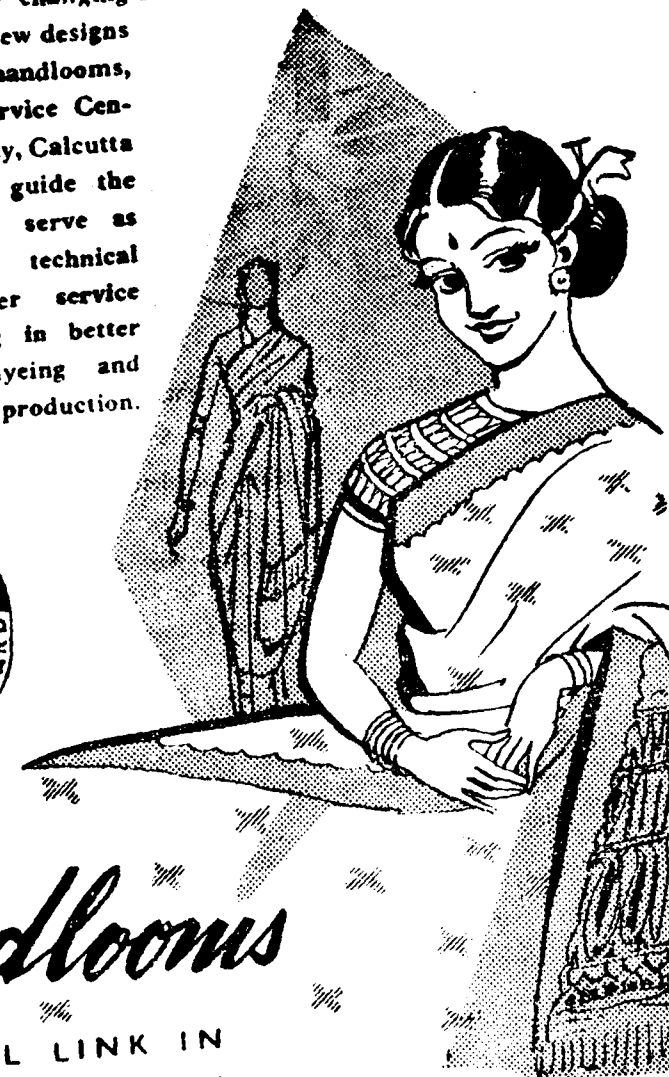
DA 59/581



NATIONAL SAVINGS ORGANIZATION

BETTER DESIGNS NEW PATTERNS

To keep pace with changing fashions and produce new designs and patterns for handlooms, there are Weavers' Service Centres at Madras, Bombay, Calcutta and Varanasi which guide the weavers. These also serve as foci for spreading technical knowledge and offer service facilities for training in better processing, better dyeing and improved methods of production.



Handlooms

A VITAL LINK IN
INDIA'S ECONOMY
ALL INDIA HANDLOOM BOARD

Post Bag No 10004 Bombay-1

DA 59/419

SECOND PHASE



On October 1, 1958, Metric weights were introduced in selected areas and regulated markets in all States and Union Territories with a two-year time-limit for complete change-over.

THIS TWO-YEAR PERIOD WILL END ON SEPTEMBER 30, 1960, AFTER WHICH USE OF METRIC WEIGHTS WILL BE COMPULSORY IN THESE AREAS.

Plans are under way to launch the second phase of the reform and extend the use of Metric weights to the remaining areas in the country. Already Metric weights have been introduced in the whole of Kerala. Other States will follow suit soon.

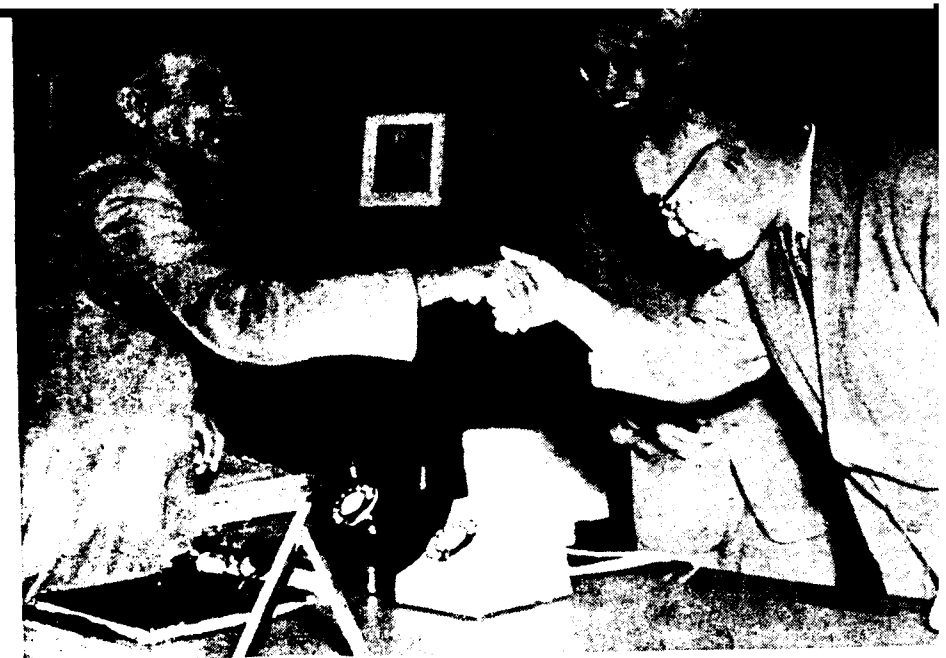
CHANGE TO

METRIC SYSTEM

FOR SIMPLICITY & UNIFORMITY
ISSUED BY GOVERNMENT OF INDIA

DA 59/541

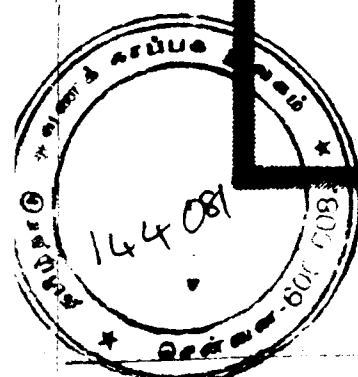
Mr. Shigo Nagamo, Leader of the Japanese Steel Mission, with Shri K. D. Malaviya, Union Minister for Mines and Oil, in New Delhi on February 29



Mr. Paul Hoffman, Managing Director of the United Nations Special Fund, with Shri Gulzarilal Nanda, Union Minister of Labour, Employment and Planning, in New Delhi on February 27



The Foreign Minister of the Federal Republic of Germany, Dr. Heinrich Von Brentano (right) with Smt. Lakshmi N. Menon, Deputy Minister, External Affairs, on his arrival at the Safdarjang Airport, New Delhi



Regd. No.
D-940

Amar Dhill Singh of Yadivendra Public School, Patiala, who came first in putting the shot (Boys) at the XIX National Games of India, which were inaugurated at the National Stadium, New Delhi on February 25

CANE-M

The Union Education Minister, Dr. K. L. Shrimall, taking the salute at the march past by students at the National Stadium, New Delhi while inaugurating the National Physical Efficiency Drive on February 17

