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THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

Official Report

VOLUME IV, 1948

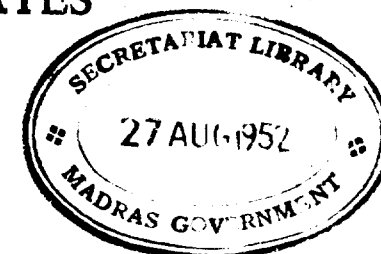
(19th March to 5th April, 1948)

SECOND SESSION

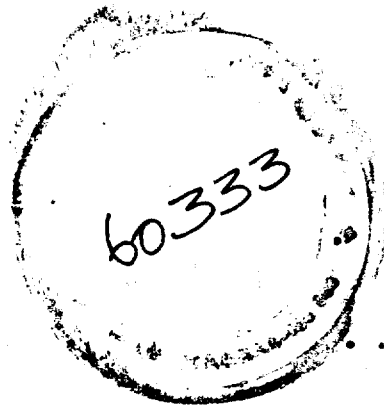
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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

1948



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DOMINION LEGISLATURE
CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

The Speaker

The Honourable Mr. G. V. MAVALANKAR.

Panel of Chairmen

Mr. HOSSAIN IMAM, M.C.A.
Pandit THAKUR DAS BHARGAVA, M.C.A.
Shri K. SANTHANAM, M.C.A.
Shrimati AMMU SWAMINADHAN, M.C.A.

Secretary

Mr. M. N. KAUL, Barrister-at-Law.

Assistants of the Secretary

Mr. A. J. M. ATKINSON.
Mr. N. C. NANDI.
Mr. C. V. NARAYANA RAO.

Committee on Petitions

Mr. HOSSAIN IMAM, M.C.A.
Shri K. SANTHANAM, M.C.A.
Mr. R. K. SIDHVA, M.C.A.
Shrimati DAKSHAYANI VELAYUDHAN, M.C.A.
Shri B. Das, M.C.A.

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Friday, 19th March 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

COLLECTORS OF CUSTOMS AT MADRAS, CALCUTTA AND BOMBAY

865. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Finance be pleased to state whether the Collectors of Customs at Madras, Calcutta and Bombay are Indians or non-Indians?

(b) How many non-Indians are still in India on the cadre of Collector of Customs?

The Honourable Shri R. K. Shanmukham Chetty: (a) The Collectors of Customs at Bombay and Calcutta are Indians, the Collector at Madras is a non-Indian.

(b) One.

Mr. R. K. Sidhva: May I know whether the Collector of Bombay, who is said to be an Indian, is an Indian Jew or a European Jew?

Mr. Speaker: The Honourable Member will be permitted to ask permissible questions. He is entering into details of administration.

Mr. R. K. Sidhva: I wanted to know whether he is an Indian or a foreigner.

Mr. Speaker: He is an Indian: the answer is there.

Mr. Tajamul Hosain: How long does the Honourable Minister intend to keep the non-Indian Collector in Madras?

The Honourable Shri R. K. Shanmukham Chetty: As a matter of information I may tell the Honourable Member that this gentleman will be proceeding on leave preparatory to retirement by the middle of May this year.

REVISION OF CANTONMENT LAND ADMINISTRATION RULES, ETC., IN VIEW OF CHANGED SITUATION IN INDIA

866. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether Government have taken any steps to revise the Cantonment Land Administration Rules, Cantonment Executive Officers Service Rules, Cantonment Funds Service Rules, Cantonment Accounts Code, and Cantonment Electoral Rules to fit in with the changed situation in the country?

(b) If not, do Government intend to take steps in this direction?

The Honourable Dr. Syama Prasad Mookerjee: (a) No, Sir.

(b) The question will be examined.

Mr. Tajamul Hosain: How long will Government take? When will the question be examined?

Mr. Speaker: Order, order. Next question.

**PAY, LEAVE AND ACCOMMODATION FOR SWEEPERS EMPLOYED BY CANTONMENT
BOARDS**

867. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether sweepers employed by Cantonment Boards in India are not allowed leave with pay for service of eleven months and over?

(b) Is it a fact that under the Cantonment Servants Rules framed by Government they are not allowed any leave with pay?

(c) If so, do Government propose to revise these Rules?

(d) Are the sweepers entitled to Provident Fund maintained by Cantonment Boards?

(e) What is the monthly pay of sweepers in all Cantonment Boards in India?

(f) How many Cantonment Boards give free quarters or house rent allowance in lieu thereof to the sweepers?

The Honourable Dr. Syama Prasad Mookerjee: (a) The rules provide that sweepers like other inferior servants in Government employ may get leave with pay if a substitute is not required.

(b) For purposes of leave, Cantonment Fund Servants are governed by Fundamental Rules and Revised Leave Rules, 1933, under which they are treated as inferior servants.

(c) Revision of these rules is being considered by Government in accordance with the recommendations of the Central Pay Commission on this subject.

(d) Yes, if their basic pay is not less than Rs. 20 per month.

(e) and (f). Information is being collected and will be laid on the table of the House in due course.

**INFILTRATION OF MUSLIM TROOPS OR ITTEHAD-UL-MUSLEMIN RAZAKARS OF HYDER-
ABAD STATE INSIDE INDIAN TERRITORY**

868. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that there has been repeated infiltration of Muslim troops or Ittehad-ul-Muslemin Razakars, during the last two months inside the Union territory and inside the provinces of Madras, Bombay and Central Provinces?

(b) If so, how many incidents of this nature were reported and what was the extent of the loss caused to person and property of the subjects of the Union?

(c) What steps, if any, have Government taken so far, to check the repetition of such incidents?

(d) Have Government made any protest to the Nizam's Government on the point, and if so, with what result?

The Honourable Shri R. K. Shanmukham Chetty: (a) Yes.

(b) The number of incidents in the Central Provinces and Berar during January and February 1948 is 16, involving loss of life of one person and estimated loss of property worth about Rs. 16,000. Information from the Madras and Bombay Governments has not yet been received.

(c) The matter is under discussion with the Hyderabad Government and I would invite the Honourable Member's attention to Mr. Gadgil's speech in reply to the debate on the question of Hyderabad on the 15th March 1948.

(d) Yes. The Hyderabad Government have promised to do their best to prevent these border incidents.

Seth Govinddas: Who is going to give the compensation to the sufferers? Is the compensation to come from the Hyderabad Government or from anywhere else?

The Honourable Shri R. K. Shanmukham Chetty: These matters are still under discussion with the Government of Hyderabad and it will be for us later on in the light of those discussions to decide whether we should press on the Hyderabad Government to pay compensation for these losses.

Seth Govinddas: Have Government of India written specifically to the Hyderabad Government that they should compensate the sufferers?

Mr. Speaker: Has not the Honourable Minister said that the matters are under negotiation?

Seth Govinddas: I am asking whether the Government of India have specifically written to the Hyderabad Government about compensation.

The Honourable Shri R. K. Shanmukham Chetty: The question whether we should really press the Hyderabad Government for compensation will depend upon the course of the negotiations.

Prof. N. G. Ranga: In the case of these raids that are being made from Hyderabad State into our territory by Ittehad-ul-Muslemin, Razakars and communists have Government experienced any co-operative spirit on the part of the Hyderabad State to get hold of the perpetrators of these raids and also to recover as much of the looted property as possible?

The Honourable Shri R. K. Shanmukham Chetty: Recently as a result of the talks between our Agent General at Hyderabad and the Prime Minister of Hyderabad it has now been arranged that there will be a joint inspection of these border areas of Hyderabad and the provinces concerned and we are hoping that as a result of this joint inspection the conditions will improve.

Prof. N. G. Ranga: Is it not a fact that in spite of the promised strengthening of our own border areas by the formation of border protection forces and so on, even today the people on the side of our own borders are suffering from a great sense of nervousness on account of the inadequacy of these forces?

The Honourable Shri R. K. Shanmukham Chetty: We are fully alive and the Provincial Governments are fully alive to the need of protecting these border areas. In fact to enable the provincial Governments concerned to arm the police in these areas request has been made to the Central Government for the supply of arms and we have also taken steps for the supply of arms to the provinces. The tactics of these raiders has been just to rush in and then immediately disappear and unless there is wholehearted co-operation on the part of the authorities of the Hyderabad State there cannot be any effective stoppage of these raids and we are taking up this matter very strongly with the Hyderabad Government.

Dr. P. S. Deshmukh: Should this not be taken as inability on the part of the Government to protect the nationals of this Union?

The Honourable Shri R. K. Shanmukham Chetty: There is no warrant for any such inference at all.

Dr. P. S. Deshmukh: Is it not a fact that right up to this moment news about killing and looting is coming in every day and would not the Government under such circumstances be prepared to admit that the steps which they have been taking are most ineffective?

The Honourable Shri R. K. Shanmukham Chetty: I would not admit that the steps are ineffective. After all it will take time before the steps become completely effective. Certainly the Hyderabad authorities know that there is a limit to the patience of the Government of India.

Shri H. V. Kamath: Has it come to the notice of Government that some of these so called communists who are creating trouble are in reality Razakar wolves masquerading in communist clothing?

The Honourable Shri R. K. Shanmukham Chetty: Quite possible.

Shri Mohan Lal Saksena: May I know whether the Government have considered the desirability of arming our nationals on the Hyderabad border?

The Honourable Shri R. K. Shanmukham Chetty: We will certainly consider that if things become really so serious as all that.

Shri M. Ananthasayanam Ayyangar: In view of the fact that one particular Muslim organisation is responsible for all this trouble have any steps been taken by the Government of India to represent to the Hyderabad Government that this organisation should be banned or, at any rate, must be disbanded as early as possible?

The Honourable Shri R. K. Shanmukham Chetty: We are impressing upon the Hyderabad Government that even in the interests of the Hyderabad State itself there should be responsible government in the State if these irresponsible and violent forces are to be suppressed, and we are still hoping that the Hyderabad Government will accept our advice in the matter.

Dr. B. V. Keskar: Is the Government satisfied that there is no complicity between the Hyderabad Government and the Razakars?

The Honourable Shri R. K. Shanmukham Chetty: I do not think we have got any reason to suspect that the Hyderabad Government is in league with this organisation.

Shri M. Ananthasayanam Ayyangar: Has any time limit been fixed within which responsible government should be introduced in the State or in regard to the controversy between India and Hyderabad?

The Honourable Shri R. K. Shanmukham Chetty: Fixing of a time limit will not really help the solution of these difficult problems.

Shri S. V. Krishnamurthy Rao: Have the Government of India asked the Hyderabad Government to ban this organisation in Hyderabad?

The Honourable Shri R. K. Shanmukham Chetty: We have not asked them to ban any such organisation. We have impressed upon the Hyderabad Government the urgent need of that Government exercising a proper control over the irresponsible elements in their own State.

Shri S. V. Krishnamurthy Rao: Has the fact come to the notice of the Government, what has appeared in today's newspapers, that in Warangal District about 20 persons have been burnt alive by the Razakars?

The Honourable Shri R. K. Shanmukham Chetty: On account of heavy pressure of work I was not able to read this morning's papers.

Shri Deshbandhu Gupta: Has there been any change in the attitude of the Hyderabad Government?

Mr. Speaker: That is a matter of opinion.

Prof. Shibban Lal Saksena: Is the Honourable Minister aware that the real power in the State is in the hands of the Ittehad-ul-Muslemin and not in the Government?

The Honourable Shri R. K. Shanmukham Chetty: I am not aware.

BREACH OF STANDSTILL AGREEMENT BY NIZAM'S GOVERNMENT

869. ***Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of States be pleased to state whether it is a fact that the maintenance of a private army of armed Muslim Razakars by the Nizam amounts to a breach of the Standstill Agreement?

(b) If so, what steps have been taken by Government to secure its liquidation?

(c) Have the negotiations between the Government of India and the Nizam's Government, regarding the breach of the Standstill Agreement by the Nizam's Government caused by the investment of Rupees twenty crores in Pakistan securities and the promulgation of the Currency Ordinance, led to any material results and if so, what?

(d) If not, what steps do Government propose to take against the Nizam's Government and if not, why not?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). The whole position of the Razakars' Organization is under discussion with the Nizam's Government and I regret it would not be in the public interests to disclose Government's views on these matters at this stage.

(c) The negotiations are being continued.

(d) Does not arise.

Seth Govinddas: Is it not a fact that just the other day the Honourable the Minister for States while replying to a supplementary question from me admitted that there has been a breach of the Agreement as far as Hyderabad State is concerned; and may I know, when the recent deputation came here from Hyderabad, whether specific instances about the breaches of this Agreement were brought before it?

The Honourable Shri R. K. Shanmukham Chetty: Is the Honourable Member asking about the entire Agreement between the Government of India and the Hyderabad Government?

Mr. Speaker: That is what it appears to be.

The Honourable Shri R. K. Shanmukham Chetty: Then does it arise out of the question?

Mr. Speaker: The question of breach relates to the investment of Rs. 20 crores and the Honourable Member may restrict himself to that.

Seth Govinddas: Part (a) of the question refers to the breach of the Standstill Agreement.

Mr. Speaker: But then the Honourable Minister has stated that he cannot disclose the information in public interests.

Seth Govinddas: I wanted to ask whether the Honourable the Minister for States has accepted that there have been breaches of the Agreement as far as the Hyderabad Government is concerned and I wanted to know whether those specific instances of the breach were brought before the deputation which waited recently upon the Minister for States.

Mr. Speaker: It comes to this that, the Honourable Member wants a disclosure as to what points were discussed, which the Honourable Minister says he is not going to disclose.

Pandit Mukut Bihari Lal Bhargava: May I ask what time Government will take to arrive at a final decision in this matter?

The Honourable Shri R. K. Shanmukham Chetty: It is not possible to indicate a time-limit in this matter. As Honourable Members know the Standstill Agreement will come to an end in the next few months and we will see, so far as it lies in our power, before the termination of this Agreement that a more satisfactory relationship is established between our Government and the Government of Hyderabad.

INCIDENCE OF VENEREAL DISEASE IN INDIA BEFORE AND DURING WAR

870. *Shri H. V. Kamath: Will the Honourable Minister of Health be pleased to state:

- (a) the incidence of venereal disease in India, in 1938, 1939, and in each year during World War II;
- (b) the steps taken by Government to combat the scourge; and
- (c) the results so far achieved?

The Honourable Rajkumari Amrit Kaur: (a) No accurate estimate of the incidence of venereal disease is available, but it is estimated that 37 persons per thousand of the population are infected by it.

(b) and (c). Schemes for combating venereal disease in Delhi and in the coal-fields of Bihar, Bengal and Orissa have been drawn up and steps will be taken to implement them as soon as possible. A Specialist in venereal diseases has been appointed in the Directorate General of Health Services. His services are available for advice to all Provinces which are, of course, primarily concerned in the matter.

Shri H. V. Kamath: Did venereal disease show an increase during the war years?

The Honourable Rajkumari Amrit Kaur: From such figures as I have, I do not think one can say that they showed very much increase.

Shri H. V. Kamath: Is it a fact that venereal disease was not known in India till the advent of Europeans here?

Mr. Speaker: Order, order.

Shri B. Shiva Rao: Is it not a fact that the Bhoze Committee on Public Health has pointed out that lack of adequate housing facilities in the industrial areas is a major factor in the spread of venereal diseases?

The Honourable Rajkumari Amrit Kaur: That is so.

Shri H. V. Kamath: How many V. D. clinics are there in India?

The Honourable Rajkumari Amrit Kaur: I would like to have notice of that question, but there are treatment centres in different Provinces and the Military have their own hospitals and centres.

Shri H. V. Kamath: Is it a fact that many patients do not take advantage of the treatment centres because of the social stigma attached to the disease?

Mr. Speaker: It is a matter of opinion.

Shri H. V. Kamath: Will Government consider the desirability of completely abolishing or prohibiting prostitution here as in the Soviet Union, or at least compulsorily registering prostitutes and having them medically examined at periodical intervals?

Mr. Speaker: All these are suggestions for action.

Dr. B. Pattabhi Sitaramayya: Are bachelors allowed to discuss such matters?

Mr. Speaker: That is a good suggestion. I am calling the next question.

Shri Deshbandhu Gupta: Just one question, Sir. May I know the extent of the student world affected by this disease?

The Honourable Rajkumari Amrit Kaur: I have not got that information.

PLACE OF MUSIC IN PROPOSED CULTURAL TRUST OF GOVERNMENT

871. *Seth Govinddas: (a) Will the Honourable Minister of Education be pleased to state whether music is proposed to be given any place in the proposed Cultural Trust of Government?

(b) Do Government propose to give any scholarships to suitable candidates for training in music?

(c) Do Government propose to organize an academy of music and dance on the lines of the Royal Academy of Music in the United Kingdom or any other country?

آنریبل مولانا ابوالکلام آزاد : (a) ہاں

(b) جونہی اسکا موقعہ آیا گورنمنٹ اس سوال پر پوری طرح دھیان دیگی۔

(c) نیشنل ٹرسٹ کے تین حصہ ہونگے۔ ایک میوزک ڈراما اور ناچ کے لئے ہوگا

The Honourable Maulana Abul Kalam Azad: (a) Yes.

(b) The question will receive consideration when the proposed Indian Cultural Trust is set up.

(c) The proposed Trust will have three Academies, one of which will be for Music, Drama and Dancing.

سےٹ گوبینداس : क्या गवर्नमेण्ट इस बात का ध्यान रखेगी कि जहां तक म्यूजिक, ड्रामा और नाच का सम्बन्ध है वहां तक प्राचीन भारतवर्ष में जिस प्रकार का म्यूजिक, ड्रामा और नाच प्रचलित था वही सिखाया जायगा।

Seth Govinddas: Will the Government consider over the desirability as far as possible of imparting training in the arts of Music, Drama, and Dance on the lines of ancient India?

آنریبل مولانا ابوالکلام آزاد : ہاں اس ٹرسٹ کا ایک بڑا مقصد یہی ہے۔

The Honourable Maulana Abul Kalam Azad: Yes. This is one of the main objects of this trust.

श्री एच० वी० कामन : क्या हकूमत के पेशेनजर मशरकी और मगरबी फन-ए-मोसिको तालीम की कोई तजवीज है।

Shri H. V. Kamath: Have the Government under consideration any scheme for imparting training in the arts of Western and Eastern Music?

آنریبل مولانا ابوالکلام آزاد : یہ صرف مشرقی موسیقی کے لئے ہوگا۔

The Honourable Maulana Abul Kalam Azad: This will apply to eastern music only.

MENTAL HOSPITALS IN INDIA

872. *Shri H. V. Kamath: Will the Honourable Minister of Health be pleased to state:

(a) the number of mental hospitals in India and where they are situated;

(b) the number of patients, Indian and foreign, admitted in each of these hospitals during the years 1945, 1946 and 1947, and the number discharged as cured; and

(c) whether Government have any plan, educational, psychic or otherwise, for the prevention of serious mental diseases?

The Honourable Rajkumari Amrit Kaur: (a) and (b). A statement giving the required information is laid on the table.

(c) It is not possible for Government to prevent serious mental diseases which depend upon various factors outside their control. It is however intended to study some of these factors at the Ranchi Mental Hospital whose reorganisation for making it an up-to-date-centre for treatment, research and training is under consideration.

Statement

Showing the Government Mental Hospitals in India and the number of patients admitted in them and the number discharged as cured in 1945, 1946 and 1947

Serial No.	Name of Province	Name of Mental Hospital	Admission						Discharged as cured						Remarks
			Indians			Foreigners			Indians			Foreigners			
			1946	1947		1945	1946	1947	1945	1946	1947	1945	1946	1947	
1	Madras	Mental Hospital, Madras	542	655	743	27	37	29	167	182	200	16	16	13	
		Mental Hospital, Waltair	204	149	136	2	1	1	6	28	33				
		Mental Hospital, Calicut	166	203	229		2		14	48	83				
2	Bombay	Central Mental Hospital Yerrada	391	650	687	14	11	6	65	107	115	2	4	1	
		N. M. Mental Hospital, Thana	409	456	476				97	99	124				
		Mental Hospital, Ahmedabad	133	141	185				18	42	20				
		Mental Hospital, Ratnagiri	37	47	67				20	9	9				
		Mental Hospital, Dharwar	65	97	78				24	42	15				
3	U. P.	Mental Hospital, Agra	182	196	189	1			53	45	73				
		Mental Hospital, Bareilly	86	65	67				29	25	42				
		Mental Hospital, Banarus	40	45	62				23	30	24				
4	Bihar	Indian Mental Hospital, Kanke, Ranchi	180	204	184				26	68	58				
		European Mental Hospital, Kanke, Ranchi	41	47	56	24	25	14	15	19	26	10	15	10	
5	Assam	Tezpur Mental Hospital, Darrang, Assam	140	163	127				9	29	20				
6	C. P. and Berar	Mental Hospital, Nagpur	134	128	153				71	59	76				

Shri H. V. Kamath: What is the basis on which the admission of patients into mental hospitals is regulated?

Pandit Balkrishna Sharma: The Honourable Member may apply for it.

Mr. Speaker: The question does not appear to lie within the special cognizance of the Honourable Minister.

Shri Ramnath Goenka: May I know whether the members of this House will be given preference in this matter?

Mr. Speaker: I am going to the next question.

Shri H. V. Kamath: I want to put a question, Sir. Are all the patients suffering from mental disease accommodated in these hospitals, or due to lack of accommodation are there still many of them at large?

The Honourable Rajkumari Amrit Kaur: I am afraid there are many at large.

Mr. Tajamul Hosain: Is the Honourable Minister aware that in the Ranchi Mental Hospital the European mental patients are kept separated from the Indian mental patients and that the food given is also different?

Mr. Speaker: That question has been answered already on the floor of the House.

Pandit Balkrishna Sharma: Is there a lunatic asylum in the Central Provinces?

POLITICAL PENSIONS TO DESCENDANTS OF PERSONS WHO HELPED EITHER SIDE DURING WAR OF INDEPENDENCE, 1857

873. ***Seth Govinddas:** (a) Will the Honourable Minister of Home Affairs be pleased to state the policy of Government regarding the pensions being given to the descendants of those who helped the British during the War of Independence of 1857?

(b) Are Government aware that meagre pensions are being given to the descendants of persons whose states had been confiscated because they helped the Indians in their War of Independence of 1857?

(c) Do Government propose to stop payment of all these pensions to the former and to give an equitable compensation to descendants of those who helped the Indians in the War of Independence of 1857?

The Honourable Shri R. K. Shanmukham Chetty: (a), (b) and (c). Government are collecting information in regard to individual recipients of political pensions with a view to deciding whether in any individual case these pensions should be continued or otherwise dealt with. Each case will be considered on its own merits.

Seth Govinddas: Has the Government any lists of these pensioners and through the list can the Government know who are the pensioners who are getting pension for working against the independence movement of 1857 and who are not getting anything because they did not help the British Government?

The Honourable Shri R. K. Shanmukham Chetty: The question was a bit involved. Would the Honourable Member mind repeating it?

Seth Govinddas: Has the Government any list of these pensioners who helped the British Government during the War of Independence in 1857 and of those who were against the British Government in that War?

The Honourable Shri R. K. Shanmukham Chetty: The Honourable Member wants to know whether we have got a list of the persons who helped the British Government and those who helped the Indian Independence Movement. I am afraid we have not got any such list.

Dr. B. Pattabhi Sitaramayya: Is the Honourable Minister aware that the State of the Nawab of Jujhar who helped the people against the British Government in 1857 was broken up and divided and was given away as prize to the Maharajas of Patiala, Nabha, Jind and Jaipur; and if so, will steps be taken to restore the properties to the heirs of the original owner?

The Honourable Shri R. K. Shanmukham Chetty: I am prepared to accept the version of history from my Honourable friend though I must confess that I am not so familiar with that period of India's history. But as I said in my reply, with regard to these persons who are getting pensions from the Government, we have called for a list, and we are going to review the list to find out and make up our mind as to whether we should continue these pensions or not. With regard to the question of giving any compensation to people who helped the Indian Independence Movement, so far as Government's information goes, this category of people must be very small—even if anybody exists at all—and if the Honourable Member has got any definite information about the existence of such persons, the Government will be glad to receive such a list.

Shri Deshbandhu Gupta: Is it not a fact that a representation has been made by some people living in the Delhi Province claiming a part of the land as being descendants of the rebels of 1857, and if so, have Government taken any action on that?

The Honourable Shri R. K. Shanmukham Chetty: I am not aware of that.

Dr. P. S. Deshmukh: Will the Government be pleased to consider the case of the Bhonsles of Nagpur and the Angrias of Colaba?

Mr. Speaker: Individual questions are not permitted.

Mr. Tajamul Hosain: Are Government aware that a ruling chief in C. P. fought against the British in 1857 and on that account his state was confiscated and that his sole descendant is alive and is nearly starving? Do Government propose to do something for him?

Mr. Speaker: I do not propose to allow any individual question.

Seth Govinddas: Will the Government appoint a committee of certain historians who will go into the matter and find out who are the persons who helped the movement of 1857?

Mr. Speaker: It is not a question. It is a suggestion.

Shri T. T. Krishnamachari: May I ask on the general question of political pensions if the Government, before making a final decision, is making interim payments to those people who have been in receipt of these pensions in the past?

The Honourable Shri R. K. Shanmukham Chetty: I do not know exactly what the position is.

HELP TO NON-SCHEDULED BANKS SUFFERED DURING COMMUNAL DISTURBANCES

874. ***Shri Kishori Mohan Tripathi:** (a) Will the Honourable Minister of Finance be pleased to state:

(i) the number of non-scheduled banks registered under the Indian Companies Act;

(ii) the names of non-scheduled banks that went into liquidation in 1947; and

(iii) the names of non-scheduled banks that have been given protection under Section 153 of the Indian Companies Act and have consequently stopped making payments to their depositors?

(b) In view of the fact that depositors in the case of non-scheduled banks falling under category (iii) of part (a) above, are mostly middle class men, peasants and labourers and that these banks suffered greatly as a result of disturbances in the country, do Government propose to help the banks to revive their business? If so, how?

The Honourable Shri R. K. Shanmukham Chetty: (a) Up to date information in respect of non-scheduled banks is not available as their administration is under the Provincial Registrars of Joint Stock Companies. The information readily available is, however, given in the statement which is laid on the table of the House.

(b) The disturbances had an adverse effect on banking in general but they alone were not responsible for the difficulties of non-scheduled banks. The non-banking practices followed by certain non-scheduled banks in Bengal had already undermined their financial position. The slump on the Calcutta Stock Exchange towards the end of 1946 brought about by a combination of political and economic factors and labour troubles therefore created a difficult situation for some of these banks. The result was that banks which had made large advances against shares or had heavily invested in them were adversely affected and in the panic that prevailed some of the banks were subjected to heavy withdrawals. A few banks had to suspend payments and obtain interim moratorium from the Calcutta High Court. The disturbances merely aggravated their difficulties and the Government of India promulgated an Ordinance on the 20th September 1947 amending Section 18(3) of the Reserve Bank of India Act to enable the Reserve Bank to grant advances to scheduled and non-scheduled banks against such form of security as it may consider sufficient.

In the Punjab, a few middlesized and small banks with registered offices in the East Punjab and Delhi had most of their assets in West Punjab while the bulk of their deposit liabilities had been transferred to their branches in India. With a view to enable these banks to tide over their difficulties, the Government of India promulgated on the 27th September 1947 the Banking Companies Ordinance 1947 which *inter alia* empowered the Central Government to make advances to the banks to which a moratorium was granted. Arrangements were also made by the Government of India in consultation with banks and the Governments of East and West Punjab for facilitating resumption of business by banks which have closed their offices owing to disturbances. The rehabilitation programmes of East Punjab Government and the Rehabilitation Finance Administration about to be set up should afford the necessary stimulus to sound banks.

Statement

(a) (i) Number of non-scheduled banks registered under the Indian Companies Act. Approximately 789.

(ii) Names of non-scheduled banks that went into liquidation in 1947.

Allied Exchange Bank Ltd.
Aryan Bank Ltd.
Bogra City Bank Ltd.
Central Commercial Bank Ltd.
Commercial Bank Ltd.
Hanuman Bank Ltd.
Incorporated Bank Ltd.
Javalux Bank Ltd.
Kanva Kybja Bank Ltd.
National Security Bank Ltd.
Pacific Bank Ltd.
Sardar Bank Ltd.
Sunlight Bank Ltd.
Superior Bank Ltd.

(iii) Names of non-scheduled banks given protection under Section 153 of the Indian Companies Act and which subsequently stopped making payments to their depositors.

Bengal Union Bank Ltd.
Calcutta City Bank Ltd.
East Bengal Bank Ltd.
East India Commercial Bank Ltd.
Federation Bank of India Ltd.
Hazradi Bank Ltd.
Indian Commonwealth Bank Ltd.
Kuver Bank Ltd.
Northern Bank Ltd.
Sree Bank Ltd.

Payments are being made by these banks according to the terms laid down in the Schemes of arrangements.

Shri Kishori Mohan Tripathi: Do Government propose to bring in legislation to regulate Indian banking in such a way that depositors' interests are absolutely safeguarded in future?

The Honourable Shri R. K. Shanmukham Chetty: The Honourable Member knows, Sir, that a comprehensive Banking Bill is before the House.

Shri Kishori Mohan Tripathi: Do Government propose to abolish all distinction between scheduled and non-scheduled banks and place all of them on one and the same and yet a sound footing?

The Honourable Shri R. K. Shanmukham Chetty: It is not practically possible to abolish the distinction between scheduled and non-scheduled banks.

Shri M. Ananthasayanam Ayyangar: May I know from the Honourable Minister how many of the banks went into liquidation in East Punjab after the 15th August?

The Honourable Shri R. K. Shanmukham Chetty: I must have notice of that question.

Shri M. Ananthasayanam Ayyangar: Has any tangible help been given in pursuance of the representations made by many Punjab banks for resuscitation and rehabilitation by the Government of India, and if so what help?

The Honourable Shri R. K. Shanmukham Chetty: I mentioned in my answer Sir, the steps that have been taken by the Government of India with a view to helping these banks. We promulgated an ordinance and we fixed limits. They could represent their depositors and Government was prepared to advance money to the banks concerned up to those limits.

Prof. N. G. Ranga: But this applied only to scheduled banks?

The Honourable Shri R. K. Shanmukham Chetty: Yes.

Prof. N. G. Ranga: Why is it Government have not thought fit to extend some hand of protection to the non-scheduled banks also to the extent practicable?

The Honourable Shri R. K. Shanmukham Chetty: Because the scheduled banks have certain control exercised by the Reserve Bank and we know their position and with regard to the non-scheduled banks the Honourable Member must be aware of the fact that there are so many of them that it will be almost impossible for this Government to bring under their jurisdiction if any help to that class of banks is given.

REPLACEMENT AND STOPPING OF CIRCULATION OF PRESENT SET OF COINS IN INDIA

875. ***Shri Kishori Mohan Tripathi:** (a) Will the Honourable Minister of Finance be pleased to state the time when the Government of India would stop the circulation of the present set of coins in India, bearing marks of Crown?

(b) What arrangements if any, have the Government of India made to withdraw and replace the said coins?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). The question of the future design of our coins is receiving attention. The minting of new coins takes time. There is a large number of coins at present in circulation and it will, therefore, be a long time before the present set of coins can be replaced by new design coins.

Shri Kishori Mohan Tripathi: Do Government propose to introduce the decimal system of Calculation in the new set of coins?

The Honourable Shri R. K. Shanmukham Chetty: Does that question arise out of this? It is only a question of issuing new coins.

Prof. N. G. Ranga: How much will Government have to spend or lose if they are to withdraw the present set of coins and introduce a new set of coins with new effigies?

The Honourable Shri R. K. Shanmukham Chetty: I do not think we have made any estimate of that, but the expenditure involved will be very very great and the time taken also will be very great because the minting of new coins takes a good deal of time. As a matter of fact we have got some commitments already to the Pakistan Government under the partition arrangements, under which we have to place the surplus capacity of our mint for the use of the Pakistan Government for minting their coins. In addition to this, some time back I was approached by the representative of the Chinese Government that we should help them to mint some silver coins to enable China to place their currency system on a better footing. As a friendly gesture to the neighbouring Government of China, we were very anxious to help the Chinese Government in this respect and when we examined that problem we found that the capacity of the mint is very limited and it is only to a very limited extent that we can give help to the Chinese Government also. So in view of these things I am afraid it will be a little while before we can really take steps for issuing a completely new set of coins. But I may tell Honourable Members that the position is different with regard to currency notes. In that matter I am taking immediate steps. For example the preparation of the paper with the necessary water-mark, for instance, will take about 8 to 9 months, and I am already placing the matter before the Government for a decision as to what should be the future watermark in the paper. Once that is done, the matter of actually designing the plate for the notes is a comparatively simple matter and I myself have in mind a proposal that as an immediate step we might print the effigy of Gandhiji. For this purpose, probably, very soon we might issue one rupee notes bearing the effigy of Gandhiji.

Dr. B. Pattabhi Sitaramayya: May we understand the Honourable the Finance Minister to have said that the delay in issuing fresh coins does not arise so much from time taken to withdraw the coins in circulation as from the time taken to mint new coins?

The Honourable Shri R. K. Shanmukham Chetty: The time taken to mint new coins will be quite considerable.

Seth Govinddas: Is the Honourable Minister aware that in the past coins were changed and will he go into the question with a view to finding out how much it cost and how much time it took?

The Honourable Shri R. K. Shanmukham Chetty: The point is that during war-time and some time later on the quantity of small coins minted and put into circulation was enormous and to withdraw all those coins and substitute them by new coins will be a rather difficult and costly process. We have, therefore, to go about it rather slowly.

Seth Govinddas: What about rupee coins?

The Honourable Shri R. K. Shanmukham Chetty: It applies to all coins. As I said, that problem is under our examination.

Dr. P. S. Deshmukh: Is there any possibility of increasing the proportion of silver in our coins, Sir?

The Honourable Shri R. K. Shanmukham Chetty: No, Sir, we do not propose to do that.

Shri S. V. Krishnamurthy Rao: May I know, Sir, if a beginning cannot be made immediately and the replacing of all the coins spread over a number of years?

The Honourable Shri R. K. Shanmukham Chetty: We shall keep that suggestion in mind and start taking action as early as practicable.

CASH, BALANCES AND RESERVES MADE OVER TO PROVINCIAL GOVERNMENTS BY CHATTISGARH STATES.

†876. *Shri Ramprasad Potai: (a) Will the Honourable Minister of States be pleased to state the amount of cash, balances and reserves, which were made over to the Provincial Governments by Chattisgarh States when the former took over charge of the latter's administration on 1st January 1948?

(b) Do Government propose to advise the Provincial Governments to spend the said amount for the welfare of the States' people?

The Honourable Shri R. K. Shanmukham Chetty: (a) Information has been called for from the Government of Central Provinces and Berar and will be laid on the table of the House in due course.

(b) It has been agreed that as far as possible the accumulated reserves taken over by the Provincial Government should be spent on the welfare of the State's people concerned.

DATE OF COMMENCEMENT OF SERVICES OF CHATTISGARH STATES EMPLOYEES

†877. *Shri Ramprasad Potai: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that the services of the State employees in the merged Chhattisgarh States are going to be treated as commencing from the 1st of January 1948, for purposes of promotions and pensions?

(b) If so, do Government of India propose to consider the desirability of advising the Government of the Central Provinces, to treat the services of the State employees as they stand?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). The details of the terms and conditions of service of the staff are still under the consideration of the Provincial Government but in this matter they propose to proceed on the basis that while this staff would secure with effect from 1st January 1948 the benefits accruing from their employment under the Provincial Government, their previous service would not in any way be ignored or written off. The Government of India consider that this is a reasonable position to adapt and would leave it to the Provincial Government to implement it in details.

SPECULATIVE TRANSACTIONS IN INDIA IN GOLD, SILVER, FOODGRAINS ETC.

878. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Minister of Finance be pleased to state whether Government are aware that large scale speculative transactions are being carried on in big and small commercial centres throughout the Indian Union in gold, silver, cotton, foodgrains and various other commodities?

†Answer to this question laid on the table, the questioner being absent.

(b) Have Government taken any decision on the policy to be pursued in respect of these transactions? If not, why not?

The Honourable Shri B. K. Shanmukham Chetty: (a) and (b). Government are aware that speculation is carried on in the commodities mentioned by the Honourable Member. Government do not consider that speculation has reached a stage where it is affecting the economic life of the country. They have, however, the position constantly under review and will take appropriate action when the need for it arises.

Seth Govinddas: The other day the Honourable the Finance Minister while replying to a supplementary question by me promised that as far as speculation in bullion market is concerned it is under review. Is any legislation going to be brought, as far as the bullion market is concerned?

The Honourable Shri B. K. Shanmukham Chetty: As I mentioned in the course of the debate yesterday, I have now taken on hand the question of a comprehensive stock-exchange legislation and in that connection the whole question of forward trading in bullion will also be considered.

Shri B. Das: Will Government consider the advisability of starting registration of persons who indulge in *satta* throughout India and also tax them?

The Honourable Shri B. K. Shanmukham Chetty: That suggestion will be considered at the time of the stock-exchange legislation.

Shri Deshbandhu Gupta: Does the Honourable the Finance Minister propose to bring in this legislation during the present session?

The Honourable Shri B. K. Shanmukham Chetty: No, not during the present session.

Shri K. Santhanam: Was the decision to bring in legislation for controlling speculation arrived at after the answer to this question was framed?

The Honourable Shri B. K. Shanmukham Chetty: No. As a matter of fact, as I have already said, it was one of the problems that has been engaging my mind ever since I came into office. The point is that control of stock exchanges is essentially a provincial subject and we have to get the consent of all the Provincial Governments for a central legislation. Sometime ago a special officer was deputed to study the whole mechanism and working of stock-exchanges and we have now got his report. The Bombay Government have introduced a certain measure and I am now getting the consent of all the Provincial Governments to enable me to introduce central legislation to control stock exchange transactions.

INDIA'S MISSING ARMY STORES DESPATCHED FROM PAKISTAN

879. *Shri Jaspat Roy Kapoor: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that a number of boxes of army stores which fell to the share of India and which were despatched from Pakistan, when received in Agra, were found to contain bricks and stones?

(b) If the answer to part (a) above be in the affirmative, what is the description and value of the missing stores?

(c) Have Government claimed from the Government of Pakistan the missing articles or the value thereof and if so, with what result?

(d) Do Government propose to adopt some effective method of checking the contents of such boxes before despatch from Pakistan and of their safe transit to India?

The Honourable Dr. Syama Prasad Mookerjee: (a) No, Sir.

(b) and (c). Does not arise in view of answer to (a) above.

(d) Circumstances make it difficult to adopt steps which would ordinarily have been adopted for this purpose. But everything possible is being done by the two Governments in consultation with each other to secure the maximum degree of check.

FUNCTIONS OF PERSONNEL OF A. I. G. S. BENGAL AREA.

880. *Shri Harihar Nath Shastri: Will the Honourable Minister of Defence be pleased to state:

(a) what are the functions of the personnel employed in the Unit, formerly known as I.G.S. (Bengal Area) and at present known as A.I.G.S. (Bengal Area); and

(b) since when this unit has been functioning?

The Honourable Dr. Syama Prasad Mookerjee: (a) The unit is still known as I.G.S. and is responsible for the inspection of general stores (such as jute and other textiles, metals, timber, chemicals etc.) and medical stores required by the Army. The unit is responsible for the quality of stores supplied and for ensuring that supplies conform to the specifications shown in the tender.

(b) For over 25 years. Originally known as the "Ordnance Inspection Depot, Hastings", it was renamed as the (Inspectorate of General Stores) in May, 1941.

Shri Harihar Nath Shastri: Is the A.I.G.S. (Bengal Area), a temporary establishment?

The Honourable Dr. Syama Prasad Mookerjee: It is temporary in the sense that it is required for special services and its strength also is reduced from time to time according to the services that are expected to be rendered by them.

Shri Harihar Nath Shastri: The Honourable Minister has just stated that this establishment has been in existence for the last twenty-five years. In view of this and in view of the nature of duties performed by them, may I enquire why this establishment has not yet been put on a permanent basis?

The Honourable Dr. Syama Prasad Mookerjee: Apparently the number of persons employed is varied from time to time and that I believe is the reason why the entire service has not been made permanent; but the matter is now under examination.

Prof. N. G. Ranga: Is it not a fact that Government have recently announced that they were going to strengthen this service in order that they may be able to expedite the survey?

The Honourable Dr. Syama Prasad Mookerjee: I find that in the course of 1946-47 there has been considerable retrenchment. I do not think Government is going to strengthen the service as a whole, but individual units may be strengthened.

PERMANENT AND TEMPORARY EMPLOYEES OF A. I. G. S. BENGAL AREA.

881. *Shri Harihar Nath Shastri: Will the Honourable Minister of Defence be pleased to state:

(a) the total number of employees in A.I.G.S. (Bengal Area);

(b) how many of them are permanent;

(c) how many are temporary; and

(d) of the temporary hands, the number of men who have put in at least five years of service, who have over five years and upto ten years of service, and those exceeding ten years of service respectively?

The Honourable Dr. Syama Prasad Mookerjee: (a) 366.

(b) 4.

(c) 362.

(d) (i) Upto 5 years, 64.

(ii) 5-10 years, 258.

(iii) Over 10 years, 40.

Shri Harihar Nath Shastri: Are Government aware of the fact that in order to break the continuity of service and to deprive the personnel of privileges that accrue to them as permanent hands, all these men are retrenched every year on the 31st March and reemployed on the following day?

The Honourable Dr. Syama Prasad Mookerjee: I am not aware of that.

Shri Harihar Nath Shastri: Do Government propose to put these men on a permanent footing after the retrenchments that have taken place so far?

The Honourable Dr. Syama Prasad Mookerjee: The Defence Minister is considering the question of reorganisation of the service and it is difficult for me to say anything more.

Shri Harihar Nath Shastri: Is it not a fact that a committee was set up to go into this question and, if so, when is their report expected?

The Honourable Dr. Syama Prasad Mookerjee: I cannot say, Sir, when the Committee will submit their report.

DOWN-GRADED EXTRA TEMPORARY PERSONNEL OF A. I. G. S. BENGAL AREA.

882. *Shri Harihar Nath Shastri: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that a large percentage of extra-temporary personnel in A.I.G.S. (Bengal Area) was down-graded in emoluments and status during 1946-47?

(b) What is the number of persons so down-graded in different categories.

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes. As a result of reduction of work on the termination of the war the number of higher appointments had to be reduced and in consequence some had to revert from higher to lower grades.

(b) I lay a statement on the table of the House.

Statement

	1946	1947
Examiners 'A'	10	..
Examiners 'B'	26	..
Examiners 'C'	104	3
Head Clerks	3	..
Supervisors 'B' Clerical	17	..
Clerks Grade 'A'	1	..
Clerks Grade 'B'	1	..
Viewers	28	..
Painters	1	..
Assistant Loaders	1	..
Labourers 'A'	62	9
Labourers 'B'	89	16

Shri Harihar Nath Shastri: Is the Honourable Minister aware that while on the one hand the Central Pay Commission was set up to raise the pay of the staff in the various Departments of the Government, the personnel in A.I.G.S. was subjected to a drastic wage cut by about 60 per cent. of their previous pay?

The Honourable Dr. Syama Prasad Mookerjee: Not the entire service but certain parts of that.

INTRODUCTION OF UNIFIED PAY SCALES AND LOSSES TO EXTRA TEMPORARY CLERKS A. I. G. S. BENGAL AREA.

883. *Shri Harihar Nath Shastri: Will the Honourable Minister of Defence be pleased to state:

(a) when the unified scales of pay for extra-temporary clerks A.I.G.S. (Bengal Area) were introduced;

(b) whether it is a fact that the said clerks had to suffer financial loss owing to recoveries made from them on account of interpretations of rules made several times by the authorities; and

(c) whether fixation of pay on unified scales has been finalised?

The Honourable Dr. Syama Prasad Mookerjee: (a) 8th June 1946. But the orders on the subject had retrospective effect from 1st September, 1944.

(b) It is true that various difficulties were experienced in applying and interpreting the orders. Only certain overpayments which were clearly unauthorised have been recovered.

(c) Yes.

INCOME-TAX REALISED FROM UNDIVIDED HINDU FAMILY ASSESSEES IN VARIOUS PROVINCES DURING 1945-46 AND 1946-47.

884. *Pandit Thakur Das Bhargava: Will the Honourable Minister of Finance be pleased to lay a statement on the table of the House showing the following information for the years 1945-46 and 1946-47 respectively:

(i) the amount of income tax realised from the class 'Undivided Hindu Family' giving figures for each province separately;

(ii) the number of Undivided Hindu Family Assesseees;

(iii) the amount of super tax, excess profits tax, or the business profits tax realised from Undivided Hindu Family;

(iv) the number of Undivided Hindu Family Assesseees assessed to super tax, excess profits tax and business profits tax; and

(v) the number of Hindu Undivided Family Assesseees assessed to income tax below 2,500, 3,500, 5,000, 7,500, 10,000, 15,000 and 25,000 during the years 1945-46 and 1946-47?

The Honourable Shri R. K. Sanmukham Chetty: I lay on the table a statement showing the required figures in respect of income-tax and super-tax. Excess Profits Tax being a charge on business the demand levied is not classified according to the status of assesseees for statistical purposes. The Business Profits Tax was not in force in the years in question.

Statement showing the number of Hindu Undivided Family assesseees and the tax demanded during 1945-46 and 1946-47 laid on the table in reply to Pandit Thakur Das Bhargava's question No. 884.

Part (a)

Provinces	1945-46		1946-47	
	No. of assesseees	I. T. demand (in Lacs)	No. of assesseees	I. T. demand (in Lacs)
		Rs.		Rs.
Madras	12314	85	13542	1,22
Bombay	11479	1,02	10566	1,09
Bengal	4667	36	3691	43
U. P.	11674	75	11586	80
Punjab	11118	67	10410	71
C. P. and Berar	5026	30	4913	40
Bihar	8264	54	8060	69
Orissa	1234	6	1038	6
Assam	952	8	1212	11
N. W. F. P.	1190	6	952	5
Delhi	1070	14	946	18
Sind	2357	10	2459	14
Baluchistan Ajmer Merwara	753	6	620	4

Part (b)

	1945-46	1946-47
(i) Super-tax demanded (Rs. Lakhs)	1.74	2.01
(ii) No. of Hindu Undivided Family assesseees	4246	4207

(iii) No. of Hindu Undivided Family assesseees to Income-tax in the following grades of income.

Grade of Income	No. of assesseees	
	1945-46	1946-47
Below 2,500	10082	9306
2,500 to 3,449	14860	13291
3,500 to 4,999	12550	11997
5,000 to 7,499	12002	10388
7,500 to 9,999	6178	5623
10,000 to 14,999	6826	5698
15,000 to 24,999	4913	4054

UNDIVIDED HINDU FAMILY ASSESSEES AND TAXATION.

885. *Pandit Thakur Das Bhargava: (a) Will the Honourable Minister of Finance be pleased to state on a rough estimate the average number of persons constituting Hindu Undivided Family Assesseees?

(b) What difference, on a rough estimate, in the amounts of income tax will result if the Undivided Hindu Family was not taxed as such and the members thereof were taxed as individuals?

(c) What difference in the amount of super tax, excess profit tax or business profit tax will result if the persons constituting Undivided Hindu Family were taxed as individuals, instead of being taxed as Undivided Hindu Family?

The Honourable Shri R. K. Shanmukham Chetty: (a) Government have no information.

(b) and (c). It is not possible to give any figure. As was explained in reply to Honourable Member's starred question No. 329 on the 18th February 1946 the amount of tax payable by the individual members would depend on the composition of the various Hindu undivided families, the share of the individual members in the family income and the separate income, if any, that the members may have. It is not possible to even roughly estimate any of these factors.

BASIS OF TAXATION ON HINDU UNDIVIDED FAMILY.

886. *Pandit Thakur Das Bhargava: (a) Will the Honourable Minister of Finance be pleased to state the grounds or basis on which Hindu Undivided Family as such is treated as a class for taxation purposes?

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(b) Are the grounds so stated or basis (if any) propounded given or referred to in any statements, replies or discussions in the House or in any Reports of any Committees about policy of taxation or documents relating thereto? If so, what are they?

The Honourable Shri R. K. Shanmukham Chetty: (a) The expression 'Hindu Undivided Family' as used in the Indian Income-tax Act includes the Hindu co-parcenary of the Mitakshara School of Hindu Law as well as the undivided family of the Dayabhaga School. *Prima facie* a family that is undivided is an association of persons and not an individual. But where an ancestral trade or family business is carried on by an undivided Hindu family, it cannot be treated as a partnership or as a firm since such activity is not based on, or the result of, any contractual relation between the individuals who constitute the family. This is why the undivided Hindu family is treated as a separate entity by itself. In the case of the Mitakshara family (co-parcenary) the indeterminate nature of the share of the members in the family property is an additional reason for having to treat the family as a unique entity in a class by itself.

(b) Presumably the Honourable Member has in mind Sir George Schuster's speech on the amendment he moved to clause 6 of the Finance Bill of 1930 (page 2062 of Volume II of the Legislative Assembly Debates of 20th March 1930) and the Honourable Sir Nripendra Sircar's speech on Babu Baij Nath Bajoria's amendment on clause 30 of the Income-tax Amendment Bill, 1938, on the 6th December 1938 (page 3962 of the Legislative Assembly Debates, dated the 6th December 1938, Volume VIII, No. 2).

Pandit Thakur Das Bhargava: Am I to understand, Sir, that the Honourable Minister cannot enlighten me in regard to other books or documents on this question except these two speeches of Honourable Members in debates on the floor of this House?

The Honourable Shri R. K. Shanmukham Chetty: So far as the research of my officers goes, this is all they could dig out.

DISPARITY IN MINIMUM LIMIT OF BUSINESS PROFITS TAX AND SUPER-TAX FOR INDIVIDUALS AND UNDIVIDED HINDU FAMILY.

887. *Pandit Thakur Das Bhargava: (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that the minimum limit for business profits tax is not the same for individuals and Undivided Hindu Family?

(b) If so, what are the reasons for the distinction?

(c) Is it a fact that in the matter of super-tax also there was a distinction between an individual and Undivided Hindu Family about the minimum previously?

The Honourable Shri R. K. Shanmukham Chetty: (a) Yes, Sir,

(b) This distinction was made by the Select Committee on the Business Profits Tax Bill 1947 in recognition of the possibility that, as in the case of a partnership, there may be a number of individual members of a Hindu Undivided family actively engaged in the business.

(c) Yes, Sir, before 1939.

NON-RECOGNITION OF CITY DENTAL COLLEGE, CALCUTTA.

888. *Shri Damodar Swarup Seth: Will the Honourable Minister of Health be pleased to state:

(a) whether Government are aware that the City Dental College, Calcutta, is more than 10 years old and was registered before 1940 and grants the same diploma as the Calcutta Dental College or the Karachi Dental College; and

(b) whether it is a fact that Government do not propose to recognise this college in future; and

(c) if so, the reason therefor?

The Honourable Rajkumari Amrit Kaur: (a), (b) and (c). Government understand that the City Dental College, Calcutta, was established in 1938 and was registered before 1940. The City Dental College, Calcutta, the Calcutta Dental College and the College of Dentistry, Karachi, grant diplomas in Dentistry. The Calcutta Dental College and the College of Dentistry, Karachi, are recognised by the Governments of West Bengal and Sind respectively. The diploma granted by the City Dental College, Calcutta, is not recognised by the Government of West Bengal and has not, therefore, been included in the Schedule to the Dentists Bill which was passed by this House on the 26th February, 1948.

Prof. N. G. Ranga: Why was it not recognised, Sir?

The Honourable Rajkumari Amrit Kaur: Because it did not come up to standard.

Shri Mihir Lal Chattopadhyay: May I know, Sir, whether this Karachi Dental College was recognised by the Government of Sind?

The Honourable Rajkumari Amrit Kaur: Yes, Sir.

RECRUITMENT IN INDIAN ARMY AFTER 15TH AUGUST, 1947.

889. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Defence be pleased to state the number of recruits to the Indian Army after 15th August 1947, province-wise?

(b) What is the number of personnel retrenched from the ranks?

(c) Is a Recruiting Mela proposed to be held in East Punjab in the near future?

The Honourable Dr. Syama Prasad Mookerjee: (a) It is not in the public interest to give the actual number of recruits. I lay a statement on the table of the House showing the percentage of recruits enrolled since 15th of August 1947 province-wise.

(b) There has been no retrenchment in the Indian Army since the 15th August 1947.

(c) No, Sir. A recruiting mela was recently held at a place called Kuralk.

Statement.

Percentage of recruitment to the Indian Army from 15th August 1947 to 31st January 1948

Province or State.	Percentage of the total number recruited.
Madras	18.99
Bombay	4.97
West Bengal	1.55
U. P.	17.93
East Punjab	25.16
Bihar	2.68
C. P. & Berar	.82
Assam	.61
Orissa	.4
Coorg	.35
Delhi	.53
J. & K. State	.41
Punjab	1.27
Nabha	.44
Jind	1.18
Kapurthala	.2

Tehri-Garhwal	.17
Alwar State	.3
Bharatpur State	.08
Bikaner	.32
Jaipur	1.82
Jodhpur	.52
Kolhapur	.24
Travancore	3.38
Cochin	1.15
Mysore	1.16
Minor Bombay States	1.08
Minor Punjab States	.92
Minor Rajputana & C. I. States	.64
Minor Assam States	.47
Nepal	10.09
Rest mostly minor States	

NOTE.—The above statement includes ex-servicemen re-enrolled for Defence Department Constabulary.

SCHOLARSHIPS BY U. N. O. FOR STUDY OF CERTAIN SPECIFIC PROBLEMS.

890. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Health be pleased to state whether any scholarships have been offered by the United Nations Organisation for study of certain specific problems?

(b) What is the system adopted for selection of candidates for these scholarships?

(c) What is the number of students selected for these scholarships during the last financial year?

The Honourable Rajkumari Amrit Kaur: (a) Yes. The United Nations Organisation has offered certain fellowships for social welfare workers. Five such fellowships were offered to India in 1947 and nine this year.

(b) This year nominations were called for from Provincial Governments and the authorities of the Red Cross and the Tata Institute of Social Sciences and a committee was appointed to consider the nominations received and to make recommendations regarding selection. Last year selection was made on the recommendation of the Director General, Indian Medical Service.

(c) In 1947 five candidates were selected of whom only three could go.

RESETTLEMENT OF DEMOBILISED DOCTORS AND AUXILIARY MEDICAL MEN.

891. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Health be pleased to state the number of demobilised doctors and auxiliary medical men who have been re-settled?

(b) How many more demobilised personnel of the above categories are yet to be re-settled?

(c) Are there any schemes to give further training to the auxiliary personnel to fit them for medical work in the villages?

The Honourable Rajkumari Amrit Kaur: (a) and (b). A statement is laid on the table of the House. Full particulars of all demobilised medical and auxiliary personnel have been communicated to Provincial Governments who make all possible efforts to settle them.

(c) Provision has been made for the further professional training of demobilised medical and auxiliary personnel. Such people can take up medical work in villages if they wish to do so. The attention of the Provincial Governments will be drawn to the need for inducing people to take up medical work in villages.

Statement

Showing particular of the resettlement of medical and auxiliary personnel.

(a) Figures of ex-service personnel who have so far been settled :—

(i) Numbers of personnel provided employment :—

Medical Officers	615
Nursing Personnel	57
Nursing Orderlies of I. A. M. C and Male Nurses of various categories.	592
Technicians	132
Total	1397

(ii) Numbers of personnel for whom various training courses were arranged :—

Medical Officers	391
Nursing and Allied persons	216
Technicians	13
Total	620

(b) Numbers of demobilised personnel who are yet to be resettled :—

Medical Officers	1302
Nursing Personnel	817
Nursing Orderlies of I. A. R. C. and Male Nurses of various categories.	2635
Technicians	458
Total	5212

PRODUCTION OF INFORMATION FILMS UNDER GOVERNMENT AUSPICES IN VARIOUS INDIAN LANGUAGES.

892. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Information and Broadcasting be pleased to state the number of information films produced under Governmental auspices after 15th August, 1947?

(b) Are these produced only in English?

(c) Do Government propose to consider the question of producing Hindi, Bengali, Telugu, Tamil, Kanarese, Oriya, Malayalam, Marathi, Urdu and Gujrat versions of all important information films?

(d) What is the number of films proposed to be produced in the next financial year?

(e) Is there any co-ordination between Government and the Film Industry in this matter?

The Honourable Shri R. K. Shanmukham Chetty: (a) One.

(b). No.

(c) Government propose to distribute as far as possible their films in English, Hindustani, Bengali, Tamil and Telugu.

(d) 30.

(e) As far as Government are aware, the film industry in India has not taken to making documentary films to any appreciable extent. The question of co-ordination does not, therefore, arise.

CONSUMPTION OF ARECA NUT, BETEL LEAVES, TEA, COFFEE AND TOBACCO IN INDIA

893. * { Shri S. V. Krishnamurthy Rao: } (a) Will the Honourable Minister
Shri R. R. Diwakar:

of Health be pleased to state whether Government are aware that large quantities of (i) areca nut, (ii) betel leaves, (iii) tea, (iv) coffee and (v) tobacco in various forms are consumed in this country? If so, what are the respective quantities consumed during the year 1946-47?

(b) Has any scientific research been carried out as regards the food-value or otherwise of these commodities? If so, are the results available to the public? If no research has been undertaken so far, do Government propose to do it now?

(c) Are Government aware that in the State of Baroda, it is an offence to sell tobacco to persons below 16 years?

(d) Do Government propose to take any such step here? If not, why not?

The Honourable Rajkumari Amrit Kaur: (a) Yes. A statement showing the estimated consumption during 1946-47 is laid on the table of the House.

(b) No. These substances are consumed not for their food-value but for their effects as stimulants or sedatives and it is not considered necessary to undertake any research regarding their food-value.

(c) Government have no information.

(d) I shall take up the matter with the Provincial Governments.

Statement

Showing the estimated Consumption in India of Betelnut, Tea, Coffee and Tobacco during 1946-47

Commodity	Quantity consumed
Betelnut	219 million lbs.
Tea	158 million lbs.
Coffee	31 million lbs.
Tobacco	531 million lbs.

Information regarding the consumption of betel leaves is not available.

Prof. N. G. Ranga: Are Government aware, Sir, of the fact that several scientists have themselves expressed in favour of the food-value of areca nut and betel leaves?

The Honourable Rajkumari Amrit Kaur: I would ask the Honourable Member to furnish me information on that point.

Shri H. V. Kamath: Is it not a fact, Sir, that excessive eating of areca nut by itself leads to dyspepsia, and chewing of tobacco to a bad heart?

Mr. Speaker: Order, order.

Shri Deshbandhu Gupta: Is it not a fact, Sir, that betel leaves were considered to be the best way of taking calcium and are still considered so?

The Honourable Rajkumari Amrit Kaur: I shall enquire into that matter.

Shri S. V. Krishnamurthy Rao: In view of the age-long custom in the use of these articles and in view of the fact that this use is dying out on account of foreign competition, will the Government initiate research into the nutritive and health value of these articles?

The Honourable Rajkumari Amrit Kaur: Government will consider the suggestion.

STRATEGIC RAILWAY LINES AND HIGHWAYS ALONG INDIA'S BORDERS IN VIEW OF PARTITION

894. * { Shri S. V. Krishnamurthy Rao: } (a) Will the Honourable Minister
 { Shri R. R. Dwarak: }

of Defence be pleased to state whether, in view of the partition of India, that was effected on 15th August, 1947, Government have planned strategic railway lines and highways along the borders of India?

(b) If so, how far are the plans complete?

(c) What is the estimated capital outlay?

(d) Has any actual construction begun?

(e) Are Government aware that recently some raiders from Pakistan were reported to have penetrated into Jaisalmer on the North-Western borders of India?

(f) Is there any railway line or highway to Jaisalmer, which is strategically useful?

(g) Are Government further aware that a railway line from Kalyat in the North can be brought up to Siddpur along the Indian borders for defence purposes?

(h) Has any survey been made? If not, is it contemplated?

The Honourable Dr. Syama Prasad Mookerjee: The question should have been addressed to the Honourable Minister of Railways. It has accordingly been transferred to the list of questions for the 29th March 1948 when it will be answered by him.

RAIDS FROM PAKISTAN TERRITORY AND LOSSES INSIDE KASHMIR STATE

895. * Shri Brajeshwar Prasad: (a) Will the Honourable Minister of Defence be pleased to state the total number of raids made since these began in 1947 up to the end of February, 1948 inside the boundaries of Kashmir State, by raiders coming from the Pakistan territory?

(b) Do Government propose to lay on the table of the House a statement giving:

(i) the names of villages which were raided;

(ii) the number of persons killed by the raiders;

(iii) the number of persons injured by the raiders;

(iv) the number of women kidnapped by the raiders;

(v) the extent and nature of damage done to property by the raiders; and

(vi) the number of kidnapped women who were later rescued?

The Honourable Dr. Syama Prasad Mookerjee: (a) I presume the Honourable Member is referring to incidents on the border. If so, the number is 54 from 20th December, 1947 to the 9th March, 1948. This does not, of course, include the incidents which resulted in the occupation of portions of Jammu and Kashmir territory by the raiders. Particulars of the number of raids which took place before the 20th December, 1947 is not readily available.

(b) Information in the detail required by the Honourable Member is not available at present.

EMPLOYMENT OF REFUGEE EMPLOYEES IN GOVERNMENT OF INDIA SERVICES

896. * Diwan Chaman Lall: (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that the Government of India have assumed direct responsibility for providing employment for displaced Government servants from Sind, Baluchistan, and N.-W. F. P. only?

† Answer to this question laid on the table, the questioner being absent.

(b) Is it a fact that the Government of India have not taken over any responsibility for providing employment to displaced refugee Government servants from West Punjab and that the Government of East Punjab have been solely held responsible for their absorption?

(c) How many of these Government servants have been absorbed by the Government of East Punjab and how many are still without employment?

(d) Is it a fact that some refugee employees from West Punjab who are employed in the Government of India services have been given notice by Government to make room for displaced Government servants from Sind, N.-W. F. P. and Baluchistan?

(e) If so, do Government of India propose to consider the displaced Government servants from West Punjab as also eligible for employment in the Government of India services, in the same way as those from Sind, N.-W. F. P., and Baluchistan?

The Honourable Shri R. K. Shanmukham Chetty: (a) The Government of India provide facilities to such persons to find alternative employment in India.

(b) Yes, but I should explain that the Government of East Punjab have accepted this responsibility like other Provincial Governments who have been directly affected by the partition and in accordance with the arrangements of partition as affected by their Partition Council.

(c) Government of India have no information.

(d) Information is not readily available whether such notices have been actually issued but Government servants from Sind, Baluchistan and N.W.F.P. have been given priority over those from West Punjab for employment under the Central Government and it is possible that on that account, some such instances have occurred.

(e) As explained in reply to clause (b), the displaced Government servants from West Punjab are the primary responsibility of the East Punjab Government.

SCHEDULED CASTE STUDENTS SENT ABROAD ON GOVERNMENT SCHOLARSHIP YEAR-WISE SINCE 1937

897. * Shrimati Dakshayani Velayudhan: (a) Will the Honourable Minister of Education be pleased to state the number of Scheduled Caste students who were sent abroad for higher studies on Government scholarship since 1937 year-wise?

(b) How many were boys and how many girls?

(c) How many of them have returned after completing their study?

(d) How many have returned before completing their course of study due to war or other reasons?

(e) Is any preference given to Scheduled Caste candidates in the selection of sending students abroad for higher studies?

آنریبل مولانا ابوالکلام آزاد: (a) شیڈول کاسٹ و دیارتھی جو اس وقت تک باہر

کے ملکوں میں تعلیم کے لئے بھیجے گئے ہیں، ان کا ٹوٹل نمبر ۲۵ ہے۔ ان میں سے

۲۴ و دیارتھی سنہ ۳۶-۳۵ء میں چلے گئے تھے۔

2430 CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) [19TH MARCH 1948]

۲۲ شیڈول کاسٹ اسکالرشپ اسکیم کے اندر اور ۱۲ اُورسیر اسکالرشپ کی جنرل اسکیم کے اندر ایک اور ودیارتھی سنہ ۳۶-۳۷ء میں اُورسیر اسکالرشپ اسکیم کے در چنا گیا - اس طرح توٹل نمبر ۳۵ ہو گیا -

(b) ۳۳ لڑکے - ۲ لڑکیاں -

(c) گیارہ

(d) صرف ایک ودیارتھی کو بیماری نے کارن واپس آنا پڑا -

(e) اور سیر اسکالرشپ اسکیم کے اندر شیڈول کاسٹ کو ان کا تھیک تھیک حصہ ملنی بھاگ مل رہا ہے -

گورنمنٹ آف انڈیا کی ہوم منسٹری نے جو ریشو نوکری کے لئے تھہرا دیا ہے وہی اسکالرشپ کے دینے میں بھی سامنے رکھا جاتا ہے بشرطیکہ کوالیفائڈ امیدوار موجود ہوں - اس دھنگ کی وجہ سے بہت اچھا موقعہ کامیابی کا انہیں مل گیا ہے کیونکہ م سے کم کوائلی فیکشن رکھنے پر بھی انکا چناؤ ہو چاتا ہے - یہ کم سے کم کوائلی فیکشن در حال میں ضروری ہے کیونکہ بغیر اس کے وہ باہر کی یونیورسٹیوں میں جو ایکس سروس میں سے بالکل بھری ہوئی ہیں، جگہ نہیں پا سکتے -

The Honourable Maulana Abul Kalam Azad: (a) The total number of Scheduled Caste students so far sent for advanced studies abroad is 55. Out of these 34 were selected in 1945-46, 22 under the Scheduled Caste Scholarships Scheme and 12 under the Overseas Scholarships Scheme. The remaining one was selected in 1946-47 under the Overseas Scholarships Scheme.

(b) Two girls and thirty-three boys.

(c) Eleven

(d) One, due to serious illness abroad.

(e) Under the Overseas Scholarships Scheme of the Government of India, the Scheduled Castes are given a proper share of scholarships according to communal ratio prescribed by the Ministry of Home Affairs for purposes of appointments to services, provided suitable candidates are forthcoming. They are thus afforded better chances, with comparatively lower merit, provided they possess the minimum qualifications which would ensure their admission in the already overcrowded foreign universities.

Shrimati Dakshayani Velayudhan: I asked the number of candidates year-wise.

Mr. Speaker: But the question is not very clear on that point.

Shrimati Dakshayani Velayudhan: The original question was all right. I do not know who made it like this.

Mr. Speaker: What does she want to know?

Shrimati Dakshayani Velayudhan: I want to know the number of students from 1937 to 1948 year-wise.

Mr. Speaker: Is it possible for the Honourable Minister to give this information?

آنریبل مولانا ابوالکلام آزاد: میں کیلئے نوٹس کی ضرورت ہے -

The Honourable Maulana Abul Kalam Azad: I want notice for this.

Mr. Speaker: Is there any other question which she wants to put?

Shrimati Dakshayani Velayudhan: I wanted to know only this. But I do not know who has changed the question.

Mr. Speaker: I must refer to the original notice she sent because nobody is interested in amending it.

Shrimati Dakshayani Velayudhan: Why did they amend the question?

Mr. Speaker: Whether the question is amended or not is a matter to be verified. The Honourable Member does not know perhaps that the questions are not amended by the Executive Government. All questions that are sent by members are scrutinised by the Speaker's Office, then they are scrutinised by the Speaker himself and, if necessary, they are amended to bring them within the rules. If she has any complaint about any amendment, she should see me in my Chamber and then the matter will be verified and if there is a mistake, that will be corrected. She cannot discuss in this House what the Speaker has done.

STATES NOT JOINING ANY MERGER SCHEMES AND WITHOUT RESPONSIBLE GOVERNMENTS

†898. ***Shri K. Hanumanthaiya:** Will the Honourable Minister of States be pleased to lay on the table of the House a statement showing the names, area and population of such states as have not joined any merger schemes and have not introduced responsible governments?

The Honourable Shri R. K. Shanmukham Chetty: So far as the Government of India is aware, most of the States which are outside the present merger schemes have introduced or propose to introduce responsible governments in the States.

POPULATION AND AREA OF STATES MERGING WITH OR ACCEDING TO INDIA

†899. ***Shri K. Hanumanthaiya:** Will the Honourable Minister of States be pleased to lay on the table of the House a statement showing:

(a) the number, area and population of the Indian States that have acceded to India;

(b) the number, area and population of the Indian States that have merged into the territories of India; and

(c) the number, names, area and population of the Indian States which have not so merged or acceded to India?

The Honourable Shri R. K. Shanmukham Chetty: The information asked for is contained in a statement placed on the table of the House.

Statement		
(a)		
Number	Area in square miles	Population
610	5,18,066	7,09,56,981
(b)		
61	65,381	87,42,021

†Answer to this question laid on the table, the questioner being absent.

(c)

Number	Name	Area in square miles	Population
5	Hyderabad	82,313	1,63,38,534
	Junagadh	3,337	6,70,700
	Manavadar	101	30,000
	Sardargarh	72	10,000
	Bantwa	82	22,300

SUBVENTIONS AND POST-WAR RECONSTRUCTION GRANTS, ETC., TO VARIOUS PROVINCES FROM 1945-47

900. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Finance be pleased to lay on the table of the House a statement showing the total amount of (i) subventions, (ii) post-war reconstruction grants department-wise, and (iii) other grants department-wise given to the various Provincial Governments during the years 1945-46, 1946-47 and 1947-48?

(b) Which of these are absolute grants and which are conditional?

(c) What are the conditions that are expected to be complied with by the Provincial Governments?

(d) What amount out of the grants given under the heads (ii) and (iii) of part (a) has been actually spent and what is the remainder?

(e) Who holds the unspent balance?

The Honourable Shri R. K. Shanmukham Chetty: (a) A statement giving the available information is laid on the table of the House.

(b) The subventions are not subject to any conditions, while the other grants are given subject to certain conditions.

(c) In the case of post-war development grants the Provincial Governments have to submit schemes, which are to form part of a policy or plan approved generally by the Government of India, for the prior approval of the Central Government and submit later progress reports on these schemes, and block grants are given to cover the whole or part of the actual expenditure incurred. Grants for 'Grow More Food' schemes and for additional expenditure on police relate to specific schemes or other accepted items. Only percentage of the expenditure incurred is given as grant.

(d) and (e). As the grants to the end of 1947-48 will be in reimbursement of the actual expenditure incurred, the question of any unspent balance does not arise.

Statement
(Figures in Lakhs)

Province	1945-46				1946-47				1947-48 (to 15-8-47)				1947-48 (from 15-8-47 to 31-3-48)			
	Subventions	Grants for development	Grants for Grow More Food	Grants for additional Police	Subventions	Grants for development	Grants for Grow More Food	Grants for additional Police	Subventions	Grants for development	Grants for Grow More Food	Grants for additional Police	Subventions	Grants for development	Grants for Grow More Food	Grants for additional Police
Madras	..	..	16	17	..	..	..	..	..	..	..	..	..	..	..	..
Bengal	8.00	..	22	91	..	..	..	..	..	..	..	..	..	..	..	..
Bombay	..	..	28	10	..	..	..	..	..	..	..	..	..	..	..	..
U. P.	..	..	16	8	..	..	..	..	..	..	..	..	..	..	..	..
C. P.	..	..	6	11	..	..	..	..	..	..	..	..	..	..	..	..
Bihar	..	..	12	36	..	..	..	..	..	..	..	..	..	..	..	..
Orissa	40	..	13	9	..	..	..	..	..	..	..	..	..	..	..	..
Assam	30	..	7	1	..	..	..	..	..	..	..	..	..	..	..	..
Punjab	..	..	4	6	..	..	..	..	..	..	..	..	..	..	..	..
Sind	..	..	1	30	..	..	..	..	..	..	..	..	..	..	..	..
N. W. F. P.	1.00	..	7	43	..	..	..	..	..	..	..	..	..	..	..	..
East Punjab	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
West Bengal	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total	9.70	..	1.22	2.07	1.70	..	..	..	63.75	..	..	..	188.75	..	..	..

NOTES:

(a) As the Accounts have not been closed, complete figures are not available. The total payment in each of the years is estimated at:—

Grant for development	1946-47		1947-48 (Pre-partition)		1947-48 (Post-partition)	
	Grant for Grow More Food	Grant for additional Police	Grant for development and G. M. F.	Grant for additional Police	Grant for development and G. M. F.	Grant for additional Police
13 Crores	8.15 Crores	21 Lakhs	16.9 Crores	20.89 Crores	7 Lakhs	7 Lakhs

(b) It is not possible to give the grants department-wise as they are block grants.

Prof. N. G. Ranga: Is any effort being made in the Finance Department to gauge the manner and the extent to which these post-war development schemes are being carried, to which the Central Government is making subventions, and if so, have the Government of India been publishing, or will they consider the advisability of publishing, reports about the development and progress of these schemes?

The Honourable Shri R. K. Shanmukham Chetty: These schemes were really examined by a Development Board which has been directly working under the Cabinet. The suggestion of the Honourable Member that some Report should be published regarding the working of these schemes is, I think, worth consideration and I will certainly take it into consideration.

Shri S. V. Krishnamurthy Rao: May I know, Sir, if the subvention for the Grow More Food scheme applies to the acceding States also?

The Honourable Shri R. K. Shanmukham Chetty: No, it cannot apply to States.

Shri S. V. Krishnamurthy Rao: May I know why?

Mr. Speaker: Order, order.

Dr. P. S. Deshmukh: Are there any schemes under consideration for the year 1948-49?

The Honourable Shri R. K. Shanmukham Chetty: The Honourable Member knows full well that Rs. 30 crores has been provided for these grants to the Provincial Governments in my Budget and therefore legitimate inference can be drawn that there are schemes.

Shri B. Shiva Rao: May I know, Sir, in regard to clause (c), whether the Finance Minister imposes any penalty on the Provinces which fail to carry out the conditions laid down?

The Honourable Shri R. K. Shanmukham Chetty: No, Sir.

Prof. N. G. Ranga: Is it not a fact that some two years ago, a percentage grant was offered to those Provinces who would develop working class housing schemes and if so, what has been the result?

The Honourable Shri R. K. Shanmukham Chetty: I want notice of that question.

Dr. P. S. Deshmukh: May I understand from the Honourable Minister's reply that the schemes on which expenditure is going to be incurred in the year 1948-49 have already been approved?

The Honourable Shri R. K. Shanmukham Chetty: Yes. They have been approved or will be approved in the course of the year.

Prof. Shibban Lal Saxena: Have the Central Government tried to examine those schemes of the Provincial Governments with a view to finding out whether they fit in with the over-all all-India picture?

The Honourable Shri R. K. Shanmukham Chetty: Yes, in fact, in making these post-war grants, the Central Government have in view the necessity of co-ordinating the various schemes of the Provinces in the over-all economic and industrial development of the country as a whole and that is exactly the reason why we make it a condition that this expenditure can be incurred only on those schemes which have got the general approval of the Central Government.

Prof. Shibban Lal Saxena: Will the Government enable a copy of those schemes to be made available to the members of this House?

The Honourable Shri R. K. Shanmukham Chetty: I will consider that point.

Begum Aizaz Rasul: Is the Government aware that nearly Rs. 8 crores earmarked for the United Provinces under these development schemes lapsed last year on account of certain reasons, and if so, will Government make good that amount this year?

The Honourable Shri R. K. Shanmukham Chetty: I do not know to what grant the Honourable Lady Member is referring, but as I said in my answer, so far as these post-war development grants are concerned, there is no question of their lapsing at all. These grants are intended, as I explained in my Budget speech, to be given to schemes to be worked out in a period of years; so, if any money is not spent within the first two years, then that amount is available for the succeeding year.

Begum Aizaz Rasul: But is there not the stipulation that the Provinces have to spend the same amount before they can get it?

The Honourable Shri R. K. Shanmukham Chetty: But that does not mean that any amount lapses. I have provided for Rs. 30 crores this year. Now that means that the Provincial Governments have to spend an equal amount of Rs. 30 crores before they can withdraw from this allotment. Supposing they spend only Rs. 25 crores, they will get Rs. 25 crores and the balance will be carried over to the remaining period.

Pandit Lakshmi Kanta Maitra: What is the machinery of the Government of India which scrutinises the schemes of post-war development? Is it done by the Cabinet or is there any *ad hoc* Committee?

The Honourable Shri R. K. Shanmukham Chetty: There is a Development Board as I have said, but except exercising a sort of over-all supervision, naturally we have to give a considerable amount of latitude to the Provinces themselves in working out these schemes.

Shri Ramnarayan Singh: May I know the allotment of the amount province by province?

The Honourable Shri R. K. Shanmukham Chetty: That is contained in the Explanatory Memorandum of the General Budget.

DEVELOPMENT SCHEMES SUBMITTED BY PROVINCIAL GOVERNMENTS FROM 1945-47

901. ***Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Finance be pleased to lay on the table of the House a statement showing the schemes submitted by the Provincial Government for developments for the years 1945-46, 1946-47 and 1947-48 for which the Government of India had decided to contribute?

- (b) Do Government scrutinize these plans?
- (c) Is this done by each Ministry of the Government of India?
- (d) Have Government employed any experts for this purpose?
- (e) Is there any Central Body which is in charge of this work?
- (f) If not, do Government propose to consider the advisability of constituting such a Body?
- (g) Have Government any agency to supervise how the grants given by the Government of India are utilized?
- (h) Do Government keep any record of such supervision?

The Honourable Shri R. K. Shanmukham Chetty: (a) A list of the development schemes of the Provincial Governments approved by the Government of India as eligible for Central Grants is placed in the Library of the House.

(b) and (c). Yes.

(d) No.

(e) and (f). Yes, the work is co-ordinated by a branch of the Cabinet Secretariat known as 'Development Board'.

(g) and (h). No. The grants are made subject to certain conditions which *inter alia* require the general approval of Government of India to the provincial development plans and the submission of an annual progress Report to the Central Government regarding the execution of the schemes.

(b) WRITTEN ANSWERS

SUB-VENTIONS ETC. TO C. P. AND BERAR AND DEVELOPMENT SCHEMES IN THE PROVINCE

902. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Finance be pleased to state what sub-ventions and grants Government of India gave to the Central Provinces and Berar Government for the years 1945-46, 1946-47 and 1947-48?

(b) What are the heads and purposes for which these grants were given?

(c) Have the Government of the Central Provinces submitted any schemes of development during the last three years? If so, do Government propose to lay copies of those schemes on the table of the House?

(d) What amounts out of these, have been actually spent and utilized during the said period?

(e) What has the Provincial Government spent, out of its own revenues, on each of these plans?

(f) Is there any balance with the Government of India?

(g) Have any amounts been held to have lapsed on account of the inability of the Provincial Government to spend them?

The Honourable Shri R. K. Shanmukham Chetty: (a) I would invite the attention of the Honourable Member to the statement laid on the table of the House in reply to Question No. 900.

(b) The grants for Grow More Food were to speed up the production of food crops in the country. The grants for additional expenditure on Police were for the additional responsibilities for maintaining law and order in the Provinces during the war and immediately thereafter. The post-war reconstruction grants were for assisting the Provincial Governments in putting into effect schemes for the economic development of the Province.

(c) Yes. A list of the approved schemes eligible for Central Grants has already been placed in the Library of the House.

(d) to (g). I would invite the attention of the Honourable Member to the reply I have given to part (d) of the Question No. 900.

DISPOSAL OF UNCLAIMED BODIES OF HINDU AND MUSLIM PATIENTS DYING IN IRWIN HOSPITAL

903. *Ch. Ranbir Singh: Will the Honourable Minister of Health be pleased to state:

(a) the manner in which the unclaimed dead bodies of Hindu and Muslim patients who die in the Irwin Hospital are disposed of; and

(b) the amount of firewood, if any, provided for the cremation of an unclaimed dead body of a Hindu patient?

The Honourable Rajkumari Amrit Kaur: (a) The unclaimed dead body of a Hindu is given by the police to the Indraprastha Sevak Mandli, Delhi. The unclaimed dead body of a Muslim is given to the Mayyat-ul-Islam Anjuman, Delhi. These two Associations cremate or bury the dead body as the case may be and send their bill to the New Delhi Municipal Committee who make the payment of the bill to the Association concerned.

(c) Does not arise.

STAFF AND METHOD OF APPOINTMENTS IN OFFICE OF ACCOUNTANT GENERAL OF BIHAR

904. *Shri Ramnarayan Singh: Will the Honourable Minister of Finance be pleased to state:

(a) the present strength of the office of the Accountant General of Bihar;

(b) the methods of appointments and the jurisdictions of the Government of Bihar in this matter;

(c) the number of vacancies, if any, and the period of time before which they are to be filled up;

(d) the number of temporary hands, if any;

(e) whether they are given any preference in filling permanent vacancies; and

(f) the number of employees sent to and brought from Pakistan?

The Honourable Shri R. K. Shanmukham Chetty: (a) 441.

(b) According to paras. 211 and 213 of the Auditor General's Manual of Standing Orders recruitment in Civil Audit and Accounts offices is restricted to the residents of the province in which the office is situated, subject to the observance of orders and instructions relating to the appointment of members of minority communities and the reservation of a limited number of vacancies for sons of Government servants who have served long and faithfully in Accounts and Audit offices. If any difficulty is experienced in recruiting members of minority communities with adequate qualifications, recruitment is permitted from an outside area and sons of Government servants referred to above can be appointed to an office in the Province of origin of their fathers. These general provisions regarding recruitment had to be relaxed to a certain extent in recent years to provide for War Service candidates and persons who have opted for service in India after the 15th August 1947. Bihar Government have no jurisdiction in the selection of persons to be appointed to the office of the Accountant General, Bihar.

(c) Information is being collected and will be placed on the table of the House in due course.

(d) 248.

(e) Temporary men are given preference in filling permanent posts.

(f) Information is being collected and will be placed on the table of the House in due course.

MAINTENANCE OF TERMS AND CONDITIONS OF SERVICE OF GOVERNMENT EMPLOYEES OF SYLHET, ASSAM OPTING FOR INDIA

905. *Pandit Hirday Nath Kunzru: (a) Will the Honourable Minister of Home Affairs be pleased to state whether Government are aware that the Chief Secretary to the Government of Assam informed the Gazetted officers of the Government of Assam on the 25th June, 1947, as follows:

".....the Special Committee of the Partition office, Government of India, New Delhi, appointed to work out the machinery for implementing the partition of India has decided as follows:

"Every Government servant, Indian or European, should be given an opportunity to select the Government, he wishes to serve.....

"I am to make it clear to you that the representatives of the two future Governments mentioned above guarantee your existing terms and conditions of service."

(b) Are Government aware that the Government of Assam further informed all Secretaries and Heads of Departments towards the end of August, 1947, that their decision was that "any Government servant who is a native of or domiciled in Sylhet District and is posted on the 14th August 1947 in Sylhet, should remain there irrespective of his choice to serve in any Dominion and not be exchanged against an officer outside Sylhet who may have opted for Pakistan"?

(c) Are Government aware that the Government of Assam subsequently decided that Government servants in Sylhet who had been released by the Government of East Bengal as their officials exercised their option for the "Rest of India", could only be absorbed in vacancies caused by the transfer of personnel to that Government?

(d) If the answers to parts (a), (b) and (c) above are in the affirmative, what steps do the Government of India propose to take to fulfil the guarantee given by them in June 1947 regarding the maintenance of the existing terms and conditions of service of those Government employees who decided to serve in India?

The Honourable Shri R. K. Shanmukham Chetty: (a), (b) and (c). Yes.

(d) The decision of the Partition Council referred to in part (a) of the question contained a guarantee given on behalf of the representatives of the prospective Governments of India and Pakistan to the employees of the Central Government. It was not a guarantee given to the employees of any Provincial Government. Questions relating to employees of the Governments of partitioned Provinces were settled by Provincial Partition or Separation Council concerned. This is, therefore, a matter for the Government of Assam to deal with. I would add, however, that the Government of India understand that the orders issued by the Government of Assam on 6th December 1947 of which presumably the Honourable Member is not aware, satisfactorily solve the problem created by their previous somewhat inconsistent orders.

EMPLOYMENT OF GOVERNMENT SERVANTS FROM SYLHET, ASSAM OPTING FOR INDIA

906. *Pandit Hirday Nath Kunzru: (a) Will the Honourable Minister of Home Affairs be pleased to state the number of (i) permanent; and (ii) temporary Government servants—Gazetted and non-Gazetted separately—in Sylhet who opted for the "Rest of India" and were therefore released by the Government of East Bengal, together with the date of their release?

(b) How many Government servants of each of the classes referred to above, have been provided with appointments so far?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). Government of India understand that 547 permanent and 185 temporary employees were released by the Government of East Bengal in pursuance of the option exercised by them. Further particulars have been called for but not yet received.

RE-EMPLOYMENT BY ASSAM GOVERNMENT OF PERSONNEL OPTING FOR PAKISTAN AFTER RECONSIDERATION OF INITIAL CHOICE

907. *Pandit Hirday Nath Kunzru: (a) Will the Honourable Minister of Home Affairs be pleased to state whether the Government of Assam allowed any Government employees who originally opted for service in Pakistan to revise their choice in favour of India after the expiry of the period allowed for the reconsideration of their initial choice?

(b) If so, what is the number of such employees?

(c) What is the total number of vacancies caused by the release of Government employees who have opted for service in Pakistan and the number of such vacancies filled by the personnel released by the Government of East Bengal in Sylhet?

The Honourable Shri R. K. Shanmukham Chetty: (a) Though the Separation Council of Assam and East Bengal did not provide for an option after the 14th August, 1947, the Government of Assam allowed such an option to their employees.

(b) and (c). The information is being called for from the Provincial Government and will be laid on the table of the House in due course.

OUTSTANDING NATIONAL DEBTS FALLING TO THE SHARE OF INDIA

908. *Shri Biswanath Das: Will the Honourable Minister of Finance be pleased to state:

(a) the grand total of all outstanding national debts that have fallen to the share of India noting the interest per cent. payable in each case;

(b) the amounts, if any, towards protective irrigation works constructed before the year 1921;

(c) the amounts, if any, borrowed towards payment to Britain as war aid or as payment for British Military aid to the East India Company as was done in 1858 or for Afghan, Burmese or Chinese wars or for any other wars noting the same in each case; and

(d) the results of debt redemption provisions on all our outstanding debts?

The Honourable Shri R. K. Shanmukham Chetty: (a) A statement showing the outstanding public debt as on the 14th August 1947, the liability for the whole of which has been assumed by the Indian Dominion is placed on the table.

(b) Loans are not generally raised or earmarked for any specific purpose and it is not possible to say how much of the present outstanding loans relate to a particular purpose. Moreover, the bulk of the outstanding liability in connection with Irrigation works was transferred to the Provinces on the 1st April 1921. On that date the capital outlay on protective works in Centrally administered areas amounted to only Rs. 9.47 lakhs which may be treated as reflected in the outstanding debt.

(c) As I have mentioned in reply to part (b) of the question, it is not possible to say how much of the outstanding debt relates to specific past payments or expenditure.

(d) The cumulative effect of the provision made for debt redemption is to reduce Government's borrowing and thereby the outstanding debt.

Outstanding Rupee and Sterling Loans on the 14th August 1947

INDIA—

Rupee Loans—	(In Lakhs of Rupees.)
2½ per cent Loan, 1947—50	55.84
2½ per cent Loan, 1948—52	87.01
4 per cent Loan, 1948—53	5.02
3 per cent Loan, 1949—52	66.64
4½ per cent Loan, 1950—55	6.74
3 per cent Loan, 1951—54	86.73
3 per cent Loan, 1953—55	1,15.64
3½ per cent Loan, 1954—59	12.72
4½ per cent Loan, 1955—60	9.06
4½ per cent Loan, 1958—68	5.85
4 per cent Loan, 1960—70	63.30
3 per cent Loan 1963—66	1,16.17
3 per cent Funding Loan, 1966—68	1,10.12
3 per cent Victory Loan, 1957	1,14.07
3 per cent Second Victory Loan, 1959—61	1,15.20
3 per cent First Development Loan, 1970—75	1,15.45
2½ per cent Bonds, 1950	35.09

2½ per cent Loan, 1960	45,68
2½ per cent Loan, 1954	35,08
2½ per cent Loan, 1961	57,01
2½ per cent, Loan, 1976	14,77
8 per cent Loan, 1896—97 (Non-Terminable)	8,93
8 per cent Conversion Loan of 1946 (Non-Terminable)	2,48,29
Maharaja Holkar 4½ per cent Loan	70
Maharaja Scindia 4 per cent Loan	1,50
Three-year Interest-free Defence Bonds	81
Five-year Interest-free Prize Bonds, 1949	5,30
Rupce Loans not bearing Interest	7,54
Total Rupees Loans	15,45,79

Floating Loans—

Treasury Bills (a)	76,84
Special Floating Loans (b)	1,33,58
Total	2,10,42

Sterling Loans—

India 4½ per cent Stock 1950—55	1,58
India 4½ per cent Stock 1958—68	69
India 4 per cent Stock 1948—53	62
India 3½ per cent Stock 1954—59	62
India 3 per cent Stock 1949—52	45
India 3 per cent Stock	2,07
India 2½ per cent Stock	25
India Railway Debentures	19*
Liability for British Government 5 per cent War Loan (1929—47) takes over by India (c)	20,62
Capital portion of Railway Annuities (d)	20,61
Sterling Loans not bearing Interest	11
Total Sterling Loans	47,76
Grand Total	18,03,97

NOTE.—The liability for the entire outstanding public debt of the late Central Government has been assumed by the Indian Dominion. Pakistan's share will be included in its debt to India.

(a) Varying rates, the average rate being 8 as. per cent.

(b) Non-Interest bearing.

(c) Payments suspended.

(d) Equivalent amounts already deposited with H. M. G.; the entry here appears only for technical reasons.

*Rates varying from 3 per cent to 4½ per cent.

DEVELOPMENT OF CHANDABALI OR DHAMARA OR GOPALPORE PORTS IN VIEW OF DEFENCE AND TRADE

909. *Shri Biswanath Das: (a) Will the Honourable Minister of Defence be pleased to state whether Government have considered the need of developing the ports of Chandabali or Dhamara or Gopalpore both from the point of view of defence and trade with the countries of Middle and Far East?

(b) Have Government examined the loss caused to India by the conveniences of the ports of Akyab in Burma and Chittagong in Eastern Pakistan, specially from the point of view of defence?

(c) Have Government examined the possibilities of the Chilka Lake and specially the protection it is expected to offer to a navy due to its location and conveniences so highly appreciated by persons competent to speak on such questions?

The Honourable Dr. Syama Prasad Mookerjee: (a) and (c). I would invite the attention of the Honourable Member to my reply to part (c) of Starred Question No. 80 asked by him on the 2nd February, 1948. The question whether these ports should be developed from the point of view of defence or of trade is governed by the over-riding consideration whether such development is technically possible. Sometime back the Ports (Technical) Committee recommended that Government should in due course investigate the possibility of establishing another sheltered deep-sea port between Vizagapatam and Calcutta. I understand that there is a possibility of developing a port near the mouth of the Dhamra river as a result of facilities that are expected to become available on completion of the multipurpose development of the Mahanadi River.

(b) Due consideration is being given in our Naval defence plans to the changed circumstances resulting from the loss of the ports of Akyab and Chittagong.

RAILWAYS (TRANSPORT OF GOODS) AMENDMENT BILL.

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I beg to move:

"That the Bill to amend the Railways (Transport of Goods) Act, 1947, be taken into consideration."

Sir, the present Act under which the system of priorities is being worked will expire on the 25th of March and the Bill that I have placed before the House seeks the approval of the House for the extension of that Act for another year. The main consideration on which this particular Bill is based, the main consideration on which we are asking the House to extend the duration of the Act, is that we are still in this position that the existing transport facilities are not sufficient for moving all the traffic that is offered. In other words, there is a relative shortage of transport capacity. The general principle on which controls are instituted is that when there is shortage in an essential commodity, it is necessary that there must be some arrangement for regulating the distribution of that particular commodity. But that, of course is not a decisive consideration. There are certain special factors which make it important that we should retain a certain amount of power for regulating priorities in regard to railway traffic. First of all there is this very important consideration that Government with the approval of the House have accepted a policy of gradual de-control of commodities. Now our experience is that when you have adopted a policy of physical de-control, it is necessary during the initial stages, during the transition period, that there must be a certain amount of control over movements. In other words, it is not possible, unless you are prepared to face serious disorganization, to introduce simultaneously a physical de-control programme and also a decontrol of movement. One must follow the other. I might perhaps illustrate this point by what is happening in regard to the movement of various classes of foodgrains today. As the House is probably aware, since we have gradually begun to de-control food-stuffs, it has become necessary to provide railway facilities for large movements on private or trade

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account. When large movements occur on trade account, these movements are not necessarily intended for the transport of goods to where these goods are needed most and along routes which would provide the most economical transport. In other words, what the trade aims at doing, quite naturally, is that the goods must move to the places where the largest margin of profit can be secured, whereas in the public interest what is required, assuming a shortage of transport capacity, is that these goods must move to points where they are required most urgently.

There are also other special considerations which make it important that we should retain a certain amount of control. Take, for example, the situation which has arisen in the Madras Presidency. In that province we are expecting a serious shortage of food-grains. In consultation with the Ministry of Food, I have been drawing up a programme for the movement of food-grains to that Province, from the beginning of May, probably extending up to September or October. As far as I am able to judge from the figures given to me, it would mean that the Ministry of Railways would have to move over a period of about three to four months, somewhere about ten to fifteen special goods trains a day.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Every day?

The Honourable Dr. John Matthai: Yes, every day. That is going to place a very considerable strain on our limited transport facilities. We shall not be able to do that unless we have a certain amount of power to regulate general movement of traffic.

Then there is the question of the rehabilitation of our refugees. Large schemes are being worked out in Provinces like the Punjab and Bengal for the rehabilitation of refugees, which involves the construction of houses, the construction of various kinds of works of public utility. The materials required for these public works, it is necessary, should be moved as quickly as possible.

Also there is the question of Kashmir. If unfortunately the Kashmir position continues to be in the present fluid and somewhat difficult stage, it would be necessary for us to conserve our transport facilities, so as to be able to move whatever is required in the way of supplies for strengthening our position in Kashmir. For all these reasons, therefore, I feel it is important that we should have the power to regulate and to conserve our transport capacity.

Sir, there are certain new features which have been embodied in this amending Bill. First of all, in deference to the prevailing feeling in the House that we should restrict control where necessary to the minimum, we have taken care in this Bill to cut down the number of articles included in the Schedule for priority purposes from 99 to 18, that is to say only the most essential classes of articles will be included in the Schedule and control of priorities, therefore, will be restricted to that extent.

Secondly, we are providing in this amending Bill that where special facilities or preference is granted in regard to specially essential commodities, we retain the power to fix certain quota limits, quota limits to the number of wagons provided. That is necessary, because if a situation arises where various classes of essential commodities want traffic facilities, it is necessary that we should place them on an equitable footing as between one class of goods and another.

Thirdly, we are providing in this Bill that the sponsoring authority of Government as far as Provincial Governments and State Governments are concerned cannot be delegated by them to subordinate authorities. The provision at present in the existing Act is that the sponsoring authority of Government can be delegated by the Central Government, by the Provincial Government and by the State Government to any subordinate authority on whom it wants to confer that power. What we are providing at present is that the power of

delegation should be restricted to the Central Government; the Provincial Government and the State Government cannot delegate their authority. The reason for that is there have been cases, quite a number of cases, as a matter of fact, where this power has been somewhat seriously abused. I find, for example, in the papers that I have seen, that certain Provincial Governments have delegated this authority to functionaries like Tahsildars, to Managers of agricultural farms, etc. You cannot delegate authority to officers of that standing without causing a great deal of confusion in the administration of priorities. These are the main new features which we have put in the amending Bill.

I should like to say a word about the legal justification for a Bill of this kind. As the House is aware, under section 42A of the Indian Railways Act railways cannot exercise what is called undue preference in moving commodities. We have been advised by our legal advisers that unless Government are invested with authority of the kind embodied in this measure, any case of special facilities or preference granted to a particular commodity or group of commodities would bring the Indian railway within the mischief of section 42A of the Act, and would render us liable for damages. According to the advice that we have received from the Law Ministry the position is that any preference that is given except in order of registration may be construed as undue preference and would bring us within the province of the section dealing with undue preference in the Railways Act.

There is a special provision included in the Bill to which also I should refer. Since we are reducing very considerably the number of articles to be included in the Schedule we are seeking power in this Bill whenever an emergency arises in regard to any particular commodity, to grant special facilities or preference for that commodity, although that commodity may not be included in the list of articles set out in the Schedule. That would be done only where there is an important and urgent necessity for including that particular article. The House will probably have seen from the list of amendments circulated that my Honourable friend Mr. Santhanam has suggested an amendment which seeks to provide that the power to grant special preference to articles other than those included in the Schedule should be granted only for reasons of urgent public interest. I am going to accept the substance of that amendment, although there is a slight verbal alteration that I would suggest. That will secure that whenever this power is exercised by Government it will be exercised only in regard to temporary emergencies which may arise in regard to particular commodities.

There is one other point to which I wish to refer. I have had a feeling for some time that our administration of priorities has suffered by reason of the fact that there has not been enough contact between those who administer railway priorities and business opinion. I am therefore going to provide as a matter of executive arrangement that hereafter every Regional Controller of Railway Priorities should have attached to him an advisory committee consisting of representatives of business interests in the locality and also of such Government departments as may be concerned.

Prof. N. G. Ranga (Madras: General): What about the agriculturists? Business interests come in only as middlemen.

The Honourable Dr. John Matthai: When I said 'business' I meant both distribution and production. As a matter of fact the actual composition of these regional advisory committees has not been settled, and I should be glad to have suggestions from the House regarding the lines on which these committees should be composed. My idea is that they should not merely meet periodically for the purpose of reviewing the position but should, at least in the initial stages, meet every day. They should sit with the Regional Controller of Priorities, see how movements have been arranged, and what the

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programme is for the future, so that effective contact is established between the administration and the public interested in the movement of commodities.

That, Sir, covers more or less the points I want to place before the House at this stage. I hope the Bill will commend itself to the House.

Mr. Speaker: Motion moved:

"That the Bill to amend the Railways (Transport of Goods) Act, 1947, be taken into consideration."

Shri K. Santhanam (Madras: General): Sir, as a member of the Transport Standing Committee I have had occasion to scrutinise the working of priority control. I am afraid this stands more or less on the same footing as the so-called partial rationing in food. I have always found that where 12 Noon there is complete rationing there is some decent distribution, but wherever there is partial rationing it has been an unsatisfactory mess. I can really understand having complete control over distribution and saying that each article comes in a particular order and shall be distributed in that order. But as things stand only certain categories of articles are to be in the priority list and other articles are simply left to the rule that the devil takes the hindmost. Therefore I think the sooner this priority control is got rid of the better it will be. The main effect of this priority organisation now is that it delays all proceedings; but at the same time I am convinced that this organisation cannot be scrapped immediately. If there were no famine in Madras and no food scarcities in other provinces I would have no hesitation in telling the Honourable Minister that it should be immediately scrapped. But in the present food emergency priority for movements of foodstuffs has to be given, and so to that extent I am supporting the extension of this Act for one year. At the same time I want that clause 6 which is there should not be utilised; it should be utilised only for the purpose of excluding articles. The one advantage of the present Bill over the existing Act is that the categories of article which will obtain priority movement is limited. I wanted that these articles should be rigid and there should be no power of extension for any authority. But it was pointed out that there may be very rare cases in which public emergency requires sending of one or two articles outside the list for particular destinations. Therefore I have proposed an amendment that wherever the discretionary power is to be used it should be used only on the ground that there is a public emergency; otherwise the railway administration should simply work the priority control over the articles mentioned in the Schedule and let other goods be transported according to the order in which they are offered to the railways. The sooner therefore the routine of 'First come, first served' gets into operation the better will it be both for business and for the railways as also for the public concerned.

Pandit Lakshmi Kanta Maithra: Who is going to determine that emergency?

Shri K. Santhanam: After all the Central Government and its officers have to determine, but if they misuse it we are here to take them to task. This is the only possible machinery that can be devised. Of course the Honourable Minister has already made a proposal that he is going to have committees of businessmen in each area. There is a great danger also in this device. While it is necessary to be in contact with businessmen, we know that businessmen, specially those people who get into committees, have got private interests, and they may use their position in these committees to get preferences over those rivals who are not fortunate enough to be in these committees; and therefore the priority officers should not put themselves unduly under the influence of these committees because where private interest is concerned it is very difficult to have a sense of perspective or proportion. I therefore suggest that the Railway Minister should give us a definite undertaking that Section 6 of the old Act will not be used and that the entire purpose of the working of the

administration for one year should be to liquidate the organization at the end of the year. There should be no attempt to build up a case for a further extension of this period. It has already lived long enough and it is time this is given a decent burial as early as we can.

Shri T. A. Ramalingam Chettiar (Madras: General): In supporting this motion, I consider that it is as an exceptional case in which, on account of the situation in the country, this power has to be given to the Government, and it is to be given only for the period for which it is necessary, and I am glad that the duration of this Bill will be limited to the 26th March of next year. But in the actual working of the Act there have been difficulties felt.

Time after time we have felt in Madras that allotments have been made of foodstuffs but they have never reached the area to which they were made. It was always said that that was due to the fact that the railway defaulted or that they were not able to move the goods. I may here say, that in Madras at any rate, they have got what are called Movement Officers. They are people who make arrangements for the purpose of moving the quantities of foodstuffs allotted to the different districts from the surplus areas. But these people seem to have no influence whatever with the railway authorities. In spite of all that they can do, they are not able to be effective and manage the sending of these foodstuffs from the surplus areas to the deficit areas. I would, Sir, ask the Honourable Minister for Railways not to be so anxious about having businessmen coordinated with the work of these officers; but rather he should try and coordinate the work of the Local Government and the railway authorities, so that when the Local Government wants any foodstuffs to be allotted, and sometimes urgently wanted in any deficit area, the railway authorities may co-operate with them and see that these foodgrains reach the areas where they are wanted. That is much more important than associating businessmen with a thing like this. I agree with Mr. Santhanam that the Association of businessmen in these matters is likely to lead to miscarriage of business and miscarriage of activities connected with this work. We know the sort of corruption that exists in these matters, and it is better that persons actually interested in these matters are not allowed to have a voice in the settlement of these priorities.

I would only add this that there have been cases, especially with reference to deficit areas, where wagons often had to return empty. They discharged certain goods which were sent to certain areas but on the return journey the wagons were sent empty. A thing like that should be attended to by the railway authorities or some responsible person on the spot, so that the required goods may be sent in those empty wagons. I know of many cases in which, from Malabar and South Kanara, empty wagons have been sent to and fro, even though a lot of food was required in Malabar and South Kanara, and a lot of materials for house building which is also required could have been sent from Malabar and South Kanara. Sir, some sort of supervision, with reference to this use of wagons to and fro may be provided for by the appointment of some responsible officers. If these two things are done, I think to a large extent the difficulty that has been felt in the administration of this Act can be met.

Shri M. Ananthasayanam Ayyangar (Madras: General): However inconvenient a control might be, the duration of its existence is very often determined by the economic situation in the country. This is another kind of control. Under the Railways Act whatever goods are offered are being carried from one place to another. But for this Act, the railway authorities have no option but to carry them as and when goods are offered. Last year a Bill was introduced and it was enacted into law to be enforced only for one year, giving authority to the railway authorities under directions from the Central Government and the Provincial Governments to accept or to give priority to certain classes of goods. That Act was to be in operation only for one year. It is curiously enough said in the preamble to the Act and in the priority clause that

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this shall come into force and shall remain in force for one year. Of course, this year, my Honourable friend, the Railway Minister has brought in an amendment to this, saying for one year only we shall have this Act. But I do not think he wants to impose a control which is unnecessary. I am sure, therefore, that it is necessary.

In December of last year many industrialists met in a conference here, convened by the Industry and Supply Minister. They decided that priority must be given to goods and raw materials necessary for various industries. Amongst them the complaint was that coal was not being transhipped as early as possible and that is why production in the factories had gone down, besides being due to other causes like labour troubles. As long as commodities are in short supply and wagons are in short supply priority has to be given. Mr. Santhanam admitted that having regard to the food situation in the Southern Presidency it is necessary that priority should be given to articles of food. They must be carried there; otherwise, in view of the famine conditions to be faced many casualties may occur.

I do not know how long these controls have to be in existence. These are necessary evils. We may suggest that they should be operated with as great care and caution as possible under the circumstances. If again the Honourable Minister has to come before us next year, I would not hesitate to continue it for one year more. There is no rule of thumb which can say that it must be put an end to at a particular point of time. This year we have had some of our friends who were protagonists of decontrol and who were very vehement about it. They said let there be decontrol and let things take their own course. But we have now seen how things are taking their course in the Southern Presidency. The Food Minister has said we have to be satisfied with six ounces of food. One ounce of food contains 100 calories and six ounces 600 calories. No human being can live on that. If you fix on this you will see that people will then die like flies. There is no use sticking to a particular principle. So long as commodities are in short supply, it should be necessary to introduce control. Likewise, so long as wagons are not available and foodstuffs and other articles have to be moved from place to place, a kind of control has to be exercised. I do not say that the administration has been perfect. But the administration has to be strengthened and made absolutely foolproof.

I welcome the suggestion of the Honourable Minister that he is going to have advisory committees. I wish to give one suggestion regarding their composition. There are local advisory councils for railways with each railway administration. One or two of those members may be chosen to look into these matters from day to day. This suggestion of his to form an advisory council is on the same lines as the suggestion of appointing a council here to look into the news that come from various local newspapers and then censor them from time to time. Such an advisory council was constituted for the Delhi Province. Similarly wherever there is a Controller or an authority to control or decide upon priorities in the matter of wagon supply an Advisory Council may be constituted. One or two members may be chosen from the Local Advisory Council. Due weightage must be given to the representatives of agriculture, as they are the producers of the primary commodities. Industries have their cries heard as they command newspapers and other platforms. So we need not be over particular about industries. Agriculture very often goes to the background and their interests are not cared for. Special provisions should be made for the inclusion of representatives of agriculture and also representatives of the local Advisory Council for railways should be included.

I originally thought that the power that the Honourable Minister wants under clause 4(b) was innocuous. Mr. Santhanam's amendment suggests that such priority shall be exercised in the case of the other goods not specified in

the schedule only in cases where public interest necessitates that. My fear is that this power may be used so as to override the priority given in the schedule. The wording is so general. 18 items are scheduled and the schedule gives a particular priority. A number of items are included in the schedule and an order of priority is indicated.

Shri K. Santhanam: The number is not the order of priority, which is different. This is a mere catalogue.

Shri M. Ananthasayanam Ayyangar: Then I do not know who will prescribe the order of priority. Supposing there is a conflict between foodgrains going to the South and coal going to the South. Possibly the Central Government will decide. Is the power that will be exercised to be modified from time to time or season to season? Why should not such priorities be indicated in the schedule itself?

Shri Mohan Lal Saksena (U.P.: General): It may vary from day to day.

Shri M. Ananthasayanam Ayyangar: After all the operation of this Bill is only for one year. Broadly speaking we are not going to have such radical changes during the course of the year. As a matter of fact.....

The Honourable Dr. John Matthai: To cut short the discussion I may explain it to the Honourable Member. As soon as the policy of decontrol was decided on it became necessary very drastically to recast the whole schedule of priorities. Any alteration of that kind would make it necessary during the course of the year to recast this system of priorities.

Shri M. Ananthasayanam Ayyangar: Normally do you not draw up a priority list, so that every thing that is urgent will secure priority. Take the case of potato seedlings, which must be transported from one place to another. Besides there is a particular season for it and it must have top priority in that particular season.

The Honourable Dr. John Matthai: That would come under 4(b).

Shri M. Ananthasayanam Ayyangar: I would suggest to the Government that they must fix up a priority. I thought there was a priority in the schedule. Unless it be in exceptional cases one must know what the priority is for an article. After all though the Honourable Minister may not technically be in charge of it, yet he is going to appoint some authority of the provincial government, who is going to give the priority. That is the way in which the giving of large powers to a particular authority to carry it out has ended in corruption and nepotism. I was asked to preside over some conference of railway workers in a place near to my town and they asked me "If at dead of night a man put Rs. 200 into my hands, how do you expect me to resist the temptation." However big a man might be it is very difficult to get over temptation. If you delay the supply of wagons by a day in the case of perishable articles or foodstuffs during the rainy season they will go bad. Under these circumstances it will be too much to expect that these people can really be honest, however much they may make up their minds to be quite honest. Therefore let there be a priority and let it not be transgressed from time to time according to the wishes of any individual or authority however high placed he might be. For that purpose I want the powers that the Honourable Minister wants under clause (b) to be exercised sparingly.

In another connection the Honourable Law Minister said that in the matter of controls we adopted only controls without the corresponding provision for safeguarding the manner in which the controls are to be effected. In England wherefrom we copied a large number of these controls there is a tribunal with respect to each control. An applicant whose application has been refused can

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go to the tribunal, which will dispose of the matter. Likewise the Advisory Council which is to be brought into existence must have the power to inquire into complaints and dispose of them. There must be appeal from the authority which gives the priorities to a higher authority which must sit almost from day to day. If non-officials are not available there may be official members or non-official members may be paid for the occasion.

As regards the powers of the provincial government, under this Bill they are sought to be curtailed.

Pandit Lakshmi Kanta Maitra: Does the Honourable Member mean to suggest that this Advisory Council should have appellate power?

Shri M. Ananthasayanam Ayyangar: I want the Advisory Council to have the power to over-ride in particular cases. It must be in the nature of a tribunal. Merely giving advice means that they sit along with the officers there. If the Advisory Council sits from day to day they must be able to dispose of applications for priorities along with the officer responsible.

Pandit Lakshmi Kanta Maitra: Then it becomes an executive body.

Shri M. Ananthasayanam Ayyangar: Let there be a different tribunal, which will be able to dispose of applications from time to time. They must be able to interfere. Merely going on advising would not do. I know advisory councils discharge their functions with tremendous zeal on the first or second occasion. Thereafter they become slack for reasons best known to them. It must be a council which can say "I am in a position to dispose of this matter over the head of the authority. Let me sit along with other members of the Advisory Council and let the decision of the majority prevail." Let my Honourable friend try this experiment, whether the authority will also sit with the officer and generally dispose of all the applications. This method, I consider, may produce better results than the system which has been in force hitherto.

As regards provincial governments I think that their powers ought not to be so much curtailed and make the Secretary to the Government alone responsible, whereas the Central Government is competent to appoint any officer to dispose of this matter. With regard to the priority of articles in the schedule there may not be any necessity for the provincial government to sponsor. A provincial government can adjust its needs as far as possible when they sponsor a particular matter.

Sir, I welcome this measure. It may be for a year and if necessary it may have to be extended for another year.

Shri Satyanarayan Sinha (Bihar General): Sir, the question may now be put.

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

Pandit Lakshmi Kanta Maitra: Will the Honourable Minister kindly explain to us the character of the Advisory Committee to which reference has been made and whether he will have representatives of the Provincial Governments on the Advisory Committees?

The Honourable Dr. John Matthai: If I may take the House into my confidence on the actual composition of these Committees, I was waiting really to get suggestions from the House. My own idea is to have a local Advisory Committee which would be rather small in number. It has to meet in the first stages, as I said, every day. It must dispose of matters expeditiously.

I do not want Committees which are unwieldy. They must be compact Committees.

With regard to the representation of Provincial Governments I do think that in certain cases it would be necessary for representatives of appropriate departments of the Provincial Governments to be on these Committees in certain regions. I also feel the importance of having on these Committees not merely distributors but also producers. I will keep that point in mind.

The other point which has been raised with regard to the Advisory Committees is the point that my Honourable friend Mr. Ananthasayanam Ayyangar raised, namely, that these Committees should function in the nature of Tribunals. I am rather apprehensive about conferring on these Committees anything like the authority which an Appellate Tribunal has. At present the Regional Controller is acting by himself in this matter. It has not been very satisfactory. Therefore we are improving the position by appointing these Advisory Committees who would not merely meet at intervals of a week but at a later stage that it does not rectify the position completely then I would certainly be prepared to re-examine the position and see if it is necessary to clothe the Advisory Committee with different powers from those contemplated at present by me.

My Honourable friend Mr. Santhanam suggested that I should give a categorical assurance that the system of priority control would be liquidated by the end of the year. I think if I made any such declaration today it would not be respectful to the House. It is a matter for the House to decide. If in the circumstances of next year the House takes the line that the system of priority control should be liquidated, well, I am in the hands of the House. But I cannot forestall it.

Shri K. Santhanam: May I point out that the Bill before the House is to extend it only for one year. It is in the hands of the Department to prepare the House for another year, if necessary. I therefore suggest that they should not have that idea.

The Honourable Dr. John Matthai: I am asking the House permission to continue this for a year. That means that I am going to do my best to see that the system of control is brought to an end within the year. But, as my Honourable friend Mr. Ananthasayanam Ayyangar has said, it is likely that economic and political conditions may so develop, and transport goes to the very root of these matters, control may have to be kept in the hands of the state for some time more. As far as that is concerned, however much I value my powers of prognostication, I do not propose to make a categorical statement at this stage. I expect the House to come to a satisfactory decision when the time arrives.

My Honourable friend Mr. Ananthasayanam Ayyangar asked me whether we should not straightway have the order of priorities in respect of these articles to be determined. Personally I think it is an inadvisable step to take because I think conditions with regard to various classes of commodities may conceivably change in the course of the year. Take for instance *gur*. We have had for some time now something in the nature of a crisis with regard to the movement of *gur*, and what we have done is that *gur* which used to be in a lower grade of priority was in the first instance raised to a higher grade of priority and even that did not meet the necessities of the situation. Therefore it became necessary over a short period to raise it still further. Circumstances may arise like that from time to time. I suggest, in order to make it

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really satisfactory from the point of view of public interest, that there must be a certain degree of flexibility, of elasticity in the arrangement. I feel rather strongly on that point and I would therefore suggest to my Honourable friend not to press his suggestion. That is all that I have got to say.

Mr. Speaker: The question is:

"That the Bill to amend the Railways (Transport of Goods) Act, 1947, be taken into consideration."

The motion was adopted.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I beg to move:

"That in clause 2 of the Bill, in the proposed amendment to sub-section (3) of section 1 of the Railways (Transport of Goods) Act, 1947, the word 'only' be omitted."

Sir, the clause says that the Act shall remain in force 'only' up to 26th March, 1949. The word 'only' has been used, I think, for coaxing the Members to accept the extension. This word 'only' in this sense is often used by theatrical companies, cinemas and circus proprietors in their advertisements—that the play or the entertainment would last for three or four days 'only'. This is done to stimulate their patrons to look sharp and book their seats early. I submit that the word 'only' in a legislative sense here is meaningless. If we say that the operation of the Act will remain in force 'up to the 26th day of March 1949', and if it is to be taken that we mean what we say the meaning is perfectly clear. To a serious Legislative Assembly the word 'only' is unnecessary. We can understand that the object is to keep the Act alive up to the 26th of March 1949. If we here use the expression 'only' at all, we would be tempted to extend its use to other spheres; for instance we should say that the Ministers should be paid Rs. 3,000 'only'. In fact, this expression is often used by lovers as 'Yours only'. We cannot be treated like this and the word is a misfit in a formal legislative enactment. The word should therefore be deleted.

The Honourable Dr. John Matthai: I have no objection to the amendment.

Mr. Speaker: The question is:

"That in clause 2 of the Bill, in the proposed amendment to sub-section (3) of section 1 of the Railways (Transport of Goods) Act, 1947, the word 'only' be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill

Shri K. Santhanam: I move:

"That in clause 3 of the Bill, in the proposed amendment to sub-section (2) of section 2 of the Railways (Transport of Goods) Act, 1947, before the words 'by a Provincial Government', the following be inserted, namely:

'with respect to goods referred to in items 10 and 17 of the Schedule'."

In the Schedule to the Bill there are only three items which are to be sponsored. One item is "Petroleum and all petroleum products when consigned by oil companies and importers of petroleum products." My amendment seeks to exclude the Provincial Governments from sponsoring Petroleum and petroleum products. They ought to be sponsored only by the Central Government. Sir, I move.

Mr. Speaker: Amendment moved:

"That in clause 3 of the Bill, in the proposed amendment to sub-section (2) of section 2 of the Railways (Transport of Goods) Act, 1947, before the words 'by a Provincial Government', the following be inserted, namely:

'with respect to goods referred to in items 10 and 17 of the Schedule'."

Shri M. Ananthasayanam Ayyangar: Against item 10 the words 'when transport is sponsored' are put there. I want to be clear whether it applies to item 11 also wherein it is merely said "when consigned by oil companies etc". My friend Mr. Santhanam wants to restrict the power of the Provincial Government to sponsoring only these two, that is, items 10 and 17. Petroleum and all petroleum products in item No. 11 against which the words "when transport is sponsored" are not mentioned. Mr. Santhanam was afraid that unless his amendment is accepted the Provincial Government may have the right to sponsor item 11, that is Petroleum, also. Since the words "when transport is sponsored" do not appear in the third column of the Schedule against this item the power to sponsor is not given to any particular person and I do not think, therefore, that his amendment is necessary.

The Honourable Dr. John Matthai: If I may explain the position, my original idea when I saw my Honourable friend Mr. Santhanam's amendment was that I would accept it, because if a situation arose where it became necessary for us to give this authority to the Provincial Government with regard to items other than 10 and 17, it is possible for the Central Government to do that by delegating its authority to the Provincial Government to meet the situation. So that practically I do not think the acceptance of this amendment will cause any serious difficulty.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister whether it does not mean that the expression 'when transport is sponsored' inasmuch as it is used only against items 10 and 17, the other items cannot be sponsored?

The Honourable Dr. John Matthai: That is not the point. With regard to these articles 10 and 17, they would come into the list of priorities only if they are sponsored: but with regard to the other articles, sponsoring can be done by the Government, but even where they are not sponsored by the Government they will be eligible priority.

Mr. Speaker: So I put the amendment to the House.

The Honourable Dr. John Matthai: If I may make a suggestion, I would suggest a slight verbal alteration which will not affect the substance of the amendment. I would say "with respect to items 10 and 17 of the schedule", which would make it shorter.

Mr. Speaker: I have been just considering whether this restriction is intended to apply to Chief Commissioners and the States also.

The Honourable Dr. John Matthai: Yes, these stand on the same footing as Provincial Governments.

Mr. Speaker: I am putting the amendment to the House in the altered form suggested by the Honourable Minister.

The question is:

"That in clause 3 of the Bill, in the proposed amendment to sub-section (2) of section 2 of the Railways (Transport of Goods) Act, 1947, before the words 'by a Provincial Government', the following be inserted, namely:

'with respect to items 10 and 17 of the Schedule'."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Shri Mohan Lal Saksena: Sir, I am sorry that I got the letter of the Honourable Minister late and I could not move the amendment in the 'form he was prepared to accept and therefore I am not moving this, but I would request you to permit me to move in an amended form.

Mr. Speaker: What is the amended form?

The Honourable Dr. John Matthai: Sir, I discussed it with my Honourable friend yesterday and I said I would be prepared to accept his amendment if it is modified as follows:

"if the Central Government or the officer so authorized deems it necessary for reasons of urgent public interest so to do."

the point of that being simply this, that in the form in which my Honourable friend put it forward, it would be open to a party to question whether the particular matter.....

Shri K. Santhanam: Mr. Mohan Lal Saksena wants the complete omission of that clause.

The Honourable Dr. John Matthai: I am sorry.

Shri Mohan Lal Saksena: I do not wish to move it.

Shri K. Santhanam: Sir, I beg to move:

"That in part (b) of clause 4 of the Bill, in the proposed amendment to clause (a) of section 3 of the Railways (Transport of Goods) Act, 1947, before the words 'of any goods', the following be inserted, namely:

'for reasons of urgent public interest'."

Sir, I request your permission to have it amended as:

"if the Central Government or the officer so authorized deems it necessary for reasons of urgent public interest so to do."

I do not want to take up the time of the House. This has been explained.

I move the amendment.

Mr. Speaker: The question is:

"That in part (b) of clause 4 of the Bill, in the proposed amendment to clause (a) of section 3 of the Railways (Transport of Goods) Act, 1947, before the words 'of any goods', the following be inserted, namely:

'if the Central Government or the officer so authorized deems it necessary for reasons of urgent public interest so to do'."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I beg to move:

"That in clause 5 of the Bill, in item 3 of the proposed Schedule to the Railways (Transport of Goods) Act, 1947, after the word 'or', the word 'by' be inserted."

The Honourable Dr. John Matthai: I accept it.

Mr. Speaker: The question is:

"That in clause 5 of the Bill, in item 3 of the proposed Schedule to the Railways (Transport of Goods) Act, 1947, after the word 'or', the word 'by' be inserted."

The motion was adopted.

Shri Mohan Lal Saksena: Sir, I beg to move:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column against item No. 3 the word 'Nil' be inserted."

The Honourable Dr. John Matthai: I accept it.

Mr. Speaker: The question is:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column against item No. 3 the word 'Nil' be inserted."

The motion was adopted.

Shri Lakshminarayan Sahu (Orissa: General): Sir, I beg to move:

"That in clause 5 of the Bill, in item 6 of the proposed Schedule to the Railways (Transport of Goods) Act, 1947, after the word 'including' where it occurs for the first time, the words 'fish and other' be inserted."

श्री लक्ष्मी नारायण साहु: सभापति जी, मेरा एक छोटा सा संशोधन प्रस्ताव है।।

में इतना ही कहना चाहता हूँ कि आइटम नं ६ (Item No. 6) में जहाँ फूड स्टफ

"(Food stuffs)" लिखा है वहाँ यह भी व्यक्त करना चाहिये कि:

"Foodstuffs including fish and other perishables" क्योंकि फिश (fish)

किसमें कही जायगी यह मालूम नहीं होता। लाइव स्टॉक (livestock) में

अगर फिश जायगी तो वहाँ भी अच्छी तरह से मेंशन (mention) करना चाहिये।

जब लाइव स्टॉक में जायगी तो डेड स्टॉक (dead stock) में नहीं जा सकती।

इसी लिये मैं चाहता हूँ कि इतना परिवर्तन जरूर किया जाय कि "fish and other perishables"।

(English translation of the above speech)

Shri Lakshminarayan Sahu: Mr. Speaker, I have to move a small amendment. I simply want to say that in item No. 6 of the proposed schedule after the words "Foodstuffs including" the words "fish and other" be inserted because the category under which "fish" will be included is not quite clear. If "fish" is to be included in the category of "livestock", then it should be expressly mentioned therein, and in that case, it cannot fall under "deadstock". Therefore, I wish that this amendment should be made viz., "fish and other perishables".

The Honourable Dr. John Matthai: I accept it.

Mr. Speaker: The question is:

"That in clause 5 of the Bill, in item 6 of the proposed Schedule to the Railways (Transport of Goods) Act, 1947, after the word 'including' where it occurs for the first time, the words 'fish and other' be inserted."

The motion was adopted.

Shri Mohan Lal Saksena: Sir, I beg to move:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column, against item No. 9, the word 'Nil' be inserted."

The Honourable Dr. John Matthai: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column, against item No. 9, the word 'Nil' be inserted."

The motion was adopted.

Shri Mohan Lal Saksena: Sir, I beg to move:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column, against item No. 12, the word 'Nil' be inserted."

The Honourable Dr. John Matthai: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column, against item No. 12, the word 'Nil' be inserted."

The motion was adopted.

Mr. R. K. Sidhva (C.P. and Berar: General): Sir, I beg to move:

"That in clause 5 of the Bill, after item No. 12, of the proposed Schedule to the Railways (Transport of Goods) Act, 1947, the following new item be inserted, namely: '12A. Sanitary Fittings'."

The Honourable Dr. John Matthai: Sir, I would ask my Honourable friend not to press this amendment, because it is our idea that sanitary fittings would be included under the description of "materials and stores required for building purposes", and as the Honourable Member himself is aware there has been a considerable demand recently for moving sanitary fittings on a priority

[Dr. John Matthai]

basis and we have done our very best to give it high priority. Sanitary fittings would be included normally in item 12, and if there is any construction of urgent public interest it may be possible for us to take special action, if necessary; that is to say, the Central Government have sufficient powers in cases of that kind to move it up from a lower grade of priority to a higher grade of priority for a specified period. So, I want my Honourable friend to accept my assurance that it is our intention that sanitary fittings would be regarded, for priority purposes, as being included in item 12.

My objection to this amendment really is this. If we are going to put in specific items this Schedule would get cluttered up with unnecessary entries. The feeling of the House and of the country is that we should reduce the scope of control in the matter of priority to a minimum number of articles and I do not want, therefore, that we should go on making additional entries.

Mr. R. K. Sidhva: I have no objection to accepting the assurances but I would like to say that the Provincial Governments, for the purpose of building articles, have specially indicated sanitary fittings as articles specially specified for banning of imports for private purposes and keeping separately for Government use. Therefore, I thought it fit that for Government purposes and for priority purpose it would be desirable that these sanitary fittings should be mentioned here. If the Honourable Minister feels, as he does, that in the fitness of things it will be given priority, I have no objection. But I may tell him that almost all the Provincial Governments have specially specified sanitary fittings apart from the building materials; if the Honourable Minister feels quite differently, I have no objection.

The Honourable Dr. John Matthai: Sir, I have already stated my intention.

Mr. Speaker: Then I need not put the amendment to the House; does the Honourable Member agree?

Mr. R. K. Sidhva: Yes, Sir.

Shri Mohan Lal Saxena: Sir, I beg to move:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column, against item No. 16, the word 'Nil' be inserted."

The Honourable Dr. John Matthai: Sir, I accept it.

Mr. Speaker: The question is:

"That in clause 5 of the Bill, in the proposed Schedule to the Railways (Transport of Goods) Act, 1947, in the third column, against item No. 16, the word 'Nil' be inserted."

The motion was adopted.

Shri B. P. Jhunjhunwala (Bihar: General): Sir, is this list in order of preference?

Mr. Speaker: That has been explained; it is not in order of preference. But I think it is better stated by the Honourable Minister himself. The Honourable Member wants to know whether the list given in the Schedule is in order of preference.

The Honourable Dr. John Matthai: It is not.

Mr. Speaker: The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. John Matthai: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

TAXATION ON INCOME (INVESTIGATION COMMISSION) (AMENDMENT) BILL 2455

Shri Deshbandhu Gupta (Delhi): Before the motion is put, may I ask the Honourable Minister to explain why no mention has been made in the Schedule of newsprint—whether it is an omission or whether it is sought to be provided for in the special powers given to the Government.

The Honourable Dr. John Matthai: As regards newsprint—and there are other articles also which are not included in the Schedule—it is my intention, if for example an emergency arises with regard to newsprint, to exercise the power that we have under Section 4-B for reasons of urgent public interest, to give it special facilities. I am prepared in such cases to exercise that power.

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

TAXATION ON INCOME (INVESTIGATION COMMISSION) (AMENDMENT) BILL

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance):
Sir, I move:

"That the Bill to amend the Taxation on Income (Investigation Commission) Act, 1947, as reported by the Select Committee, be taken into consideration."

Sir, I have on a previous occasion explained to the House the main purpose of this Amending Bill. It is really intended to strengthen the powers of the Commission so that its investigation might really be effective and achieve the purpose that the House and the Government have in view. The Select Committee has made a few amendments which in my opinion improve the Bill in many respects.

Under the original provision as proposed by me, it was left to the discretion of the Government as to when the Commission might be dissolved. The Select Committee thought a specified time-limit should be placed and they have, therefore, provided that the Commission will be in existence till the 31st March 1950, and that the Government will have the power to extend the period by one year more if found necessary.

Another amendment made by the Select Committee relates to the closing of cases where it is found that there is really no *prima facie* evidence to warrant a full investigation. In my proposal the Government was given the power to withdraw such cases with the consent of the Commission. The Select Committee, however, felt that the Commission also must have powers *suo moto* to report to the Government that on an examination of the *prima facie* evidence, there is no case for any further investigation, and thus report to the Government accordingly.

Another amendment has also been made by the Select Committee to provide that in the case of an obstructive or evasive assessee, the Commission should have the power to impose a penalty.

With regard to the furnishing of documents and papers, in my original proposal it was left to the discretion of the Commission. The Select Committee have, however, provided that where any records or documents are actually brought on record then the assessee will be entitled to have copies. I think it is a salutary provision intended to protect the interests of the assessee.

The Select Committee has also dealt with the right of representation of the assessee before the Commission. The right of representation was originally restricted to pleaders. The Select Committee thought that the assessee concerned should also have the option of being represented either by Registered Accountants or by their own employees. I think it is a very reasonable amendment to make in the interests of the assessee.

[Shri R. K. Shanmukham Chetty]

These are the main features of the changes made by the Select Committee and I move, Sir, that the Bill as reported by the Select Committee be now taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill to amend the Taxation on Income (Investigation Commission) Act, 1947, as reported by the Select Committee, be taken into consideration."

Pandit Thakur Das Bhargava (East Punjab: General): Sir, so far as the provisions of the original Bill are concerned, even they were objected to because it was never given to us to understand by the Department as to what were the reasons why the appointment of such a Commission was necessary; secondly, we never knew what was the extent of the evasion; thirdly, we were never informed as to how the conclusion was come to that the provisions of the present Income-Tax Act were not sufficient to tackle with the situation. Nor, Sir, were we told how the proposed provisions of the law would make the situation better.

Now, Sir, when the Bill was referred to Select Committee, even then I submitted for the consideration of the Honourable the Finance Minister kindly to let us know the circumstances in which this Bill has been brought before the House to be amended, and to give us the materials on which to frame our opinion as to whether these new provisions are necessary or not. But nothing of the kind has been done. It is true that a paper in the nature of a note by the Income-Tax Investigation Commission has been circulated to the Members after the Select Committee has reported, but that itself is not an illuminating document. It does not give the materials necessary or the reasons why these amendments are sought to be made.

Now, Sir, the Commission as provided for by the old Bill divided itself into two parts. One part was to ascertain "whether the actual incidence of taxation on income is or has been in recent years in accordance with the provisions of the law and the extent to which the existing law and procedure for assessment and recovery of such taxation is adequate to prevent evasion thereof." So far as this part is concerned, we do not know whether any Report has been made by the Commission so far. The Bill was enacted in 1947 and by this time the Report of the Commission should have been ready, but we do not know whether this Commission has actually reported or not. In fact, Sir, I cannot divest my mind of the idea that these two provisions were amalgamated in the Act by the Honourable the Finance Minister to introduce the Bill in 1947, so that the real purpose of his could be clouded by a purpose which was certain, beneficent and unobjectionable. The question of investigation into tax evasion, personal investigation into the cases of assesses, is absolutely different from the purpose of finding out how far the present law is deficient.

The Honourable Shri R. K. Shanmukham Chetty: Sir, on a point of order, I would suggest for your consideration and for a ruling as to what should be the scope of the discussion in the case of an amending Bill of this kind. The House has already passed an Act, under which an Investigation Commission has been established. Now, the purpose of my amending Bill is simply to enlarge the powers of the Commission and at this stage of the discussion on this amending Bill, would it be relevant to re-examine and re-open the whole question as to whether there was justification for the establishment of such a Commission or not?

Mr. Naziruddin Ahmad (West Bengal: Muslim): May I submit, Sir, a few words? It is a fact that the House has accepted the Act as the Honourable Minister has pointed out. Still, it should be open to any member to dispute it and, secondly, for the purpose of opposing the present amendment, he may

travel a wider ground and say that the original Act itself was wrong or that it went beyond our real needs. He may say that as a background for his opposition. Therefore, I think the question does not arise as a point of order. The question is really one of merits.

Mr. R. K. Sidhva (C.P. and Berar: General): Sir, in my opinion, the principle of the Bill having been accepted, there can be no re-opening now. The main principle having been thoroughly discussed, I think we cannot now open the principle. By all means, we can discuss whatever other parts there are of the Bill, but whether the tax dodgers who have been dodging income-tax should not be brought to book is a question which, if we start discussing, there will be no end to it. Therefore, Sir, I think what the Honourable Minister has stated is correct.

Pandit Thakur Das Bhargava: May I humbly submit, Sir, that when I was making these remarks, these were only introductory remarks. The remarks which follow will show how the present discussion is relevant to the amending bill. I want to show that this amending bill is against the principle of the Bill as originally enacted. I was going to state that the principle of the Bill was such and such and that now the Honourable the Finance Minister wants to add to those provisions in contravention of the principle of the original Bill. Therefore, Sir, I would be perfectly in my rights to discuss even the merits and principles of the old Bill.

Mr. Speaker: At present the House may adjourn and I will decide the point after it re-assembles.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Mr. Speaker: With reference to the point of order raised, it really is a request to me to state broadly, the scope of discussion on the present Bill. It is clear, I think, that the principle of the Bill cannot be challenged at this stage; the Act is there; we must take it that the principle underlying the old Act is there and therefore, so far as that principle goes, it cannot be challenged or discussed again in this House on an amending Bill. But, it will be perfectly competent for a member to discuss all the amendments which the Select Committee has made, which deal with the procedure; and that will open a large field for discussion and some reference to the question of tax evasion, the desirability of pursuing the tax dodger, may also be within the scope of relevance. I really find it difficult to define the scope of discussion, because I do find that the Select Committee has very materially changed the old procedure. In fact, there is a change almost in every section. It is difficult to say anything further, but if a specific reference arises which goes distinctly beyond that, I shall certainly see that the Honourable Members do not go into such references as might appear to be challenging the principle of investigation, in respect of the conduct of tax dodgers. That is the only thing that I could say at present.

Pandit Thakur Das Bhargava: Mr. Speaker, Sir, I welcome the ruling just announced by you. I am not going to attack the principle of the old Act. What I was submitting was that as a matter of fact the old Act was mis-conceived and the amendments now sought to be moved are more mis-conceived.

[Pandit Thakur Das Bhargava]

In the interval, I busied myself with finding out as to what was behind the mind of the gentleman who introduced this Bill. You will be pleased to see, on page 3357 of the debates of 1947, Mr. Sri Prakasa's speech, when he said:

"What I am surprised at is this: Why does not this Government, when it has evidence that certain persons are criminals or offenders have evaded the payment of tax, why does it not straightway punish the Income-tax officers of those places and ask them: 'How is it that these people have escaped; why did they escape; why did you not examine their books; why have you not caught them?' That is a straight question that I should ask. But I am surprised why the Government does not ask the question of its officials though it has evidence that the people within the jurisdiction of those officers had committed those offences. And why does it need a Commission with a super-annuated High Court Judge as its Chairman to find things out for it?"

This was the same question to which, Sir, the reply was given by the Honourable Mr. Liaquat Ali Khan in these words:

"But what about the officers of the Income-tax Department? I think that the investigation of the cases of the tax evaders would indeed be an investigation into the action of the Income-tax Department officers and for that purpose also I think that the appointment of an independent Commission would be useful."

So that, Sir, it appears that at the time when the Bill was brought, the Honourable the Finance Member wanted the Income-tax Department to remain at a tangent and not to come within the ambit of that Act. Even when it enacted certain provisions, which gave the Commission the right to appoint other Commissions to do the mechanical work of inspecting documents and books and make a report in so far as inspection was concerned, they did not mention that the Income-tax people will be employed for that job. They fought shy of the Income-tax Department. What I want to submit for the consideration of the House is this: Now it is the Income-tax Department which is the real authority and is the instrument by which this tax evasion is sought to be remedied.

Now, Sir, in regard to the provisions of the Bill, with your permission, I will just quote a few words of Mr. Liaquat Ali Khan when he referred to my speech, because on that occasion also I expressed my great doubts in this House in regard to the efficacy of the Bill and I said that the Bill would be barren and infructuous. According to me the Civil Court set up under this Act would be so deficient of powers that it could not have realised this object in view. I therefore submitted that more powers should be granted for the purpose of exploring how the tax evasion had taken place. I also submitted certain criticism in regard to section 95 and chapter 85 of the Code of Criminal Procedure Code. Mr. Liaquat Ali Khan referring to me said:

"My Honourable friend Mr. Bhargava had doubts about one or two points. Being a very able lawyer, he scrutinised the provisions of this Bill with too much suspicion, if I may say so, because lawyers are always suspicious of the provisions of any Act. Unless they are suspicious of the provisions of the Act, they would not be able to plead cases in a court of law. I can assure him that I have made sure with the assistance of our legal advisers that there is nothing wrong with any of the provisions of this Bill legally."

Now, Sir, I find that in regard to all the provisions of the Bill this amending Bill amends them all. As regards the sanction, etc., the provisions are entirely changed. In regard to the powers of investigation also I submit now they have taken the proper powers which an investigator should have if he wants to go after the tax evaders. So far it is right. Now what I object to is not the extension of powers of the gentleman who is in charge of the investigation; I object to this Bill, this amending Bill, on a fundamental point. Now, Sir, the whole scheme of the Income-tax Act of 1922 is that the Inspector collects evidence against the assessee; the assessee files a return and with all this material, the case comes before the Income-tax Officer and the Income-tax Officer is both a judge as well as an investigator and he decides the case. He has got ample powers; now he can call for the returns, ask the assessee to bring

his books, examine them and do all sorts of things. If the assessee does not behave well, if he does not file a return, refuses to give a reply to the questions put to him, he could proceed under section 23 and make the assessment. Then again the case goes to another officer who is the real judicial officer in the whole department,—the Assistant Commissioner. Every Assistant Commissioner is an officer of great experience and decides cases judicially. This Income-tax Officer has accordingly to the present arrangement another Assistant Commissioner at his back called the Inspecting Assistant Commissioner. This Income-tax Officer has usually mortgaged his intellect as well as his conscience to this Inspecting Assistant Commissioner. He calls the assessee and he assesses them as the Inspecting Assistant Commissioner directs him to do. That is the present position. At the same time I am satisfied and the country is satisfied that at least in one court, in the court of the Assistant Commissioner, we have got a competent man to decide cases and then we have an independent tribunal also where questions of law alone go. At least this is a safeguard. When you go to the provisions of the present amending Bill you will find that the entire structure has been destroyed beyond recognition. Sir, I have got great faith in a High Court Judge; there is some prestige and dignity attached to his name. But we know also many High Court Judges who are not up to the mark and any reference to this or that Judge for composition is beside the point. I refuse to judge the provisions of this measure with reference to any distinguished personage or the name of any exalted authority. A High Court Judge may be a good judge and when the material is placed before him he decides the case correctly and impartially. But if you appoint the Finance Minister to the post of Civil Surgeon it will not be fair; if you appoint a competent surgeon as a civil engineer he will not do his job rightly. How is this High Court Judge employed? According to the provisions of the Bill, he is himself the complainant, he is the investigator, he will have most arbitrary powers and then he will be the judge of fact and law and his judgment will be absolutely final. He will have every assessee in the hollow of his hand and can fine him up to any amount he likes. He can pass any order, he may put such evidence on the record before himself as he chooses and at such time as he chooses, and there is no appeal. Sir, when the Rowlatt Act was passed in 1914 it was said that it was an Act in which there was no *vakil*, no *daleel* and no *appeal*. In this amending Bill Pleaders are not allowed and investigations can go on under sections 3 and 7 and only the assessee and his captors and no one else can go into the sacred precincts. There is no appeal; the judge can hear the evidence in the absence of the assessee. He will get his impressions in such a manner that when the assessee gets an opportunity he will not be able to wipe out those impressions and there will be no fair play. It may be said that I am depicting a lucid picture in favour of tax evaders. Sir, I do not want that any person should not pay his taxes now. Before the 15th August it was a different matter. May I ask how many members of this House have been paying taxes in their life honestly? There have been many judicial ruling in which it has been said that if you can escape the payment of tax in a legitimate manner you can do so. That has been the tradition. Then every person thought that the money collected by the previous Government was being used to tighten our chains of slavery and therefore many people evaded taxation. I know that there is in human beings a strong desire to escape taxation. But whatever that may be, those persons who evaded the tax did it not because they could not be caught but because they were not caught. In the first instance I submit that I am rather disinclined to view the whole thing favourably from the background of things as they developed during the war period. Those big officers, many of them Englishmen—who got the cream of the profits and who were bribed by the contractors, etc., are now away; they have taken away their illicit gains to their country. The contractors who made illicit gains have lost them by speculation and in various other ways during the last eight or ten years. Now the old

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matters are sought to be raked up afresh. The assessee may complain that having allowed him to destroy the evidence in his favour you want him to give accounts after eight or ten years which legally you cannot now force him to do. In this connection I will refer to section 14 of our new draft constitution dealing with fundamental rights. It reads:

"No person shall be convicted of any offence except for violation of a law in force at the time of the commission of the act charged as offence, nor be subjected to a penalty greater than that which might have been inflicted under the law at the time of the commission of the offence."

You are now making a new law that if a person answers 30 questions and fails to answer one question, if he shows all his accounts but not the account you want you can say that his refusal is wilful and you can fine him up to any amount you like. This was not the law then.

Then the next sub-section of sec. 14 reads: "No person shall be punished for the same offence more than once." Once these persons have been assessed and their cases decided they have escaped assessment. According to the provisions of sec. 34 and many other provisions of the Income-tax Act these persons could be proceeded against. But they have not been proceeded against.

Then the third provision is: "No person accused of any offence shall be compelled to be a witness against himself." It may be said that non-payment of tax is not an offence. I submit that in the Income-tax Act there are sections 51 and 52 which provide that in particular circumstances even the filing of a false return, the concealment of income and making a wrong statement in any return is an offence.

Now what is the position today? If in a civil court a person does not want to make a statement he may be sent to jail for contempt of court, but he cannot be compelled in any other way. According to the provisions of the Criminal Procedure Code if an accused chooses to keep mum an adverse inference can be drawn against him. But there is no provision of law that he must be forced to appear against himself and make a statement against himself and in case he does not do so make himself liable to indefinite amount of fine. This reminds me of the provisions relating to extortion of confession. The assessee may be questioned for hours and for days until he breaks down but unless he makes a statement to the satisfaction of the questioner the latter can always say that the man has refused to answer, and his refusal to answer was wilful, and he can be proceeded against.

It may again be said that if these powers were not there the assessee could not be caught; and that is exactly what I submitted when I made my submission when the original Bill was there. But even the worst offender is tried according to certain provisions of the law. The Civil Procedure Code and the Criminal Procedure Code are there to tell us what the procedure should be. But in this case there is no procedure. The words are:

"The Commission, and subject to the directions of the Commission any authorised official, may make such inquiries in such manner as it or he may deem fit and obtain statements on oath from any person", &c.

So that the powers which are now sought to be given to the Commissioner as well as to the Income-tax Officer are so plenary and so ample and so arbitrary that I think even if the gods were given these powers they would be liable to misuse them. I was submitting that in the previous Bill the Income-Tax Department was sought to be excluded from the ambit of this Bill. Now what happens? I will draw attention to the provisions of clause 4 (3). If you compare the previous provision of the Bill, the Commission was then competent only to have proceedings in a manner in which the civil courts exercised their powers and jurisdiction. As regards those persons who could now be employed by the Commission, the words in the amending Bill are:

"If in the course of any investigation it appears to the Commission to be necessary to examine any accounts or documents or to interrogate any person or obtain any statements from any person, the Commission may authorise any income-tax authority not below the rank of an Income-tax Officer in that behalf subject to such directions as may be issued by the Commission from time to time, and the authorised official shall examine the accounts or documents, interrogate the person or obtain the statements from the person."

Here now they say nobody else except an Income-tax authority (Clause 4, sec. 3) and there again not only to interrogate in respect of documents but he can obtain any sort of statements from the person. Further the Bill says:

"Provided that the authorised official shall in the discharge of his duties be entitled to employ such ministerial and subordinate executive staff as he may consider necessary."

This provision pushes the cat out of the bag. The entire paraphernalia of the income-tax authority will be at the beck and call of the Commission and the High Court Judge will only write his report. The income-tax department sought to be excluded has been given all the powers of investigation and in the same old manner. Why not have a straight cut and go to the root of the question: give all these powers to the income-tax officers and let them afterwards place these things before the High Court Judge and let his judgment be final. Why prostitute the integrity and dignity of a High Court Judge and make him a complainant and then also make him a final judge? Please see what powers are given to the Commission. According to the provisions of the old Act in Sec. 5 (2) the powers are:

"If in the course of investigation into a case referred to it under sub-section (1), the Commission has reason to believe that some person other than the person whose case is being investigated has himself evaded payment of taxation on income, it may make report to the Central Government stating its reasons for such belief, and on receipt of such report the Central Government may at any time refer the case of such other person to the Commission for investigation and report."

They now have made a great change. Now a Commission can say that certain points should be referred to them and after that the Government has no discretion in the matter, if this request goes from the Government, because the words are:

"it may make a report to the Central Government stating its reasons for such belief and, on receipt of such report, the Central Government shall forthwith refer to the Commission for investigation. . . ."

Now when you look to the provisions of Section 4 of this Bill, while proposing to amend Section 6, sub-clause 7, you will be surprised to learn that all these powers of the Commission can be used by the Commission for the purpose of this reference. According to the original idea of the Bill, if the Central Government had sufficient material within its possession it could refer the case to the Commission and Commission if it came incidentally to know that some of the person had evaded payment of taxation it could report to the Government and the Government had the discretion to make a reference. Now this Commission has the right to inspect any person's books, to call him and ask him to find out his wealth, and then to go to his house, seize his books, make searches, ask any person to make a statement in his absence. Then it can make report to the Central Government and then the Central Government is powerless not to refer the case to the Commission, which means that the work that a complainant usually does is done by this Commission; and not only by this Commission, but all these powers are enjoyed by the Income-tax Officer and he can do all this as he pleases. He can do it at his back. He can collect all this material and then call the accused. So that originally as the Bill stood it was the Central Government who could proceed on certain contingencies, whereas now the Central Government has no discretion in the matter, and this official, who is the pivot of this Act, can do whatever he likes.

Leaving this aside, the Commission could previously only proceed as a Civil Court. He could not proceed at the back of the accused. Now he can do this.

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All the powers of a police officer can be found vested in the Commission: not only that but in the income-tax officer also.

According to the old provisions of the Act:

"On the occurrence from any cause of a vacancy among the Commissioners, the Central Government may, if it thinks fit, appoint a person to fill the vacancy."

If they wanted they could fill the vacancy. According to Section 5 of the present Bill, it appears that the Commission may act:

"Notwithstanding a vacancy in the number of the Commissioners: and the powers of the Commission under sub-sections (1), (2), (3), (7) and (8) of section 6 and sub-sections (2), (4) and (6) of this Section may be exercised by any member thereof authorised by the Commission in this behalf."

So one member can do the work entrusted to the three persons, except perhaps in the case of the judgment.

When you come to the judgment question you find a worse thing, because according to Section 8 they say:

"The report of the Commission shall be based on the materials brought on record and made in accordance with the opinion of the majority of at least two of the members of the Commission where its decision is not unanimous."

If a vacancy is not filled and there are two members what would happen? Where will the majority come from. I fail to see any provision in the Act that all the time the members will be three. If there are two members there will be no majority and no report. Then the Commission may not function at all.

As regards the procedure, after the investigation is closed, powers are given to the Commission and the words are:

"All materials gathered by the Commission or the authorised official and materials accompanying the reference under sub-section (1) of section 5 may be brought on record at such stage as the Commission may think fit."

This is contrary to the provisions of natural justice of which something has been said in this Act. If after the assessee has been examined in detail, and asked to rebut the evidence, and if at that time after seeing his evidence something has been sprung upon him and if material gathered behind his back is put on record, he will be doomed and he will not be able to make a proper statement. Therefore all the principles of a fair procedure have been set at naught.

Then comes the question of the evidence collected against him. In fairness an assessee should be treated as a human being. He is not worse than a murderer. He should at least have a chance of looking into what has been gathered against him at his back, but the law does not allow him to look at the records. All that is provided is that copies of certain documents may be given but the assessee cannot call the papers in his defence at his will. For instance, evidence may be taken at the back of the assessee by 20 different persons. But he is not allowed to see what evidence has been given at his back and yet the Commission and the official may continue to be impressed by the evidence so taken. What is provided is that to rebut such material he shall have a reasonable opportunity. But the human head does not consist of different compartments in this sense that if a person makes an impression on his brain of a certain fact it can be divorced from the rest of the impressions received by the brain at that very moment.

I have not been able to understand how any Court hearing pieces of evidence simultaneously can while judging a fact divorce from his mind such evidence as has not been brought on the record and remain totally uninfluenced by the evidence which naturally he must have mentally been impressed with. If the Judges have heard evidence in such circumstances and in such manner that they have been influenced by the evidence, I fail to see why the assessee

should not be allowed to inspect all these things and bring on record all such matters as they have gathered in his absence. In fairness he should be allowed an inspection of the record without the permission of the Commission. An inspection may show that a document has been forged. Every lawyer knows that unless an inspection of the original is allowed it is impossible for a man to rebut the evidence against himself. To hedge this natural right of inspection of the record with permission of the Commission which may or may not be given is to obstruct the even cause of justice. But the absolute right of taking a copy or calling of the records of such material as has been gathered against him has been taken away.

When you come to the last portion, the adage is proved that the sting lies in the tail. The report of the commission has been made final. No appeal is provided. It is a report based on provisions of this Bill in which many of the powers of the Commission have been transferred to the authorised official, who is none other than the income-tax officer who after exercising all kinds of arbitrary powers and enmeshing the assessee can force him to silence and close the investigation. It is then an *ex-parte* report and the report is final. In the previous act this provision did not exist. If a report was made the income-tax officer on the basis of that report made his own assessment. After the assessment was made it was open to appeal as in every case. Now this report which is not based on judicial material is made the final report. It is most unfair to make it final. On a question of law a reference has been allowed under the provisions of the Bill. I would submit that unless all these provisions are moulded again in the new spirit, in the spirit of law by which the courts are working, I will not be satisfied. I doubt very much if this Commission will be able to get anything out of the assessee. Even if it gets anything the harm done to the judicial system of this country and the resentment and dissatisfaction caused to all concerned when they come to know that a person has not been dealt with according to law but according to the arbitrary rules and principles laid down under this Bill, will be very great and the injury done will be greater than the amount earned. This amending Bill turns down the principles which were incorporated in the first Bill. I do realise that if you want to get at tax-dodgers you must arm those who investigate with powers. This was felt in the last Bill. They did not give any powers to the Commission then which was wrong. This time they have given powers but not rightly. You should have a judge who would decide impartially. Everybody has faith in a high court judge but do not make him investigator and the complainant simultaneously. One thing which was wanting in the previous Act has been provided, but the manner in which the deficiency of that Bill has been made up is fundamentally and basically wrong and I am sorry, Sir, I have no option left but to oppose this Bill.

Shri C. Subramaniam (Madras: General): Sir, I am one of those who welcome the provisions of this Bill. This Bill is intended to deal with tax-dodgers who have already evaded payment and therefore it is necessary that the Commission should be armed with wide powers for the purpose of finding them out. But in arming this Commission with wide powers there should be some method to be adopted, there should be some plan. When we go through the Bill there are various stages in the investigation and the enquiry. The first is a reference to the Commission by the Government. That is like the laying of a charge-sheet by the police against an accused. After that there is a preliminary enquiry by the Commission itself. That enquiry may be made behind the back of the persons. That is absolutely necessary, because if the person against whom an enquiry is made, is made aware of the sources from which we are getting information, all those sources are likely to be persons associated with the person against whom the enquiry is made he is likely to temper with them and therefore it is necessary that the person against whom

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the enquiry is made should not be aware, at least for the time being, of the sources that are being tapped by the Commission in their investigation. After that there is the third stage, that is the final enquiry, wherein the person is given the chance to rebut the evidence. Those are the three stages. I wish the framers of the Bill had borne these stages in mind and chalked out the various procedures to be adopted in the various stages. I find here a confusion. Dealing with investigation at some stage at once some powers of the Commission come in between, and then there is another stage and it goes on like that. Instead of that they should have divided the Bill into various chapters under these heads and they should have given the procedure to be adopted at each stage and finally the general procedure to be followed in respect of all these things should have been given. I do not find such a method followed in this Bill. I know it is an amending Bill but even in an amending Bill sufficient care should have been taken, especially when the Select Committee have interfered with every provision in the Bill, which I am going to tackle later on.

It is said in clause 5, that is the proposed section 7 of the Act, sub-section 2:

"In making an investigation under clause (b) of section 3, the Commission shall act in accordance with the principles of natural justice, shall follow as far as practicable the principles of the Indian Evidence Act, 1872 (I of 1872), and shall give the person whose case is being investigated a reasonable opportunity of rebutting any evidence adduced against him."

I want to know at what stage the person against whom these charges are made will be allowed to come in. That is not made clear here. And then when the Commission is sitting in enquiry they have to follow the principles of natural justice and as far as practicable the principles of the Indian Evidence Act. The only exception is that they can over-ride the provisions of Sec. 130 of the Indian Evidence Act.

If you turn to clause 4 [that is the proposed Sec. 6 (3) and (4)] you find a change in the provisions, made by the Select Committee. Sub-section (3) deals with the Commission authorising an official not below the rank of an Income-tax Officer to make an enquiry. His powers are given in sub-section 4.

"The authorised official shall subject to the direction of the Commission have the same powers as the Commission under sub-sections (1) and (2) and any person having charge or custody of accounts or documents required to be examined shall notwithstanding anything in any law to the contrary (that is the change made by the Select Committee and I lay some emphasis on that) be bound to produce them to the authorised official and to give to such official any information in respect thereof which he may require; and any person interrogated by the authorised official or called upon by him to make or prepare a statement or furnish information shall notwithstanding anything in any law to the contrary (again the Select Committee has intervened here) be bound to comply with his directions and answer all questions relating to the case put to him by such official."

When the Commission are making an enquiry they are bound by the provisions of the principles of the Indian Evidence Act but here notwithstanding anything in any law to the contrary the authorised official can question anybody and they are bound to answer. You know, Sir, there is a provision, Sec. 126 of the Indian Evidence Act, wherein certain communications are privileged. It says:

"No barrister, attorney, pleader or vakil shall at any time be permitted, unless with the client's express consent, to disclose any communication made to him in the course and for the purpose of his employment as such barrister, pleader, attorney or vakil, by or on behalf of his client, or to state the contents or condition of any document with which he has become acquainted in the course and for the purpose of his professional employment or to disclose any advice given by him to his client in the course and for the purpose of such employment."

There are some provisos there which are not relevant to my observations. You find in the proposed section 7(3) that a person can employ a pleader and certainly the pleader employed is the person most likely to know the affairs of the person. Under this clause an authorised official can call upon the pleader and notwithstanding the provisions of Sec. 126 of the Indian Evidence Act force him to answer questions put to him. The official may not act like that or the Commission may not act like that but the lawyers will be at their mercy. Why should this clause "notwithstanding anything in any law to the contrary" be inserted there when the Commission itself is bound by the principles of the Evidence Act? With what intention this change has been made by the Select Committee I want to know? Is it their case that a pleader who has been engaged by a person should be interrogated by an official authorised by the Commission for the purpose of getting information from him? Otherwise I do not see why such a clause, over-riding all the provisions of the existing law, should be introduced here. I really fail to see the natural justice in this. You give a person an opportunity to engage a pleader, but he does that at his peril. As soon as he has engaged a pleader, after some time you set upon the pleader an income-tax official, or serve him with an interrogatory, and he is bound to answer unless he be a liar and is going to say, "I am not prepared to say anything". Then as well say "You are not entitled to engage a lawyer". Having allowed him to engage a pleader it is wrong both to the pleader and the client for you to say that any person can be interrogated in spite of anything contained in any law. I fail to see with what intention this change was made by the Select Committee.

There is one other thing. If you turn to clause 6 of the Bill—the proposed Section 8—there again you will find that the Select Committee has intervened. The original clause stood like this:

"The report of the Commission shall be made in accordance with the opinion of the majority of the members of the Commission where its decision is not unanimous."

The Select Committee has now made this into:

"The report of the Commission shall be based on the materials brought on record, etc."

This is an expression which has got to be understood and interpreted with reference to sub-section (8) of section 6 which says:

"All materials gathered by the Commission or the authorised official and materials accompanying the reference under sub-section (1) of section 5 may be brought on record at such stage as the Commission may think fit."

This refers to a stage where enquiries were being made behind the person against whom the enquiry was being made. And at such stage as the Commission may think fit they may bring those materials on record. And here in section 8 it says "the report shall be based on the materials brought on record". It means only this, that even though those materials might not have been placed before the accused to enable him to rebut it, still the Commission shall base their report on the materials brought on record. Suppose a statement is taken by one of the authorised officials. It need not necessarily be a statement on oath. Even if it is on oath it does not make any difference. Suppose a statement is taken from a certain person. That is brought on record at a certain stage by the Commission. Then suppose that person is not available for the purpose of deposing before the Commission, suppose he is dead, or is absconding, or is not available. Then, in spite of the fact that the person had no opportunity to cross-examine the man or rebut that evidence, still this statement which has been brought on record will remain there as one of the materials brought on record on which, under section 8, the report of the Commission shall be based.

Shri Ramnath Goenka (Madras: General): He may be an imaginary person.

Shri C. Subramaniam: We do not know. I will concede that he was in existence at a certain time. The language here is "shall be based on the

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materials brought on record". I can understand if they say "shall be based on the evidence brought against the person". Having regard to the provisions which we have already made as to what materials can be brought on record, it really passes my comprehension as to why the Select Committee should have taken on its own shoulders to point out to the Commission, which is presided over by a Federal Court Judge, on what materials it should base its report. After all, the members of the Commission are the best persons to know on what to base their report. As if it is necessary for the Select Committee to point out that they should base their report on certain materials brought on record and as if they will go outside the record and base their report on some imaginary facts this clause has been put in here by the Select Committee.

Shri K. Santhanam (Madras: General): Sir, I do not want to speak at all on this subject and I want only to point out with reference to this point made by my friend that the meaning is that the report of the Commission shall not be based on materials which are not brought on record. It is for that purpose that the clause has been put in there.

Shri C. Subramaniam: But my point is this. 'Materials brought on record' include materials in reference to which the person might not have had an opportunity to rebut or cross-examine the person. Suppose the statement of a certain person has been recorded by the Commission or by an official authorised by the Commission. Natural justice requires that this man should come and depose before the Commission in the presence of the accused and the accused should be given an opportunity to rebut that by cross-examination. Where does the opportunity come in here to rebut the evidence? Does "rebutting" apply to defence witnesses alone? Does it not include the cross-examination of the witnesses let in by the Income-tax Department?

Shri K. Santhanam: There is no trial or cross-examination anywhere here.

Shri C. Subramaniam: I submit these people have absolutely no idea as to the exact procedure to be adopted. Is it going to be just like a departmental enquiry? This is a case in which a certain person is being charged with having evaded payment of tax and materials could have been, might have been and would have been gathered behind his back. When you want to sentence, punish or convict him and when you in sub-section (2) of section 7 say that he should be given an opportunity of rebutting any evidence, how are you going to say here "No, it does not matter whether such an opportunity was given or not"? It is contrary to sub-section (2) of section 7. So, unless you give him an opportunity to cross-examine it would not be evidence and it is against, as I shall presently point out the principles of the Evidence Act. Under section 32 of the Indian Evidence Act "statements, written or verbal, of relevant facts made by a person who is dead, or who cannot be found, or who has become incapable of giving evidence, or whose attendance cannot be procured without an amount of delay or expense which under the circumstances of the case appears to the Court unreasonable, are themselves relevant facts in the following cases" only. And the cases in which those statements would be relevant are set out in the section. So, the condition precedent is that he should be dead, could not be found, or become incapable of giving evidence; and that too under certain circumstances only, namely, when it relates to

cause of death or is made in the course of business, or against interest of maker etc., etc. In sub-section (2) of section 7 you say that "they shall follow as far as practicable the principles of the Indian Evidence Act". But here we are not going to be bound by these provisions and are going to override the provisions of section 32 of the Indian Evidence Act. You can as well say "We are not bound by any procedure or by any existing law; the Commission shall follow its own procedure, whatever it may be, it shall come to its own conclusions and they shall not be questioned in any court of law". You may as well have a Bill to that effect and be done with it. If my Honourable friend wants to say that there will be the opportunity to cross-examine and there is no question of denying the opportunity to rebut the evidence adduced against him, and that the provisions of the Evidence Act will, as mentioned in sub-section (2) of section 7, be followed, why does he not say in categorical terms that these principles will be followed? I respectfully submit that these two provisions, namely, "Notwithstanding anything in any law to the contrary any person can be interrogated in respect of any fact which he is likely to know" and this other provision that the Commission "shall base its report on the materials brought on record" especially viewed from the provision made for bringing the material on record make the whole thing unfair. I think in this respect the Select Committee should have taken a little more care to find out what would be the effect of the amendments which they wanted to make. My Honourable friend Mr. Santhanam went on to say "We simply wanted to indicate that the Commission should base its report only on the materials brought on record", as if any Commission presided over by a Federal Court Judge will base its report on any materials outside you will be pleased to see, Sir, in the amendments suggested by the Commission itself such provisions are not found, that is 'based on the materials brought on record' and 'notwithstanding anything in any law to the contrary', because they were aware that if they make such a change, they would be completely wiping out the existing procedure and it would be contrary to the principles of natural justice.

There is one other thing I want to refer to. The proposed sub-section (3) to section 4 says "The commission shall be appointed to act, in the first instance, up to the 31st day of March 1950." You know the clause as it stood before the amendment by the Select Committee was: At any time the Central Government may dissolve the Commission and may reconstitute another if it is found necessary. I agree that there should be some continuity as far as the commission is concerned. And perhaps the Select Committee suspected that the executive might dissolve the Commission at any stage when they found it inconvenient and that they would reconstitute it later on with different personnel, and that is why they have fixed the period in the amended section. But suppose the work is over in one year, what is to happen? It is not as if an appointment is made without specifying any period and under the General Clauses Act you can dissolve the Commission at any stage you like. You make the appointment for two years specifically—"shall be appointed for a period up to the 31st day of March 1950". So even though the Commission might finish their labours within one year, they shall still continue till the 31st day of March 1950. Therefore I would suggest that at the most one year may be fixed, and after that power might be given to the Central Government to extend the period for two further years. I do not see anything wrong in that if you are prepared to give power to the Central Government to extend the period later on. Why not give power to extend by two years, and make the appointment in the first instance limited to a period of one year, because if we fix two years now, it means that the commission will continue to be in

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existence for two years whether they have work or not. After all we do not know the nature of the cases coming before them, whether they will collapse in the middle. After all there is provision in the Bill that whenever the Commission finds there is no use proceeding with any enquiry, they can report to government saying it is no use proceeding with the enquiry, and so it may be closed. Under these circumstances we need not unnecessarily fix the period of appointment in the first instance as two years.

There is one other point I wish to mention, that is 'No reference made by the Central Government under sub-section (1), whether before or after the 31st day of December 1947'. The phrase 'whether before or after the 31st day of December 1947' seems to have been included to include cases which have been referred to the commission prior to the 31st day of December 1947. But, Sir, the reference can be made under another provision also, that is when the commission makes enquiry and then sends it back to the Government saying here is another case which should be referred to the commission. Then the Government has got to make a reference in that case. That was pointed out by my Honourable friend Mr. Bhargava also, that the Government in that case is bound to refer it to the commission. Can that reference be attacked in a court of law? If it is said 'no reference made by the Central Government under sub-section (1) alone', which would refer to references made by the Government on its own initiative up to the 31st day of December, what is to happen to any reference which might be made by the Government later on the report of the commission? Can such a reference be attacked in a Court of Law saying 'No, it has not been made on proper basis. There is absolutely no *prima facie* ground to make such a reference.' After all the commission is only a quasi-judicial authority. Therefore, simply because the commission makes a report, that does not mean any court of law is bound by that, even though the reference may be based on that report. Therefore this sub-section (3) should be amended to include not only references under sub-section (1), but any references made by the government for the purpose of investigation to the commission. It is only with that purpose that I have given notice of an amendment—'No reference made by the Central Government to the Commission for investigation shall be called in question', that is no reference made either on its own initiative within the period mentioned or when it makes a reference on the report made by the Commission shall be called in question in a court of law. That is absolutely necessary.

Then I wish to point out another matter. In sub-section (3) of the proposed section 4, this is what is stated:

"If in the course of any investigation it appears to the Commission to be necessary to examine any accounts or documents or to interrogate any person or obtain any statement from any person, the Commission may authorize any income-tax authority not below the rank of an Income-tax Officer. . . . and the authorized official shall examine the accounts or documents, interrogate the person or obtain the statements from the person."

Read along with the provision that they can employ executive officers and others, it looks as if when the Commission wants any statement from any person the officer shall get it. That seems to be a mandatory provision, casting an obligation upon the authorized official that he should obtain a statement somehow or other. Therefore the better wording would be to say "he can either receive or record a statement". Instead of that the wording as it is indicates that when the Commission feels that any statement should be obtained from any person it may authorize any official and that authorized official should obtain that statement somehow or other and perhaps we indicate the methods too. A proviso is added that he could employ anybody whom he thinks necessary for the purpose of perhaps obtaining the statement.

There is one other thing I wish to point out. In section 8 you will find another change made by the Select Committee. As it originally stood, it was "made in accordance with the opinion of the majority of the members of the Commission where its decision is not unanimous". Now the Select Committee has made one change: "made in accordance with the opinion of the majority of at least two of the members of the Commission". The Commission is to consist of three members only. So the amended section says that the majority should consist at least of two members. I do not know what is the meaning of this amendment.

So these are the changes which have been made by the Select Committee, and my respectful submission, with due respect to the members who constituted that Select Committee, is that these changes have been made without proper thought or care.

Prof. K. T. Shah (Bihar: General): Mr. Speaker, Sir, I too have some objections to this Bill as reported by the Select Committee, but my objections are not founded on technical, legal or procedural grounds. They rather take into account the broader financial aspects and as such I would confine myself only to those provisions of the Bill which in my eyes affect the financial prospects of this country. Without in any way deprecating the larger issues of the principles of justice as we have been accustomed to and which have been raised by the learned speakers who spoke before me, I would say that the point we have to think of is how far tax is evaded illegally and the tax is avoided even legally.

[At this stage, Mr. Speaker vacated the Chair, which was then occupied by Shri K. Santhanam (one of the Panel of Chairmen)].

There are, as perhaps most members know, two ways of avoiding, or evading, taxes. Taxes are avoided in a perfectly straight-forward manner by the assistance of expert lawyers, auditors, accountants and similar advisers so that even the courts, even the judges are powerless to bring to book such persons and, therefore, a considerable amount of what might have come to the public exchequer escapes, escapes openly, escapes in accordance with the law. On the other hand, it seems that the Bill is designed only to concern itself with cases where the tax may be evaded by questionable devices—I would not call them illegal—which will tax to the utmost the ingenuity, the cleverness, the experience and knowledge of the persons who may be called upon to make such investigations and find out the many devices by which they are evaded. Ever since I have begun to take interest in this matter it has been on more than one occasion my lot to complain that a very considerable amount of public money has been and is being evaded from taxation. I do not know it myself; I wonder if anybody in this House or in the country would be able to tell us precisely to what extent and up to what amount tax is evaded. On an earlier occasion I had made some very rough estimate which made me think that at least as much of the money as it paid into the public purse escapes taxation and that if proper and rigorous methods were devised, perhaps a good deal of that may be recovered. If I did not mishear him, if I did not misunderstand him, my Honourable friend, Pandit Bhargava made a reference to the attitude of the public mind in the past which, considering that after all it was a foreign Government, thought that it was not quite improper to rob it or to deprive it of what the law required it to obtain.

Pandit Thakur Das Bhargava: There was a complaint of no-tax campaign also.

PROF. K. T. SHAH: I did not quite hear him refer to that campaign. I thought he was referring only to the general attitude that because there was an outsider, you are perfectly justified in robbing or at least denying it its dues.

DR. P. S. DESHMUKH (C.P. and Berar: General): There was no no-tax campaign so far as the income-tax is concerned.

PROF. K. T. SHAH: The public, or at least a section of the public continue to entertain that mentality and continue to go on robbing the public exchequer even when the rulers of the country have changed. After all in another direction the Honourable the Railway Minister, for example, has time and again complained about the ticketless traveller and that has continued even after the foreigner has gone from the land. I for one am inclined to believe, Sir, that perhaps with the possibility of political and other influences of the powers that be, the chances of evasion might be greater if we do not adopt more stringent steps than are perhaps thought of even in this measure. In America there is no foreign government, but the Senate Investigation Committee which went into the evasion of taxation by legal and illegal means a few years ago found that some of the most prominent and respectable citizens of America, including a previous Secretary of the Treasury himself, Mr. Mellon, were evading payment of taxes and that the public exchequer was robbed of hundreds of millions of dollars. Please do not misunderstand me—far be it from me to suggest, even by implication, that the opposite number of that Secretary of the Treasury in this House is liable to any such thing as that. I have very hastily added this remark lest I might be liable to be misunderstood. The Honourable the Finance Minister the other day made an appeal, and I am very glad he did so, to all he would be investors in this country to see that the country is helped by their investments. I trust he will make an equally fervent appeal to the tax-payers also to see that they do realise their duty to the State and come forward of their own accord if not in their own name, lest they might be caught, in the name of what is commonly called in England as 'conscience men', and make donations to the Treasury.

The Honourable Shri R. K. Shanmukham Chetty: I have already made an appeal twice in that respect.

Mr. Naziruddin Ahmad: What was the response?

The Honourable Shri R. K. Shanmukham Chetty: Nil.

PROF. K. T. SHAH: Sir, I was saying that there are several ways of evading by lawful means the taxes due to the state which, as far as I can see, are not quite provided for adequately in this measure, or are not provided for at all. For instance, Sir, the complaint about the evasion of taxation is not only for this year or for the last year; the complaint has been, as I have already remarked, ever since one has begun to think of this subject, ever since direct taxation has come in, ever since, therefore, the pockets of the persons concerned are immediately affected. That being so, in the first place, Sir, I fail to see why a provision of this kind should be made only temporarily, that is to say, for two years, with the right to extend it by one year further, if they still find it necessary to do so. But after a particular date the Commission would automatically cease to function. I cannot understand the logic, or the statesmanship of such a provision as that, for there are several tax evaders who will continue to evade and who will find legal as well as accounting advisers who will show them ways of prolonging litigation, so that if you appoint a fixed date by which their work is to be terminated, such people will naturally escape taxation. I am sure that was not the intention of those who drew up that particular provision of the Bill. But as I read it as a layman, not from a legal luminary's point of view, I find that that provision by itself seems to hold out a premium to those who can specialise in the art of dilatory procedure, and those who are a little more afraid, will be easily caught.

the notice of the House is that I am speaking under some misapprehension. I have not been able to study the Bill very carefully—reference is to be made only by Government and in certain cases, if the Commission finds from its own earlier investigations that there is a case, against or possibility of a case against, some person, that person also may be brought under the purview of the Commission's enquiry.

I for one do not see why the Commission, if it is necessary, should not be authorized to proceed on its own so that it may be able, apart from the references made to it, to proceed against any persons against whom, from the records with the Income-tax Office or from other acceptable evidence, it may presumably be possible to hold that there is likely to be a case for enquiry.

Provision is also made, so far as I recollect, that the powers are given to Government to withdraw cases once referred to the Commission. Now, that, Sir, appears to me to be among the most pernicious provisions that could be introduced. Already many Members of this House might be aware—certainly the public is aware—of any number of rumours about influential personages having been able to bring successfully their influence to bear upon the powers—that be so that their names may be and have been withdrawn. I do not make myself responsible for these rumours—I only state them to the House for what it is worth; but I do want to draw the attention of the House to the fact that if there is any ground for an apprehension of this kind, if there is any occasion for feeling that political influence or personal connection have succeeded in getting out any person against whom there was a reasonable ground for believing that tax evasion has taken place, then I submit it would be very fatal to the prestige of this new Independent India to allow such partisanship, such favouritism, to take place and take place almost unconcernedly.

I trust, therefore, that a provision of this kind in the Bill will be tightened up, and that when the House considers the Bill clause by clause suitable amendments will be made to see that no loophole is left to let anybody escape against whom there is a reasonable case for believing that they have been evading tax payment. I hasten to add that I am also a believer in the old-established juridical principle that it is better that ten guilty people should escape than that one innocent should suffer. But in this case I have no ground to believe that an innocent, if he is really innocent, would suffer; the chances rather are that it is the guilty and the guilty alone who will manage to escape—if you do not take proper precautions against the guilty ones, it is likely that by one or other way, by political influence, personal connection or even more reprehensible devices, they will manage to escape.

It has been said that an outside body or those not connected with the working of the income-tax legislation or the practice of income-tax administration may not be able to see all the devious ways in which such operators operate. I know of an old saying which says: "Set up a thief to catch a thief." I am afraid we will not be quite respectable in this House if we assume that those who evade taxation are thieves and that we have in our administrators sufficient fellow-professionals of that kind as to be able to employ them to catch them. Let us assume that we have in our administrative officers, and experienced officers, more innocent persons, and that they, however, in their wisdom and their knowledge and their enthusiasm for the service of the State, in the interest of the public exchequer, will be able to find several ways to get the truth out of such people and bring them to book, at least on the credit side of the State if no other punishment or penalty is inflicted upon them.

[Prof. K. T. Shah]

The other ways—legal ways perhaps—which have not been quite adequately provided for in the Bill so far as my recollection goes, are, I submit, equally important for this House to take note of and proceed against; if not on the present occasion, when the principle of the Bill is said to have been so nearly accepted that those amendments might be ruled out of order if anybody ventures to make them, at least an assurance ought to be given that an early opportunity will be taken to see that even legal devices which are morally wrong will not be permitted. I have heard it said, for instance, that very wealthy and prominent people are indulging in business carried on under a variety of names—some of them not of real persons, some of them utterly fictitious, which therefore cannot come under the purview of taxation. I have heard it said that very often payments are made in cash, so to say which cannot be traced. The Government preceding this found that as a likely ground for evasion and therefore enacted those Ordinances under which certain denominations of currency notes were taken out of circulation. It may be that the tax evaders or those specializing in this branch of learning have found other ways like purchasing gold bars, which cannot be identified as currency notes can be, and storing them in such a manner that they might be utilized against a rainy, or rather a rainless, day.

All these ways of getting away from their tax dues are reprehensible. I do not profess to be ready here and now to present the House or the Finance Minister with specific suggestions about making provisions which would get hold of such persons or help the State against such evasions. I would only like to draw attention of the authorities concerned and trust that they in their wisdom, they in their sagacity, they in their loyalty to the State and desire to fill the coffers of the State to the utmost extent possible, will be able to devise methods by which even such lawful or legally permissible methods will be found more and more difficult and may become impossible. Lawyers, Sir,—and I say it in all respect without any desire to be libelous on an honourable profession—lawyers are experts in making or advising in making laws—they are also clever in helping to break them; and if that is so I would also like to place some sort of an obligation upon the honourable the legal profession to see that if and when any practitioner of the art is satisfied for himself that assistance of the kind in a case before him for which he may be briefed is morally wrong and that the client coming to him is pursuing objectionable methods, undesirable methods even if they may not be technically illegal, he for his part should have nothing to do with such a client. I am not sure that I would be applauded in reality quite so well as an Honourable Member is willing to do in this House on the utterance of a sentiment; but I do hope for the growth of the national sentiment, the growth of the feeling that we now are responsible for our own destinies and that those who are in charge of the administration of the ship of State of this country are really doing so for the service of the masses of this country and at considerable strain upon themselves, so to say. Then with the progress of that sentiment the ideal that I have suggested will also not be impossible.

I would have occasion to speak perhaps on a later occasion on specific amendments that I have ventured to submit on particular provisions of this Bill. I will therefore not take more of the time of this House beyond saying that while my objections are not grounded specifically on legal grounds, I am not deprecating at all—far be it from me to do so—the great issues of political principles, of principles of jurisprudence that have been raised in this House, and that if wiser counsels prevail those in charge of the Bill will see to it that as far as they can accept, those amendments of substance as well as perhaps of grammar will be accepted.

Shri Krishna Chandra Sharma (U.P.: General): Sir, I have been listening

with interest to the criticism vehemently made by my Honourable friend Mr. Bhargava on the other side and to the criticism on legal grounds made by my Honourable friend on the left. I fear the position has not been rightly appreciated. From Mr. Bhargava's criticism it appears that a set of innocent people are being caught for no fault of their own. To appreciate the position you have to go back to the years passed by. What happened? Certain people made money, and made money at the cost of the people. If they would have paid the taxes, then inflation would not have arisen to the peak that it did. If they would have deposited the money into the Bank, they would have been caught. So what did happen is that they enjoyed, they spent large sums on themselves. The result of that enjoyment was that they paid prices for the commodities which the common man could never pay. The want of the common people could not be satisfied. Many people had to go naked because the profiteer, the tax-evader, the black-marketeer could pay a price which it was impossible for the common man, which it was impossible for the wage-earner, which it was impossible for the professional lawyers and doctors, to pay. The result was that even a lawyer's son had to go without shoe, even without books, a doctor's son had to go without shoe or coat or even without book. And then, these people, these tax-evaders would enjoy and waste at the cost of the man, the man who produced wealth, the man who renders service to the people, the man who assisted the industry. This resulted in injustice to the people. This resulted in inflation. This resulted not only in this sort of injustice, but sometimes it took away the morsel from the hungry child and sometimes would not let the sick have the needed medicine. This was the state of affairs and this state existed for a long time. Now, to say and to talk in terms of innocent people being caught for no fault of their own does not stand to reason.

Sir, there are emergencies in the life of a nation as they are in the life of the individual when you have to adopt certain measures which are extraordinary, which are serious. Take, for instance, the Defence of India Act. Many of the provisions there were where the burden to prove innocence was thrown on the accused. The accused were brought before the court and on certain *prima facie* evidence they were accused. It was not so much for the prosecution to prove that the man was guilty beyond any reasonable suspicion, as it was for the accused to prove, in the face of the *prima facie* evidence against him, that he was innocent. In this case, Sir, the *prima facie* evidence you can find in the books, you can find in the transactions. Many of the transactions took place where the annual income shown was no more than Rs. 20 lakhs, whereas in fact the transactions amounted to crores and crores of rupees, two crores, three crores and so on. It is for the tax-evader to prove where the money came from. But they kept three or four books. One book they produced before the Income-Tax Authorities. The other books they locked somewhere else. If the Income-Tax Authorities can get hold of the book, it is *prima facie* evidence. You can say then that so much money was earned, and it will be for the evader to prove what the real position was. After all, it is a wrong way of arguing that just as in the criminal cases, where the Police investigate the case, submit a prosecution before the Magistrate, the evidence is cross-examined and then the opportunity for defence is given. It is entirely a different set of circumstances which prevails in the case of a tax-evader. Here you will find the books, transactions or something of the sort. There is no case for cross-examination in the sense in which it is in the case of an accused in ordinary suicidal cases.

Then, Sir, there is enough provision to guard against hardship or injustice in Section 7 (2) which says: "In making an investigation under clause (b) of section 3, the Commission shall act in accordance with the principles of natural justice, shall follow as far as practicable the principles of the Indian Evidence Act....." Now, this expression, "shall follow as far as practicable the prin-

ciples of the Indian Evidence Act", my friend will find used very often in the Defence of India Act where it says that so far as practicable the prosecution will be in accordance with the provisions of the Criminal Procedure Code, that so far as practicable the evidence will be in accordance with the provisions of the Evidence Act and so on. This phrase finds a place in the body of the Defence of India Act. My friend might not like to compare the position of the tax-evader to the necessity or emergency of the protection of a State. It was an old way of thinking, Sir, that a State has only way of functioning and that is that it must protect the people. Now, it is not greatly different to let a child be killed by the invader from to let him starve to death. The result is the same. Either an invader comes and kills a child or somebody takes away the morsel and lets the child die. The man who uses the sword is no more guilty than the man who starves the child. Both are the same. Now, the position is that you have got a lot of money. That money is not coming. In order to bring that money, you have to have recourse to special law. Now, do not indulge in legal nicety while the country is starving. The country wants money. You cannot throw more currency into the market. That will not help the people. Only so much power lies in your hands. To get back the money you can take recourse to the simple orthodox, traditional method of enacting law like the present measure. I would suggest a radical method to get back the money. Get all the money into the Bank. Appoint a date. Say that by such and such a date all should pay every pie in the rupee into the Bank. Then give money back in different currency proportionately. That is a radical method which you are not going to adopt. I know it has been tried somewhere and I suppose successfully. I personally believe that that is the only course by which you can get over this difficulty. But that nobody is going to accept or adopt. The only traditional and orthodox method in which we have been trained and bred up and to which we have been used is this making of law and getting what ever is possible. In making this law, enough provision has been made to guard against injustice. Further than this, we cannot at present expect.

Then, Sir, a lot of money might have been spent and it might be hard to pay. The tax-evaders could not invest in most of the cases in business. The money had to be hidden. It is underground money and this underground money could not be invested anywhere. So either it is spent on personal luxuries or it is somewhere in the safe boxes in the houses. In the open market this sort of money could not have been employed, because the man would have been caught.

So the money is there and that money is to be taken out. This argument that it would be a hardship to get hold of a man after eight or ten years and to ask him to pay that excess that he had not paid, because he might have no 4 P.M. is not the case; that money is there: he had not used it and he

means to pay them now, is not correct. In most of the cases, this could not use it. I therefore, think, Sir, it is a right thing that the Government have brought this measure.

As regards the criticism about the majority of the two judges or the like I think these are matters of very small import, and can well be modified. Taking it basically on principle this Bill is a sound measure which deserves the support from every section of the people.

Shri Mohan Lal Saksena (U.P.: General): Mr. Chairman, Sir, I was indeed surprised if not shocked to listen to the speech of my Honourable friend, Mr. Thakur Das Bhargava and still now when at the end of his speech he said that he was opposed to this measure. He said that the Finance Minister has not placed before him the figures of evasion and the number of cases. It might

have been desirable for the Finance Minister to have supplied the figures to this House, but I put to him one simple question: Is it not within his knowledge that there has been tax evasion? There have been innumerable cases of tax evasion and I gather that the amount of tax evasion will come to ten or eleven figures. If that is so, is it not proper.....

Pandit Thakur Das Bhargava: You may know, but I did not know this.

Shri Mohan Lal Saksena: I know it must be within his knowledge that there are businessmen who are maintaining two and three sets of account books. It must have been within his knowledge that during the six years of war there are man who have become millionaires and they started from the scratch. Mr. K. T. Shah was a little hesitant to compare them with the thieves and he said: "You have to set a thief to catch a thief" but I feel it will be a libel on thieves simply to satisfy his needs and the requirements of his family and relations. But the tax dodgers are those who rob the State, who rob the society not for their individual requirements or for the requirements of their families. But they want to satisfy their vanity, for just showing off their pomp and glory on others.

My Honourable friend Mr. Thakur Das Bhargava said: "Well there was a spirit of non-payment of taxes." Where was the spirit of non-payment of tax? Did they not pay the tax? They did pay the tax—but they evaded payment of a large part of their dues. So I say they are worse than thieves. Now they were giving crores of rupees towards war loan and gave donations to other war Funds. They were establishing all sorts of soldiers' homes and canteens. It would not be just to say that they were patriotic in evading payment of tax. I think it is highly inappropriate. It is said it is agreed that six years ago they evaded payment and now to ask him to furnish accounts is quite unjust. Supposing a man had committed theft ten years back and we are able to get evidence, will that man not be brought to book? Will he not be prosecuted? It is just possible that there may not be evidence. If the evidence is there, the thief has got to be punished; there is no limitation or time-bar and so I submit that there is no basis or no ground for saying that it will be a hardship to take measures to catch hold of these tax evaders at this late stage. It is said after all the Tax Department was there and the Income-tax Department failed to realize this. We know what it was—a conspiracy between our own masters, the foreign rulers and these men; they wanted some money to carry on their Government, to fight the war and so long as they paid a certain amount of money, they did not care as to whether they robbed people or raised prices; they did not care so long as they were co-operating with them in just carrying on this war and finding funds for their war loans and other activities.

So, Sir, I think nobody here will be prepared to say that there is no justification for the present Bill which has been brought before us. Then we know, Sir, that this Bill is an amending bill. We passed a bill last year. This bill has been brought on the recommendation of two eminent judges and on the recommendations of the Members of the Commission and I know there is no single person in this House who will say that in the present personnel of the Commission, we have not got the most straight-forward and most judicial minded persons that we could have in India.

I think a Memorandum has been circulated to Honourable Members which gives out the reason why they want these powers. Then, so far as the Select Committee is concerned we have just made a departure in two or three respects from the original bill as introduced. We have extended the period of reference from 31st March to 30th of June. You will remember that in the original Bill

[Shri Mohan Lal Saksena]

the provision was that new cases could only be referred till the 31st of March and it was found necessary that in view of the present circumstances that that period should be extended so that all such cases should be included which could not be compiled or collected during this short time that will be at the disposal of the Income-tax Department between the date of passing of this Bill and 31st of March.

Then, Sir, an objection was raised by Mr. Subramaniam that after all this finding is going to be based on the material that is brought on record. That does not mean that the material that is produced in evidence by way of rebuttal will not be brought on record.

Shri C. Subramaniam: That was not my point: I did not say that what would be let in by way of rebuttal would not go on record. But certain materials which had been brought on record might not have been placed during the enquiry for the person to rebut.

Shri Mohan Lal Saksena: Any way that was not the intention of the Committee or the Bill. If that is so, it might be scrutinised and I think a suitable amendment will be accepted, but it was never our idea not to give an opportunity to the person or to the assessee to give evidence in rebuttal.

Then, Sir, on these points, I hope my Honourable friend Mr. Ananthasayanam Ayyangar will be speaking. I do not want to go into these legal points.

Then I come to the rumours about which my Honourable friend Mr. K. T. Shah referred. I know the big business is responsible for spreading all sorts of rumours; they have created an impression that our Government is under the influence of big business. I know that there are persons who talk: They have been fellow directors of such and such a minister; they are friends of such and such a minister; they have been acting as hosts to such and such a minister and all sorts of things. But I know the Government as constituted today will not be influenced by any of these circumstances and I know, if necessary, they will not hesitate to proceed against their very nearest and dearest relations, if they come within the mischief of the provisions of this law which has been enacted. If there are any such cases within the knowledge of Mr. Shah, let him bring them to the notice of the Honourable the Finance Minister; there is ample time and then suitable action will be taken in regard to them.

He also said that to catch a thief you must set another thief, and insinuated that there are such experts in the Income-tax Department. I would not like them to be called thieves. I accept the principle when I say that in all collection departments have a practice of having informers. For instance, in the case of evasion of customs duty any information brought is suitably rewarded, and so is the case in excise. I hope this department also has some such arrangement. I think Prof. Shah meant that the department knows how to set a thief or an accomplice to catch another thief.

My Honourable friend Mr. Subramaniam asked why members of the Commission should be appointed for two years in the first instance; on the other hand Prof. Shah said that it should not be for two or three years, but this Commission must be there because there is bound to be tax evasion. But I think the idea of the Government was that so far as cases relating to this period are concerned they will be dealt with by this Commission, but later on we will have some machinery like that in the U.S. A., i.e. a Committee of the House, to which I hope our Finance Minister is giving thought and at the proper time he will place his proposals before the House.

Sir, I think there is still some opportunity for those people who evaded taxation. Some one said there has been a spirit of tax evasion because we were preaching non-payment of taxes. But since the 15th August last year there

has been a national Government here. These persons can come before Government now and offer to pay these taxes. After all they wanted to cheat the foreign Government and now they must be prepared to help this Government if they have any patriotism and sense of public duty. That will be the most honourable course for them to adopt, even if they have now to pay more. An appeal has been made from this House and the Finance Minister also has more than once appealed to them to come forward and make a clean breast of these evasions; and Government as well as the Commission will certainly take into consideration the fact that these evasions are being disclosed not because of any investigations but on their own voluntary initiative.

Sir, I support the Bill.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, in a world of naked men the man with a cloth becomes a fool. I am really surprised that my Honourable friends both on my right and on my left—Mr. Subramaniam for instance—have been more loyal to the rich men than the Finance Minister himself.

Shri C. Subramaniam: Sir, Honourable Member has completely misunderstood me. Simply because I criticised certain provisions that does not mean that I am a friend of the rich or an enemy of the poor.

Shri M. Ananthasayanam Ayyangar: I admit they are foes of the rich. Now, Sir, the Finance Minister started by saying that he wanted to have a reversal of the policy. The previous Minister by his taxation measures threw cold water on industrial enterprise. That he wanted to correct. We all agreed with him and hoped that the industrialist will take advantage of these measures and help the country in better production. Now the same Finance Minister has brought forward a measure which was introduced by the previous Minister with whom he did not see eye to eye with respect to most of this proposals. Can you say that this Finance Minister with one hand wanted to help the industrialists and with the other hand threw a stone at their heads? Therefore my Honourable friend Mr. Bhargava may feel sure that there will not be unnecessary harassment. The Finance Minister who is a responsible gentleman will take only such cases where he is himself convinced that they are good cases. We have provided rightly that till the 30th June 1948 Government itself may withdraw cases where after second thought Government may not find sufficient material for proceeding with the case. In a hurry when time was given in the previous Act as it stands, before 30th December 1947 all cases had to be filed. When time was sought to be extended to 31st March 1948 in the original Bill and amending Bill we gave him three months' more time and told him to make up his mind; in a hurry a number of cases may have been placed there. There is no intention in this Bill or in the previous Bill to get one pie from a man who is not bound to pay or one pie more from a man than what he is bound to pay. We do not want to grow rich dishonestly at the expense of a person who is not liable to pay. If really somebody has not paid there should be sufficient procedure or an organisation or authority by which those taxes will be collected. Take for instance a person who owns land; he is liable to pay land revenue. Does not the village *munsif* with the *karnam* or the *talayari* go in front of his house and announce that his chattel and all his belongings must be sold by public auction? The conscience of our friends is not touched there. I am sorry they are more anxious not about other rich men; he will also be the next rich man, and either by charity or otherwise we can get those funds. If a man has deceived the previous Government I will count him as one of the persons who fought the civil disobedience movement. Some people directly did not pay their taxes and went to jail and their property was sold. Indirectly these men evaded the tax and their coffers grew rich. They also can be called

persons who fought in the freedom movement. In the honours list I am prepared to give them the *agrasthanam* or the first place. The Finance Minister was advised to issue appeals; he issued appeals once and twice. And the third time even before these people set about the business he will only be too willing, anonymously or by collection, to receive all presents; he will accept them as presents not as his due. A rupee is not going to be 14 annas or 15 annas if it is called a present or 17 annas if it is called a tax. In either case he will welcome it. Let us instead of wrangling here go about the country and tell them that it is not their right and the rich men must pay because the entire community must be saved. The man who deceives does not deceive an individual but the entire community. Who is the plaintiff and who is the defendant? I have also been practising for some time; on account of my coming here my Honourable friends might think that I have lost touch with law and forgotten it. I was in the Select Committee and I shall try to justify everything for which I was responsible. The Finance Member feels I have let him down and looks to the other side. I am reminded of a case in which there was a munsif. As soon as a plaint came in about a pro-note saying that the man refused to pay, the munsif thought this man was a scoundrel because he took Rs. 300 and refused to pay and he came to the conclusion that there was a *prima-facie* case. The defendant then filed a written statement to say that he had paid the money for which the plaintiff had agreed to execute a receipt but he effected a sale of his sheep and cattle. The munsif would then say that the poor man had been deceived. Therefore when he does not hear the other side he immediately came to the conclusion that unfortunately these people have let him down in the Select Committee. I shall justify every act; the responsibility is not his but of every one of us. If really we have committed any error we must certainly admit that error.

I do not want any more preamble for what I am going to justify. As to the step we took in the Select Committee I will say one thing more. This ought not to be taken as a judicial tribunal. Under the Income-Tax Act is the income-tax authority a judicial tribunal? He makes inquiries to the best of his ability, asks the assessee to come forward and file a statement, who must take the oath. He is liable to be prosecuted; he must be examined on oath. It is open to him to go and ask him to produce accounts; he has all those powers.

But Honourable Members will remember, and particularly those who were here that some years earlier during the previous regime, the then Government wanted some additional powers of entry into a house, powers of search and the taking possession of documents to get at tax-dodgers. But we were not prepared to give that power. We were not prepared to clothe the officers under the previous Government with such powers, irrespective of their being fair or dark, we felt they would be afraid not so much of the white man but of his dog in his bungalow. Therefore such power would only harass our dark men. As a matter of fact our dark men's money was not going out from this country. After independence their money would be still ours and that in the end we would probably legitimately get it. So we stood by those people and we refused to allow these powers to get into the hands of the western bureaucracy. But today we have a different Government.

Our people's mentality will change. As a matter of fact there is a change. But we cannot get into their hearts at once.

I am going to the genesis of this Commission. If an officer is clothed with all the powers which the Commission is clothed, we might say that an officer of the Revenue Department should not be clothed with such powers. In his place there should be a Commission of extraordinary persons of extraordinary

integrity like an ex-Judge of the High Court, the Chief Justice of the Bombay High Court or a Member of the Income Tax Tribunal. Such a body would be of some judicial standing to decide over an Assistant Commissioner of Income-Tax. There is now an Inspecting Commissioner of Income-tax. For this there is a tribunal. I am glad that the Honourable the Finance Minister has avoided the suspicion that the authority contemplated is to squeeze the rich man who might have earned well during the war. He has not made himself open to that charge. He has been cautious and judicious. He wanted to make this as good a judicial tribunal as possible.

But are there two parties? If there are two parties, one will say, yes, and the other will say that there is no document. But we should know that every man, woman and child in this country is ranged on one side and the tax-dodger on the other side. He alone has access to his books. On one occasion Sir James Grigg brought forward an amendment to the Income-tax Act. It was to give additional powers for searches. Sir H. P. Modi speaking on the debate said that Sir James Grigg has mentioned that there are two sets of accounts. I say that I know that there are three such sets for each trader and businessman: one set of accounts for himself which gives him the trend of his transactions; the second set is to deceive Government; and the third set is to deceive his own partner. That is the morality of the people whose support we want in this country. I am not ashamed to admit that among them were many of my own kith and kin. Unfortunately they have overestimated their individual importance and set it against their own interest and against the interest of the public. We are the public in general, that body which is represented by the Ministry here and we, and the authority in the Income-tax Department are on one side: the man who has prepared three sets of accounts is on the other side. But he does not bring his accounts nor does he lay a clear statement on the table. What are we to do? Should this be torn to pieces? If my Honourable friends who objected to this were themselves Finance Ministers, what would they do? They would appoint a Commission consisting of respectable persons who are above approach whose traditions were that they were born into the profession and from the time they started life, the Income tax Act had become part and parcel of themselves. Those are the kind of people entrusted with the work which the Finance Minister was frightened to entrust to any other official. I know the whispering galleries are there. Even a man like Pandit Thakurdas Bhargava has said that you cannot entrust such a power with even a God. He would soon become Satan! Just imagine we are going to make God into Satan! We are so big that we are by certain powers going to make God himself become Satan. I would however like to urge that we can have this power. What are the powers that have been given? My friends said that the investigating authority ought not to be a Judge. Now let there be a complaint filed before the Magistrate. The Magistrate has a right to make a preliminary enquiry. What is that enquiry? In it my friends cannot appear. They may be vakils. I even cannot appear.

Shri C. Subramaniam: During the preliminary enquiry before a Magistrate you can appear. I am afraid the Honourable Member is forgetting his law!

Shri M. Ananthasayanam Ayyangar: Wittingly or unwittingly, I do not appear. So far as the preliminary enquiry is concerned, it is open to him to gather material and then come to a conclusion whether there is a *prima facie* case or not. Then he may dismiss the case. If there is not a *prima*

[Shri M. Ananthasayanam Ayyangar]

facie case he can throw it out. Otherwise he can proceed with it and call upon the accused and examine the witnesses and give him an opportunity to rebut. It was said that rebutting was something different. It is only by adducing fresh evidence and by cross-examination of the evidence that you can show how much of the evidence brought on record is wrong. All that the Commission does is to gather such material and with respect to all and sundry material it may not think it necessary to call the assessee or the person charged against to come and explain. They may without further evidence reject some piece of evidence. If he rejects, how can his judgment be coloured? He has the right to reject some evidence and accept some. If there is a case which has to be rebutted he may accept it; and professionally don't we do so subject to relevancy and further proof. If no proof is tendered it is rejected.

Statements have been made here as if the whole procedure was novel. Is the Honourable Finance Minister starting a new procedure in this world? They are not aware evidently of the elementary principles of jurisprudence and justice.

This is an emergency piece of legislation. The same Commissioners have been entrusted with the task of suggesting ways and means of amending the Income-Tax Act. This is not for the purpose of just amending. It is to endeavour to get hold of persons who try to dodge taxes on income which have accrued during the war from 1938. Similar provision is there in section 34 of the Income-tax Act today. But for various reasons the officers are unable to proceed against a man. A charge may be made, there may be whispers and even the Finance Minister may withdraw cases. If so, how can you expect the ordinary officials to have the courage to proceed against them. First of all we should have responsible persons who can be entrusted with this task, proper officers who can get hold of those persons who are guilty of tax-evasion. This Commission is a sort of grand authority, an independent authority. . . .

Shri T. T. Krishnamachari (Madras: General): A Grand Inquisition!

Shri M. Ananthasayanam Ayyangar: No man who is asked to pay a tax pays it gladly. The best of socialists turns overnight into the worst of conservatives or diehard Tories. Bernard Shaw the great exponent of Socialism when he was asked to disgorge his property said "Socialism is not for me. I am teaching the whole world and when the whole world becomes socialist my property also will become the property of the state." Socialism is for others but not for one's own self.

Now am I going to catch people who have evaded paying Rs. 200 or 300. There are about 200 or 300 people in all India who may have to pay enormous sums. The Bill is intended only for such extraordinary cases. The Finance Minister will be laughed at if he places 300 cases where Rs. 300 each was due, before the Commission, whereas each Commissioner may be paid Rs. 4,000. Rs. 300 multiplied by 300 comes to 90,000 only. Merely because there are provisions here, they will not be applied. If you want such an assurance the Finance Minister will give the assurance. Extraordinary cases where large sums are involved alone will be caught. There is absolutely no reason to get alarmed. On the evidence on record no judgment will be given unless the judge satisfies himself that there is a *prima facie* case and even then after the assessee has had the opportunity to rebut the evidence. It is not therefore evidence alone but there will also be cross-examination, to show that the evidence cannot be relied upon.

As regards copies when copies are given of those documents which are brought on record they can certainly be allowed to be inspected. It is said that copies may be granted but inspection of original documents may not be

allowed. If copies are granted what is the difficulty about access to the original documents. Certainly all those documents which have been brought on record will be shown. Other useless documents will not be brought on record.

Pandit Thakur Das Bhargava: May I draw the attention of the Honourable Member to clause 4 where it is given that the right of inspection will not be there unless with permission.

Shri M. Ananthasayanam Ayyangar: Right of inspection of every document will not be there.

Pandit Thakur Das Bhargava: Any document.

The Honourable Shri R. K. Shanmukham Chetty: This relates to documents which cannot be brought on record.

Pandit Thakur Das Bhargava: It refers to both kinds of documents.

Shri M. Ananthasayanam Ayyangar: Before the documents are brought on record it is a matter of discretion to allow inspection. After they are brought on record you have a right to rebut the evidence and the powers of inspection will be there. So this also falls to the ground.

Then there is nothing novel in the words "notwithstanding anything in any law to the contrary". Section 126 of the Indian Evidence Act was referred to and it was suggested that there is a privilege under this section as between a lawyer, counsel, and a client. Whatever information a client gives to his lawyer shall not be asked to be divulged. As far as possible evidence under the Indian Evidence Act alone will be taken. What are all the things to the contrary?

The Honourable Shri R. K. Shanmukham Chetty: Under the Bankers' Book Act a banker cannot disclose details regarding the transactions of his clients but it is exactly that kind of information that we want to catch hold of people.

Shri C. Subramaniam: "Notwithstanding anything in any law to the contrary" would not exempt a lawyer. There is no exception made in any case.

Shri M. Ananthasayanam Ayyangar: What is the good of asking the Finance Minister about it. I shall try to explain it, although I know he was also a lawyer. He has given instances as to where he intended this to apply. My friend Mr. Subramaniam says that this is too general. Some other man gives a statement before the income-tax authority and so far as this is concerned it is confidential. As to whether this covers the case where a lawyer would be asked to divulge, my submission is that he would not be called upon. This will not apply.

Shri C. Subramaniam: I am glad to have the Honourable Member's assurance.

Shri M. Ananthasayanam Ayyangar: My interpretation is that a lawyer gives only indirect evidence. A lawyer is given certain documents. That is direct evidence which alone is permissible under the Evidence Act. The assessee makes an admission which may or may not be true. But he is not bound to make an admission. After all a client is not bound to give out the truth even to his *vakil*. Under these circumstances this would not apply to that case at all. It would not be proper under the Evidence Act. These are all extreme cases. In 1942 when people wanted to appear before high courts for the purpose of filing petitions under the *Habeas Corpus* to get the release of arrested persons under the 1942 Movement, people were afraid. Why? I am really surprised that this provision should be intended to mean that it would cover the case of lawyers also.

[Shri M. Ananthasayanam Ayyangar]

Now, I come to the period of the Commission. My friend blew hot and cold. There are about 200 cases now and they had to be disposed of. One year may be too short. Two or three years may be long and therefore two years may be fixed in the first instance and if necessary it should be carried on for one year more. If even within the period of one year, as suggested by my friend in six months, all the cases are disposed of, what will they do? This is therefore a hypothetical case. The reasonable expectation is that it should go on for a period of two years. It may go on for three years. These are all not matters which are germane and they are farfetched.

Much was made of the statement that the officials shall obtain the statement of the assessee. It is obligatory for the official to go and obtain the statement but he will not coerce them. The only point you have to see is that the Commission may authorise any official to do so and on such authorisation the official shall do so. That only means that it is the duty of the official to ask for a statement. My friend read only the earlier portion and not the latter portion. If the man refuses to give the statement the official can immediately close the case.

Shri C. Subramaniam: My Honourable friend is wrong. It is only when the person against whom the investigation is made refuses to give a statement the enquiry may be closed and not when any third person from any statement is required as a witness refers to make a statement.

Shri M. Ananthasayanam Ayyangar: Then it is much better. There is a remedy in the case of the person charged against. If the prospective assessee refuses to give a statement the official can close his case. With respect to other cases, if the man refuses, the official cannot do anything; he can only bite his fingers. There is another provision which says that he can report the matter to the Commission and the Commission might take such steps as it deems fit. If a man is in possession of certain facts and refuses to disclose them, a penalty can be imposed upon him. It is not as if you shall do it. If I ask my servant to go to my Honourable friend Mr. Subramaniam and get some books from him it is not as if my servant can walk away with the books. What is this kind of construction he is putting? I have a right to ask my servant "you shall do it; you shall fetch something from the bazar". But if the bazar-man refuses to sell, am I asking him to loot? I am surprised at this kind of construction that the expression "you shall" means that "you shall do so". If I ask my servant to get the mountain, shall he shake the mountain? I am not bound to answer these things and I do not want unnecessarily to take up your time.

I have only to answer one point made by Prof. K. T. Shah and that was that the Government has been clothed with power to withdraw. I was also suspicious why the Government should be clothed with the power. But even if Professor Shah is the Finance Minister, he must have the power to withdraw. There may be useless cases. There is no use clutching at them; it will be demoralising. If an useless case is pushed further it will go about the country that these are the cases placed before this Commission. The man will get scot-free and so long as the assessee is alive not even the Finance Minister will have the courage to ask from him a pie. It is no use pursuing a useless case. Therefore that power is necessary. I say that this Bill as it has emerged from the Select Committee—I say so not because I was there—is fool-proof. It must be carried both in principle and as it stands. If there are any errors here and there, certainly the Finance Minister will accept those amendments.

Shri T. T. Krishnamachari: Mr. Chairman, the provocation for me to come to speak on this motion is the speech of my Honourable friend Mr. Ananthasayanam Ayyangar and the extraordinary exposition that he gave of double standards of morality, one standard of morality when a foreigner was ruling

this country where people could be freely allowed to evade payment of tax and a different standard of morality when we are in possession of the state when we must compel the people to pay their taxes and dues by every conceivable provision of law possible, however Draconian it might be. (Interruption). I am not yielding. I want my Honourable friend to recall what happened in 1945 when a former Finance Member brought a Bill for amending the Income-tax law—an amendment to Sections 34 and 38. He then pointed out the need to amend Section 34 and said how inadequate it was and how the intention of the section could not be implemented. These two Sections were sought to be amended for giving the Income-tax Department more powers in order to reopen cases beyond the period set forth in Section 34 and also giving the Department powers to inspect accounts and enter the premises where such accounts are kept. I must say, Sir, in justice to the memory of that great man whose voice resounded here for a decade and over that he felt that the Department was justified in asking for an enlargement of the powers—I refer to the late lamented Bhulabhai Desai. I must also tell the House that he carried me with him. But we were powerless and we could not give the Department these powers, in spite of the fact that any diminution in the tax collection by the then Government meant more borrowing from the people. The British Government however got its money if not by way of taxes, by borrowing, or by way of increasing its currency and by similar methods. Now to say that any Draconian provision is justifiable because we have a government of our own, on the ground that a different standard of morality should now obtain is a proposition which I cannot accept. However eminent the person propounding this theory might be as a lawyer and as a legislator I think it is a proposition which the House cannot accept.

Shri M. Ananthasayanam Ayyangar: That is because I appreciate the change that has come about.

Shri T. T. Krishnamachari: The mere fact of the change cannot justify the provisions of the nature that are found in this Bill as it has been amended by the Select Committee. The Select Committee seeks to put a provision in this Bill which says "Notwithstanding anything contained in any law to the contrary". I want a specification of all the laws which will be affected. A lawyer like my friend Mr. Ananthasayanam Ayyangar cannot say that it cannot apply to the Evidence Act. It will apply to that Act and to every other conceivable Act of that nature. If what my Honourable friend the Finance Minister said is correct he wants protection against the Bankers Books Evidence Act it seems the Commission has already required and obtained some protection against that particular Act and the other provisions of the amending bill. Instead of doing that specifically you are putting an omnibus clause and saying "Notwithstanding anything contained in any law to the contrary." And persons like my Honourable friend Mr. Ananthasayanam Ayyangar, who would not allow a minor amendment to Sections 34 and 38 in 1945, trying to justify this is a metamorphosis which even I, a close friend of his, cannot easily digest.

Shri M. Ananthasayanam Ayyangar: I worked for the metamorphosis.

Shri T. T. Krishnamachari: He might have done so, but he has finished that work.

Mr. Chairman: I think the personal references may be cut out.

Shri T. T. Krishnamachari: I am sorry to make the reference to what happened in 1945 it was only because as I said before that was the only provocation for me to speak on this motion. I feel that in so far as Mr. Subramaniam has pointed out the enormity of the implications of this particular amendment he has done a definite service to this House and I propose to support him when he moves his motion, in spite of my Honourable friend Mr. Ayyangar's opposition.

[Shri T. T. Krishnamachari]

With regard to anything else that Mr. Ayyangar might have said I have nothing to quarrel alone. Actually, we are aware that the provisions of this amending bill are Draconian. We are also aware that such provisions are needed in order to see that income-tax evasion is put an end to, or at any rate mitigated to a considerable degree. Professor K. T. Shah was saying that 50 per cent. of the income-tax assesses do not pay the tax. I was told by a person who had known the position both as an Income-tax Commissioner and subsequently as an adviser to people who have to pay income-tax that the estimate of people who were not paying income-tax, in his opinion, was somewhere about 66.2/3 per cent.

Prof. K. T. Shah: On a point of personal explanation, I mentioned 50 per cent as an estimate. . .

Shri T. T. Krishnamachari: I am not refuting Prof. Shah's estimate. I am merely saying that his estimate is not probably very accurate because on better authority I have an estimate that a much larger percentage of people are evading the tax. If we pass this measure and if we do it with the full knowledge that it runs contrary to the ordinary law of the land, then we are throwing away every principle for which my friend Mr. Ananthasayanam Ayyangar fought in the past—the libertarian ideas which impelled us to fight the British Government and which impelled him to make the sacrifices that he made—we are bidding goodbye to all these in order to see that the country gets the money that is due to it and which it needs. That does not mean that what we did in the past because it was a Foreign Government was right, and what we now do is something glorious. A double standard of morality is not justifiable in any circumstances. I do hope that my Honourable friend the Finance Minister will lighten the rigour of this particular Draconian measure to the extent that it would not impinge on the ordinary law of the land, except in so far as it is specifically mentioned here that it does.

Shri Satyanarayan Sinha (Bihar: General): Sir, the question may now be put.

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I am very glad that this debate has taken place. Apart from the relevancy of this debate to be measured immediately before the House, it is significant because it is an evidence that this House will think a hundred times before giving extraordinary powers even to the executive of a national government which might jeopardize the individual liberty of an honest citizen. From that point of view the debate must give cheer and hope for the future of our country.

Coming to the actual measure, I am afraid that the whole criticism of my Honourable friend, Pandit Thakur Das Bhargava, is based upon a misconception of the nature and function of this Commission. If we were setting up a special judicial tribunal, then all his observations will be perfectly relevant. I made it plain at an earlier stage of the debate that it is not our intention to set up an *ad hoc* judicial tribunal before which two parties will appear, but it was our intention to set up an investigation commission. It is a well known fact that a great many people.

An Honourable Member: Too many.

The Honourable Shri R. K. Shanmukham Chetty:evaded the payment of legitimate taxes during the last seven or eight years. We could proceed against them under the ordinary income-tax law, but we found on an examination of our income-tax law that that Act does not invest the income-tax authorities with sufficient powers to proceed against these evaders. For

instance, under the Income-tax Act, an officer cannot ask a third party to produce his accounts so that he might come to some decision regarding the assessment case of another person. Having found that limitation under the Income-tax Act, it was then a matter for decision whether we should invest the income-tax authorities themselves with extraordinary powers to proceed to the task of bringing to book these tax-evaders. Then we thought that there would be serious objection on the floor of this House if we brought forward a proposal asking for such extraordinary powers to be invested in the hands of the officers of the Income-tax Department, and so we thought we would set up a commission whose integrity cannot be questioned and we will invest them with these extraordinary powers. As soon as I came into office and wanted to establish the commission, I was told by my advisers that the Act under which the commission was to be set up was very defective and that the commission will not really be effective unless certain radical amendments were made, and they produced before me a draft of those amendments. When I looked at those amendments, my mind also was disturbed like that of my friend Pandit Thakur Das Bhargava. At the same time I felt that without these powers it would be difficult for the commission to work and so I said that I would not accept these amendments unless the commission itself feels that these powers are necessary for them to discharge their functions. So I asked the Central Board of Revenue to place before the Commission for their examination the draft amendments. After very carefully going through those drafts, the Commissioners themselves came to the conclusion that without the powers which they indicated in their report, the work of the commission will not be effective. That is the genesis of the original measure and the present Amending Bill. I frankly admit that we are not setting up an *ad hoc* judicial tribunal and I frankly admit that we are investing this judicial tribunal with extraordinary powers which under the law of the country will not be permissible, but the fact remains that if you really want to collect, at any rate make an attempt to collect, the money from these tax-dodgers, there is no other course. That is the justification. My Honourable friend, Pandit Thakur Das Bhargava, thought that every small man would be harassed. I might give him the most categorical assurance that it is our intention to place before the Commission only a few selected cases relating to the very top men in the business.

An Honourable Member: How many?

The Honourable Shri R. K. Shanmukham Chetty: It is not possible for me to say how many, but it will be a comparatively small number and I personally would be glad even if a dozen of them could be brought to book. So no apprehension need be entertained that an honest, innocent or poor man or the middle class man will be subjected to any harassment at all.

After all this explanation, Sir, about the genesis of this measure, and after the exposition given by my Honourable friend Mr. Ananthasayanam Ayyangar, I hope the House will accept this motion, and when we actually take up consideration of the various clauses, I shall certainly be prepared to accept any suitable modifications that may be necessary to remove the anomalies pointed out by my Honourable friend Mr. Subramaniam.

Mr. Chairman: The question is:

"That the Bill to amend the Taxation on Income (Investigation Commission) Act, 1947, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Monday the 22nd March, 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Monday, 22nd March, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

ISSUE OF IMPORT LICENCES TO HINDUSTAN MOTORS LIMITED AND OTHERS FOR 1948

910. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Commerce be pleased to state whether it is a fact that the firm of Hindustan Motors Limited have been given import licence for the first six months of the year 1948 for Rupees eighty five lakhs?

(b) What are the reasons for giving import licence for such a large amount to this firm?

(c) What is the allotment of licences for the same period given to other Motor Vehicles Assembly Plant Companies?

The Honourable Dr. B. R. Ambedkar: (a) Yes.

(b) No special preference has been shown to Messrs. Hindustan Motors Ltd. In fact licences have been granted after considering and taking into account the available foreign exchange for imports from dollar and non-dollar areas and the assembly capacity of the respective firms. Preference was given to such assembly plants as are also being equipped for a progressive manufacture of component parts in India, and thus help in the development of automobile industry in India.

(c) Government consider that it will be against the interests of the Public in general and the trade in particular to disclose the information required by the Honourable Member.

Mr. R. K. Sidhva: Sir, against this licence of Rs. 85 lakhs, may I know the shipments of cars that will be made from the manufacturing ports into India per month, and whether they will all be assembled here or they will be imported assembled?

The Honourable Dr. B. R. Ambedkar: I am afraid I must have notice of this question.

Shri H. V. Kamath: Which are the other Assembly Plants that have applied for import of cars?

The Honourable Dr. B. R. Ambedkar: I have no information with me.

Mr. R. K. Sidhva: What is the reason, Sir, for not giving an answer to part (c)?

Mr. Speaker: He has stated the reason.

Mr. R. K. Sidhva: Sir, answer to (a) has been given but

Mr. Speaker: Order, order. The Honourable Member is arguing. The Honourable Minister has given the answer that, it will not be in the public interest to give an answer.

LUXURY GOODS TO BE IMPORTED DURING 1948

911. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Commerce be pleased to state if the Government of India propose to issue any permits in 1948 for the import of luxury goods from foreign countries into India?

(b) If so, what are the articles under head 'luxury goods', proposed to be imported into India in the year 1948 and what is the total amount of India's holding in foreign exchange proposed to be spent on the said imports?

The Honourable Dr. B. R. Ambedkar: (a) No, Sir, in so far as the current shipping period is concerned.

(b) Does not arise. The question of importation of luxury goods during the second half of 1948 will be considered at the appropriate time.

Shri Kishori Mohan Tripathi: Is it possible for the Government of India to stop imports of all luxury goods throughout the year?

The Honourable Dr. B. R. Ambedkar: As I said, that is a matter which I believe will be considered at each current shipping period.

SEPARATE GOVERNMENT STOCKS OF PETROLEUM FOR EMERGENCIES

912. *Shri Kishori Mohan Tripathi: Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) whether the Government of India hold separately any stock of petroleum for use during emergencies, if any;

(b) whether petroleum stocked for civil purposes are in such hands as would readily transfer the same if and when so demanded of them by the Ministry of Defence; and

(c) whether Government of India have considered the desirability of holding all stocks of petroleum in India in Indian hands and also the desirability of transferring the entire business to the control of Indian nationals?

The Honourable Pandit Jawaharlal Nehru: Government do not consider it advisable in the public interest to answer these questions.

Shri H. V. Kamath: Sir, what exactly is 'public interest' and what is not 'public interest'?

Mr. Speaker: Order, order. It is well-known.

SURVEY OF CHHATTISGARH STATES FOR MINERAL WEALTH

913. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state, if at any time in the past, any official or non-official survey of the Chhattisgarh States has been made to ascertain the existence of mineral wealth in the area?

(b) If so, what have been the results of the survey?

(c) If not, do Government propose to survey the area for ascertaining the existence of mines therein?

The Honourable Pandit Jawaharlal Nehru: (a) to (c). The information is being collected and will be laid on the table of the House when received.

ENQUIRY INTO CONDITIONS OF AGRICULTURAL LABOUR IN INDIA

914. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Labour be pleased to state if any enquiry has ever been made into the condition of agricultural labour in India?

(b) If so, has any report of the enquiry been published?

(c) If not, do the Government of India propose to hold such an enquiry on an all India basis and if so, when?

The Honourable Shri Jagjivan Ram: (a) No specific enquiry has been instituted by the Central Government into the conditions of agricultural workers in India, but certain aspects of agricultural labour problems, such as migration and emigration of agricultural workers, land tenure problems, rural credit and indebtedness, rural employment and agricultural prices and wages have been touched upon in the Reports of the Royal Commission on Agriculture, 1926, Royal Commission on Labour, 1931, the Famine Enquiry Commission, 1945, the Agricultural Finance Sub-Committee (1945) and the Agricultural Prices Sub-Committee (1946).

(b) Reports referred to in (a) above have been published.

(c) A proposal to institute a special enquiry into agricultural labour conditions is also under consideration.

Shri Kishori Mohan Tripathi: When will such an enquiry start, Sir?

The Honourable Shri Jagjivan Ram: The enquiry is likely to start very shortly.

श्री रामसाहय : क्या माननीय मिनिस्टर साहब यह बताएंगे कि स्टेट्स (states) को इसमें इन्कलूड (include) किया जायगा ?

Shri Ram Sahai: Will the Honourable Minister please say if the States will be included in this enquiry?

आनरेबल श्री जगजीवनराम : स्वाहित तो ऐसी ही है ।

The Honourable Shri Jagjivan Ram: It is intended to do so.

Shri H. V. Kamath: Is the Honourable Minister aware, Sir, that the number of landless labourers is steadily growing nowadays?

The Honourable Shri Jagjivan Ram: I take it from the Honourable Member.

Shri Biswanath Das: May I know the scope of the enquiry that is proposed to be undertaken?

The Honourable Shri Jagjivan Ram: The enquiry will be to ascertain the working conditions, rates of wages and all other things about the agricultural workers.

Shri H. V. Kamath: What steps, Sir, do Government propose to take to check the growing expropriation and impoverishment of labour in the rural areas?

The Honourable Shri Jagjivan Ram: That is for the Provincial Governments, and depends upon the tenancy legislation that they can frame.

ECONOMIC CONDITION OF INDIANS IN MAURITIUS

915. *Seth Govinddas: (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware of the deteriorating economic condition of the Indians in Mauritius?

(b) Have the Government of India received any communication from the Indians in Mauritius asking them to set up an enquiry to find out the real economic condition of Indians in Mauritius?

(c) If so, what action has been taken by Government in the matter?

The Honourable Pandit Jawaharlal Nehru: (a) Government have no definite information to that effect although one or two recent communications received by Government contain some such statement.

(b) A suggestion to this effect was recently made by an Indian gentleman who was formerly associated with Mauritius.

† Answer to this question laid on the table, the questioner being absent.

(c) Government are trying to verify the information contained in the communications referred to. They consider, however, that the important thing is to have an Indian Representative in Mauritius and I am glad to say that the United Kingdom Government have recently agreed to our appointing a representative in that country.

IMPORT LICENCES, NUMBER AND VALUE OF CARS AND TRUCKS TO BE IMPORTED DURING 1948

916. *Shri Jaspat Roy Kapoor: (a) Will the Honourable Minister of Commerce be pleased to state what is the total number and the value of cars and trucks for which import licences have been sanctioned for the year 1948-49?

(b) What is the number of applicants who applied for import licence for such cars and trucks?

(c) What is the number of applicants to whom licence has been granted?

(d) How many of the rejected applicants are old dealers in the trade?

(e) How many of the licensees are new entrants in the trade?

(f) What is the basis on which import licences for motor cars and trucks are granted?

(g) Do Government propose to lay on the table of the House a statement giving the list of persons who had applied for such import licences together with the import quota allotted to them?

The Honourable Dr. B. R. Ambedkar: (a) For January-June 1948 licencing period certain monetary ceilings have been fixed for imports of cars and trucks. Licences are issued with value as the limiting factor, but also with price-limits in regard to each car or truck unit. In respect of imports from the U.S.A. the value of a C.K.D. (Completely knocked down) car should not exceed Rs. 5,000 and that of a C.K.D. truck Rs. 4,000. In respect of imports from the U.K. the price of a car should not exceed Rs. 6,250 if assembled and Rs. 5,000 if C.K.D. No licences are issued for imports of assembled cars from dollar area. No licences have yet been issued for other countries.

(b) 700.

(c) 76.

(d) None.

(e) Applications from new entrants for the current half year have not yet been considered.

(f) Licences for C.K.D. cars and trucks have been granted so far to firms who have their own assembly plants in India and on the basis of their capacity to assemble components and for assembled vehicles to accredited dealers on the basis of their past imports of particular makes of cars.

(g) I regret that it will not be in the interests of trade to disclose the information desired by the Honourable Member.

श्री रामसाहय: क्या मिनिस्टर साहब यह बताने की कृपा करेंगे कि यह जो कीमतें आपने बताई हैं उस में कस्टमस (customs) भी सम्मिलित होंगी या उसके अतिरिक्त है।

Shri Ram Sahai: Will the Honourable Minister please state whether the prices referred to by him will include customs also or will be exclusive of this?

The Honourable Dr. B. R. Ambedkar: I am afraid, I cannot off-hand answer that question.

Shri T. T. Krishnamachari: In regard to answer to part (g), when the Honourable Minister says that Government do not feel disposed to give this information, may I ask, Sir, if he is aware that one particular importer under this C.K.D. plan has got licences covering 47 per cent. of the total imports from the Dollar areas.

The Honourable Dr. B. R. Ambedkar: I am unable to say anything about what my Honourable friend has said; it may be true or it may not be true.

Shri Deshbandhu Gupta: May I know, Sir, whether any of these persons whose licence applications have been rejected, have made representation to Government?

The Honourable Dr. B. R. Ambedkar: I must have notice of this question.

EXODUS TO INDIA AND FEELING OF INSECURITY AMONG HINDUS OF EAST PAKISTAN

917. *Shri Jaspat Roy Kapoor: Will the Honourable the Prime Minister be pleased to state:

(a) whether the attention of Government has been drawn to the A.P.I. news that on the 11th of February 1948, about 500 houses inhabited by Hindus in Nownga village in the area of Lakhi police station in East Bengal were burnt down by Muslims;

(b) whether Government are aware that this incident has further accentuated the feeling of insecurity among the Hindus of Eastern Pakistan, and that their exodus to India, has accelerated;

(c) in view of the rapidly increasing number of Hindu refugees migrating from Eastern Pakistan into India whether Government propose to take up this matter with the Government of Pakistan;

(d) whether Government propose to arrange for the appointment of a Deputy High Commissioner for India in Eastern Pakistan;

(e) whether Government propose to negotiate with the Government of Pakistan for the appointment of a Custodian of East Bengal evacuees' properties; and

(f) what steps Government have taken or propose to take, to give relief to the refugees arriving from Eastern Pakistan and to rehabilitate them?

The Honourable Pandit Jawaharlal Nehru: (a) Government have seen the news item referred to.

(b) Government are aware that a considerable number of Hindus have migrated from East Bengal to West Bengal. They cannot say what the effect of the particular incident referred to has been. Government are of opinion that large scale migrations are not desirable and should not be encouraged as they will bring a great deal of suffering in their train. They trust that conditions will improve so as to enable minorities in East Bengal to resume their normal lives and vocations.

(c), (d) and (e). At the meeting of the Prime Ministers of India and Pakistan held on the 19th March in Delhi, it was agreed that an Inter-Dominion Conference should be held to discuss the position of minorities in East and West Bengal as well as other questions relating to the two Dominions. It is proposed to hold this conference in Calcutta. It will be attended by Ministers of the two Dominions and the Premiers of East and West Bengal and of Assam, too.

(f) The West Bengal Government have been invited to set up a Rehabilitation and Development Board of their own which will work in close collaboration with the Rehabilitation and Development Board at the Centre through a representative permanently stationed at Delhi. Refugees from East Pakistan will be entitled to relief in the same way as refugees from West Pakistan.

Shri Mihir Lal Chattopadhyay: Is it a fact that quite a large number of people have been fleeing from Eastern Pakistan to Assam?

The Honourable Pandit Jawaharlal Nehru: I have no figures. Some may probably be going away.

Shri Mihir Lal Chattopadhyay: Is it a fact that refugees coming from Eastern Pakistan are being harassed on their way in various ways such as searches and holding up of their property, etc.?

The Honourable Pandit Jawaharlal Nehru: I think that is probably true. In fact, at the present moment, people crossing the borders are subjected to a great deal of harassment, partly because of the question of customs coming in, and this affords a splendid opportunity for harassment.

FOREIGNERS DIED INTESTATE IN INDIAN UNION DURING LAST FINANCIAL YEAR

918. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Law be pleased to state the number of foreigners who have died intestate in the Indian Union during the last financial year?

(b) How is the property of such persons disposed of if they die without any relatives?

(c) What amount was accrued to the treasury during the last financial year on account of foreigners dying intestate in India?

The Honourable Dr. B. R. Ambedkar: (a) The information is not readily available and the time and expenditure involved in collecting the information will not be commensurate with the result achieved.

(b) Under Section 174 of the Government of India Act, 1935, any property in India accruing to His Majesty by escheat or lapse, or as *bona vacantia* for want of a rightful owner, if it is situate in a Province, vests in His Majesty for the purposes of the government of that Province, and in any other case accrues to His Majesty for the purposes of the government of the Dominion.

(c) Government have no information

BRITISH PERSONNEL AND STRENGTH OF INDIAN SERVICE OF ENGINEERS

919. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state the present strength of the Indian Service of Engineers?

(b) What is the number of British personnel in this category?

(c) What are the qualifications necessary for this class of officers and how do Government propose to train the required number?

(d) Is a register of qualified engineers in the country being kept and if not, do Government propose to consider the desirability of doing so?

The Honourable Dr. Syama Prasad Mookerjee: (a) The number of officers of the Indian Service of Engineers, who are at present in service, is 117.

(b) 6.

(c) The minimum qualifications required of officers of this class is the possession of Engineering qualifications of the Degree standard of a recognised University.

With regard to the second part of the question, training in Engineering is provided in Engineering Colleges. Government were only concerned with recruitment which also stopped in 1934. The question of formation of Service of Engineers on an All-India basis is under examination in consultation with Provincial Government.

(d) No. Certain proposals in this connection received from the Indian Institute of Engineers are however under consideration.

ADDITION OF A NAGARI SCRIPT TO INSCRIPTIONS ON INDIA ARCH ON KINGSWAY

**920. { Shri S. V. Krishnamurthy Rao:
Shri R. R. Diwakar:**

(a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether Government are aware that the India Arch on the Kingsway, New Delhi bears an inscription regarding the laying of its foundation stone only in English and Urdu?

(b) Are Government aware that thousands of people who visit the Arch know only the Nagari script which is now a script recognised by the Government of India?

(c) If so, do Government propose to take steps to see that the inscription is written in the Nagari script also?

(d) Do Government propose to take steps to see that in future, if any inscription is written on any new Government of India buildings, the Nagari script is also used?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes.

(b) Yes.

(c) Yes.

(d) Yes.

EXPORT OF *Gur* TO PAKISTAN DURING JANUARY AND FEBRUARY, 1948

†921. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Commerce be pleased to state the amount of *Gur* exported to Pakistan during the months of January and February 1948?

(b) If no exports have been made, what steps do Government propose to take to promote the trade of *Gur* between India and Pakistan?

The Honourable Dr. B. R. Ambedkar: The question should have been addressed to the Honourable Minister for Food. It has accordingly been transferred to the list of questions for 1st April 1948, when the Honourable Minister for Food will answer it.

PAKISTAN'S POLICY *re* RETURNING NON-MUSLIMS

922. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether the attention of Government has been drawn to the statement made by Mr. Ghazanfar Ali, the Minister of Refugees in the Government of Pakistan on 27th February, 1948 regarding Pakistan's policy towards returning non-Muslims?

(b) If so, are Government aware that several Hindu and Sikh owners of houses and factories, who returned to Pakistan, are disappointed to find that the Government of Pakistan are not prepared to restore their property?

(c) If so, what steps do Government propose to take in this connection?

The Honourable Shri K. C. Neogy: (a) The Honourable Member presumably refers to the statement made to the A.P.I. correspondent by the Minister for Refugees, Pakistan and published in the issue of 26th February, 1948 of *The Pakistan Times* of Lahore. If so, the answer is in the affirmative.

(b) Some cases have come to the notice of the Government in which non-Muslim evacuees are reported to have experienced difficulties in obtaining restoration of their properties.

†Answer to this question laid on the table, the questioner being absent.

(c) The question of restoration of property of evacuees who wish to go back and settle in Pakistan has been raised. India has been asked to state her policy in this behalf. The matter is under consideration. Meanwhile Government of India has seen the enunciation of policy of West Punjab Government in this behalf by the Governor of that Province at the annual meeting of the Northern Pakistan Chamber of Commerce on 20th March. This will be carefully considered in the formulation of our policy.

Shri Deshbandhu Gupta: Does the Honourable Minister keep figures of cases in which property and factories have been restored to refugees from West Pakistan?

The Honourable Shri K. C. Neogy: I am afraid not.

Shri Deshbandhu Gupta: Have Government received any complaints to the effect that persons who owned large properties, particularly factories, have been refused permission to reoccupy them and to restart them?

The Honourable Shri K. C. Neogy: I have already said that such reports have reached us.

Shri Deshbandhu Gupta: Have Government made enquiries and are they in a position to state the extent of the value of these properties which have not been restored and for which applications have been made?

The Honourable Shri K. C. Neogy: Enquiries are being made by our Deputy High Commissioner's organisation in Lahore and I have not got the particulars here.

Shri T. T. Krishnamachari: May I ask the Honourable Minister whether his attention has been drawn to a statement appearing in the Press by Sir Francis Mudie, Governor of West Punjab, and if so, does the Honourable Minister propose to tell us how the position is affected by that statement?

The Honourable Shri K. C. Neogy: As I said, this statement of Sir Francis Mudie will be carefully considered by us in the formulation of our policy.

گیانی گورمکھ سنگھ مسافر : کیا آنریبل منسٹر بتائیں گے کہ جو مسلمان دہلی واپس آ رہے ہیں انکو انکی جائداد اور فیکٹریاں واپس دی جا رہی ہیں۔

Giani Gurmukh Singh Musafar: Will the Honourable Minister please state whether the properties and factories of Muslims are being restored to the owners who are returning to Delhi?

The Honourable Shri K. C. Neogy: So far as the legal position goes, the restoration of any property of this kind requires prior approval of the Government and I am not aware of any case in which restoration has been made since the new law has been promulgated.

گیانی گورمکھ سنگھ مسافر : کیا آنریبل منسٹر کو واقفیت ہے کہ جن مسلمانوں کو اپنی جائدادیں اور فیکٹریاں یہاں پر واپس دی جاتی ہیں۔ وہ انکو بیچ کر پھر پاکستان واپس جا رہے ہیں ؟

Giani Gurmukh Singh Musafar: Is the Honourable Minister aware of the fact that the Muslims to whom their property and factories are restored here are going back to Pakistan after selling these?

The Honourable Shri K. C. Neogy: That must relate to a period before the promulgation of the Ordinance that I have in view.

گیانی گورمکھ سنگھ مسافر : کیا آنریبل منسٹر کو علم ہے کہ جن مسلمانوں کو یہاں واپس آکر جائدادیں اور فیکٹریاں واپس دی جاتی ہیں وہ انکو فروخت کرتے ہیں اور جو لوگ ان کو خریدتے ہیں ان پر اس کے confirmation کا بار پڑ جاتا ہے۔ اس کے پیش نظر کیا گورنمنٹ اس بات پر غور کریگی۔ کہ ایسے احکام جاری کئے جائیں جن کی رو سے ان مسلمانوں پر جو کہ اپنی جائدادیں فروخت کرنا چاہیں یہ لازمی ہو جائے کہ فروخت کرنے سے پہلے وہ اس بارے میں Custodian of Evacuees Property سے اجازت حاصل کریں۔

Giani Gurmukh Singh Musafar: Is the Honourable Minister aware that the Muslims to whom their properties and factories are restored on return to this place are selling these; and the responsibility for getting the transaction confirmed devolves on those who purchase these? In view of this, will the Government kindly consider over the issue of such orders as would make it obligatory on the Muslims desiring to sell their properties to obtain previous approval of the Custodian of Evacuees Property in this respect?

The Honourable Shri K. C. Neogy: Actually, under the law that operates now at Delhi, all such transactions require to be confirmed by the Custodian. Without such confirmation they have no validity.

گیانی گورمکھ سنگھ مسافر : کیا گورنمنٹ کو واقفیت ہے کہ اس وقت دہلی میں ایک آدمی پریس کا سودا ہو رہا ہے اور اس کا مالک جو کہ پاکستان کا citizen ہے اس کو فروخت کر کے پاکستان واپس جانا چاہتا ہے۔ اور اس نے وہاں پر بھی اپنا پریس کھول دیا ہے ؟ کیا گورنمنٹ اس معاملہ میں دخل دیگی ؟

Giani Gurmukh Singh Musafar: Is it within the knowledge of the Government that at present negotiations for the sale of a press named 'Army Press' are going on in Delhi and its Proprietor, who is a citizen of Pakistan, wants to go back after selling this? He is also running a press there. Will the Government look into this matter?

The Honourable Shri K. C. Neogy: I have no information about the specific instance mentioned by my Honourable friend, but I will make enquiries into the matter.

Shri H. V. Kamath: Is the Honourable Minister aware that thousands of Muslims who left India for Pakistan last year are now, for some reason or other slowly wending their way back to India?

The Honourable Shri K. C. Neogy: Some of them appear to be doing so.

Shri H. V. Kamath: In spite of the policy of Pakistan Government in regard to non-Muslim refugees returning from India to Pakistan do Government propose to keep an open-door policy for these refugees coming from Pakistan to India?

The Honourable Shri K. C. Neogy: As I said, the original question is under consideration.

The Honourable Pandit Jawaharlal Nehru: I should like to remind the House of certain pledges that we have given in regard to this matter to Mahatma Gandhi just before his death. We shall abide by those pledges, whatever the Pakistan Government might or might not do.

FORCIBLE SALE OF INDIAN MERCHANT'S GOODS IN KARACHI

923. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Commerce be pleased to state whether the attention of the Government has been drawn to a resolution passed by Muslim dealers in Karachi under the presidency of Mr. Qureshi saying that nobody should pay any profit to any Hindu dealer or purchase goods direct from any Hindu dealer except through the Association?

(b) Are Government further aware that Indian merchants still living in Karachi are being forced to sell out their goods in Pakistan at a great loss?

(c) Is it a fact that the Government of Sind are not giving licences to Indian merchants for moving their goods from Pakistan, on the ground that there is shortage of the same in Pakistan?

(d) What steps do Government propose to take to meet the situation?

The Honourable Dr. B. R. Ambedkar: (a) and (b). Government has no information on the subject.

(c) and (d). The Honourable Member's attention is invited to my answer given on the floor of the House on the 18th March 1948 to parts (b) and (c) of starred question No. 844 by Shri Jaspat Roy Kapoor.

Shri Deshbandhu Gupta: Does the Honourable Minister mean to say that the Government's attention was not drawn to the Press Reports in this connection?

The Honourable Dr. B. R. Ambedkar: That is the answer.

Shri Deshbandhu Gupta: Will Government now go into the matter and find out whether it is a fact?

The Honourable Dr. B. R. Ambedkar: Yes, they will.

DEVELOPMENT OF COASTAL NAVIGATION ON EASTERN COAST OF ORISSA, ANDHRA AND TAMILNAD

924. *Prof. N. G. Ranga: Will the Honourable Minister of Commerce be pleased to state:

(a) whether any steps are being taken to provide State coastal shipping service between different parts on the Eastern coast of Orissa, Andhra and Tamilnad;

(b) whether any efforts are being made in co-operation with the Provincial Governments to open and develop new ports; and

(c) whether Government have any plan for the rapid development of coastal navigation on that coast to ease the pressure on railways?

The Honourable Dr. B. R. Ambedkar: (a) and (c). No, Sir. The requirements of trade on the East coast are now being catered for by the existing private shipping and sailing vessels services and several new companies are being floated which propose operating additional services. While Government are rendering and will render all assistance possible to private interests in augmenting the existing services, they do not at present contemplate operating a State-owned service.

(b) The Central Waterpower, Irrigation and Navigation Commission are making preliminary enquiries in connection with the Mahanadi multi-purpose development scheme which may be useful in considering the question of developing new ports in Orissa. Provincial Governments will be consulted in due course if necessary.

†Answer to this question laid on the table, the questioner being absent.

FUNCTIONS OF CENTRAL WATER POWER, IRRIGATION, AND NAVIGATION COMMISSION AND ITS RELATION WITH PROVINCES

925. *Prof. N. G. Ranga: Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) what are functions of the Central Waterpower, Irrigation and Navigation Commission;

(b) what are its relations with the Provincial Governments; and

(c) whether it is proposed to run an Institute under this Commission to do research and also to provide higher education for irrigation officers of the Provinces?

The Honourable Dr. Syama Prasad Mookerjee: (a) The functions of the Central Waterpower, Irrigation and Navigation Commission are contained in the Labour Department's Resolution No. DW. 101(2), dated the 5th April 1945 and the more recent resolution of Government No. DW. XVI-1(1), dated the 16th January 1948, copies of which have already been placed on the table of the House.

(b) The Commission gives advice and assistance to Provincial Governments in the investigation, surveys and preparation of river valley development schemes.

(c) An institute to carry out research is already being run at Poona under the Commission. There is at present no proposal to provide higher education at the Station for irrigation officers of the Provinces.

PROPOSED NEW GOVERNMENT OF INDIA PRESS

926. *Seth Govinddas: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that there is a scheme before Government for starting a new Government of India Press?

(b) If so, what would be the total expenditure for carrying out the scheme?

(c) Is there any trained person in the office of the Controller of Printing and Stationery to scrutinize the proposals in respect of purchase of plants, machinery, etc.?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes; Government of India propose to set up a new Press.

(b) The total cost of the scheme would be about Rs. 79 lacs, out of which the cost of machinery would be about Rs. 33 lacs.

(c) Yes; there are Managers of Government of India Presses to scrutinise requirements of plant, machinery, etc.

TECHNICAL PERSONNEL IN HEADQUARTERS OFFICE OF CONTROLLER OF PRINTING AND STATIONERY

927. *Seth Govinddas: Will the Honourable Minister of Works, Mines and Power be pleased to state whether there are technical hands in the Headquarters Office of the Controller of Printing and Stationery, having technical knowledge and direct experience of handling labour?

The Honourable Dr. Syama Prasad Mookerjee: The reply is in the negative.

REPRESENTATION BY INDIANS IN INDO-CHINA re HARDSHIPS DUE TO TAXATION PROPOSALS BY FRENCH AUTHORITIES

928. *Shri M. Ananthasayanam Ayyangar: (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware of the hardships to which the Indian Nationals in Indo-China owning properties and business interests are subjected, by the taxation proposals recently published by

†Answer to this question laid on the table, the questioner being absent.

the French authorities in Indo-China, whereas the Chinese Nationals in Indo-China are, by virtue of a Special Treaty arrangement between the Governments of France and China, exempt therefrom?

(b) Has any representation been made by the Indian Nationals in Indo-China in this behalf?

(c) If so, what action have Government taken so far or propose to take to safeguard the interests of Indians?

(d) Do Government propose to consider the advisability of making suitable representations to secure just and equitable treatment to the Indians in Indo-China?

The Honourable Pandit Jawaharlal Nehru: (a), (b), (c) and (d). The Government of India have received representations in the matter from the Indo-China Indian Association, Karaikudi. A report has been called for from the Indian Consul in Saigon and as soon as this is received the Government will consider what steps should be taken to protect Indian interests.

Shri H. V. Kamath: Have these proposals hit only Indian nationals or other nationals too, barring of course China?

The Honourable Pandit Jawaharlal Nehru: I have just pointed out that we have asked for information on the subject.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister whether the non-official Goodwill Mission which was sent to Indo-China and which has now returned and is in Delhi at present, has submitted any Report to the Honourable Minister?

The Honourable Pandit Jawaharlal Nehru: I believe the members of the Mission have met officials of the External Affairs Ministry and I am not sure whether they have submitted any written report or not.

Shri M. Ananthasayanam Ayyangar: Will the Honourable the Prime Minister call for a report as to what they did and what inconveniences they are labouring under, so that action may be taken?

The Honourable Pandit Jawaharlal Nehru: No doubt we welcome a report, but we can hardly demand a report from these people; we are trying to find out what is the information they have gathered there, but we welcome a report from them.

Shri M. Ananthasayanam Ayyangar: Will the Honourable the Prime Minister give an interview if they seek an interview?

The Honourable Pandit Jawaharlal Nehru: Certainly.

Shri H. V. Kamath: What is the total number of our nationals in Indo-China?

The Honourable Pandit Jawaharlal Nehru: I am afraid, I cannot answer that without enquiry.

Shri H. V. Kamath: To what class do they belong mostly—rentier, or labour or trader or petit-bourgeois class?

The Honourable Pandit Jawaharlal Nehru: Well, if my Honourable friend will kindly define all these classes to me precisely, then I will be able to give an answer. As far as I know they are more as traders.

Shri H. V. Kamath: That is what I wanted.

ENQUIRY INTO RATES OF SCINDIA STEAM NAVIGATION COMPANY FLYING FERRY STEAMERS ON WESTERN COAST

929. *Shri Rohini Kumar Chaudhuri: (a) Will the Honourable Minister of Commerce be pleased to state whether the Scindia Steam Navigation Company ply ferry steamers from Bombay to Goa on the Western Coast?

(b) Do the said Steam Navigation Company send ferry steamers to Shrivardhan, Harnai, Dabhol and Ratnagiri?

(c) What is the distance of Harnai, Dabhol and Ratnagiri from Bombay?

(d) What is the steamer-fare to Shrivardhan, Harnai, Dabhol and Ratnagiri from Bombay?

(e) What is the principle on which the said Steam Navigation Company have fixed these fares?

(f) Is it a fact that there is a special steamer service for Harnai and Dabhol only?

(g) Are Government aware that passengers for Harnai have to pay almost the same fare as the passengers for Ratnagiri?

(h) If so, do Government propose to make inquiries into the matter and have the steamer-fares fixed according to the distance that passengers have to travel?

(i) Is the Scindia Steam Navigation Company the only steam company that ply ferry service between Bombay and Ratnagiri?

(j) How many steamer companies were plying such services between these ports prior to 1938?

(k) What were the fares for these ports when there were steamers of other steam navigation companies?

The Honourable Dr. B. R. Ambedkar: (a), (b) and (i). Ferry steamers between Bombay, Panjim (Goa), Shrivardhan, Harnai, Dabhol and Ratnagiri are run by the Bombay Steam Navigation Co., Ltd., the Indian Co-operative Navigation and Trading Co., Ltd., and the Ratnagar Steam Navigation Co., Ltd.

(c) Bombay to Harnai, 78 miles; Bombay to Dabhol, 95 miles; Bombay to Ratnagiri (direct), 120 miles; Bombay to Ratnagiri (coasting via ports of call), 186 miles.

(d) Bombay to Shrivardhan—Rs. 3, Bombay to Harnai—Rs. 4, Bombay to Dabhol—Rs. 4, Bombay to Ratnagiri—Rs. 5.

(e) Fares are generally fixed by all the shipping companies engaged in the trade at such rates as would secure them an economic return on their investments.

(f) No Sir, there is a daily service between Bombay and Dabhol, which calls at Harnai both on up and down voyages, the other ports of call being Janjira and Shrivardhan.

(g) The fare to Ratnagiri is Rs. 5 whereas the fare to Harnai is only Rs. 4.

(h) There is no need for any such enquiry as the present fares take into consideration the distances covered.

(j) Only the three steamship companies referred to in (a) above were operating between these ports prior to 1938.

(k) The fares in 1938 were as follows:

Bombay to Harnai—Rs. 2-8-0, Bombay to Dabhol—Rs. 2-12-0, Bombay to Ratnagiri—Rs. 3.

Haji Abdus Sattar Haji Ishaq Seth: What was the reply to (i)?

The Honourable Dr. B. R. Ambedkar: It was a combined reply to (a), (b) and (i).

Haji Abdus Sattar Haji Ishaq Seth: That is all right.

SHORT NOTICE QUESTION AND ANSWER

VACATION OF GOVERNMENT QUARTERS ALLOTTED ON MEDICAL GROUNDS

Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that a number of Government servants who were allotted accommodation (Government quarters) temporarily on medical grounds have been served with notices by the Estate Officer to vacate them?

(b) Are Government aware that most of these allottees belong to the West Punjab and that each one of them is sharing accommodation with his refugee relatives and that they have no other alternative accommodation where they could go?

(c) If the answers to parts (a) and (b) above be in the affirmative, do Government consider the desirability of allowing them to continue to reside in the Government quarters till the accommodation problem is eased in Delhi?

The Honourable Dr. Syama Prasad Mookerjee: (a), (b) and (c). Temporary allotments have been made to certain officers on medical grounds for specified periods. In some cases the period of allotment has been extended while in a few cases notices have been served to vacate the quarters on the expiry of the period of allotment. It is possible that some of these allottees are sharing accommodation with other people. Each case is separately considered on merits before a decision is taken whether to extend the period of allotment or not.

MOTION FOR ADJOURNMENT

Mr. Speaker: I understand that Mr. Deshbandhu Gupta who has given notice of an adjournment motion, does not propose to move it.

Shri Deshbandhu Gupta (Delh): No. I will raise the question by way of a short notice question.

Mr. Speaker: So, I need not put it to the House then.

INDIAN FINANCE BILL

PRESENTATION OF REPORT OF SELECT COMMITTEE

The Honourable Dr. B. R. Ambedkar (Minister for Law): Sir, I beg to present the report of the Select Committee on the Indian Finance Bill.

PAPERS LAID ON THE TABLE

CONVENTIONS AND RECOMMENDATIONS CONCERNING CHILDREN AND YOUNG PERSON ADOPTED BY INTERNATIONAL LABOUR CONFERENCE

The Honourable Shri Jagjivan Ram (Minister for Labour): Sir, I beg to lay on the table:

†(1) a copy of the Conventions and Recommendations concerning Children and Young Persons adopted by the International Labour Conference at its twenty-ninth session held in Montreal in 1946; and

†(2) the statement indicating the action which the Government propose to take on those Conventions and Recommendations.

†Not printed in these Debates. Copy placed in the Library of the House.

INDIAN AIRCRAFT (AMENDMENT) BILL

The Honourable Shri Jagjivan Ram (Minister for Labour): Sir, I move for leave to introduce a Bill further to amend the Indian Aircraft Act, 1934.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Aircraft Act, 1934."

The motion was adopted.

The Honourable Shri Jagjivan Ram: Sir, I introduce the Bill.

CONTROL OF SHIPPING (AMENDMENT) BILL

The Honourable Dr. B. R. Ambedkar (Minister for Law): Sir, I beg for leave to introduce a Bill to amend the Control of Shipping Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Control of Shipping Act, 1947."

The motion was adopted.

The Honourable Dr. B. R. Ambedkar: Sir, I introduce the Bill.

BANKING COMPANIES BILL

The Honourable Dr. Syama Prasad Mookerjee (Minister for Industry and Supply): Sir, I move for leave to introduce a Bill to consolidate and amend the law relating to banking companies.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to consolidate and amend the law relating to Banking Companies."

The motion was adopted.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I introduce the Bill.

ESTATE DUTY BILL

The Honourable Dr. B. R. Ambedkar (Minister for Law): Sir, I move for leave to introduce a Bill to provide for the levy and collection of an estate duty in the provinces of India.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the levy and collection of an estate duty in the provinces of India."

The motion was adopted.

The Honourable Dr. B. R. Ambedkar: Sir, I introduce the Bill.

TAXATION ON INCOME (INVESTIGATION COMMISSION) (AMENDMENT) BILL, 1948

Mr. Speaker: The House will now proceed with further consideration of the Bill to amend the Taxation on Income (Investigation Commission) Act, 1947, as reported by the Select Committee.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I beg to move:

"That after clause 1 of the Bill, the following new clause be inserted:

'1A. Definition.—In this Act, the word 'prescribed' means prescribed by the Central Government under section 10'."

[Mr. Naziruddin Ahmad]

This seems to be a lacuna here which should be cured. The word prescribed has been used in this Bill in clause 5, proposed section 7, line 4 of the proviso. I think it is advisable to define the word.

The Honourable Dr. Syama Prasad Mookerjee (Minister for Industry and Supply): I do not think it is necessary, because wherever the word 'prescribed' occurs, it is followed by the words "by rules made under this Act".

Mr. Speaker: The longer phraseology is used everywhere in this amending Bill wherever the word 'prescribes' comes in. Does the Honourable Member mean that I should place his amendment before the House?

Mr. Naziruddin Ahmad: No, Sir, I do not want to press it.

Mr. Speaker: Then, we shall proceed with the next amendment.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 2 of the Bill, before the word 'sub-sections' the word 'new' be inserted."

This is only a formal amendment. In the amended form the clause will read like this:

"the following new sub-sections shall be added....."

Mr. Speaker: The Honourable Minister will note that the figures 3 and 4 in brackets are already there.

The Honourable Dr. Syama Prasad Mookerjee: It is not at all necessary, Sir.

Prof. K. T. Shah (Bihar: General): Sir, I beg to move:

"That in clause 2 of the Bill, to the proposed sub-section (3) of section 4 of the Taxation on Income (Investigation Commission) Act, 1947, the following Provisos be added:

'Provided always that the term of appointment of the Commission, whether in the first instance or as extended, shall not be deemed to have expired so long as any case or point already submitted to or being enquired into by the Commission remains undisposed of finally by the Commission:

Provided further that it shall be incumbent upon the Commission to use every dispatch in disposing of the business placed before them."

Sir, in presenting this amendment to the House I would like to point out that though I understand that this is a special machinery designed for a particular evil that has crept in during the war years and the laxity introduced in those days, it is a matter which has drawn public attention that it ought to be statutorily provided that once a case is referred to the Commission, or once the Commission has started enquiry into any particular matter that has aroused its attention, it should not be prevented from completing that enquiry whether the term of two or three years assigned to it has been completed or not. It is possible, Sir, that in so far as the work of the Commission would be of a judicial character, parties may prolong, cause delay, adopt dilatory tactics, demand adjournment and what not, with the result that the work may be prolonged. As I conceive it, the nature of the work itself involves considerable enquiries perhaps over a number of years of which material may or may not be available, or other obstacles may be created, or may exist. In view of all those factors, I think it inadvisable to prescribe an absolute time limit of the kind suggested in the clause and therefore I am suggesting an amendment of this section. There are considerations, for instance, like what may be called an act of God or calamities of nature. For instance, about two or three years ago there was a serious explosion in Bombay harbour which destroyed a number of houses and shops and it is said a number of account books have been lost or burnt. It is commonly known that many people had taken advantage of this great calamity to falsify or to present accounts which bore no relation whatsoever to reality. The fact of the explosion was no doubt known, but the fact that the explosion was availed of by some people to save themselves of the tax burden may not be so quite well known and if the Commission is to do its duty properly and if the enquiry is to be conducted successfully and thoroughly then I believe that it

would be improper for us by law to lay an absolutely fixed term of office and the period in which the enquiry should be completed. It may not be that in every case such an unanswerable excuse may be found by those who are suspected of having evaded the tax. But even otherwise I fear the inquiries which would have to be conducted, if the Commission really desires to do its work thoroughly, would be necessarily such and the amount of papers, documents, persons, etc. that would have to be examined or called into evidence would be so heavy that the task would necessarily be prolonged beyond the time limit that is mentioned here. The other day we had an assurance in this House from the Finance Minister that it is not the intention of Government to place more than a limited list of people who are on fair grounds believed to have been guilty of some such thing as this and that they will not do anything to make this an instrument of harassment for the middle class. I entirely concur with that view though I am not quite prepared to say that even in the middle class there may not be people who may be practising evasion which in the aggregate may amount to a very serious and large amount. But in any case even if these investigations are confined to a limited number with very large sums involved, I fancy that the inquiry necessarily would be—if it is to be both fair and judicially correct as well as economically productive—so long and so varied that the time-limit absolutely fixed in advance would be undesirable. I do not know what the length of that list is; I cannot say the nature of the business of the parties who may be required to be in evidence before this Commission, whose books, accounts, vouchers, papers, friends, etc., may have to be called in evidence. But I do believe that whatever the list and whatever the kind of business, the more exalted these personages may be or the more varied their business is or the more immense the ramifications of their business, the greater would be the time and the closer would be the attention necessary for unravelling these mysteries and getting at the bottom of the thing, if you do not wish to do injustice on the one hand and if you do not want the State to suffer on the other. In these circumstances I think it would be absolutely necessary for us to leave a relatively free margin of time to the Commission; and if it appears to necessitate the embodiment of this machinery into some permanent form in the entire income-tax legislation and administration, it would be quite possible for this House to have another amending Bill and make this machinery one of a permanent character. I have therefore proposed in my amendment that the work will not be deemed to be finished until all the cases referred to the Commission have been finally disposed of by this body. I have seen to it at the same time that the Commission itself on its part may not be guilty of unduly prolonging the inquiry by methods open to them. The kind of people who will be placed in charge will, I presume, be of a recognised status who will not easily be suspected to any designs needlessly to prolong their work merely to earn their salaries. And in that regard I think the suggestion made in the second paragraph of my amendment, namely, that it would be incumbent on the Commission to use every dispatch in concluding their business, would be more than sufficient to assure the House that on the side of the Commission the work will not be needlessly prolonged. On these grounds, therefore, I commend my amendment to the House.

Mr. Speaker: Amendment moved:

"That in clause 2 of the Bill, to the proposed sub-section (3) of section 4 of the Taxation on Income (Investigation Commission) Act, 1947, the following Provisos be added:

'Provided always that the term of appointment of the Commission, whether in the first instance or as extended, shall not be deemed to have expired so long as any case or point already submitted to or being enquired into by the Commission remains undisposed of finally by the Commission:

Provided further that it shall be incumbent upon the Commission to use every dispatch in disposing of the business placed before them."

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, the object of the amendment is quite laudable but it will serve no purpose. The cases referred to relate to cases which have arisen since 1947 and before 1947 and we have extended the date of reference to 30th June, 1948. These are therefore important cases alone which will be placed before them. About 200 or 300 was my estimate. The other day the Finance Minister said that the top cases will be about twelve. I think they will be much more, about 150 or 200 at the most. With respect to these cases on account of the period or time that has already elapsed Government are in possession of particular material that they have been able to gather. Wherever with the special powers that are given to the Commission under this Act it was not possible to get any evidence or any further material, only those cases have been left off. In individual cases also such additional material alone may be available. Therefore in the nature of things that additional material must be very small. Now after so many years we have given three more years. Before the 30th June 1948 for all cases to be referred and in further cases to be referred to them they have full three years,—in the first instance two years and if necessary the period may be extended by one more year. And if any particular assessee is recalcitrant and is not prepared to produce his documents, you can search his house in one, two or three years. But if in three years you cannot get anything and he has buried everything in the bowels of the earth, it is open to the Commission to report that it is impossible to get those things and therefore it would report on the materials available. I think three years is a sufficiently long period for the investigation to make up its mind and to make a report. I do not suspect the *bona-fides* of any of the gentlemen who constitute this Commission; they would not prolong, but at the same time there will be a tendency on the part of persons to go on asking for time. If it is an indefinite period it will be equally difficult for them to yield to such things. It is common knowledge of every lawyer that on account of various circumstances there is law's delay. Should we place an emergency commission also in the same position and allow this delay? Above all, how long are we to have this Sword of Damocles dangling over the head of these men? The justification for the emergency powers that we have given is that in a period of three years we will be able to lay our hands on tax-dodgers. No one has any sympathy with tax-dodgers. But they must also carry on their business without being in perpetual tremor. There may be an honest man who may be proceeded against and a dishonest man may escape. But amongst a hundred dishonest men that escape let not one honest man be punished. Therefore three years is a very long period if we have come to the conclusion that in three years there is no chance of any additional evidence coming in; it will be fabricated evidence. We considered this in the Select Committee and I wish the Honourable Member would not press his amendment but withdraw it.

Again we will assume that one or two cases remain at the end of three years. It is not as if Government have not got that right. They can proceed with further investigation; the Commission will not do so, that is all. In these circumstances I do not see any justification for extending the period or making it indefinite as the amendment seeks to do.

The Honourable Dr. Syama Prasad Mookerjee: The position has been explained by Mr. Ayyangar. It is unnecessary to have the amendment as proposed by Prof. K. T. Shah. The Government is giving time till 31st March 1950. It has also taken upon itself the power to extend the time by another year. It is therefore expected that all the proceedings will be terminated by 31st March 1950 at any rate. If, however, it happens that there will be one or two cases which are yet undisposed of, obviously the Government which has taken all the steps to constitute this Commission will not allow those cases to lapse, but will take such action as necessary. For this reason it is not necessary to have this amendment and I hope the Honourable Member will withdraw it.

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Mr. Speaker: Does the Honourable Member wish to go on with his amendment?

Prof. K. T. Shah: I am satisfied with the explanation given and I beg leave of the House to withdraw.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 2 of the Bill in the proposed sub-section (4) of section 4 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'may be', the words 'it may consider' be substituted."

The sub-clause says that the Central Government may appoint a Secretary to the Commission and such other staff as may be necessary. I want to make it "such other staff as it may consider necessary". The original clause leaves it open to a Court to consider whether the appointment was really necessary. But under the proposed amendment it will be entirely unnecessary to consider this. If the Central Government considers it necessary, then the question of its real or actual necessity will not arise.

The original clause lays down an objective standard but in the proposed amendment the standard is subjective. In fact the amendment makes it sure that you need not consider the real necessity of the appointment. That is why this expression is safer.

The Honourable Dr. Syama Prasad Mookerjee: I do not consider it necessary and I therefore oppose it.

Shri M. Ananthasayanam Ayyangar: There is a danger in accepting it. The Central Government may appoint a Secretary to the Commission and such other staff as it may consider necessary. My Honourable friend thinks that the words "as it" refer to the Commission.

Mr. Naziruddin Ahmad: As the Central Government may consider necessary.

Shri M. Ananthasayanam Ayyangar: That is exactly the danger. We will assume that the Commission wants a particular staff. The Central Government may no doubt appoint a Commission and give a Secretary but refuse to give hands and feet to the Commission. It may not supply the necessary staff. So why do you give the exclusive discretion to the Central Government? As it stands the Central Government may provide staff as necessary. At present the Central Government itself will come to the conclusion and it will provide the staff. This is much wider in scope. My friend unnecessarily restricts matters.

Mr. Naziruddin Ahmad: That is not really the point, but I do not wish to press my amendment.

Mr. Speaker: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'reason', the word 'reasons' be substituted."

This is a formal amendment. I think the plural is more appropriate in the context.

Mr. Speaker: Amendment moved:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'reason', the word 'reasons' be substituted."

The Honourable Dr. Syama Prasad Mookerjee: I think the singular includes the plural.

Mr. Naziruddin Ahmad: I am aware of that but the practice is that where the plural is indicated in the context we use the plural and *vice versa*. But the initial choice must depend on the context.

The Honourable Dr. Syama Prasad Mookerjee: I can accept it.

Mr. Speaker: The question is:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'reason', the word 'reasons' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: I move:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'material', the word 'materials' be substituted."

The word in the plural has been used elsewhere. In fact, it is not one material that the Central Government will ordinarily put to the Commission but materials. Ordinarily the plural is indicated by the context. Therefore our selection should be for the plural and not for the singular. If it turns out to be singular in a particular case, there is no harm because the plural includes the singular.

The Honourable Dr. Syama Prasad Mookerjee: It is not necessary.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the words beginning with the words 'and may with the concurrence' to the end, be omitted."

I think this is an important amendment. The sub-clause can be divided into two parts. With regard to the first part, I have no quarrel. The second part which I want to delete gives power to the Central Government to withdraw any references made to the Commission. There is a dangerous consequence in that withdrawal—that if it is done with the concurrence of the Commission then no further steps could be taken on the points referred or in the case referred. I submit, Sir, this would not be the proper thing to allow. In fact, it allows the Central Government first of all to carefully consider a case, and then for some reasons, which will not be explained, the Government may withdraw. If the Government withdraws and if there is concurrence by the Commission then there is complete *res judicata*. Supposing the Government withdraws under a mistake or any new matter is brought to light. Then the reopening of the case would be absolutely barred. On the other hand the Commission has the power under sub-section (2) and if they find that the case is weak or unsubstantial, then the Commission under that sub-section can report to the Government that no further action need be taken.

Under these circumstances, if we delete the condition in sub-section (1), still the Commission would be fully empowered to deal with the matter under sub-section (2). In fact the very consideration, which may weigh with the Government in withdrawing, may be placed before the Commission and the Commission may under sub-section (2) report that nothing need be done. In fact the deletion of these words is very necessary for various reasons. It may be said that there has been some undue influence or undesirable influence behind a withdrawal. If the Government withdraws, all that is necessary for the Commission is to concur. Concurrence is not a very serious act. If a party withdraws, concurrence is generally given as a matter of course. But if the same materials which may induce the Government to withdraw are placed before the Commission, the Commission will apply its mind judicially to the matter. And if the reasons are substantial, then it will be for the Commission just to report

to the Government that no action need be taken. Sub-section (2) fully covers the case and the withdrawal is unnecessary and may be mischievous. In these circumstances if the case is withdrawn by the Government many things might be said. It may be said as has been done in other cases that some official was corrupt and so on. Then again supposing there is very good reason for the withdrawal. The very fact that it was withdrawn at the instance of the Government will leave a stain upon the party's character. So from every point of view this power of withdrawal seems to be unnecessary and undesirable. In the interest of the party himself it is not necessary. It is far better to leave the Commission to take action on the very materials which the Government might think sufficient. With these remarks I submit that this drastic power should not be allowed to Government. This is a kind of judicial power and may be more properly exercised by the Commission. The Commission consists of persons of the highest ability and integrity there is no point in shortcircuiting the Commission and giving the initiative to the Government. In these circumstances I submit that this condition should be withdrawn and the Commission alone should be allowed full scope to exercise their own discretion. No harm will be caused. At least this course will prevent the attribution of motives to the Government or the making of comments.

Mr. Speaker: Amendment moved.

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the words beginning with the words 'and may with the concurrence' to the end, be omitted."

Shri M. Ananthasayanam Ayyangar: Sir, I shall explain the circumstances under which this clause was introduced. In the original clause allowing the power to withdraw in the Central Government was split up. In the previous Bill of which this Bill is an amending measure all cases had to be placed before the Commission by the Government before the 31st day of December, 1947. The Commission for various reasons was not prepared to proceed with the enquiry. In making up their minds it was represented that the Government had to rush through the enquiry into the various cases. They placed about 200 and odd cases before the Commission. The time for placing some more cases before the Commission was extended up to the 30th June 1948. In the meanwhile if any cases had been hastily placed before the Commission which it was not worthwhile pursuing they can withdraw the cases before the time limit. The withdrawal must be done only before the 30th June, 1948 with the concurrence of the Commission. It is open to the Commission to take a different view regarding the cases. *Prima facie* the Commission will see whether there is a case to go through. The Government may take a different view but ultimately it is the Commission's view that is to prevail. Without the Commission certifying that a case is fit for withdrawal it will not be withdrawn. That might apply to cases where a case has been placed before the Commission without much of material and the Government think that is not necessary to take up the time of the Commission by making them plough the sands in proceeding with the investigation. There may be other cases where after the cases have been filed there may be some evidence available which may not fit for a civil court of law but will be sufficient to bring the man to book in a criminal court. That method may also be utilised. While a case is pending before the Commission criminal proceedings may not be taken against a man. He may have committed fraud and the Government still have the chance of recovering their money. This Commission is not a permanent court of justice. It is meant to deal with cases where assessee have dodged payment of taxes. It is for that purpose that the Investigation Commission has been appointed. It is a quasi judicial body. If the Government have some other better method of recovering their dues than through the Commission what is the use of pursuing a case through the Commission. It was after careful consideration that a restriction on withdrawal was put in,

[Shri M. Ananthasayanam Ayyangar] viz., that it should be done before the 30th June and also that it must have the concurrence of the Commission. Before the 30th June the Government may with the concurrence of the Commission withdraw certain cases. After the 30th June the Commission itself may look into the cases and ascertain if there is any good in pursuing the investigation. The third stage is where the Commission will go on and come to a conclusion. It cannot be said that all the cases are of the same seriousness and magnitude. I hope the Honourable Member will see this point of view on account of which this provision was inserted. This amendment does not seem to be necessary.

Mr. Naziruddin Ahmad: I made the point that the Commission is not required to look into the merits of the case at all. They merely exercise their concurrence.

Shri M. Ananthasayanam Ayyangar: How can they do it without looking into it?

The Honourable Dr. Syama Prasad Mookerjee: Sir, this clause serves a double purpose. Withdrawal can be effected only if both the Government and Commission agree. It is a very salutary safeguard. The date for such withdrawal is also mentioned. It must take place before the 30th June. I do not understand the object of the mover of the amendment. What is provided for here will certainly serve the purpose well. The Government itself cannot take any action unless and until the Commission concurs. The Commission must agree to the withdrawal.

Mr. Naziruddin Ahmad: They need not go through the papers at all. They may take the Government on trust and may agree without giving reasons.

Prof. K. T. Shah: Sir, I have another amendment, on my own name which is slightly different from that of the Honourable Member who has preceded me. If this amendment is disposed of and if that amendment is allowed I will reserve my remarks for that occasion. However, I would be guided by you, Sir.

Mr. Speaker: The effect of both the amendments seem to be the same.

Prof. K. T. Shah: Except that I have added a positive injunction; whereas the Honourable Member who preceded me merely dropped the words about withdrawal I have stated it more clearly that once a case is referred it cannot be withdrawn.

Mr. Speaker: I cannot understand these other words. The whole amendment seems to be a little self-contradictory. The Honourable Member says that "any case or point once submitted to the Commission shall not be withdrawn at any time by any authority" and then after that he says "until the Commission finally disposes of the matter". If the Commission disposes of the matter there is no question of withdrawal. I am not quite clear on that point. His idea seems to be that there shall be no power of withdrawal with the Government. That seems to be the substance of his amendment. The Honourable Member, instead of moving his amendment, may have his say on the question now.

Prof. K. T. Shah: Sir, I would point out two or three considerations which seem to me not to have received proper attention at the hands of Government. As I read the clause, it provides that any case can be referred to the Commission up to the 30th June, with reasons or grounds which Government have for thinking that a given person has evaded payment of income-tax. And yet the same clause provides that within the same period, after having referred the case to the Commission, the same authority may within the same date withdraw it.

I realise that a proviso is added that such withdrawal cannot be allowed unless the Commission concurred. Whereas in the preceding part of the clause it is laid down that Government will give the grounds on which they entertain the belief for the evasion, in the latter part of the clause regarding concurrence of the Commission no such condition is made. If they ask that a certain case already referred is to be withdrawn, as I read the clause, it seems to me that their suggestion for withdrawal is final and they are not required to give any reasons for doing so. I am open to correction in case my reading of the provision is wrong; if that is so, namely that Government may withdraw any case or any point without giving reasons to the Commission and the Commission's concurrence is sought only on their own estimate of the previous reference, then I think it is self-contradictory. Government should have known their mind when they first made their reference at any time before June 1948. What could have happened between that date when the reference was made and any date up to June 1948 that they should without giving any reasons withdraw the case and ask the Commission to concur in the withdrawal? The withdrawal will be so complete that no further proceedings can be taken by the Commission thereafter. I fear that this is liable to be misinterpreted and misunderstood by the public and I would give my reasons for entertaining such a fear in my mind. In the first place how would Government act in making the reference or in seeking a withdrawal? It is true that the responsibility is on the Ministers who are present in this House and that every action of Government is technically from the point of view of the statutory responsibility or the constitutional responsibility with the Ministry. But while recognizing that, we should also realize that they act on the advice of their officers or subordinates or advisers who advise them in the matter. The other day I had the misfortune to refer to certain rumours prevalent in the country regarding influential personages who are able to get their names withdrawn or who might be able to get their names withdrawn from the list of people who are to be submitted to the Commission on such grounds as these. I never had in my intention to suggest for a moment that any of the Honourable Ministers would be involved or would be a party to such a withdrawal for such reason or by such influences. While not suggesting for a moment that a Minister of the Union of India would be liable to any such consideration I am afraid I am not prepared to say that every officer in the Department, or every adviser or assistant that the Ministers may be consulting, would be equally immune from any fear of this kind. The talk is going round commonly—and I think the Honourable Member who took me to task himself mentioned that people do go about as brokers, or whatever you may call them, saying 'I shall get you relieved from this responsibility'. How far they are able to achieve their objective I do not know. Still they do go about saying this kind of thing. Lest this kind of injustice or needless blackmailing should go unchecked I suggest that cases once referred, and once referred with good reasons as required by this very section, should not be withdrawn by any authority from the jurisdiction of the Commission. The fact may not be possible to prove by evidence admissible in a court of law or even before such a Commission that X, Y or Z has been guilty of such evasion. But there would have been no occasion for making such a legislation; there would be no need to have such a Commission. After all we have a machinery in the Income-tax Department for making such investigation. Unless there was a *prima facie* case and some reason to believe that there are people who do escape, who have escaped in the last few years, and that it is necessary for us to enquire into their cases, there would have been no necessity for this Commission. This is a necessity therefore which enjoins a further necessity that you shall not allow anybody to get their case withdrawn after it has been once referred to the Commission by the Government themselves, and presumably on very good grounds, within the same period. There is no

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[Prof. K. T. Shah]

bar, as far as I can see, for example for high-placed Income-tax officers to go into private service expressly with a view to advising those private merchant princes and others to enable them to avoid income-tax payment. It has been openly boasted in many cases that the advice and assistance of X, Y or Z has enabled a person to avoid so much income-tax that the entire salary of the adviser has been paid in a single year out of that amount. If our service regulations are such that no bar is placed upon experienced income-tax officers to go and help those liable to such taxation to evade their burden, then I think it is important and necessary that some such provision of the kind that I am suggesting in this amendment should be made. If for no other reason, I for one would venture to submit to the House that we should at least see to it that our Ministers are, like Caesar's wife, above suspicion and that their advisers and officers should similarly also be exempt from any such suspicion in any part of this House or outside. For these reasons I think it is very necessary that this amendment should at least be carefully considered by the House and its decision should be that no case, or even a point whether of law or of fact, once referred to the Commission should be permitted to be withdrawn by any authority, from the purview of the Commission.

Mr. Speaker: I may point out to the Honourable Member who just spoke that he is importing into the language of the section some additional words such as 'without reason'. The section is silent on that point.

Prof. K. T. Shah: The reasons are there in the first part of the section, but not in the second part as I read it.

Mr. Speaker: It does not follow that the Government is entitled to withdraw a reference without stating reasons.

Prof. K. T. Shah: In that case my reading of the provision is wrong.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, according to the original provisions of the Act the rule was that the Government went into the question of tax evasion in regard to a particular person and after it made some enquiry and had *prima facie* reasons for believing into the truth of the allegation, then it ordered the case to be sent to the Commission. The fact that *prima facie* reasons had to be expressed before the case was sent, with all the material at the command of the Government, shows that the Government and its law officers or income-tax officers had bestowed all the attention that the case deserved before it was sent to the Commission. Any provision in law which would make it possible for the Government to light-heartedly send such cases in which they have not gone deeply into the question would be contrary to public policy. By the words '*prima facie* reason' we usually understand that the case has come to such a stage that a charge can easily be preferred against the person. After the Government has gone to that stage that there was a good case in which a Commission should go into the question and find out if there has been tax evasion, I do not see any reason why the Government should be allowed to withdraw that case. You will be pleased to see another amendment sought to be made in the section which is the subject matter of paragraph 3 where it is said that the sufficiency of the material on which such a reference has been made shall not be investigated in any manner by any court. I quite admit that there should be a provision like this and that no court should be allowed to go into the question. But the very fact that a court cannot go into the question makes it easy for the Government to send doubtful cases in which it has not itself made up its mind. I therefore wish that it should be taken out of the power of the Government to withdraw a case which it has once finally decided to send to the Commission.

Moreover here the words are "with the concurrence of the Commission". Now either the Commission has gone into the question or has not gone into the question before it has given its opinion. If it has not gone into the question, the concurrence is futile, and if it has gone into the question and then finds that the case is not worth further enquiry or the case is one on which no reference should have been made, my humble submission is that the original assessee should be allowed to be vindicated and the assessee should have the satisfaction of showing his face to the public that as a matter of fact the government was wrong and there was nothing so far as he was concerned on which he could be charged with the offence of evasion of income-tax. Therefore my submission is such withdrawal if allowed would leave the stain on the assessee and not allow him to vindicate himself. So it is wrong in this manner also.

Now, Sir, in regard to the other provisions of this section which I shall have to discuss subsequently, I may submit one thing. My own idea is that it will be proper to have the policy of leaving the right of complaint to the government alone. It is the Government alone who is the accuser and if the government finds there is no case, then it should not send the case. If the government finds there is a case, then it should send it and the case should be allowed to be finally disposed of. It should not be in the power of any person light-heartedly to bring up a case before any Commission because if you go further into the provisions of the Bill, you will find that there are provisions which protect all the officers so that the assessee or the private citizen against whom this law shall have effect has got no remedy whatsoever. He cannot proceed against the government, he cannot proceed against the commission, he cannot proceed against the income-tax officer, and they are allowed to commit mistakes with impunity to the detriment of the assessee in such an important matter. I would submit there should be no *locus poenitentiae* given to the Government so that the man who has his case sent may know that if it is once sent, it is irrevocable he may not bother the Government officials any more and the door of corruption may thereby be shut.

Shri T. T. Krishnamachari (Madras: General): Sir, I am afraid the House is between two stools, on the one side my Honourable friend, Professor K. T. Shah, who wants Government should not have power to withdraw on the other side my Honourable friend Pandit Thakur Das Bhargava says Government shall not use those powers because it would mean there is no vindication of the assessee's position who has been drawn into the investigation proceedings by the government but is not given a chance of vindicating his position. Sir, to me it seems that the time period that exists between now and the time when the government can either file a charge or withdraw a charge is so short and the provision as it is, is merely as a matter of convenience, convenience which would undoubtedly aid the assessee. After all what is the point in what Pandit Bhargava says? Does he think there are many assessee who would like to go on with the enquiry in spite of the fact that Government would not like to proceed with it merely for the right of vindicating his rights? Withdrawal means waiver of all charges that are levelled against an assessee and to that extent I think the assessee's rights are completely vindicated. In any event, so long as there is the phrase 'with the concurrence of the Commission', I think there is nothing wrong in the government withdrawing any case, particularly in view of the fact that the period given for the government to withdraw is so short. I think there is no substance in the amendment moved and the amendment should therefore be rejected.

The Honourable Dr. B. R. Ambedkar (Minister for Law): I confess, Sir, that the section as it stands has a certain amount of odour about it, rather smells badly. There are of course certain snags in it, which I am prepared to admit. It might be said that Government, after having made up its mind, has

[Dr. B. R. Ambedkar]

sent the cases to the Commission for investigation. After having made up their mind, the Government ought to have nothing to do with it. Why should Government claim the power to withdraw? It may be that political influences, financial influences come into play, and the cases might be withdrawn on that account. There is also another snag which I noticed myself although it has not been referred to by any speaker in the House. For instance the Commission is not like the Federal Public Services Commission the members of which are subject to certain disabilities—for instance one of the provisions relating to the constitution of the Federal Public Services Commission is that no member shall, after retirement, be entitled to an office under the Crown for five years. No such disability is applicable to the members of this Commission. It may be perfectly possible—I do not suggest it would be a fact—for people to apprehend that the Finance Department and the investigating commission may collude together. One may submit a case for withdrawal and the other may concur because of certain other considerations. Undoubtedly those are snags. But I ask the House to take into consideration this fact, which I think is a very important thing and which it is necessary to take into account in order to see actually the reasons why the government have made this proposal. Now, Sir, the House will realise that the original investigation Act was passed in April 1947. The date fixed for submitting cases was the 31st of December 1947. There were hardly six months for the Government to investigate into possible cases of tax evasion and to come to a definite conclusion whether the person who has been placed on the list has been as a matter of fact an evader of income-tax. The House ought to take into consideration the fact that after the passing of the original Act, which fixed the six months limitation, there came in the partition of India, and as a result of that, the Finance Department as well as most of the departments of the Government were fully engaged in the Partition Council's business. Consequently they had not more than two months' time to investigate and put up their cases. Now, Sir, what I submit to the House is this, that the Government Department, namely the Finance Department, was really limited to two dates practically extending to not more than two months. If there was a case which they wanted to be investigated, that case had to be put before the Income-tax Commission before the 31st of December 1947. After that no case could be put up at all. Consequently, if I may say so, the Finance Department took the precaution of submitting all possible cases, whether there was any substance in them or not, for the fear that if a case was not put up before the 31st December 1947, it could not be put up at all. Consequently many cases have gone before the Tax Evasion Commission which have not been properly investigated. I think there is nothing wrong in making that confession. Now I do not think it is desirable that a case which Government put up before the Tax Investigation Commission merely on the ground that if they did not put it before the 31st of December, no case could be put up at all, that the Government should be restricted and bound down, so to say, to the decision that they have taken, which decision I am prepared to confess was taken merely on the ground that they should not suffer from the bar of limitation. Having regard to that fact, Sir, I think the House will agree that this provision, namely the power to government to withdraw and that power being limited and subjected to the concurrence of the court, contains a salutary provision which enables government to revise a hasty decision made on inadequate reasons and gives the power to the Commission to withhold or not to withhold their concurrence. I think it is a provision which, in the circumstances which I have explained, is a necessary and salutary circumstance. I quite agree that if the Government had a longer period—say a period of one year, untrammelled by any other requirements of administrative business—to investigate into the matter, to prepare a complete brief a complete dossier

against every assessee who has evaded the tax, there would certainly be no justification for permitting any such provision to stand in the law.

Sir, I hope that with the explanation that I have given, the House will reject the amendment and allow the clause to stand as it is.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Sir, may I ask one question of the Honourable Minister? I want to know from him—I do not know if he is in a position to answer it—whether, in view of the fact that many cases had to be put up simply because there was the bar of limitation, it is in the contemplation of Government to review these cases and proceed only with those which are *prima facie* cases of tax-dodging. The Honourable Member has admitted that owing to the hurry and fear of the bar of limitation, all manner of cases had to be put up; but it is sure to have a very undesirable effect on the minds of the people. I would like to know whether it would be possible for the Government of India to review once again all these cases and pursue only those which are *prima facie* cases of tax-evasion.

The Honourable Dr. B. R. Ambedkar: That is exactly the reason why this clause has been put in the way in which it stands now. It gives the power to Government to revise the cases and to submit for withdrawal, and the final withdrawal will be subject, under the law, to the concurrence of the Court.

Pandit Lakshmi Kanta Maitra: Does Government really contemplate to exercise that power of thorough revision and review?

Some Honourable Members: Oh, yes.

The Honourable Dr. B. R. Ambedkar: For instance a report has been made by an Income-tax Officer in which he subsequently says that the statement which he made earlier, on which Government had included the name of a particular assessee, was derived from hearsay. Undoubtedly such a case will have to be withdrawn, and I have no doubt that when the Government submits it to the Income tax Investigation Commission they would undoubtedly see that the case was made from hearsay accounts, and I have no doubt that the Income-tax Investigation Commission will also have the power to examine the particular Income tax Officer who made the report that he made the case on hearsay.

Shri T. A. Ramalingam Chettiar (Madras: General): Does it mean that the Government is going to take new evidence and look into fresh records again?

The Honourable Dr. B. R. Ambedkar: For the moment they have called for reports from their Income-tax Officers. They have not yet had time to examine the statements made by the Income-tax Officers as to whether they were correct, whether they were founded on facts or whether they were merely hearsay evidence which they heard from somebody that so-and-so had made a large amount of money and had not paid his tax. Obviously, within the time permitted between now and the 30th of June 1948, Government will call upon their Officers to give substantial evidence for the statement that they have made; and if they came to the conclusion that the officers' evidence was purely hearsay, they will in that case refer the matter to the Commission; they will refer to the Commission the statements made by the officers, for their assistance. So far as I can see there is no bar for the Income-tax Investigation Commission to call the officer to investigate and find out whether the subsequent statement that he has made is a correct statement or whether he is also colluding with somebody. All these possibilities are perfectly open.

Mr. Naziruddin Ahmad: May I point out that if the Commission has to enquire into the matter they can act under sub-section (2), namely themselves report that there is nothing further to be done in the case?

Pandit Thakur Das Bhargava: Why should the assessee be harassed?

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Shri B. P. Jhunjhunwala (Bihar: General): If Government has sent a case to the Commission, Government is at liberty to put up another report regarding the same assessee. What difference will it make to the Commission if another additional report by the Government comes before the Commission, and it considers it under sub-clause 2 of sec. 3; and why the Government should insist on withdrawing the case under sec. 3 sub-clause 1?

Mr. Speaker: I wanted to be clear on one point in this Section as it stands. Is it intended that the concurrence of the Commission should also be obtained before the 30th of June? It appears to be so; if that is so, then, in all the cases sought to be withdrawn the Commission also should apply its mind to these cases before the 30th June. Is that the idea?

Mr. Naziruddin Ahmad: That would mean a great deal of hurry.

Mr. Speaker: The charge may be made that, that would perhaps affect the fuller consideration of the cases by the Commission.

Shri M. Ananthasayanam Ayyangar: If they are not able to do so, if the Commission is not able to come to any decision, then *prima facie* they will keep all the materials and under sub-clause (2) they have got the right to reject a case at any time.

Mr. Speaker: That defeats the arguments advanced till now. I was just considering as to whether it is intended that an application for withdrawal should be made to the Commission before the 30th June, though the Commission may take whatever time it requires to go into all the materials—I wanted to know whether that was the idea. I wanted to be clarified on the point—not that I wish to suggest anything. That would have been, to my mind, a clearer position.

The Honourable Dr. Syama Prasad Mookerjee: We will consider this and if necessary table a short notice amendment after lunch.

Mr. Speaker: Then we will keep over the matter for the time being.

Shri Ramnarayan Singh (Bihar: General): Sir, supposing the Government lose some cases, what will be the harm? This has not been explained.

Mr. Speaker: The position has been explained by the Honourable Minister. Government have filed all cases. It is not proper and just even to the assessee that they should be put to the harassment of coming before the Commission and defending themselves—that seems to be the whole idea. However, we will keep over the whole matter.

Prof. Shah's amendment may not be moved now; the matter is practically the same.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the words and figures, 'before the 30th day of June 1948' be omitted."

Shri M. Ananthasayanam Ayyangar: I want clarification. The words occur twice here—once in the earlier part, in the second line, and then at the end in the last but two line. Which one does the Honourable Member want to refer to—the later one or the earlier one or both?

Mr. Naziruddin Ahmad: The later one.

Shri M. Ananthasayanam Ayyangar: 'At any time before' means that he wants power to withdraw at any time without any limitation.

Mr. Speaker: This amendment is in the alternative.

Mr. Naziruddin Ahmad: That position arises only if my first amendment is rejected.

Mr. Speaker: This also may be kept over for further consideration.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (2) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'material', the word 'materials' be substituted."

I may refer here to the proposed Section 6, sub-section (8). There the word "materials" occurs in lines 1 and 2. The context is the same. I think for the sake of uniformity plural is indicated in this Clause also. If we use the plural in one case and singular in another, that would not be conducive to uniformity.

Shri M. Ananthasayanam Ayyangar: We have already accepted 'material'. When we come to the particular clause we, shall convert the plural into singular.

Mr. Speaker: We shall convert it, if we think it is necessary.

Mr. Naziruddin Ahmad: I leave it to you, Sir, with the remark that it is an important amendment which should be considered.

Prof. K. T. Shah: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (2) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following be added at the end:

"Every such report together with the reasons of the Commission for holding the opinion expressed in the report, shall be placed upon the table of the House within three months from the date on which the report was made to the Government."

Sir, in this amendment I have sought to make the House acquainted with the ways and means by which taxation could be evaded or enquiries into such methods may reveal that much material of the kind or much evidence of the kind on which such material is founded is not dependable. The House, I fear, is at a disadvantage in that most members may be laymen and may not be familiar with the technical skill and mysterious ability by which taxation may be evaded. Most of us may not be either income-tax payers or income-tax payers to such an extent as would require the assistance of experts in helping us to pay the just dues or to avoid paying the just dues. The House, however, is the legislative authority. The House provides the powers to the administrators of such legislation to enable them to issue proper direction and to get hold of proper persons or the right persons for bringing them to book for evading payment of taxes or excusing them or exonerating them from any suspicion. If the House does not come to know of the Report of this special Commission, if the House has no material on which to judge the working of this exceptional legislation, then I am afraid the real purpose of such legislation would be lost and the authority of this House to put the proper responsibility on Government would also, to a great extent, be limited. This legislation is admittedly exceptional. The provisions are admittedly extraordinary because of the evasion of the law in the period coincident with the war during which a considerable laxity in application of laws had inevitably resulted. That being so, I think for the education of the House and the information of the members, it is necessary that the Commission's investigation be reported to the Government and also be placed on the table of the House. How the House will deal with it, I am not prepared to say just now, but I do think that like many other documents placed upon the table of the House for the information of the Honourable Members this also should statutorily be placed upon the table of the House, so that any member who is studious may be able to see what ways have been found, what reasons the Commission have found for Government making enquiries, or abandoning enquiries or giving the result of all enquiries. For these reasons, Sir, I have tabled this amendment, which I trust will commend itself to the House.

Mr. Speaker: There are certain amendments to this amendment but we shall see to them later on, if the House seems to be inclined to accept this amendment.

Amendment moved:

"That in clause 3 of the Bill, in sub-section (2) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following be added at the end:

"Every such report together with the reasons of the Commission for holding the opinion expressed in the report, shall be placed upon the table of the House within three months from the date on which the report was made to the Government."

Shri Ran. narayan Singh: Sir, without any speech, I strongly support the amendment.

Mr. Naziruddin Ahmad: I also support the amendment. The House should certainly be kept closely in touch with what is going on behind the scenes, as to what are the ways by which tax is evaded, and how people succeed in doing so inspite of the vigilance of Tax Officers. This will be extremely interesting information for honest citizens.

Shri M. Ananthasayanam Ayyangar: Sir, I entirely agree with the principle that the House must be kept informed of what happens in regard to particular cases which have been referred to such a big body as the Investigation Commission. But it will be premature and will defeat the purpose. Even though the Commission reports, under sub-clause (2), 'the Commission may after examining the material submitted by the Central Government with reference to any case or points in a case and making such investigation as it considers necessary report to the Central Government than in its opinion further investigation is not likely to reveal any substantial evasion of taxation on income and on such report being made the investigation shall be deemed to be closed'. That is the second stage. But at any time before the 30th June 1948 the Government may with the concurrence of the Commission withdraw any case and the Commission itself on the basis of the material placed on record, should it find that there is no case, it may not report. From that time the case will be closed. But there is a provision later on on page 6, sub-clause (4). The Commission is not a judicial body. The Commission may come to that conclusion and for the purposes of the Commission the case may be closed. Notwithstanding the closing by the Commission or not further proceeding with this case, it is open to the Income-tax authorities in the usual course under section 34 of the Income-tax Act to pursue this matter and if it is immediately placed before the House, it becomes such an open affair and all the material will be known to the other side. Then there is no need to pursue that matter. Therefore, within the three years, let us not be in a hurry. The object of my Honourable friend is served in another manner. The Commission was appointed not only to investigate into particular cases referred to them, but the more important one for which the Commission was appointed, according to me is the Commission has been requested after gaining experience with respect to 200 and odd cases placed before them to say how tax evasion ought to be prevented and we eagerly await that report. In that report certainly they will refer to all these cases and when that report is available, the Legislature will be in a position to call for any particular details with respect to any other cases that have been reported under sub-section 2. However desirable the object might be, the very object in view will be frustrated for which the Bill has been brought before the House. I therefore request that Government might give an assurance that in considering that report all these matters—by which time all these will be dead or alive or would have been disposed of somehow—will come certainly before the House and some such assurance could be given. If

the amendment is accepted at this stage, it might tie the hands of Government from proceeding further or taking action under section 34. If such an assurance is given, I am sure my Honourable friend will be satisfied with that.

Mr. Naziruddin Ahmad: I do not see how the further actions under the sub-section be affected by a publication.

The Honourable Dr. Syama Prasad Mookerjee: As has been explained by Mr. Ananthasayanam Ayyangar, this amendment is really unnecessary. Apart from the reason which he has given that it may prevent the Income-tax Department to pursue the matter later on if necessary we must remember that after all, the House must agree to trust somebody. You are appointing a Commission which consists of persons of unimpeachable character and integrity. So far as withdrawal is concerned, you have laid down that withdrawal will be possible only if both the Government and the Commission agree. After that to suggest that the reasons for the Commission's decision with regard to these cases are to be placed before the House, I do not think, Sir, is at all necessary.

So far as Prof. Shah's general remarks are concerned, namely that such revelations might help honest citizens. I do not know how it is going to help them—unless it helps honest citizens to become dishonest. But so far as general questions are concerned, obviously the other Committee which is going to be appointed, will take into consideration the general principles involved in the matter and any lessons which may have been learnt from the experiences of the Commission will be incorporated in their report and that report will be placed before the House in due course for full consideration and such action as the House may advise Government to take. But so far as these particular cases are concerned, we are fortified by the position that no withdrawal will be possible unless both the Government and the Commission agree that such withdrawal is necessary. I therefore think that will be sufficient.

Mr. Speaker: So I will put the amendment to the vote of the House.

Mr. Naziruddin Ahmad: Before that my amendments will require consideration; they are simply verbal.

Mr. Speaker: But then if the original amendment, as appears likely, is not going to stand, then of course, it is no use taking up amending that amendment, which is going to be lost. So I shall ask the Honourable Member (Prof. Shah) if he wishes to put the amendment to the vote of the House.

Prof. K. T. Shah: Sir, I am not convinced at all by the arguments of both the Honourable Members.

Mr. Speaker: Then I will put it to vote of the House.

The question is:

"That in clause 3 of the Bill, in sub-section (2) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following be added at the end:

"Every such report together with the reasons of the Commission for holding the opinion expressed in the report, shall be placed upon the table of the House within three months from the date on which the report was made to the Government."

The motion was negatived.

Pandit Thakur Das Bhargava: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (3) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the words and figures 'whether before, on, or after the 31st day of December 1947', the following be substituted:

'at any time before the 30th day of June, 1948'."

Sir, this is a formal amendment.

The Honourable Dr. Syama Prasad Mookerjee: I am prepared to accept it.

Mr. Speaker: The question is:

"That in clause 3 of the Bill, in sub-section (3) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the words and figures 'whether before, on, or after the 31st day of December 1947', the following be substituted:

'at any time before the 30th day of June, 1948'."

The motion was adopted.

Pandit Thakur Das Bhargava: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (3) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following be added at the end:

'unless it be on the ground that it relates to evasion of payment of taxation on income accrued, arisen or received in India, between the 3rd September, 1939 and the 15th August, 1947'."

Sir, the reason why this Bill has come into being is that there has been tax evasion due to the war. The Government have never submitted for the consideration of the House that there was any other reason for bringing in a Bill of this nature. Sir, according to the amendment which I seek to move "taxation on income accrued, arisen or received in India between the 3rd September, 1947," that is, the date on which the war broke out "and the 15th of August, 1947," when we came into Independence as between these two periods if there is any tax evasion, I say that is a very good ground why the Commission should enquire and gather the tax. But if any evasion occurred before 1939, I think it will be extending the period too indefinitely and extending our tentacles where we should not tread. We do not want to limit the powers of the Commission to get at the incomes which accrued or arose after the 3rd September 1939 and similarly, Sir, after the 15th August 1947, if there has been any evasion, then the remedy is that you remedy the Act altogether and devise some more efficient machinery for collecting income-tax. This commission is a temporary machinery and a measure of emergency and therefore, its power should not be extended beyond the necessities of the case.

Mr. Speaker: Amendment moved:

"That in clause 3 of the Bill, in sub-section (3) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following be added at the end:

'unless it be on the ground that it relates to evasion of payment of taxation on income accrued, arisen or received in India, between the 3rd September, 1939 and the 15th August, 1947'."

Shri M. Ananthasayanam Ayyangar: I believe the object was this: that under section 34 of the Income-tax Act power was given to Income-tax authorities to re-open assessment for 8 years before the date of the assessment (Concealment is 8 years). What is it that my Honourable friend is giving to this Commission? Now let us not put restrictions. The existing law was not found sufficiently strong to empower ordinary methods of the ordinary authorities to catch hold of these tax dodgers. It is not as if whatever taxes were evaded 50 years ago there is absolutely no chance of cases being kept. I know of a case in my part of the country where a person was running a fleet of buses. Some objection was raised and therefore it was kept pending. He went up to another court, and for six or seven years he was evading. In the end a new man came in and he caught hold of the assessee and found that he was due to the extent of 20 lakhs of rupees. By that time he allowed those buses—50 or 60 in number—to be sold away in auction. He made a company in the name of his daughter, another in the name of his son-in-law and so on, and these buses were purchased for Rs. 20 or 50, or 200, etc. They are still carrying on whereas for 20 lakhs we have not got even Rs. 20,000. That is the complaint; there are various modes of evasion. We have neither the money nor any official idea about these tricks. Therefore this Commission comes in for the purpose of catching hold of these dodgers. After all if it is impossible they are not going to have a roving Commission of that kind;

we can safely trust them. There is a limit in the existing Act and that we want to extend so that the real evaders may be got hold of. I feel that it is unnecessary and we need not impose that restriction.

The Honourable Dr. Syama Prasad Mookerjee: Sir, Government oppose any proposal for restricting the powers of the Commission; and if this proposal is accepted, obviously cases coming within the stated period can be re-opened by a court of law, which will defeat the very object which Government and the House have in view. We do not want that the preliminary objections of the kind which are mentioned here should be allowed to be raised. When we are having a Commission we are prepared to trust them and give them powers as enunciated in the Bill. Sir, I therefore oppose the amendment.

Pandit Thakur Das Bhargava: Sir, I beg leave of the House to withdraw the amendment.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Pandit Thakur Das Bhargava: Sir, I move:

"That in clause 3 of the Bill, for sub-section (4) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following be substituted:

'If in the course of investigation in to a case referred to it under sub-section (1), the Commission has reason to believe that some person other than the person whose case is being investigated has himself evaded payment of taxation on income, it may make report to the Central Government stating its reasons for such belief, and on receipt of such report the Central Government may at any time refer the case of such other person to the Commission for investigation and report'."

The clause I have just read is the original clause of the Act of 1947. The main difference between the proposed amendment and the original section is that according to the amending Bill the Government's powers of discretion are taken away, and in a case in which the Commission reports that a certain person has evaded payment of taxation Government is bound to refer the case to the Commission, which in ordinary parlance means that Government have abdicated their powers and given those powers to the Commission. According to the original idea of the Bill Government had the last word on the subject. Much has been made of the note which was sent by the Commissioners appointed by Government in regard to the amendments which are before the House, and we have been told that the Commission wants these changes if this investigation is to bear any fruit. Now, Sir, I take this occasion to complain before the House that the proper thing has not been done by Government in calling for a report from this Commission; according to the provisions of the original Bill this Commission had no such function. the words in the Preamble of the Act of 1947 are:

"Whereas it is expedient, for the purpose of ascertaining whether the actual incidence of taxation on income is and has been in recent years in accordance with the provisions of law, and the extent to which the existing law and procedure for the assessment and recovery of such taxation is adequate to prevent the evasion thereof, to make provision for an investigation to be made into such matters."

According to the provisions of the section, this Commission had two powers, (i) of investigation into certain cases of evasion and (2) of investigating into the fact whether the law was enough or not. Now the investigation has no such business to send comments in regard to this Bill so that the Bill might be made effectual; that was the business of this House and of the Law and Finance Ministry of Government.

Sir, the whole mischief has been done in this way. First of all they appoint a Commission and then they ask the Commission how their efforts will bear fruit. If the question was put to the members of the Commission about

[Pandit Thakur Das Bhargava]

the efficacy of the proposed measures before they were appointed Commissioners and they were asked to give an opinion I think they would have agreed with me in principle that the investigating authority should be different from the deciding authority, both being parts of the investigation Commission. But when the Commission was appointed they only looked at the question from the point of view of the existence of the Commission and then providing a remedy. And therefore the recommendations which were made by them were such as affected the integrity of the judicial system of this country. Even this Commission when the matter was referred to them did not have the courage or did not like to say that this power of Government should be taken away. Even in this report which has been circulated to us it has not been suggested that the words "shall forthwith" be put in the section and Government shall not have the last word in relation to certain cases of evasion. What is the effect of it? In the first place when a person makes a complaint and finds that a certain person has evaded taxation, these are the words in the amending Bill:

"When the Commission has reason to believe that some person other than the person whose case is being investigated has evaded payment of taxation," etc.

The Commission have come to believe this and then send in a report. If you will compare the provisions you will find that so far as Government is concerned, Government must have *prima facie* reason to believe that a person has to a substantial extent evaded payment; whereas in the case of the Commission the words are "that some person other than the person whose case is being investigated has evaded payment of taxation". The words "to a substantial extent" are not found here. But the real gravamen of my charge is that the person who complains, the person who has come to the conclusion that a certain person has evaded payment should not be allowed to deal further with the case. If you will see the provisions of section 191 of the Criminal Procedure Case you will find that what I am saying is based upon a very well established judicial principle. Section 191 says:

"When a Magistrate takes cognisance of an offence under sub-section (1), clause (c), of the preceding section, the accused shall, before any evidence is taken, be informed that he is entitled to have the case tried by another Court, and if the accused, or any of the accused if there be more than one, objects to being tried by such Magistrate, the case shall, instead of being tried by such Magistrate, be committed to the Court of Session or transferred to another Magistrate."

This is not the only section in which this principle has been accepted as right. If you refer to Section 556 you will be pleased to see that the principle has been extended further and it has been held that:

"No Judge or Magistrate shall, except with the permission of the Court to which an appeal lies from his Court, try or commit for trial any case to or in which he is a party, or personally interested, and no Judge or Magistrate shall hear an appeal from any judgment or order passed or made by himself."

It may be said that the Judge is not personally interested. But may I submit that the rulings on this point of personal interest go much further than appears on the surface.

According to Sohoni's Code of Criminal Procedure, page 1090—it is said:

"But if in his capacity as Collector he has directed the prosecution, he is disqualified from trying the case, not by reason of the fact that he is the Collector, but by reason of the further fact that he has constituted himself the prosecutor. Where, therefore, the Magistrate presided at a meeting of the Municipal Board which directed the prosecution held, that he was disqualified from making an order for further inquiry against the accused under section 436. It may be that the Magistrate did not speak or vote at the meeting—but the fact remains that he attended a meeting where the question was debated and the prosecution ordered and he had therefore placed himself personally to some extent in the position of a prosecutor."

"A Magistrate, who himself ordered the prosecution of the accused in his capacity as Tahsildar and further ordered the search of the accused's house, not on the complaint or report of a Collector or Excise Officer, but on that of an opium contractor, is incompetent to try the offence. The illustration to the section almost exactly covers such a case."

Further on it says:

"The illustration simply embodies the principle that a man cannot be both prosecutor and Judge in the same cause."

Once having found that a person has evaded payment, his further action in directing the investigation and hearing witnesses at the back of the assessee is simply one which is astoundingly unjudicial.

If the point was that the enquiry was made by another Commission and this Commission reported that certain evasions had taken place, then I could understand that there was something to be said in favour of the charge. If you kindly see the previous Act and the main provisions of this Act also, it appears that the entire responsibility for the prosecution is that of the Government. The Commission should not be allowed to become the complainant itself. Now if the Government want to withdraw they have taken that power. Why should they give that power to the Commission. Even if the Commission reports the Government should have the last word. The Commission may have been mistaken and it may have reported that an evasion of Rs. 1,000 or Rs. 10,000 may have taken place. The Government may take the view that it is not a substantial evasion, and the Government may be helpless. Therefore looking to the principle on which the entire Act is based, it is not proper to arm the Commission with such powers that it can take powers away from the Government and the Government will be obliged to refer all cases in which the Commission makes a report.

Mr. Speaker: I think it is time for adjourning for Lunch.

There was one point I was considering and to which I invite the Honourable Members' attention. The sub-clause contemplates the reference of cases of other persons for report to the Commission. Such a report may or may not come after 30th June. It may come after 30th June 1948. Is it contemplated that the reference of such other person could be made after 30th June?

Shri M. Ananthasayanam Ayyanger: There is no limitation of time. It is not intended.

Mr. Speaker: If that is intended it seems the matter is not clear, because sub-clause (1) says that Government may make a reference at any time before 30th June. What about these further references of "other persons" arising from reports of the Commission? So far as "points" are concerned that is made clear.

The Honourable Dr. Syama Prasad Mookerjee: These references will be obviously after 30th June.

Mr. Speaker: But the section itself is not clear.

The Honourable Dr. B. R. Ambedkar: The cases that arise out of investigations taking place by the Commission are really not references by Government. These are acts by the Commission.

Mr. Speaker: I may say that it is a possible argument, but the language here used is "if in the course of investigation" into any case or points. So far as points are concerned, there is no doubt. If "points" arise in a particular case already referred to, those points can be placed before the Commission.

But "if in the course of investigation.....the Commission has reason to believe that some person other than the person whose case is being investigated has himself evaded payment..... It may make a report to the Central Government," and the Central Government shall, "forthwith refer to the Commission for investigation". It is a case of reference.

[Mr. Speaker]

As we are adjourning for Lunch, I think this point also, instead of its being considered in the House, may be considered during the lunch interval.

The Honourable Dr. Syama Prasad Mookerjee: I thank you, Sir, for your suggestion. We shall consider it.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

The Honourable Dr. Syama Prasad Mookerjee: Sir, the point raised by Pandit Bhargava is that if in the course of investigation by the Commission it appears that some other person has evaded payment of income tax, then that case may be brought to the notice of the Central Government and the Central Government shall then refer that case to the Commission for further investigation. What Pandit Bhargava says is that so far as this reference by the Central Government to the Commission is concerned that should not be absolutely obligatory but some discretion should be left in the hands of the Government to decide whether it is a fit and proper case which should be referred to the Commission or not. In fact the Bill as originally drafted gave this discretion to the Central Government but the Select Committee made this alteration and thought that if in a particular case the Commission was satisfied that there was some other person whose case should be investigated, then no discretion should be left in the hands of the Central Government but that case should forthwith come back to the Commission. Government thought it fit to accept this amendment in the select committee. In view of that I am unable to accept the amendment of Pandit Bhargava which is meant to take away certain powers which the Select Committee has thought it fit to vest in the Commission.

Sir, an amendment is going to be moved, with your leave, on this point that notwithstanding anything contained in clause 3 this second reference will be quite in order and valid.

Pandit Thakur Das Bhargava: Sir, I am withdrawing my amendment.

Mr. Speaker: I have not placed the amendment before the House.

The Honourable Dr. B. R. Ambedkar: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (4) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following shall be inserted after the word 'shall' in the penultimate line:

'notwithstanding anything contained in sub-section (1)'. "

Mr. Speaker: The question is:

"That in clause 3 of the Bill, in sub-section (4) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the following shall be inserted after the word 'shall' in the penultimate line:

'notwithstanding anything contained in sub-section (1)'. "

The motion was adopted.

The Honourable Dr. B. R. Ambedkar: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'and may with the concurrence of the Commission withdraw at any time before the 30th day of June 1948 any case or points thus referred and no proceedings shall' occurring in lines 7 to 9, the following shall be substituted:

'and may at any time before the 30th day of June 1948 apply to the Commission for the withdrawal of any case or points in a case thus referred, and if the Commission approves of the withdrawal, no further proceedings shall'."

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As the House will see the new amendment makes a distinction between application to the Commission for withdrawal and the actual withdrawal. All that the new amendment does is to require that the application for withdrawal shall be made before the 30th June but the disposal may take place at any time subsequently thereafter.

Mr. Speaker: Amendment moved:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'and may with the concurrence of the Commission withdraw at any time before the 30th day of June 1948 any case or points thus referred and no proceedings shall' occurring in lines 7 to 9, the following shall be substituted:

'and may at any time before the 30th day of June 1948 apply to the Commission for the withdrawal of any case or points in a case thus referred, and if the Commission approves of the withdrawal, no further proceedings shall'."

This amendment means that the Commission will take its own time to look into the case and then allow or not allow the withdrawal; and that may be after the 30th June, 1948.

Mr. Naziruddin Ahmad: Sir, the amendment is open to this objection. While the Commission is not prevented from looking into the matter judicially, the clause does not at all require them to look into the matter from the juridical point of view. If that is attempted to be ensured by an understanding then sub-section (2) does the work. If they are at all required or expected to give a judicial consideration to the points raised after applying their judicial mind to it, that is ensured by sub-section (2). The words even as changed are open to the same objection as I submitted to the House earlier.

The Honourable Dr. B. R. Ambedkar: My Honourable friend has entirely misunderstood sub-section (2). The sub-section deals with a case where Government refuses to withdraw and the Commission quashes it on the ground that no material has been obtained. Sub-section (1) deals with a case where Government itself is convinced that there is no case and applies to the Commission for not proceeding with it. The two are different.

Mr. Naziruddin Ahmad: I did not misunderstand the sub-section at all. The Honourable Minister has not followed me.

Mr. Speaker: Does the Honourable Member, Mr. Naziruddin Ahmad, propose to press his amendment?

Mr. Naziruddin Ahmad: Yes, Sir

Mr. Speaker: The question is:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, the words beginning with the words 'and may with the concurrence' to the end, be omitted."

The motion was negatived.

Mr. Speaker: I shall now put the amendment moved by the Honourable Dr. Ambedkar. The question is:

"That in clause 3 of the Bill, in sub-section (1) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'and may with the concurrence of the Commission withdraw at any time before the 30th day of June 1948 any case or points thus referred and no proceedings shall' occurring in lines 7 to 9, the following shall be substituted:

'and may at any time before the 30th day of June 1948 apply to the Commission for the withdrawal of any case or points in a case thus referred, and if the Commission approves of the withdrawal, no further proceedings shall'."

The motion was adopted.

Mr. Speaker: The next amendment is the alternative amendment of Mr. Naziruddin Ahmad wherein he wishes to omit the words 'before 30th day of June 1948'. Does he press it?

Mr. Naziruddin Ahmad: I do not want to press it.

Mr. Speaker: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: I move:

"That in clause 4 of the Bill, in sub-section (1) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, after the words 'specified date', the words 'or within such extended time as it may allow' be inserted."

This is intended to give the Commission power to grant further time to file written statements. I think this is a necessary power and it will be within the discretion of the Commission; there will be no harm in giving them this power because they will exercise it only in proper cases.

The Honourable Dr. Syama Prasad Mookerjee: 'Specified date' obviously means that. If an extension is given that will also be covered under this.

Shri M. Ananthasayanam Ayyangar: May I make one suggestion? In the Consolidated List of Amendments there is an amendment by Mr. Subramaniam suggesting the insertion of the proviso "Provided that the Commission may for just and sufficient reasons enlarge the time given to furnish the written statement".

The Honourable Dr. B. R. Ambedkar: There is no prohibition and there is nothing to prevent a party from making an application for extending the date.

Mr. Naziruddin Ahmad: If it is implied it is not necessary and I do not press my amendment.

Mr. Speaker: So I am not putting it. That disposes of also amendment by Mr. Subramaniam.

Mr. Naziruddin Ahmad: I move:

"That in clause 4 of the Bill, in sub-section (1) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'written statements', the words 'a written statement' be substituted."

A large number of statements are incorporated in a document which in the aggregate is called a written statement. The fact that it contains several subordinate statements does not make it a plural: it is only one written statement containing a large number of allegations. That is contained in the Civil Procedure Code and in many other Acts.

Shri M. Ananthasayanam Ayyangar: I have a doubt about the Civil Procedure Code. When once a statement is filed, an additional statement can also be filed. Does my friend want to prevent successive statements by saying 'a statement'? The statement relates to accounts and affairs. Affairs are different from accounts. There may be a statement of matter that is asked. I do not know why he is very particular about this.

Mr. Naziruddin Ahmad: I am not particular about anything. A written statement is to be filed by a specified date. It refers to one statement—not subsequent statements. My friend Mr. Ananthasayanam Ayyangar is perhaps missing the point.

Shri M. Ananthasayanam Ayyangar: We have already accepted the definition of the words 'specified date'.

Mr. Speaker: The expression 'written statement' is not used here in the sense of a written statement to a plaint. It means a statement committed to paper. I understand that the Honourable Member is not very particular, as he said, at least about this amendment. So I am not putting the amendment.

Mr. Speaker: As regards the amendment of Mr. Naziruddin Ahmad—No. 24 in Supplementary List No. 1—I shall refer it to the Draftsman. Does Mr. Lakshminarayan Sahu propose to move his amendment to clause 4? I think his amendment is covered by what has already been stated by the Law Minister.

Shri Lakshminarayan Sahu (Orissa: General): I do not propose to move it.

Mr. Naziruddin Ahmad: I move:

"That in clause 4 of the Bill, in sub-section (3) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words beginning with 'it appears' and ending with the words 'from any person', the following be substituted:

'the Commission is of opinion that any accounts or documents should be examined or that any person should be interrogated of that the statement of any person should be obtained'."

The Bill clause is round about. My amendment is simple and straight-forward. The Bill clause says.

"it appears to the Commission to be necessary to examine any accounts or documents or to interrogate any person or obtain any statements from any person....."

Instead of saying "it appears to the Commission to be necessary to examine any accounts", the simple thing would be to say "the Commission is of opinion that any accounts or documents should be examined or that any person should be interrogated", and so forth. I have attempted to make it more simple.

Shri M. Ananthasayanam Ayyangar: The Honourable Member wants to use passive voice for active voice.

Mr. Naziruddin Ahmad: I am using the simple for the round about.

The Honourable Dr. Syama Prasad Mookerjee: It is not necessary.

Mr. Speaker: Shall I put it to the House?

Mr. Naziruddin Ahmad: No, I am not pressing my amendment.

I beg to move:

"That in clause 4 of the Bill, in sub-section (3) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, after the word 'as' occurring in line five, the word 'the' be inserted."

I think, Sir, this should be accepted unless it is said that 'it is unnecessary'. Nothing is absolutely necessary. It depends on the standard of approach. If the Commission is required to stretch their imagination a little further and find out a meaning which is not apparent, then of course the amendment is unnecessary. The text reads like this: hereinafter referred to as "authorised official" I should say "hereinafter referred to as the authorized official". The word "the" is not part of the official designation, but is an article and is required in the interest of good grammar.

The Honourable Dr. Syama Prasad Mookerjee: The dispute is over the word 'the'.

Mr. Naziruddin Ahmad: "The" is no part of the name. "The" is merely an article.

The Honourable Dr. Syama Prasad Mookerjee: We may accept the amendment.

Mr. Speaker: "The" will not be in inverted commas. That may be clarified. The Honourable Minister is inclined to accept the amendment. I will put it to the House.

The question is:

"That in clause 4 of the Bill, in sub-section (3) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, after the word 'as' occurring in line five, the word 'the' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (3) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'such directions as may be issued by the Commission', the words 'the directions of the Commission' be substituted."

Sir, the Bill clause is extremely round about. It uses a large number of words 'such directions as may be issued by the Commission'. My substitution would be 'the directions of the Commission'. In that case it would read very simple—'subject to the directions of the Commission from time to time' and so on.

Shri M. Ananthasayanam Ayyangar: Where is the need?

The Honourable Dr. Syama Prasad Mookerjee: We may adhere to the usual form. I am not for accepting the amendment.

Mr. Naziruddin Ahmad: In that case, I do not press it.

Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (3) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, the words 'from time to time' be omitted."

These words have come before the House many a time. They are already provided for in the General Clauses Act. Sometimes they have been accepted, sometimes they have not been accepted. It depends for the time being on the temper of the Minister concerned. These words are unnecessary. The General Clauses Act really provided for it.

Shri M. Ananthasayanam Ayyangar: My own request to my Honourable friend is that he need not move such amendments from time to time. There is no harm if 'from time to time' is there. Nobody refers to the General Clauses Act or carry the General Clauses Act as he carries Gem Dictionary in his pocket.

Mr. Naziruddin Ahmad: Every lawyer has to do it.

The Honourable Dr. Syama Prasad Mookerjee: When we say as we say here "the Commission may give such directions", it obviously means such directions as may be given from time to time.

Mr. Naziruddin Ahmad: Of course this is implied.

The Honourable Dr. Syama Prasad Mookerjee: Also I understand the intention was that it should be ensured that the Commission can exercise continuous supervision and control over the authorized officials, and that is why 'from time to time' was inserted.

Mr. Naziruddin Ahmad: I have no objection as to the purpose.

The Honourable Dr. Syama Prasad Mookerjee: Then accept my interpretation.

Mr. Naziruddin Ahmad: Then I do not press it.

Mr. Speaker: So I need not put it. The point has been before the House before.

Pandit Thakur Das Bhargava: I am not moving any of the amendments to this clause.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (5) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'if satisfied', the words 'if it is satisfied' be substituted."

The words "if satisfied" is an abbreviated expression. It may be used in telegrams where economy of words is the first consideration, where we have to pay for every word. In this case I submit that the proposed additions, if introduced, would make the sense absolutely complete.

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The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member was extremely anxious that superfluous words should be omitted. Why should he ask for the addition of these words now?

Mr. Naziruddin Ahmad: I am not keen about the amendment if the Honourable Minister is not inclined to accept it.

Mr. Speaker: So I am not putting it to the House. The Honourable Member is not keen that it should be placed before the House.

Mr. Naziruddin Ahmad: I was keen that it should be pointed out only.

Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (5) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'the Income-tax Officer', the words 'an Income-tax Officer' be substituted."

Sir, we have not got a particular Income-tax Officer in view; therefore, the word "the" will not be proper. "An" Income-tax Officer is any Income-tax Officer; that is why the amendment is more proper. But if it is argued that the amendment is not necessary, and that everybody will understand it, that is a different matter. But I think this is a better expression, because there may be more than one Income-tax Officer having jurisdiction.

The Honourable Dr. Syama Prasad Mookerjee: I think, Sir, here "the" is necessary because the words are 'by the Income-tax Officer having jurisdiction to assess the person; ...'.

Mr. Naziruddin Ahmad: There may be more than one.

The Honourable Dr. Syama Prasad Mookerjee: But obviously it refers to that Income-tax Officer who has the jurisdiction.

Mr. Speaker: So I need not put it to the House.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (7) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'who is considered likely', the words 'whom it considers likely' be substituted."

Sir, the context will make this amendment clear.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I do not accept it.

Mr. Speaker: Then we pass on further?

Mr. Naziruddin Ahmad: Yes, Sir.

Sir, I move my next amendment; this amendment is important but may not be accepted. I beg to move:

"That in clause 4 of the Bill, in sub-section (7) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words beginning with 'is in the opinion' and ending with the words and figure 'of section 5', the following be substituted: 'which the Commission thinks may be necessary for the purpose of a reference by it under sub-section (3) of section 5.'"

Sir, the context is extremely round about although, if it is argued that the round-about will do, certainly it will do. A gentleman once said a wooden cat would do if it can kill rats; so this is a wooden cat and the question is whether the Honourable Minister will have the wooden cat or the live cat. The text says:

"or in the opinion of the Commission likely to be reported by it to the Central Government for reference under the provisions of sub-section (3) of section 5."

In fact, Sir, I have hardly found anything more circumspect, more indirect, than this. What is wanted is that:

"which the Commission thinks may be necessary for the purpose of a reference by it under sub-section (3) of section 5."

[Mr. Naziruddin Ahmad]

I think it is more direct, to the point, and absolutely straightforward; the other is needlessly circumspect. In fact it seems to have been written once or twice with corrections made, without an attempt to re-write it: that is why it is so indirect. I may refer to a very great authority on drafting, that circumspection should be avoided, that directness should be accepted. That is by Sir Alisson and Russell in the book 'Legislative Drafting and Forms'.

Pandit Thakur Das Bhargava: Sir, with your permission may I point out that in this clause in sub-section (7), I think instead of 'sub-section (3) of section 5', it ought to be 'sub-section (4) of section 5'.

Mr. Speaker: Obviously it should be '(4)'.

The Honourable Dr. Syama Prasad Mookerjee: It apparently escaped the eagle eyes of Mr. Naziruddin Ahmad also.

Mr. Naziruddin Ahmad: My eagle eyes are so much occupied they were blurred for the time!

Mr. Speaker: What is the position of Mr. Naziruddin's amendment?

The Honourable Dr. Syama Prasad Mookerjee: No, Sir, it is not necessary.

Mr. Speaker: So I am not placing it before the House. But the other amendment may be moved.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (7) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the figure and brackets '(3)' where they first occur, the figure and brackets '(4)' be substituted."

Mr. Speaker: The section will then read as 'sub-section (4) of section 5' in place of 'sub-section (3) of section 5'.

The question is:

"That in clause 4 of the Bill, in sub-section (7) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the figure and brackets '(3)' where they first occur, the figure and brackets '(4)' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 3 of the Bill, in sub-section (9) of the proposed section 5 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'made in this behalf under the Act', the words 'made by the Central Government in this behalf' be substituted."

Sir, the words 'Central Government' are necessary. Sub-section (9) does not make it clear as to who will make the order 'on this behalf'. The expression 'under the Act' is unnecessary. If it is said 'rules made by the Central Government in this behalf, it must mean 'rules made under this Act'. If the Central Government makes any rules, it must be under this Act. So, the words 'under this Act, are not necessary and the words 'Central Government' seem to be absolutely necessary.

Mr. Speaker: Will the Honourable Member refer to Section 10 of the original Act? If he refers to it he will find that it gives power to the Central Government.

Mr. Naziruddin Ahmad: But here the matter is left obscure. In every Bill, if a rule making power is given in the body of the Bill, it is also clearly stated who will make the rule—the Central Government, the local Government or the Commission.

Mr. Speaker: The Honourable Member will see that this is an amending Act and this Section will form part of the original Act; and the original Act provides by Section 10, that the rules will be made by the Central Government. Here are the exact words: "The Central Government may, by notification in the official gazette, make rules for carrying out the purposes of this Act." Perhaps the Honourable Member has lost sight of the original Section 10.

Mr. Naziruddin Ahmad: I have not lost sight of it Sir, but the question is whether it should also appear here.

The Honourable Dr. Syama Prasad Mookerjee: As you have explained, Sir, it is not at all necessary to incorporate this amendment. The Central Government alone can frame rules and that is provided for in the comprehensive Section 10 of the original Act. If we have to refer to the Central Government here, then we shall have to do it in every place where there is reference to rules.

Mr. Naziruddin Ahmad: That is always done.

Mr. Speaker: Order, order. The Honourable Member is explaining. Let us proceed now. I hope the Honourable Member is not keen to have his amendment put to the House. So we shall go on to the next amendment.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 4 of the Bill, in sub-section (9) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'to proceedings' the words 'to the proceedings' be substituted."

The word 'the' has been neglected. It should be resurrected and given its proper place.

The Honourable Dr. Syama Prasad Mookerjee: This may be accepted, Sir.

Mr. Speaker: The question is:

"That in clause 4 of the Bill, in sub-section (9) of the proposed section 6 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'to proceedings' the words 'to the proceedings' be substituted."

The motion was adopted.

Pandit Thakur Das Bhargava: Sir, in regard to this clause, which is the very basic clause of the amending Bill, I beg very respectfully to submit that the amendments made herein are not satisfactory. You will be pleased to see that I gave no ice of amendments to many of these Clauses, for the omission of some and the substitution of a new clause 4A, which I have not moved. But though I have not moved them, yet I cannot restrain myself from expressing my very great dissatisfaction of the provisions of Section 4. According to me, Sir, the powers of the Commission should be confined to 6(i) and 6(ii) and the rest of the matters should have been so regulated that the powers of an investigation authority should have been defined. Sir, I maintain that the High Court Judge or the Commission as it is constituted, will not be the proper instrument to investigate cases of this kind. As I submitted before, the High Court Judges and the Honourable Members of this Commission are certainly very impartial people. We have got full faith in them, but as my Honourable friend Prof. K. T. Shah said, you have to set a thief to catch a thief. Those persons who are trained in the art of finding out defalcations, those persons who know how these tax-evaders behave, if those persons are set after them, I think we shall get more fruits.

Dr. B. Pattabhi Sitaramayya (Madras: General): They may share the booty!

Pandit Thakur Das Bhargava: Sir, I maintain that the Income-Tax Department is not so barren as not to produce one or two Assistant Commissioners of Income-tax who could be put on this duty. If that is so, if as Dr. Pattabhi remarked, those persons are not reliable, then may I humbly submit for his consideration the following extract from the note circulated to us by the Commission itself: "The matter requires the closest scrutiny and it is the Income-Tax Officers alone who will be able to do their duty by it." My humble submission is that a High Court Judge will be a very fair-minded person and during this investigation it is not fair-mindedness which counts. It is something

[Pandit Thakur Das Bhargava]

else which counts. Those who have had something to do with investigation of cases in the Police and other cases know fully that curious methods are employed by the Police to explore the truth. I therefore submit, Sir, that the provisions of this Bill, in so far as they authorise the Commission to take the initiative and take the initiative from those who are trained to dig out these tax-dodgers, are not satisfactory. I know that. Because I have the courage of pointing this out, my friends Mr. Mohanlal and Mr. Ananthasayanam took me to task and called me friend of the tax-evader.

Shri M. Ananthasayanam Ayyangar: No, no. I am sorry.

Pandit Thakur Das Bhargava: That was the implication, but I do not mind. I still maintain, in all humility, that we are playing with the judicial system of this country in so far as we are just taking down from the high pedestal in which the High Court judges should sit,—that of judging and assessing,—we are bringing them to the level of those who are to be in charge of the investigation, so that we are not doing both things rightly. I think if the Investigation Commission was divided into two parts—No. 1 the Judges of the Commission who would have assessed the man, judged the evidence and also directed further enquiry if it was necessary and No. 2 investigation by the most reliable of the Income-Tax Officers and Assistant Commissioners of Income-Tax—in that case, it would have been more satisfactory.

Now, Sir, if you would kindly look into part (v) of clause 4 of the proposed Section 6, such a great innovation has been made that I do not know, as far as my knowledge goes, if any parallel is to be found in the criminal or civil law of this country. If an accused does not answer a question or does not behave in the manner which is indicated in Section 5, he can be punished with fine in an indefinite amount. The whole of the property may be taken. I have no sympathy with the tax-evader—I want that every tax-evader should be caught and I yield to none in my desire so far as that is concerned—but at the same time, I do not want that even the worst criminal, even the murderer should not have the right which is his due according to the accepted principle of civil and criminal jurisprudence. Even in the Civil law if a person keeps mum, the court may draw an inference that it likes. Even the judges of the Commission who gave this note did not propose this suggested change that a person can be fined in this way and pressure can be brought upon him in any way in which the authorized official or the Commission likes. In the year of Grace 1948, the Select Committee is not right in putting such a restriction upon the person who is after all in the nature of an accused person. I know under the Criminal Procedure Code even the worst criminals and the worst defaulters are tried but even then there is no such provision. This amending Bill gives such wide powers, such ample powers that it takes one's breath away when he reads the words "that in any manner the enquiry may be made and statements can be taken by the Commission at the back of the person." We know the provisions under section 164 and the rulings of the Honourable Judges of the High Court in relation to statements under 164. We know about the investigation made by the magistrate and the Income-tax officer whose power are in the matter not less drastic than those of the police officer we further know what value is to be attached to these statements. I suggest that statements were taken by the Officers of the income-tax department charged with the investigation. They will have no difficulty in using these powers of investigation at the back of the tax evaders but I do not want that the Commission itself should also take the evidence at the back and be impressed by that. I want that whatever may be done by the Income-tax authorities may be done and after it is done the whole thing may be placed before the Commission and the everything will be fair and square.

Every person may appoint a counsel and he should be allowed to appear before the Commission at all stages of the enquiry. Even now a criminal is not entitled to take the pleader while the investigation is going on. Here at the back of the accused the Commission will examine witnesses and then pin them down to certain statements and at the same time the Commission is given the power to report against the witness also. Thus undue pressure upon the witnesses will not fail to be brought in some cases. I do not want to take more time than necessary and I have already submitted that these provisions are very unfair. You will be pleased to see, Sir, from the amendments that I have moved that I wanted to give more powers to the investigating agency so that the agency, if efficient can find out how and in what manner these evasions have taken place. These powers are not sufficient to catch the tax evaders. I wanted that the investigating authority should be given even more powers. I submitted, Sir, when the original Bill was on that this Commission will not be able to do anything. I repeat that but for this amending Bill, the Commission would have been absolutely futile. Now this amending Bill gives certain powers to the Commission and with these powers the Commission's efforts will be fruitful. I submit, Sir, they will be fruitful as they will bring some money to the Exchequer. But if the Government accepted the scheme envisaged in my amendments they would succeed in getting perhaps more money from the tax evaders and the position will be more satisfactory in this sense that the tax-evaders themselves will feel that they have been fairly dealt with. I only want that all the tax-payers should be mulcted fully, but at the same time I want them to feel satisfied that they have been dealt with fairly and in a legal manner under this Act.

Now again, Sir, when you examine the other provisions, you will be pleased to see that so far as the judicial system of the country is concerned, if this act is allowed to be passed, we do not know in what other ways these provisions will be ploughed back in our system on other occasions and tamper with it. I submit, that so far as these provisions to clause 4 are concerned, the House may be pleased to agree that it is not right to have such provisions in the Bill.

Shri M. Ananthasayanam Ayyangar: I have the greatest respect and regard for my Honourable friend, Mr. Thakur Das Bhargava. It has never been my intention to accuse him. All I need say it is as clear from his speech that he has made today that he is anxious as any other person and I cannot pretend to be more anxious than my Honourable friend that the tax-dodgers ought to be booked and sufficient money ought to be collected. There is only one difference between him and me regarding the procedure, i.e., in the method of the agency by which these persons can be caught. He also agrees that he can easily use the words "set the thief to catch the thief" and our esteemed friend Dr. Pattabhi intervened and said "that man may get himself induced." Now there is a hierarchy of officials who are competent. Mr. Bhargava said a person who is in the line is much better than these three Commissioners. I must inform him that of the three persons one is a retired High Court Judge.

Pandit Thakur Das Bhargava: Suppose these persons die, retire or accept other offices?

Shri M. Ananthasayanam Ayyangar: The other is a judge of the Bombay High Court and the third person has been a member of the Income-tax Tribunal, that is the highest authority. He is also the Judiciary in the sense that a number of cases, contested cases come before him; he knows the details of that administration. That man has been associated along with two eminent judges. Now we will assume this composition that the Commission is entirely composed only of the officials in the Department. That is exactly evidently what he wants.

Pandit Thakur Das Bhargava: I do not say that the Honourable Judges will not be just or they should belong to the Income-Tax Department. I only want that the investigating authority actually may be different; they may be men of the Income-Tax Department.

Shri M. Ananthasayanam Ayyangar: We have come to this position. Nearly 100 crores are still due. Our expectation is 500 crores. How long can we afford the loss. The authority itself has moved the Government and then says we are unable to do this for various reasons and if he proceeds far enough, the people attribute motives to an officer and then it is said: "This man is over-zealous. Transfer him to some other Department". If he is indifferent, of course we do not get the revenue. In either case the arrears have accumulated. It was said that the power of withdrawal ought not to be given to Government. It is a Minister of the State that has to withdraw and we are not prepared to trust even the Minister of State.

Mr. Narizurrin Ahmad: There is no imputation against the Minister.

Shri M. Ananthasayanam Ayyangar: Against whom? Is it against this wall, against the pillar in the Ministry Office? The Ministry it is that has to pass and the Central Government. The Government must be given the power to withdraw. So the question is whether we should give the power to the Government or not and in such normal cases who is the ultimate authority? It must be the Central Government who will be clothed with the power to withdraw. Some of my friends feel that a number of political influences may be brought to bear even on such a minister in whose hands the future and present prosperity of 200 odd millions is entrusted. We are not prepared to entrust him with this responsibility. We look askance and there is so much agitation and discussion and debate and we do not want the Central Government be given power to withdraw. In certain cases we have hedged it in; we have given a particular date before which alone he should withdraw, after which he ought not to withdraw. Under those circumstances is it at all right to leave it to the officials of the Department, however big they might be. There is the Commissioner of Income-Tax and the Assistant Commissioners they have not been able to do this and therefore it is that Government thought it necessary to create a tribunal. If the officers are not able to do that we say somebody must be appointed who is above reproach. When persons are appointed, we immediately go back and then say, the Department is sufficient. The test of the pudding is in the eating. We must get this money. My Honourable friend wants, judges to be absolutely above reproach. We are setting a judicial branch to investigate into this matter and then it is said that facts that they have arrived at are final. I ask my Honourable friend with all his experience how many judges sit in a bench of the High Court? Even the second appeal is heard by a single Judge. A munsiff hears it in the first instance; then a district judge hears it and then it comes to the High Court. We are perfectly satisfied with that procedure. In the Privy Council three out of five Judges may pass a judgment. But when it comes to some of our eminent men we are dissatisfied with them. We smell a rat anywhere and every where where there is no possibility of any rat.

Sir, after all we must realise that this is a quasi-judicial body; it does not profess to be an absolutely judicial body. So the normal principles of jurisprudence do not apply in this case. We do want to get the money due to Government. At the same time we want to see that an over-enthusiastic official is not allowed to bring all and sundry to book and thus place impediments in the way of the business community on whom much of the progress depends. There is nothing hard and fast about this provision. We are, for instance, framing a constitution for this country; there is nothing to prevent us changing it; if it is found to be necessary. Today we pass this Bill; tomorrow, if necessary,

it will be amended. We have seen amending Bills after amending Bills. Therefore, Sir, I say that all these objections are academic. They do not touch the realities of the problem.

Let me now come to the penalty provisions. What is it? Is not my Honourable friend aware that under the Indian Companies law if a Director does not submit a statement by a particular date, for each day of default a penalty of Rs. 500 may be imposed on him. Likewise you can lay down a penalty of Rs. 10,000. But I tell you this Rs. 10,000 is nothing for him—it is after all a flea-bite. It all depends on circumstances. Rs. 10,000 may be too much for me, but to a businessman it is nothing. Possibly it may be suggested that they may be put in jail for two months. But have we come across cases where ordinary offences are punished with imprisonment.

I, therefore, feel that it is no good suspecting our own men at every stage. After all they are men who have put in 30 years of service and will not do any wrong. In these circumstances there is nothing wrong in clothing them with powers and I am sure that they will exercise their powers quite properly.

Prof. Shibban Lal Saksena: Mr. Speaker, Sir, I was very much surprised that any member of this House should have taken objection to clause 4 of this Bill. I think that the guarantees contained in this Bill to ensure that no injustice is done are quite adequate.

I have had experience of one industry, which is probably the second largest industry in the country, and I can make bold to say that a very large amount of income-tax is evaded. Last year in the agreement between capital and labour there was a provision that the millowners shall give 25 per cent of their profits to labourers as bonus. What happened actually was that though they made huge profits, they manipulated their balance-sheet in such a way that the State has lost a very huge sum of money. I think the House will agree with me when I say that we should have no sympathy whatsoever with those who evade taxes and I would appeal to my Honourable friend, Mr. Bhargava that his sympathy is misplaced. Anyway what I suggest is that this Bill as it has been drafted goes only a small way towards catching those who evade taxes and deprive the public exchequer of dues legitimately due to it. I hope that my Honourable friend will withdraw his opposition and that this clause will be passed unanimously.

Mr. Speaker: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Mr. Speaker: I understand that Pandit Thakur Das Bhargava is not moving his amendments.

[At this stage, Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen).]

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 5 of the Bill, in sub-section (1) of the proposed section 7 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'in private', the words 'in camera' be substituted."

Sir, the clause reads that the Commission "shall.....have the power to regulate its own procedure.....and deciding whether to sit in public or in private.....". Taking the analogy of a court, when it does not sit in public it sits in camera. That is the expression for not sitting in public. I therefore feel that the words "in camera" is more appropriate.

The Honourable Dr. Syama Prasad Mookerjee: I do not accept this amendment. "Private sittings" is quite a public expression.

Mr. Naziruddin Ahmad: Then I do not want to press my amendment, Sir.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 5 of the Bill, in sub-section (2) of the proposed section 7 of the Taxation on Income (Investigation Commission) Act, 1947, after the word 'compel' occurring in line six, the word 'the' be inserted."

The Honourable Dr. Syama Prasad Mookerjee: It is really not necessary.

Mr. Naziruddin Ahmad: If it is 'not necessary' it should be ignored altogether.

Sir, I move:

"That in clause 5 of the Bill, in sub-section (2) of the proposed section 7 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'court' the word 'Court' be substituted."

I find that in this case our Courts have been receiving very scant courtesy from the Draftsman. Even the words "Sub-inspector" or "Inspector" of Police are used with capitals. Therefore courts also should be treated with the same consideration. In the Civil and Criminal Procedure Codes and Acts like the Evidence Act and other Acts the word is always written with a capital letter. Sir, I move.

The Honourable Dr. Syama Prasad Mookerjee: I do not think any amendment is necessary; it will be corrected while printing.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 5 of the Bill, in sub-section (2) of the proposed section 7 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'legal proceedings' the words 'to be deemed legal proceedings' be substituted."

With the amendment the sense of the sub-section becomes complete.

The Honourable Dr. Syama Prasad Mookerjee: That is obvious and it is not necessary.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 5 of the Bill, in sub-section (4) of the proposed section 7 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'proceedings' the word 'proceeding' be substituted."

I submit that the plural is unnecessary.

The Honourable Dr. Syama Prasad Mookerjee: I think it is all right. We need not change.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 5 of the Bill, in the Proviso to sub-section (4) of the proposed section 7 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'Rules' the word 'rules' be substituted."

There is no reason why 'rules' should begin with a capital letter. If an amendment can be accepted outside the House I see no reason why it should not be accepted inside the House.

Mr. Chairman: The Honourable Member is aware that punctuation mistakes and conversions of small letters into capital ones will all be set right when the Bill is printed.

Shri M. Ananthasayanam Ayyangar: Even if the amendment is accepted the printer's devil may change it again. Will exception be taken in any High Court that a different meaning was intended by the use of small or capital letter?

Mr. Chairman: I think it need not be put.

The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Shri T. T. Krishnamachari: Sir, I move:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, the words 'of the majority' be omitted."

Actually it reads: "The report of the Commission shall be based on the materials brought on record and made in accordance with the opinion of the majority of at least two of the members....." There are only three members on the Commission. So those words are not necessary.

Mr. Chairman: Amendment moved:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, the words 'of the majority' be omitted."

The Honourable Dr. Syama Prasad Mookerjee: I accept it.

Shri M. Ananthasayanam Ayyangar: What we understood this. There are only three members in the Commission. We do want all these persons to sit together, discuss whatever evidence has been gathered and then two of them may decide ultimately and the report ought to be signed. If you say only two, then three need not sit. The difficulty is that two persons can do. A majority of two means that all the three must concur.

Shri T. T. Krishnamachari: If that is the intention it has not been brought out.

Shri M. Ananthasayanam Ayyangar: So instead of saying that two persons can decide without any notice to the third, we mean that two can sit together and decide this matter. Any decision is valid only if members have notice of the meeting and they are consulted. Some may agree and some may not. If it is not unanimous the decision of the majority is valid. But, on the other hand, if notice is not sent, then they do not bring their decision on this matter. But we want all the three must sit together and if two take one view and the other man takes another view, that is another man. This is different from saying that two persons alone can dispose of this matter. It is the substance that matters and not the form.

There is another provision which says that ordinarily ministerial affairs may be delegated by the Commission to any one or the other of the Commissioners, but in the matter of arriving at decisions, the opinion of the three must be obtained.

Shri T. T. Krishnamachari: I would like to point out that the amendment has been given notice of by Shri K. Santhanam and myself and Shri Santhanam was a member of the Select Committee. So far as we discussed it, he indicated to me that there was idea similar to what my friend now gives expression to. At any rate, if that was the object, it must have been stated in a different form.

Shri M. Ananthasayanam Ayyangar: Whatever might have been said in Select Committee, it is not open to us to say here what took place there, apart from what appears in the record. It may be that two of the Judges may have disposed of a case and the third Commissioner was not given an opportunity to discuss it. Let us not then give up the substance of it.

The Honourable Dr. Syama Prasad Mookerjee: Not being on the Select Committee, I could not appreciate what was the force of Mr. Ayyangar's amendment. But apparently what he has in mind has been put in words in the clause as provided. The language is: "The report of the Commission shall be based on the materials brought on record and made in accordance with the opinion of the majority of at least two of the Members of the Commission where its decision is not unanimous." If the words "of the majority" are dropped, it will mean if the decision is not unanimous, then whatever two members may decide must be accepted. So the point Mr. Ayyangar has in view is met by the amendment proposed.

Shri M. Ananthasayanam Ayyangar: Then, why should he move?

The Honourable Dr. Syama Prasad Mookerjee: If we say "and made in accordance with the opinion of at least two of the members of the Commission, where its decision is not unanimous" it suggests that all three must sit together and if all three cannot agree then the opinion of at least two shall prevail.

Shri M. Ananthasayanam Ayyangar: Does not the word "majority" imply that there must be three persons necessarily?

The Honourable Dr. Syama Prasad Mookerjee: "At least two" means the same thing.

Shri M. Ananthasayanam Ayyangar: Do not we say by a majority of at least one? If all three disagree, there is no question of a report. If we agree upon the substance I leave it to the Law Minister for his opinion.

Mr. Chairman: May I bring to the notice of the Honourable Member that clause 4 (2) reads:

"On the occurrence from any cause of a vacancy among the Commissioners, the Central Government may, if it thinks fit, appoint a person to fill the vacancy."

So it is within the power of the Government to fill a vacancy and it may be that only two gentlemen may make a report. Then there will be no question of a majority. So this is a question which requires great consideration. If it is within the mind of the Honourable Minister that all the three should sit, that should be made absolutely clear.

The Honourable Dr. Syama Prasad Mookerjee: If there is a vacancy, Government will see to it that that vacancy is filled up.

Shri M. Ananthasayanam Ayyangar: If they do not fill it up, then we will carry on with the others?

The Honourable Dr. Syama Prasad Mookerjee: The idea is that all three must sit if the three cannot come to an unanimous decision then the decision of two will prevail. That is what Mr. Ayyangar wants.

Mr. Naziruddin Ahmad: We might keep the word "majority" and delete the words "of at least two".

Prof. N. G. Ranga (Madras: General): Then when do you get a majority? Leave it as it is.

The Honourable Dr. B. R. Ambedkar: I would certainly like a fresh draft in place of the draft as it exists. If the idea underlying this clause is that the Commission should sit as a full Court in the investigation of every case, and that the report that would be binding would be the report of the majority of the full Court, although the minority member may have the right to express a separate dissenting opinion, then it would be desirable to make that quite clear by an amendment. But as it is, in the phrase "report of the Commission" is the Commission sitting in Division or sitting as one single body? I am not certain what the intention is. If it is as in the High Court when the Court sits in Division, then one Judge can exercise all the powers of the High Court in deciding cases. I personally think it might be desirable to keep this back for the moment and give a little time for drafting an amendment.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 6 of the Bill, in sub-section (3) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'copy of the report of the Commission, so far as it relates', the following be substituted:

'copy of such portion of the report of the Commission as relates'."

The clause in the Bill states:

"On a direction being given under sub-section (2), and not otherwise a copy of the report of the Commission, so far as it relates to the case of the person concerned, shall be furnished to him."

For these words I propose:

"copy of such portion of the report of the Commission as relates."

Of course my amendment is open to this objection that the original clause will also do.

The Honourable Dr. Syama Prasad Mookerjee: Sir, you will see the language in the Bill is "a copy of the report of the Commission so far as it relates". That obviously means that portion of the report which may be relevant and the Honourable Member suggests an amendment which means virtually the same thing, viz., "copy of such portion of the report of the Commission as relates". It is unnecessary unless it is changing for the sake of change.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 6 of the Bill, in sub-section (5) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'of proceedings', the words 'of the proceedings', be substituted."

This passage occurs in the proposed sub-section 5 line 1. It says "in respect of any order made in the course of proceedings". I think the word "the" would be appropriate.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in sub-section (5) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the words 'of proceedings', the words 'of the proceedings', be substituted."

The motion was negatived.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 6 of the Bill, in sub-section (6) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'Government', the words 'Central Government' be substituted."

The Honourable Dr. Syama Prasad Mookerjee: I am prepared to accept the amendment, so long as it refers to the Central Government.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in sub-section (6) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'Government', the words 'Central Government' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 6 of the Bill, in sub-section (6) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'power' occurring in line seven, the word 'powers' be substituted."

The Honourable Dr. Syama Prasad Mookerjee: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in sub-section (6) of the proposed section 8 of the Taxation on Income (Investigation Commission) Act, 1947, for the word 'power' occurring in line seven, the word 'powers' be substituted."

The motion was adopted.

Mr. Chairman: I shall hold over Clause 6 for the time being and put clause 7 to the House.

The question is:

"That clause 7 stand part of the Bill."

The motion was adopted.

Clause 7 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That after clause 7 of the Bill, the following new clause be added:

"8. *Substitution of new section for section 10, Act XXX of 1947.*—For section 10 of the said Act, the following shall be substituted, namely:

"10. *Power of Central Government to make rules.*—(1) The Central Government may subject to the condition of previous publication, make rules, not inconsistent with this Act, to give effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

(a) access to books, documents and entry into buildings and places and other matters mentioned in sub-section (9) of section 6;

(b) grant of certified copies of documents and fees payable for the same and other matters mentioned in sub-section (4) of section 7."

In moving this amendment I beg to submit that Section 6 sub-section 9 and Section 7, sub-section 4 make provision for making rules. It is usual to give a general power under sub-section (1). That is already in section 10. But it is also usual to specify the powers as far as may be possible. It is no good giving general powers and not specifying the powers again. It is usual to give general powers on the lines of sub-section (1) and sub-section (2) deals specifically with any power and what is left over is covered by sub-section (10).

Shri M. Ananthasayanam Ayyangar: Sir, on a point of order, may I know if this rule-making section is part of this section? It has not been touched.

Mr. Naziruddin Ahmad: We have touched under Section 6, sub-section (9) and section 7, sub-section (4). We are enacting new sections and therefore these words are mentioned. The power of making rules is mentioned.

Shri M. Ananthasayanam Ayyangar: It is true that on page 4 section (9) it is said "subject to any rules made in this behalf under this Act" but the rule-making power is also under Section 10. It is not a matter of mere form. My Honourable friend has said "subject to the condition of previous publication". The provision under the general clauses Act says "in three separate issues". For three months you have to issue notification and you must call for objections and at the end of 3 months, by that time out of 2 years 3 months would have elapsed. All this is unnecessary. The rule-making power is there. Let us not add more and complicate the issues. The rule-making power is there already.

Mr. Chairman: Does the Honourable Member, Mr. Naziruddin Ahmad, agree that his amendment need not be put to the House?

Mr. Naziruddin Ahmad: All right, Sir.

The Honourable Dr. B. R. Ambedkar: I suggest:

"That in clause 6, in place of sub-section (1) of the proposed section 8 the following be substituted, namely:

"Unless otherwise provided in this Act, all Members of the Commission shall sit as a full court to consider the materials brought on record, and the report of the Commission shall only be in accordance with the opinion of the majority."

I am sorry I have not got a copy of the amendment. The words "unless otherwise provided in this Act" are necessary for this reason. In this Bill there are certain clauses—for instance the new section 7(1)—where the Commission is entitled to assign duties to single Members to do certain things which are not really connected with the adjudication of the matter, such as in connection with rule-making powers, granting time etc. You do not want the full court to be brought into operation for these things. What we want is that where any material is placed which affects the assessee or on which the Commission has to make its report all Members should sit and give their judgment. The words "except in cases otherwise provided for in this Act" are necessary for this purpose.

Shri M. Ananthasayanam Ayyangar: I would like to know whether the expression "provided for in this Act" would mean also "provided for by the rules made under this Act".

The Honourable Dr. B. R. Ambedkar: Yes.

Shri M. Ananthasayanam Ayyangar: In that case is it open to the rule-making power to say that one judge alone can dispose of the cases?

The Honourable Dr. B. R. Ambedkar: The Rules cannot alter the substantial part of the section which is that in all cases where material has to be adjudicated upon the Commission shall sit in full. That provision will not be diluted or altered by the rule-making power.

Mr. Naziruddin Ahmad: With reference to the expression that they sit as a full "Court". I want to say something. It has been conceded that they do not function as a Court at all. I would therefore suggest that instead of saying 'full Court' we should say that when they pass final orders they must sit together or dispose of the matter together.

The Honourable Dr. B. R. Ambedkar: I do not see what objection there can be to the word 'court'. It may be a court for certain purposes and it may not be a court for other purposes.

Prof. N. G. Ranga: We have been using the phrase 'Investigation Commission' throughout.

The Honourable Dr. B. R. Ambedkar: I only did it for the sake of grammar as the word is coming twice. If you like the word 'Tribunal' we can use it—'sitting as a full Tribunal'. But 'full court' is the proper expression. In the Draft Constitution also we have used the same words.

Shri M. Ananthasayanam Ayyangar: I suppose it is 'court' with a small 'c' and not the capital letter.

Mr. Chairman: Let us have the amendment. Will the Honourable Minister give it in writing?

The Honourable Dr. B. R. Ambedkar: Yes, Sir, I move:

"That in clause 6 of the Bill for sub-section (1) of the proposed section 8, the following be substituted, namely:

(1) Save as otherwise provided in this Act, the materials brought on record shall be considered by all the three members of the Commission sitting together, and the report of the Commission shall be in accordance with the opinion of the majority."

Mr. Naziruddin Ahmad: I would suggest the use of the words 'in this act, instead of 'in the Act'.

The Honourable Dr. B. R. Ambedkar: I would like to please the Honourable Member this time; I accept his change.

Mr. Chairman: May I enquire from the Honourable Member, Mr. T. T. Krishnamachari what happens to his amendment?

Shri T. T. Krishnamachari: I would like to have your permission for withdrawing it.

Mr. Chairman: Has the Honourable Member leave of the House for withdrawing his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Chairman: Amendment moved:

"That in clause 6 of the Bill for sub-section (1) of the proposed section 8, the following be substituted, namely:

(1) Save as otherwise provided in this Act, the materials brought on record shall be considered by all the three members of the Commission sitting together, and the report of the Commission shall be in accordance with the opinion of the majority."

Dr. Bakshi Tek Chand (East Punjab: General): The words 'Save as otherwise provided in this Act' are wholly unnecessary. When everything else is complete the report has to be considered. This is a provision dealing with that stage, and hence these words are redundant and may cause confusion and may nullify the provision which the Honourable Law Minister is making. The point is that we want is that whatever may be done in the preliminary or earlier

[Dr. Bakshi Tek Chand]

stages when part of the functions may be taken by one Member, when we come to the stage when everything is complete, when the investigation is complete and when the report has to be made, all the Members should sit and consider it. We simply make it imperative that the materials collected during the course of the investigation shall be considered by all the three Members of the Tribunal sitting together—not individually, not by two Members sitting, not by all of them sitting separately. These words are unnecessary and may nullify the provision. I suggest that they be omitted.

The Honourable Dr. B. R. Ambedkar: I do not know. I certainly will say that it will not cause any confusion at all, because the second part of the clause that 'the materials shall be considered' is a distinct clause, quite separable from the rest; and therefore there could be no confusion. The reason why I am hesitant to omit the first few words 'Save as otherwise provided in this Act' is because I cannot say that I have studied this Act very carefully. I must say I was not connected with it at any of the stages. And if there are any provisions in this Act where, for instance, some such provision is made whereby functions are assigned to different members of the Commission to be performed individually, I think those clauses ought to be saved.

Mr. Chairman: There is clause 5.

The Honourable Dr. B. R. Ambedkar: The Finance Department has drawn my attention to the provisions of clause, particularly 5 the addition of new section 7(1) where, I think, functions are assigned to individual Members of the Commission. I do not think that at this stage I could with perfect conviction say that by omitting these words I was not going to create any difficulty in the way of the Finance Department. By keeping them there is not likely to be any injury at all. As I say, the last part is quite clear.

Mr. Naziruddin Ahmad: We are proceeding on the theory that there will be only two sides to a question but there may be three sides. So the members of the Commission may go on three different ways. In fact one may think that an assessee should be assessed at 5 lakhs, another 6 lakhs, and another 7 lakhs. The proposed amendment or even the existing sub-clause does not cover that. The assumption is that there will always be two sides of a question—'yes' or 'no'; but it may be a question of assumption.

The Honourable Dr. B. R. Ambedkar: The reason for which the new section has been drafted is this. My Honourable friend will remember that no provision is made for the dissenting party and the dissenting commissioner to record his opinion. Nor is there an obligation to publish it. The reason is obvious. Supposing, for instance, there was a third opinion in favour of the assessee and the opinion of the majority were against it. To allow a third member to give an opinion and to have it published would probably give further ground for the assessee to carry on agitation that one member has decided in his favour and the opinion of the other two should not be accepted, and just as for instance in the case of the Privy Council the majority opinion is expressed as the unanimous opinion of the whole of the Privy Council with no permission for the dissenting opinion to be recorded, I think that is a salutary rule and in this case it should be adopted.

Shri M. Ananthasayanam Ayyangar: Mr. Naziruddin Ahmad wanted to know what will happen if the three commissioners are of three opinions. I put the same question 'what will happen if the five members of the Privy Council give five different opinions?' The same thing will happen—there will not be any report. They will stultify themselves.

TAXATION ON INCOME (INVESTIGATION COMMISSION) (AMENDMENT) BILL 2541

Mr. Chairman: The question is:

"That in clause 6 of the Bill for sub-section (1) of the proposed section 8, the following be substituted, namely:

(1) Save as otherwise provided in this Act, the materials brought on record shall be considered by all the three members of the Commission sitting together, and the report of the Commission shall be in accordance with the opinion of the majority."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Chairman: Motion moved:

"That the Bill, as amended, be passed."

Prof. K. T. Shah: Sir, It is an irony that I have to stand up and make some remarks which might suggest as though I am against this Bill. I am against it not because it does not meet the occasion: I am against it because it does not go far enough, because as it has been now put forward before us, I say with the utmost humility and respect there will be every opportunity for the bigger rogues to escape and the smaller fry to get caught, perhaps with the result that the public might be hoodwinked that we have done something in the matter. I would however like the House to understand my reasons and the grounds on which I am opposing this Bill somewhat more fully. In the first place it is no secret to this House that our finances are in a position and our aims of a kind in which we should need every pie that we can obtain. It has been stated in this House by myself and by another Honourable Member that at least as much of the revenue due to the state on account of income-tax escapes being paid as is collected, and if you consider the figures now, you will see that the amount will be quite a respectable one if everything that is due to the state or ever a greater proportion of what is due to the state goes into the coffers of the state. The Planning Board had estimated that something like 5 crores should be given to the provinces to enable them to carry out their various schemes of reconstruction. It is admitted now that the Centre has no such resources to assist the provinces to the extent that it was once hoped they might be able to assist. The Centre, in my judgement, Sir, has ample resources if only the Centre would also make up its mind to see to it that those resources are not dissipated but brought up. May I in this connection, Sir, claim the great authority of the Honourable the Prime Minister of today who, before the cares of office had mellowed his judgement and the burden of state responsibility had moderated his tone, once spoke of profiteers in such a vein that if he could have an hour and if he was in that position and if he could get hold of them, he would hang them at the nearest lamp post. I do not know whether he would now entertain that opinion or express it in the same forcible language.

Shri H. V. Kamath (C. P. and Berar: General): Do not rake up the past?

Prof. K. T. Shah: Is it such a shameful past that I should not? I for one should honour him for holding such an opinion and presenting it in no un-mistakeable language. However if you do otherwise, you are welcome to that opinion.

In a round-about manner, while the profiteer takes advantage of a particular occasion or emergency, the regular systematic tax-evader makes it a business so to say, and therefore becomes, in my opinion, a seasoned hardened veteran against the social system and the social conscience, and as such I again say with all respect to this House that no mercy ought to be shown to the tax-evader if this nation desires that all the lee-way that has to be made

[Prof. K. T. Shah].

up in its economic development and social betterment and the standard of living of the people is to be made up within any measurable distance, if equality not only of opportunity, but equality also of material standard of living are to be fully available to all the people of this country, and if the real freedom for which we have been fighting for all these ages is to be real and enjoyed by everyone in this country and not to be the privilege of those who can fatten themselves by robbing the state of its just dues. Sir, let me now take the case of the procedure by which people who evade taxes are to be caught if they are to be caught at all. The cases are to be referred to the Commission by Government, and as I said on an earlier occasion Government would be advised mainly by their officers. I am not suggesting for a moment that a matter like this should be done by instituting a sort of individual espionage. I am not suggesting for a moment that we should all constitute ourselves in the sacred name of the national cause and the public purse as so many agents of the Secret Service and go on collecting information and presenting that to the Finance Minister or the Income-tax Commissioner, or whoever the authority may be. But, Sir, on an earlier occasion I referred to rumours prevailing in this matter, which it would not be possible in the ordinary course of things to specify, to make more definite. I am aware, Sir, that there are privileges of this House which would enable us to speak out far more openly than a sense of decorum, than a sense of what is due to this House and its dignity restrains many people from putting forward. But if this kind of sense, of being Honourable Members of this House, is to become a burden then I am afraid that people may be forced to take shelter under the privileges of this House and come forward with names and facts, which may be very difficult to establish legally perhaps outside but which for a Commission of the kind that is proposed to be set up may be very useful. I am not going on this occasion to avail myself of this opportunity, to avail myself of the privileges of the House, to speak freely without fear of any proceedings being undertaken for what is said in this House, but I tell those who are responsible for placing people in a position in which some day they may have to take such a recourse, that we should not drive too hard those who suffer under a sense of respecting their dignity of this House, of being as decorous as would justly earn them the title of being Honourable Members of this House.....

Prof. N. G. Ranga: Who is preventing either this Honourable Member or any other Honourable Member from placing the information that he has in his possession at the disposal of the House, if he considers it in public interest? There is no Party, there is no Group at all in this House which prevents any honourable member from placing whatever information he has in his possession before the House!

The Honourable Dr. Syama Prasad Mookerjee: Or the Government!

Prof. K. T. Shah: I said there is a sense of decorum.....

Prof. N. G. Ranga: Nobody is coercing you!

Prof. K. T. Shah: I am not saying anybody is coercing me. But I am only saying that this is the condition of things under which we are working and acting. But a time may be reached when it may be necessary to take shelter under the privileges of the House and do bring forward the information that we have. It is also true that under the situation in which we are, such information is vague and indefinite, and therefore not in accordance with the dignity of this House to bring it forward. But it is quite possible, too, if one is challenged to say that it may be easy to obtain such information, or at any rate with some labour one can bring forward information that may be very difficult to deny. However, as I said already, I am not for the moment going to take shelter under such a privilege and make statements which may perhaps not quite be consonant with the policy I have followed so far in addressing myself to this Honourable House.

The point, however, that I was making was that the usual source of information of Government lies in their officers, and as I have already said these officers, or some of them, have shown themselves open to engagement by private individuals whether before the termination of their normal official career or even before such a career ended, and there have been cases in which high senior officials of the Civil Service or other services have left Government service and joined private firms or corporations where they had more tempting offers. For my part, I am aware that there is always a risk even for the private people in engaging such gentlemen especially in this matter of income-tax, as those who helped them to evade the income-tax may also, if they fall out with them, enable the Income-tax authorities to see to the ways and means by which those people used to be evading by their advice or without their advice. But in spite of this risk, there is a possibility that so long as there is no bar, so long as there is no restriction placed officially or by law upon people in Government service enjoying high places and in a position like those in connection with the Income-tax Department, so long in my opinion the risk remains, the danger is there, that the very advisers of Government may not be quite dependable or may not advise them to the extent and degree that it is necessary in the interests of the State that they should.

Sir, there have been cases in regard to the standard of public decency and public morals that ought to be followed, in England. For example, there in the last ten or fifteen years people have been caught, high officers of State—one or two—right up to a Minister in the Cabinet rank, who have been found guilty of improper behaviour, to say the least, and whose services have been summarily dispensed with. What other action has been taken I do not know, but the standards of public behaviour, the unwritten conventions of official etiquette which are prevalent in that country have also provided more than one occasion on which public servants of high eminence have had to make heavy sacrifices so that by their position in the public service they should not be able to make private profits for themselves. There was the case in regard to the first category I mentioned of a high public servant who in the course of his service was reported to have had dealings with the Imperial Airways—I believe it was called by that name in those days—as regards provision for him after his retirement from the public service, and just on that ground that public servant—almost a Secretary of a Department—was dispensed with summarily. On the other hand, the case is known of an Admiral of the Fleet who went to preside over a Commission of three people to advise Government in regard to changing the Navy from coal to oil; he had certain shares of an oil company, his views on the change from coal to oil were very well-known, and if that change was made then those shares would substantially improve in value. He went to the then Prime Minister or perhaps to the King to enquire the line of conduct he should follow and the person concerned immediately advised him, before he took the Chair on the Commission, to dispose of those shares, which he did. The value of those shares rose 700 times when the report of his Commission was out.

I am giving this example just to show that the standards of character expected from high officials of the State in other countries are perhaps much higher than what we have here;—especially from this point of view that a public official is not barred from accepting engagements in private service where he has greater chances of enriching himself. The Honourable the Law Minister I think referred to the lack of a provision in this Bill which would make it impossible for the members of this Commission to accept any posts in public service after their retirement from the post of the Commissioners. There is no provision, however, against accepting any post in private employ and so long as that risk remains I fear that the opportunity for allowing oneself to be deceived will be so great that the risk of loss to the State would, in my judgment, be very considerable. Sir, if and so long as this is there, I think there are several provisions of this Bill which render it unacceptable, which make

[Prof. K. T. Shah].

It not go as far as it should go, in the interests of the public exchequer. It has been suggested, for instance, that no case once referred to the Commission should be withdrawn. I am glad to note that reason has at last prevailed on the resoluteness of Government and they have accepted some modification of their original clause by which it is now provided that Government should apply to the Commission for withdrawing a case. I take it that that application would contain reasons, grounds, arguments, why such cases should be withdrawn, though no reference is actually made in the amendment so far as I have been able to follow it. There is, however, nothing said about the Commission—I think the word 'concurrence' has been changed into 'approval'—but nothing has been said as to whether the Commission would give their approval after further enquiry, after making such further investigation, after further considering what is submitted by Government to the best of their satisfaction and then only giving their approval or non-approval as the case may be. I am afraid this amendment, though welcome as far as it goes, is not all that it should have been and as such does not, in my opinion, serve the purpose which it was intended to serve.

I have no desire to trespass on the patience of the House. Here are reasons—I could give more and more—which make the Bill in my judgment not sufficiently strong nor sufficiently clear, whereby the purpose, the ultimate object of the Bill is to be secured. It has been said that not too many people, not too many names would be submitted. I welcomed that idea on a former occasion as likely to avoid needless harassment, but I feel, Sir, in regard to such matters the innocent are likely to be more strongly in a conspicuous minority—I was going to say, a minority of perhaps less than 1 per cent. or less. In one way or another, most of the parties likely to be on the advice of the officers of Government included in a list like this, not quite innocent and therefore allowing them to escape without reason or without the Commission fully investigating the whole matter would, in my opinion, not be fair.

Another ground on which also I had the honour to move an amendment which was not accepted by the House was in regard to the report of all cases in which the Commission may be satisfied that there was no ground and therefore the case may be dismissed. Now, Sir, I only wanted the report to be laid on the table of the House, so that those members of the House who feel inclined to study such a document—perhaps there are many, perhaps there are not—may have the benefit of all the labours of the Commission and educate themselves into the ways of such tax-evaders or the justice of their case. It was said that such matters might even teach honest men to become dishonest. Well, that was not my intention. If such a meaning was read by an Honourable Minister in a remark like that, then I am afraid my language must have been extremely ambiguous and I should have said something which I never intended to say. All that I wanted to say was that, here is a case of a perennial recurrence, here is a matter which is of common occurrence every day. I gave on a former occasion the example of a man, no less rich, no less eminent and distinguished as a former Secretary of the Treasury to the United States, Mr. Mellon, who was found guilty of having evaded taxes to the tune of several million dollars by a Senate Enquiry Committee. Now, this almost makes one think with the cynic who said that every man and every woman has a price; some have more and some have less but no one is above a price. But I hasten to add that I am not of that opinion. I believe that in spite of all evidence to the contrary there are people who are not going to be bought for any consideration that only wealth can offer, but still, dealing with the average world of mortals and having before us examples of this kind, I think it not unlikely that temptations may be there and people may not be able to resist them. Is it not therefore the path of wisdom to prevent such temptations occurring? Is it not therefore right and proper that we should offer the least

temptation and therefore I have suggested that, let the House know from the report of such cases, if any, what were the reasons, what were the grounds on which the Commission came to the decision to which it had done. On those grounds and others of the same kind and principally on the ground that if measures like this were tightened up sufficiently, those who are now indulging in the practice of tax-evasion, not always illegally; very often in accordance with the provisions of the law which provide sufficient loop-holes to escape, would give the very badly needed assistance to the Exchequer that we stand in need of today and we would not have fears of our credit, of our plans for development and reconstruction being thwarted or frustrated because we have not the where-withal to implement them. Both at home and abroad, we should have sufficient credit if we only know how to tap our resources. For these reasons, Sir, I oppose the Bill.

Mr. R. K. Sidhva (C. P. and Berar: General): Mr. Chairman, Sir, my friend Prof. K. T. Shah opposed this Bill on the ground that it does not go as far as he desires it to go. It is just possible that if it had been entrusted to him to prepare a Bill, he would have made a perfect Bill whereby no taxpayer would have been able to escape the payment of taxes. I do not dispute that, but let me say that I am quite satisfied with the provisions of the Bill. I am more than satisfied. The reasons are that Government have taken pains to say that they will not tolerate any more tax-dodgers and they have taken pains to constitute the Commission, the personnel of which are of the highest integrity. They are very able men and I have not the least doubt that they will work very honestly, justly and rightly and nobody would be able to escape from paying the just dues to the State, which they have all along dodged. I stated, Sir, when this Bill was referred originally to the Select Committee that if the Income-tax Act was followed properly Government would have recovered 50 per cent. more tax even under the ordinary Act. But as we know, in the past the income-tax machinery was so wooden and rotten that both the tax-payer and the Department combined and brought a tremendous loss to the State. Particularly during the war, many efforts were made by the Government of those days in bringing proposals to levy taxes—super-taxes, business taxes, profit taxes, war taxes—and yet the tax-payer and the black-marketeer avoided the payment of taxes. They are so clever in doing that. Now, as the Honourable the Finance Minister stated the other day, he has appealed to the tax-dodgers to make a clean breast. This National Government is not going to tolerate any more tax evasion. If they make a clean breast of it, it will be to their advantage. Otherwise, this new Act will take its natural course and Government will not allow any one to escape, however high he may be or however small he may be. Sir, I do not understand why my Honourable friend Prof. Shah should have absolutely opposed the Bill. No Act is perfect; I have seen many Acts; you can never expect an Act to be perfect; no man is perfect; I am not perfect. Therefore, Sir, to say that an Act should be perfect is to say something which would not easily be achieved. What we should see is whether the Government have taken pains to see that the object is going to be fulfilled. That is the main point one has to remember when looking through the provisions of this Bill and I am convinced about it. The Government's sincerity cannot be doubted and the Government's intention as far as the provisions of this Bill cannot be challenged. It could have been made more stringent, no doubt. Several provisions of this Bill here and there could have been made more stiff, I do not dispute that. That may have been done, but the Bill as it has been framed has given ample scope to the Commission to come to the right decision, as they think best and as they think proper according to the evidence that will be placed before them by the Government. Under these circumstances, I do feel and I must say, Sir, that I congratulate the Government for having brought this Bill—a Bill which was presented to this House a year ago—but was never allowed to be operated upon. I stated in the House at the time the Bill was sent to the Select Committee that the

[Mr. R. K. Sidhva]

object with which the Bill was actually introduced and passed into law by this House in 1947, this month, was not given effect to. I therefore, Sir, cannot understand, unless I am led to believe—and I have every reason to believe—the tax-dodgers and the officials of the Department mixed themselves. There can be no doubt, Sir, that the Act should have been proceeded with. But the then Government, of course, was an interim Government; they were neither here nor there; they were neither national nor were they popular. After having come and sat in the office nationally and properly, they have done the first duty of catching these dodgers and I do feel that the money belonging to the people, that is, to the State can never be allowed to go scot-free and the wisest step in the initial stage that the Government have taken is by bringing this Bill and I am confident, Sir, knowing the views of the House, knowing the constitution of the Commission, the honesty and integrity of the Commission, the Department will also work honestly and if they do not work honestly, Sir, I am confident the Ministers will have to give them a walking ticket and if they do not give them a walking ticket, it will be bad days for everyone of us, particularly the Treasury benches. But I am sure that it is not going to come because they have brought such a popular bill and I do not think they will allow these tax-dodgers to go scot-free whosoever may be in the Department. Then again, times have changed and even if the same officials may be in the office—I do not know—anybody in the department here, who were there then and who are now—I am not going to accuse anybody, but the fact remains from my experience that in all the provinces they mixed up with the tax-dodgers, not only mixed up, but they suggested to them a method as to how to evade the payment of taxes; they devised many means and they allowed this Bill to be postponed. Under these circumstances, I strongly support this Bill; I welcome it; I congratulate the Government and I expect my Honourable friend, Prof. K. T. Shah even at this stage would kindly withdraw his opposition in the interest of the State. His opposition although from a different point of view will be much misunderstood and although he may be thinking that it will not be misunderstood, I fear that it will be misunderstood and therefore I request him to withdraw his opposition.

Shri T. T. Krishnamachari: I move:

"That the question be now put."

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Dr. Syama Prasad Mookerjee: I do not think I am called upon to give any long reply except to say just a few words. I can understand Prof. Shah's anxiety to see that everything is done by Government which does not arouse any suspicion from any quarter, but so far as this particular matter is concerned, what else Government could have done? Government decided to appoint the Commission. There were so many stories that Government wanted to postpone the appointment of the Commission or to abandon it altogether. The Government constituted the Commission in a way which commands the confidence of all sections of the people. The Commission itself suggested that it must be armed with additional powers if the Commission is to function properly. Much has been said about the officers and I think not with the amount of fairness and justice which was expected from members of this House. It should be remembered the officers themselves were anxious that larger powers should be given to the Commission if the results of the enquiry were to be what everyone wanted them to be. Then the Bill came and was referred to the Select Committee. It has been discussed here today elaborately. Prof. Shah had only one or two amendments to move and I believe, barring one all of them he withdrew.

TAXATION ON INCOME (INVESTIGATION COMMISSION) (AMENDMENT) BILL 2547

Prof K. T. Shah: I withdrew only one.

The Honourable Dr. Syama Prasad Mookerjee: He withdrew one and he did not move many.

Prof K. T. Shah: Again I say I moved whatever I was able to move.

The Honourable Dr. Syama Prasad Mookerjee: I am not blaming him but the actual fact is one of the most important amendments he withdrew and some he did not press, but in respect of others he moved he did not get any support from any section of the House, for he could offer no constructive suggestions. Merely to appear in the role of a destructive critic with nothing constructive to offer neither helps him nor helps the dignity of the House. I hope, Sir, that the Commission will function properly and Government also has made an appeal to the persons concerned that they must come forward and behave as any strong national Government wants that the people should behave. Lastly, Sir, the Finance Minister was unable to be present today on account of sudden indisposition and he asked me to convey to the members of the House his apology that he was not here to pilot the Bill at this final stage.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Tuesday the 23rd March, 1948.

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Tuesday, 23rd March, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

CIVILIAN POPULATION OF VARIOUS CANTONMENTS IN INDIA

390. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state the total civilian population of various Cantonments in India?

(b) Do Government propose to lay a statement on the table of the House giving the names of Cantonments in India and showing the strength of *ex-officio*, nominated members (official), nominated non-officials and elected members of each Board under Section 13 of the Cantonment Act?

(c) Is there any lady member in any of the Cantonment Boards to look after the education and medical relief of women and children?

(d) Do Government intend to revise the constitution of Cantonment Boards eliminating nominated officials therefrom? If not, why not?

The Honourable Shri N. V. Gadgil: (a) and (b). Two statements are laid on the table of the House.

(c) Yes, Sir.

(d) I would invite the Honourable Member's attention to answers to the Supplementary Questions which arose out of Starred Question No. 171 asked on the 9th February 1948.

Statement I

Serial No.	Name of Cantonment	Civilian Population
1	Ambala	64,307
2	Amritsar	1,089
3	Dagshai	1,054
4	Ferozepore	31,700
5	Jullundur	13,098
6	Jutogh	635
7	Kasauli	2,749
8	Khas Yol	Not yet classified.

Serial No.	Name of Cantonment	Civilian Population
9	Nasirabad	15,850
10	Subathu	1,655
11	Bakloh	1,587
12	Dalhousie	2,175
13	Agra	44,000
14	Allahabad	8,808
15	Almora	358
16	Bareilly	7,531
17	Benares	8,164
18	Barrackpore	10,427
19	Cawnpore	33,501
20	Clement Town	1,785
21	Dehra Dun	3,491
22	Landour	2,864
23	Delhi	17,564
24	Dinapore	8,162
25	Fatehgarh	2,764
26	Fyzabad	2,515
27	Jhansi	6,490
28	Jalapahar	906
29	Lebong	445
30	Lansdowne	2,822
31	Lucknow	15,366
32	Meerut	38,688
33	Muttra	2,005
34	Najni Tal	1,503
35	Ramgarh	10,590
36	Rani Khet	6,768
37	Roorkee	2,022
38	Shahjahanpore	4,027
39	Shillong	2,970
40	Chakrata	734
41	Ahmedabad	3,043

Serial No.	Name of Cantonment	Civilian population
42	Ahmednagar	13,138
43	Belgaum	9,640
44	Cannanore	1,936
45	Deolali	10,084
46	Jubbulpore	15,441
47	Kamptee	4,733
48	Ki kee	16,290
49	Pachmarhi	4,639
50	Poona	31,862
51	Saugor	11,273
52	St. Thomas Mt. cum Pallavaram	9,357
53	Wellington	8,255

Statement II

Serial No.	Name of Cantonments	Strength of ex-officio nominated members (Official)	Strength of non-officials nominated members	Strength of elected members	Total
1	Ambala	8	...	7	15
2	Ferozepore	7	1	7	15
3	Jullundur	8	...	7	15
4	Nasirabad	8	...	7	15
5	Agra	8	...	7	15
6	Barrackpore	8	...	7	15
7	Cawnpore	5	3	7	15
8	Delhi	8	...	7	15
9	Lucknow	6	2	7	15
10	Meerut	6	2	7	15
11	Ramgarh		Election results		awaited
12	Ahmednagar	7	1	7	15
13	Deolali	8	...	7	15
14	Jubbulpore	8	...	7	15
15	Kirkoe	7	1	7	15

Serial No.	Name of Cantonments	Strength of ex-officio nominated members (Official)	Strength of non-officials nominated members	Strength of elected members	Total
16	Poona	7	1	7	15
17	Saugor	8	...	7	15
18	Bareilly	6	...	5	11
19	Dinapore	7	...	6	13
20	Belgaum	7	...	6	13
21	St. Thomas Mt. cum Pallavaram	7	...	6	13
22	Wellington	6	...	5	11
23	Allahabad	7	...	6	13
24	Jhansi	6	...	5	11
25	Ranikhet	4	1	4	9
26	Kamptee	5	...	4	9
27	Pachmarhi	5	...	4	9
28	Kasauli	5	1	5	11
29	Benares	5	...	4	9
30	Landour	5	...	4	9
31	Dehra Dun	5	...	4	9
32	Fatehgarh	5	...	4	9
33	Fyzabad	5	...	4	9
34	Lansdowne	5	...	4	9
35	Shahjahanpore	5	...	2	7
36	Shillong	5	...	4	9
37	Ahmedabad	2	...	1	3
38	Amritsar	2	...	1	3
39	Dagshai	2	...	1	3
40	Jutogh	1	1	1	3
41	Bakloh	2	...	1	3
42	Dalhousie	2	...	1	3
43	Almora	2	...	1	3
44	Clement Town	2	...	1	3
45	Jalapahar	1	1	1	3
46	Lebong	1	1	1	3

Serial No.	Name of Cantonments	Strength of ex-officio nominated members (Official)	Strength of non-officials nominated members	Strength of elected members	Total
47	Muttra	2	...	1	3
48	Nainital	1	1	1	3
49	Roorkee	2	...	1	3
50	Chakrata	1	1	1	3
51	Cannanore	1	1	1	3
52	Khas Yol	2	1	No elected member	3
53	Subathu	...	1	1	3

Mr. R. K. Sidhva: Since that answer was given have Government considered the question of revising the Cantonments Act?

The Honourable Shri N. V. Gadgil: As stated in that answer, the matter is under active consideration.

Shri H. V. Kamath: With reference to part (c) of the question, have any health and child welfare centres been organised by these Cantonment Boards?

The Honourable Shri N. V. Gadgil: Part (c) of the question is whether there is any lady member in any of the Cantonment Boards to look after the education and medical relief of women and children and the answer has been given in the affirmative.

Shri H. V. Kamath: Medical relief for women and children would include health and child welfare centres.

The Honourable Shri N. V. Gadgil: The question is whether there are any lady members on these Boards. The emphasis is on the personnel and not on the work.

Mr. Speaker: It is clear that the Honourable Minister has not got the information.

PERSONS EXILED FROM VARIOUS CANTONMENT AREAS IN INDIA AFTER 15TH AUGUST 1947

931. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether any persons have been exiled from Cantonment areas in India under section 239 of the Cantonment Act?

(b) Have Government issued any orders granting amnesty to these exiled persons after 15th August 1947?

(c) Is it a fact that most of these exiles are from the Cantonments of Meerut, Poona, Ambala, Jubbulpore, Ferozepore, Kanpur and Bareilly?

(d) On what offence are these persons exiled?

(e) Do Government propose to amend section 239 of the Cantonment Act?

The Honourable Shri N. V. Gadgil: (a) and (c). Four persons had been exiled from Cantonment Areas under Section 239 of the Cantonments Act—one from Deolali, two from Poona and one from Bareilly.

- (b) No, since they had ceased to be in exile long before August, 1947.
 (d) I lay a statement on the table of the House.
 (e) No.

Statement

The four persons mentioned in answer to part (a) were exiled from Cantonment Areas for the following offences:

Giving ill advice to young recruits	...	...	...	one person.
Undesirable contact with British Troops	...	...	...	two persons
Causing indiscipline among the sweepers employed in the Cantonment Board	...	...	...	one person.

Mr. R. K. Sidhva: For what offences were they exiled?

The Honourable Shri N. V. Gadgil: One for giving ill advice to young recruits, two for undesirable contact with British troops and one for causing indiscipline among the sweepers employed in the Cantonment Board.

Mr. R. K. Sidhva: Since then have these orders been withdrawn?

The Honourable Shri N. V. Gadgil: Out of these four persons one died and orders against the other three have been cancelled. There is no one in exile now.

CULTIVATION OF LANDS BY MILITARY ESTATES DEPARTMENT IN CANTONMENT AREAS

932. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether the Military Estates Department has any agricultural lands in the Cantonment areas?

- (b) Are any model farms run by them, and if so what are they?
 (c) On what system are the agricultural lands cultivated?
 (d) Does the Military Estates Department consult the Ministry of Agriculture of the Government of India?
 (e) Have any measures been taken by military authorities to increase the produce of these lands?
- The Honourable Shri N. V. Gadgil:** (a) Yes, Sir.
 (b) No, Sir.
 (c) Agricultural lands are leased out to private persons by auction under the Cantonment Land Administration Rules (1937).
 (d) No, Sir.
 (e) The orders regarding the utilisation of lands in Cantonments to the maximum extent possible issued in connection with the Grow More Food Campaign are still in force.

Mr. R. K. Sidhva: Has any action been actually taken with regard to 'Grow More Food' and extension of agriculture?

The Honourable Shri N. V. Gadgil: As a matter of fact under the instructions issued some land which was under the supervision and jurisdiction of the military authorities was converted into agricultural land for the purpose of growing food.

Shri H. V. Kamath: Does the Military Estates Department propose to run any poultry and dairy farms?

The Honourable Shri N. V. Gadgil: There is no such intention.

OCCUPATION OF KALYAN MILITARY CAMP IN BOMBAY PROVINCE BY PAKISTAN TROOPS

933. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the Military Camp at Kalyan in the Province of Bombay, is in the occupation of the Pakistan Army?

- (b) What is the total capacity of accommodation in this Camp?
 (c) How many of the Pakistan Troops are still in the Camp?
 (d) How many of them were in this Camp on 10th January 1948 and when will the troops be removed?
 (e) Is it a fact that Government have set apart this camp for the use of refugees coming from Sind?

(f) If so, when will the said camp be available for the use of refugees?

The Honourable Shri N. V. Gadgil: (a) A part of the camp, (camps 1 and 2—there are 5 camps in all) is at present being used as a transit camp for personnel who have opted for Pakistan.

- (b) 2,000.
 (c) None. Approximately 400 Military and Ordnance Civilian personnel were at the Camp on the 19th March 1948 waiting to go to Pakistan.
 (d) 1,283, all of whom were evacuated by the middle of January. The present occupants are subsequent arrivals.
 (e) Camps 3, 4 and 5 have so far been set apart for refugees from Sind.
 (f) Camps 1 and 2 are expected to be available for refugees by the 1st April 1948.

Mr. R. K. Sidhva: Is 2,000 the accommodation for one camp or for all the camps?

The Honourable Shri N. V. Gadgil: The total capacity of all the camps is about 30,000.

Mr. R. K. Sidhva: May I know if all the camps will be available for refugees by 1st April next?

The Honourable Shri N. V. Gadgil: Yes, Sir. Three have already been made available and camps 1 and 2 will be made available by 1st April, 1948.

INTERIM ADMINISTRATION OF CHHATTISGARH STATES BY C. P. AND BERAR GOVERNMENT

934. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of States be pleased to state as to what arrangements the Government of the Central Provinces and Berar have made for carrying on the administration of the Chhattisgarh States during the interim period?

(b) Have the people of the Chhattisgarh States been associated with the running of the administration during the interim period?

The Honourable Pandit Jawaharlal Nehru: (a) For administrative purposes the States of Nandgaon, Khairagarh, Kawardha and Chhuikhadan have been grouped with the Drug District of the Central Provinces and Berar. Of the remaining ten States, Bastar and Kanker constitute the District of Bastar; Surguja, Korea and Changbhakar, the District of Surguja; and Raigarh, Jaspur, Udaipur, Sakti and Sarangarh, the District of Raigarh. All these States form a part of the Chhattisgarh Division and the Commissioner, Chhattisgarh Division is the Commissioner for these States also. The High Court of Judicature at Nagpur is the High Court for the Central Provinces States. The following laws in force in Central Provinces and Berar have been extended to the States:—

1. The Indian Penal Code.
2. The Code of Criminal Procedure, 1908.
3. The Police Act, 1861.
4. The Central Provinces and Berar Courts Act, 1917.
5. Central Provinces and Berar Motor Vehicles Taxation Act, 1947.

6. The General Clauses Act, 1897.
7. The Central Provinces and Berar General Clauses Act, 1916.
8. Motor Vehicles Act, 1939.
9. Epidemic Diseases Act, 1897.
10. Central Provinces and Berar Police Safety Act, 1947.
11. Indian Criminal Law Amendment Act, 1908.
12. The Criminal Law Amendment Act, 1932.

All other Acts, Notifications, Orders, Byelaws, Rules and Regulations, as in force in the States immediately before 1st January 1948 have been allowed to operate.

(b) No, but steps are under active consideration to associate the people of the States with the administration. A Bill for establishing local popular administrations in these units is at present before the Provincial Legislature. In the meantime the Government of Central Provinces and Berar are taking steps to constitute

- (i) A joint States Advisory Council for the integrated States;
- (ii) An Advisory Council for every State.

Shri Yudhisthir Misra: Do Government propose to give representation to the people of the States in the provincial Cabinet?

The Honourable Pandit Jawaharlal Nehru: No, Sir; representation in the provincial Cabinets is not given in that way.

Shri H. V. Kamath: At present what portion of the administrative staff for the newly formed districts has been recruited locally and how much has been imported from the adjoining districts of the pre-merger Central Provinces?

The Honourable Pandit Jawaharlal Nehru: I have not the faintest notion.

Shri H. V. Kamath: Will Government please ascertain the facts in connection with this?

The Honourable Pandit Jawaharlal Nehru: If the Honourable Member wants it; it is not particularly important.

Shri B. Das: Is the Honourable the Prime Minister aware that the Orissa Ministry associated three Executive Councillors from the States which are now merged in Orissa? Why should not the same practice

Mr. Speaker: Order, order; that is an argument.

Shri B. Das: The Prime Minister said that it is not the practice to take States people in the Ministry

Mr. Speaker: That is part of an argument; the Honourable Member wants to point out something which is contrary to what the Prime Minister said. The Honourable Member may ask a question but not argue.

The Honourable Pandit Jawaharlal Nehru: And that is not what I said; I said that Cabinet Ministers are not appointed territorially.

Shri B. Das: Did the Ministry of the Central Provinces approach the Honourable the State Minister here to appoint Executive Councillors for the States included in the Central Provinces?

The Honourable Pandit Jawaharlal Nehru: I do not know who an Executive Councillor is!

Shri Yudhisthir Misra: Will the Honourable the Prime Minister state whether the Advisory Board will be formed by election or nomination?

The Honourable Pandit Jawaharlal Nehru: I understand, that there is a scheme being proposed by the Central Provinces Government for these States, called the Janapadi administration, where there will be one or more Councils in the States elected on the basis of adult franchise both from urban and rural areas.

The Council will have a Government Officer as its Chief Executive Officer, and for the present with the exception of Police, Law, Justice and Revenue, it

will be practically in full charge of the administration of the unit for which it is constituted. A Bill for this purpose is now before the Provincial Legislative Council.

As regards the States Advisory Council, it is proposed that one member will be nominated on the Council by the Provincial Government for every one lakh of population. Six seats on this Council will be allotted to the representatives of the Princes. The Council will be summoned twice a year, or oftener if necessary. Details of rules concerning allowances, etc., of the members of the States Advisory Council and the method of nomination of members are expected to be notified shortly.

Shri Yudhisthir Misra: Will the Chief Executive Officer be responsible to the Advisory Board?

The Honourable Pandit Jawaharlal Nehru: The Advisory Board by its very nature is an Advisory Board. Nobody is responsible to it.

Seth Govinddas: Is there any proposal to have a bye-election of these territories to be represented in the Central Provinces Assembly? Or is it that the representatives of these States will come into the Central Provinces and Berar Assembly in the next elections?

The Honourable Pandit Jawaharlal Nehru: May I point out that all these attachments are temporary. The future constitutions have to be worked out. One does not know what the final shape will be. I cannot definitely answer the Honourable Member's question.

Shri Kishori Mohan Tripathi: Will the Honourable the Prime Minister be pleased to state if members nominated to the Joint Advisory Board from the States will be able to participate in the deliberations of the Central Provinces Assembly during the interim period?

The Honourable Pandit Jawaharlal Nehru: I do not think so.

PUBLICATION OF NEWS IN *Bharat Jyoti* re ARMS FACTORY IN HYDERABAD STATE

935. ***Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of States be pleased to state whether the attention of Government has been drawn to a news published in the *Bharat Jyoti*, dated the 29th February, 1948, under the caption "Arms Factory in Hyderabad"?

(b) Have Government made any enquiries regarding the allegations made in that report? If so, with what result?

The Honourable Pandit Jawaharlal Nehru: (a) I have seen the Press report referred to.

(b) Government have received reports that certain firms in Hyderabad have with the assistance of His Exalted Highness the Nizam's Government been for some time engaged in the manufacture of pistols, rifles and connected ammunition. Our Agent-General at Hyderabad has been asked to take up this matter with the Nizam's Government and his report is awaited.

BURGLARIES, ROBBERIES AND MURDERS IN DELHI AND NEW DELHI DURING LAST FOUR MONTHS

936. ***Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) the number of burglaries, daylight robberies, and murders in Delhi and New Delhi during the last four months;

(b) the number of cases in which the culprits were caught red-handed or were subsequently traced;

(c) the extent of the property looted or stolen and the extent of the recoveries made; and

(d) what special security measure, if any, Government have taken to eliminate the chances of repetition of such incidents in future?

The Honourable Pandit Jawaharlal Nehru: (a), (b) and (c). A statement containing the information is laid on the table.

(b) I would refer the Honourable Member to the reply given on the 8th March, 1948 to part (b) of Question No. 637 by Shri Deshbandhu Gupta.

Showing the cases of burglaries, daylight robberies and murders in Delhi and New Delhi during the last four months

	BURGLARIES				DAY LIGHT ROBBERIES			MURDERS	
	The number of burglaries during the last four months—November and December, 1947 and January and February 1948	The number of cases in which the culprits were caught or were subsequently traced	The extent of property looted or stolen	The extent of the property recovered	The number of cases in which the culprits were caught or were subsequently traced	The extent of the property looted or stolen	The extent of the property recovered	The number of murders during the last four months—November and December, 1947 and January and February 1948	The number of cases in which the culprits were caught or were subsequently traced
Delhi	421	34	1,08,972	3,484	65	12	Rs. 10,277	38	4
New Delhi	72	9	19,236	5,015	23	4	4,923	7	...
Grand Total	493	43	1,28,208	8,499	88	16	15,200	45	4

Shri Deshbandhu Gupta: Recently some young men have been arrested in connection with the Lloyds Bank dacoity hold-up and some of them belong to very respectable families.

The Honourable Pandit Jawaharlal Nehru: Yes, Sir, some people have been arrested. I am not acquainted with their ages. I understand they are refugees who have come to Delhi from the N.-W. F. P. and Rawalpindi area. I further understand that one of them has confessed.

Shri H. V. Kamath: Is there any proposal before the Government to appoint mobile police or vigilance squads to patrol these dangerous and disturbed localities by day as well as by night?

The Honourable Pandit Jawaharlal Nehru: There is always some kind of mobile police moving about: whether it is to be extended or not is another matter.

Shri M. Ananthasayanam Ayyangar: Will the Honourable the Prime Minister consider the advisability of extending this force so as to work during the day in New Delhi as the officers then go to work in their offices and the womenfolk are left alone in the houses?

The Honourable Pandit Jawaharlal Nehru: I shall certainly enquire into the matter.

Shri Deshbandhu Gupta: Are Government satisfied with the security measures taken in this matter?

Mr. Speaker: Order, order. That is a matter of opinion.

LAW re GIVING AND TAKING OF BRIBES BY PUBLIC SERVANTS

937. *Shri P. Kunhiraman (on behalf of Shri V. O. Kesava Rao): Will the Honourable Minister of Home Affairs be pleased to state whether there is any proposal before the Government to change the existing law regarding giving bribes to and taking bribes by public servants?

The Honourable Pandit Jawaharlal Nehru: There is no such proposal before the Government.

Shri H. V. Kamath: Is there any law regarding the giving of bribes and taking of bribes, or is it only about the punishment for them?

Mr. Speaker: Order, order. It is not a matter within the special cognizance of the Minister. Anyone who cares to know the law on the subject may study it for himself.

PARTITION OF ASSETS OF PUNJAB PUBLIC LIBRARY, LAHORE

938. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that the Punjab Public Library at Lahore was run and maintained by the Government of Punjab?

(b) If so, has it been partitioned like other assets of other institutions of that Provincial Government?

(c) If not, do Government propose to arrange for the transfer of the Sanskrit, Hindi, and Gurmukhi sections to East Punjab?

آنریبل مولانا ابوالکلام آزاد : جناب کی اجازت سے میں سوال نمبر ۹۳۸ و ۹۳۹ کا جواب ایک ساتھ دیتا ہوں ان تینوں سوالوں میں جو باتیں پوچھی گئی ہیں انکا تعلق یورپی پنجاب گورنمنٹ سے ہے سنٹرل گورنمنٹ سے نہیں ہے۔ اس لئے یہ تینوں سوال یورپی پنجاب گورنمنٹ کو بھیج دیئے جاتے ہیں۔

The Honourable Maulana Abul Kalam Azad: With your permission, Sir, I propose to answer Starred Question Nos. 938—40 together. The Honourable

Member's questions pertain to a subject with which the Government of the East Punjab is concerned, to whom the questions have been forwarded.

सेठ गोविन्ददास : क्या वहाँ से उनका जवाब मिलेगा ?

Seth Govinddas: Will any reply be received from there in this connection?

آنریبل مولانا ابوالکلام آزاد : اُمید کرنا چاہئے کہ وہاں اس پر فور کیا

چارینا -

The Honourable Maulana Abul Kalam Azad: It is hoped that this would receive consideration there.

شری دیپس بلدھو گپتا : کیا مومن یہ دریافت کر سکتا ہوں کہ ان سوالات کا تعلق ریلیف ایڈز ریجیولیشن منسٹری سے نہیں ہے -

Shri Deshbandhu Gupta: May I enquire whether these questions do not relate to the Ministry of Relief and Rehabilitation?

Mr. Speaker: That is an argument and not a question asking for information.

Shri Deshbandhu Gupta: I am drawing his attention to the matter and finding out whether he has considered this aspect.

Mr. Speaker: That means argument again. What is the information that he wants?

Shri Deshbandhu Gupta: That is no information.

Mr. Speaker: That is argument.

TRANSFER OF PROVIDENT AND GRATUITY FUNDS OF NON-MUSLIM EMPLOYEES OF PUNJAB PUBLIC LIBRARY, LAHORE.

†939. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Education be pleased to state whether the provident fund and gratuity fund of the Non-Muslim employees of the Punjab Public Library at Lahore have been transferred to India or East Punjab?

(b) If not, do Government propose to arrange with the Government of Pakistan on this matter?

(c) Have the Non-Muslim staff of that Library been absorbed in the libraries of the Government of India or of the East Punjab Government?

(d) If not, do Government propose to absorb them soon?

TRANSFER OF DAYAL SINGH AND DWARAKA DAS LIBRARIES TO INDIA AND PARTITION OF UNIVERSITY AND HIGH COURT LIBRARIES AT LAHORE

†940. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that the Dayal Singh Library and Dwaraka Das Library are still in Lahore?

(b) Why were they not transferred to India?

(c) Do Government propose to arrange for their transfer soon?

(d) Have the University and High Court Libraries of the old Punjab been partitioned?

(e) If not, what are the reasons?

(f) Do Government now propose to have these libraries partitioned?

†For answer to this question, see starred question No. 938.

APPLICATIONS FOR SCHEDULED CASTE SCHOLARSHIPS FOR 1947-48

941. *Shri P. Kunhiraman (on behalf of Shri V. O. Kesava Rao): (a) Will the Honourable Minister of Education be pleased to state the total number of applications received by the Scheduled Castes Scholarship Board for scholarships from the Scheduled Caste students during the year 1947-48?

(b) How many of them were granted scholarships?

(c) Were the funds placed at the disposal of the Board adequate to meet the needs of all the applicants?

(d) If not, what steps were taken to augment the amount?

آنریبل مولانا ابوالکلام آزاد : (a) ایک ہزار دو سو پچیس -

(b) پانچ سو نوے -

(c) ہاں جناب ! اس وقت تک جتنی درخواستیں آتی رہی ہیں اور ان میں سے جتنے سکالرش جملے جا چکے ہیں - اُس کے لئے فلڈ کی کمی نہیں ہوئی ہے -

(d) یہ سوال پیدا نہیں ہوتا ہے -

The Honourable Maulana Abul Kalam Azad: (a) 1,225.

(b) 590 so far.

(c) Yes, Sir. The funds available have so far been sufficient for awarding scholarship to all the eligible candidates.

(d) The question does not arise.

REPRESENTATION RE DECLARATION OF BIRTH ANNIVERSARY OF SHRI GURU RAVIDAS AS PUBLIC HOLIDAY

942. *Shri P. Kunhiraman (on behalf of Shri V. O. Kesava Rao): (a) Will the Honourable Minister of Home Affairs be pleased to state whether any representation for declaring the Birth Anniversary of Shri Guru Ravidas as a public holiday has been received by the Government of India; and, if so, what action was taken on the representation?

(b) Are Government aware that the Government of East Punjab has already declared this as a public holiday?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Government are aware that the East Punjab Government have declared the birth-day of Guru Ravidas as a Public holiday. Representations were received from some local scheduled caste organisations for similar action by the Government of India. The proposal could not be accepted as it was not in accord with the Government of India policy on the questions of public holidays. I lay on the table of the House a copy of a circular which embodies that policy and contains the list of approved holidays.

No. 65/47-Public (B)

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi, the 18th December, 1947

OFFICE MEMORANDUM

SUBJECT:—Revision of the existing orders regarding Holidays and Casual Leave

This Ministry have had under consideration the question of the revision of the existing orders relating to holidays and casual leave observed in the Central Government offices with particular reference to the recommendations made by the Central Pay Commission and the Constitutional changes which have now taken place.

2. On the question of holidays, this Ministry consider that some recognised principles in selecting them should be followed. Such principles might be the general significance of a festival and birthdays of world figures of importance to India. It is obviously desirable that such occasions should be observed as closed holidays not only to allow Government servants opportunity for celebrating them but also to relieve the public of the necessity of having to transact any business with Government offices on these occasions. On the other hand, there is hardly any justification for having closed holidays on such occasions as are devoid of general interest and are of significance only to persons belonging to a particular community.

3. As regards casual leave, this Ministry feel that the 20 days' casual leave at present admissible is quite appropriate but the scope of such leave should be extended to cover leave for the purpose of celebrating a particular festival which is not observed as a closed holiday.

4. It has accordingly been decided—

- that the closed holidays should be observed in the Central Government offices located in Delhi and Simla only on the occasions and to the extent indicated in the attached list. Central Government offices elsewhere should continue to follow the present practice in the matter.
- that a holiday on the 1st January should be observed in 1948 and thereafter discontinued.
- that communal or sectional holidays should be abolished but Government servants should be permitted to take casual leave on such communal festivals as they wish to celebrate.
- that 20 days' casual leave should be granted to both officers and staff employed in Central Government offices all over India subject to the condition that more than 10 days' casual leave should not be allowed at a time.
- that these decisions should take effect from 1st January, 1948.

(Sd.)

Secretary to the Government of India.

To

All Ministries of the Government of India; Director, Intelligence Bureau; Federal Public Service Commission; the Registrar, Federal Court; All India Administrative Service Training School; Military Secretary to the Governor General; Private Secretary to the Governor General; Ministry of Finance (Defence); Ministry of Finance (States and External Affairs & Commonwealth Relations); Constituent Assembly; Legislative Assembly Department; Cabinet Secretariat and the Prime Minister's Secretariat.

LIST OF GOVERNMENT OF INDIA CLOSED HOLIDAYS During 1948 for Delhi & Simla.

New Year's Day*	1st January	1 day.
Id-e-Milad	24th January	1 day.
Shivaratri	9th March	1 day.
Holi	24th & 25th March	2 days.
Good Friday	26th March	1 day.
King's Birthday	10th June	1 day.
Id-ul-Fitr	7th August	1 day.
Independence Day	15th August	1 day.
Janamashtami	27th August	1 day.
Mahatma Gandhi's Birthday	2nd October	1 day.
Dussehra	10th to the 12th October	3 days.
Id-ul-Zuha	15th October	1 day.
Diwali	30th & 31st October	2 days.
Muharram	12th November	1 day.
Guru Nanak's Birthday	16th November	1 day.
Christmas	25th December	1 day.

* For 1948 only.

INSTITUTIONS IMPARTING EDUCATION IN MARINE ENGINEERING

943. *Shri Basanta Kumar Das: Will the Honourable Minister of Education be pleased to state:

(a) what institutions are there in India for imparting education in Marine Engineering; and

(b) what steps Government propose to take for increasing the number of such institutions?

آنریبل مولانا ابوالکلام آزاد : (a) آج کل اس کام کیلئے صرف ایک ہی انسٹی ٹیوشن

ہے۔ آئی۔ ایم۔ ایم۔ ٹی۔ دے ڈفرین، بمبئی۔

(b) گورنمنٹ آف انڈیا نے ایک کمیٹی اس بات کیلئے بتھائی تھی کہ وہ دیکھ

بہال کر کے بتلائے کہ مرکنٹائل میرین آفیسرز کے ٹریننگ کیلئے آجکل کیا کچھ ہو

رہا ہے اور اس بارے میں ہمیں کیا کرنا چاہیئے؟ اس کمیٹی کی فائنل رپورٹ

ابھی تک نہیں ملی ہے لیکن ایک انٹرمیڈیٹ رپورٹ حال میں مل گئی ہے۔ اس رپورٹ

میں اس بات پر زور دیا ہے جہاں تک جلد ہو سکے کہ ایک نوٹیکل اور انجینئرنگ

کالج کھول دینا چاہئے۔ کمیٹی کی اس سفارش پر گورنمنٹ پوری طرح دھیان دے

رہی ہے۔ جو ہائر ٹیکنیکل انسٹی ٹیوشن بمبئی کے آس پاس کھولا جا رہا ہے اس کی

پڑھائی کا ایک خاص سبجیکٹ یہ بھی ہوگا کہ نیول آرکی ٹیکچر اور میرین انجینئرنگ

کی تعلیم ڈگری اسٹیبلشمنٹ تک دی جائے۔

The Honourable Maulana Abul Kalam Azad: (a) The I.M.M.T.S. "Dufferin" at Bombay is the only institution in India which imparts instruction in Marine Engineering at present.

(b) The Government of India have set up a committee to enquire into the existing facilities for the training of Mercantile Marine Officers in India and to make recommendations for their expansion. The Committee's final report is still awaited but the Committee in its interim report have recently recommended that the Government of India should set up as soon as possible a Nautical and Engineering College. The recommendation of the Committee is under the active consideration of the Government of India.

Naval Architecture and Marine Engineering is one of the subjects instruction in which up to the degree standard will be imparted at the proposed Western Higher Technical Institution to be located near Bombay.

Shri Basanta Kumar Das: How many students generally come out of that institution?

آنریبل مولانا ابوالکلام آزاد : اسکے لئے نوٹس کی ضرورت ہے میں اس وقت نہیں

بتا سکتا۔

The Honourable Maulana Abul Kalam Azad: I would require notice for this. I cannot answer at the moment.

Shri Satis Chandra Samanta: When was the Committee formed?

آنریبل مولانا ابوالکلام آزاد : کمیٹی کب اور کس تاریخ کو مقرر کی گئی تھی
یہ ٹھیک نہیں بتا سکتا - غالباً دو تین مہینے ہوئے کمیٹی ہتھائی گئی تھی -

The Honourable Maulana Abul Kalam Azad: I cannot say exactly the time and date when the Committee was appointed, but probably it was constituted about 2 or 3 months ago.

DEALERS SPECIFIED BY ADJUTANT GENERAL TO MILITARY UNITS FOR PURCHASE OF SPORTS MATERIALS

944. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that there is any Army Order prohibiting Military units purchasing sports materials from dealers other than those specified by the Adjutant General?

(b) If so, what are the names of the concerns specified in the order?

(c) Do Government propose to consider the advisability of giving discretion to Military Units to purchase sports materials from the competitive market by inviting tenders instead of from a few specified firms?

The Honourable Shri N. V. Gadgil: (a) Yes, Sir. The Army order gave a list of names of firms with which the Department of Industries and Supplies had entered into rate contracts for such articles for the year 1947 for the benefit of the military units.

(b) I lay a statement on the table of the House.

(c) It is not generally advisable to allow individual units to make local purchases. Experience has proved that the quality of the goods and economy in prices can be ensured either by bulk purchase when possible or by a system of rate contracts as adopted in this case. The system to be adopted for the current year is under consideration.

Statement

1. Messrs. Uberoi, Ltd., Sialkot.
2. Messrs. Pioneer Sports Ltd., Sialkot.
3. Messrs. Channan Sports Works, Sialkot City.
4. Messrs. B. T. Shuttlecock House, Sialkot.
5. Messrs. Abdul Karim & Bros., Sialkot City.
6. Messrs. Vital Sports Works, Sialkot.
7. Messrs. Henry and Wedersons, Sialkot City.
8. Messrs. Darleys Ltd., Sialkot City.
9. Messrs. Punjab Cotton Sports Nets Manufactory, Sialkot City.
10. Messrs. Goodwill & Co., Sialkot City.

FOREIGN EXPERT INSTRUCTORS TO COACH INDIAN COMPETITORS FOR OLYMPIC GAMES

945. *Shri P. Kunhiraman (on behalf of **Shri V. C. Kesava**): Will the Honourable Minister of Education be pleased to state whether any representations regarding the necessity of engaging foreign expert instructors to coach the intending competitors for the Olympic games have been received by Government from the participants in the Olympic games held at Lucknow; and, if so, what action Government have taken in the matter?

آنریبل مولانا ابوالکلام آزاد : نہیں گورنمنٹ کو اس طرح کا کوئی representation نہیں ملا ہے - اس لئے سوال کا دوسرا ٹکڑا پیدا نہیں ہوتا ہے -

The Honourable Maulana Abul Kalam Azad: No. The Government has not received any such representation. The second part of the question therefore does not arise.

NATIONAL SAVING CERTIFICATES AND CO-OPERATION AMONGST CONGRESS COMMITTEES, KISAN CONGRESS, ETC.

†946. *Prof. N. G. Ranga: Will the Honourable Minister of Finance be pleased to state:

(a) whether National Savings Certificates are still being sold; and

(b) whether any effort is being made to invite the co-operation of Congress Committees, Kisan Congress, the I. N. T. U. C. and other popular organisations in order to make them more popular?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) The suggestion will be considered in connection with the reorganisation of the small savings movement which is under consideration.

PROGRESS BY RESERVE BANK IN FINANCING AGRICULTURE THROUGH CO-OPERATIVE BANKS

†947. *Prof. N. G. Ranga: Will the Honourable Minister of Finance be pleased to state:

(a) What progress has been achieved by the Reserve Bank of India in its efforts to finance agriculture through the Co-operative Banks;

(b) how much money has been advanced by it so far year by year, to the Provincial Co-operative Banks and at what rates of interest; and

(c) what its relations are with the Provincial Co-operative Banks?

The Honourable Dr. Syama Prasad Mookerjee: (a), (b) and (c). I lay on the table of the House a statement giving the information required by the Honourable Member.

Statement showing the efforts made by the Reserve Bank of India to supply finance to agriculturists

The financial accommodation which the Reserve Bank is authorised to give to agriculturists through the Provincial Co-operative Banks is as follows:—

(i) Loans and advances to Provincial Co-operative Banks against Government securities or against approved debentures of recognised land mortgage banks which are declared trustee securities for periods not exceeding ninety days [Section 17 (4) (a)].

(ii) Loans and advances for a maximum period not exceeding 90 days against promissory notes of co-operative institutions endorsed by Provincial Co-operative Banks and drawn for the purpose of financing seasonal agricultural operations or the marketing of crops or rediscounting of such promissory notes and that of bills of exchange maturing within nine months [Section 17 (2) (b) and (4) (c)].

(iii) Loans and advances for periods not exceeding 90 days on the security of promissory notes of Provincial Co-operative Banks supported by documents of title to goods which have been assigned or pledged as security for cash credits or overdrafts granted by the Provincial Co-operative Banks for the purpose of financing seasonal agricultural operations or the marketing of crops.

†Answer to this question laid on the table, the questioner being absent.

2. The above provisions incidentally show the limitations to the assistance that the Reserve Bank can render to agriculturists. In the first place, the Bank cannot make advances to agriculturists direct and can extend accommodation only through scheduled banks or the Provincial Co-operative Banks. Secondly, it is not authorised to supply the long-term needs of agriculture and the kinds of agricultural bills which it may discount are limited to those drawn for seasonal agricultural operations or the marketing of crops. Lastly, the maximum period for which it can make advance is limited to nine months so that it is authorised to lend only for short periods.

3. Subject to the limitations imposed on the Reserve Bank by the Statute they have since their establishment been anxious that the largest possible use should be made of these provisions to finance agriculture. The first important effort in this direction was made in January 1938 when a scheme was formulated for providing finance for marketing of agricultural produce through the agency of the money-lender. It was realised that the Co-operative movement had touched only a very small percentage of the population and that the money-lender was still the largest supplier of agricultural finance. It was, therefore, thought that if agricultural finance was to be made available to the agriculturist on a substantial scale the possibility of utilising the agency of the money-lenders should be explored. Under this scheme, the Bank offered to rediscount at concession rates, through scheduled banks, the bills of approved money-lenders drawn for making advances to agriculturists against the security of produce on the condition that the benefit of the low rates was passed on to agriculturists. Among the difficulties pointed out by the scheduled banks in adopting the scheme were:

(i) The smaller agriculturist did not usually borrow against the security of his produce. He required finance more for crop production than for its marketing. He generally obtained it by keeping a running account with a money-lender and would not, therefore, agree to commit himself to bills payable on a fixed date.

(ii) The scheduled banks were not in a position to gauge the money-lender's credit readily, nor would it be possible for them to dictate the rate of interest which the latter should charge to the cultivators against produce bills.

(iii) First class bills were at present discounted at very fine rates owing to keen competition and there would therefore be little scope for scheduled banks to rediscount such bills with the Reserve Bank.

(iv) The debt relief measures passed during the period of depression had introduced an element of uncertainty into the sphere of agricultural credit.

The scheme was therefore not proceeded with.

4. Efforts were simultaneously made to utilise the Co-operative movement for the supply of agricultural finance and a circular was issued laying down the procedure to be followed by co-operative banks in obtaining such finance from the bank.

5. In order, however, to encourage Provincial Co-operative Banks to make greater use of the finance available from the Reserve Bank, they prepared a scheme in 1942 in terms of which they offered to grant accommodation under Section 17 (2) (b) and 17 (4) (c) for marketing of crops at a concession rate (i.e., at 1 per cent, below the Bank Rate) on the conditions that the benefit of the low rate was passed on to the ultimate borrower.

As they were anxious that the provisions of the Reserve Bank of India Act should be utilised to the fullest extent by the Co-operative movement for financing the agriculturists at cheap rates they extended the scheme of rebate to cover bills and promissory notes drawn for the purpose of financing seasonal agricultural operations also and increased the rebate from 1 per cent. to 1½ per cent. Their present Bank Rate being 3 per cent., the Provincial Co-operative Banks under this arrangement are able to get finance from them at 1½ per cent.

6. Section 17 (4) (d) of the Reserve Bank of India Act which presupposes the establishment of licensed warehouses and creation of negotiable warehouse receipts has so far remained inoperative. It can only be made use of after licensed warehouses have been established. The Bank therefore drafted a Warehousing Bill and circulated it to Provincial Governments and important Indian States for its adoption. Three provinces and one Indian State have so far taken appropriate measures in that direction.

7. The Bank have now decided to extend the period of advances under Section 17 (2) (b) from 9 months to 12 months and would be promoting an amendment to be effect as early as possible. They have also decided to accept the debentures of land mortgage banks which are declared as trustee securities as security for advances under Section 17 (4) (a); and further, they have agreed, in a recent case, (the Madras Central Co-operative Land Mortgage Bank) to take up 10 per cent. of the new issue of debentures as a token of their support.

Statement

Showing the amounts of loans applied for, sanctioned and drawn in the case of Provincial Co-operative Banks.

Year	Amount applied	Amount sanctioned	Amount drawn	Rate of Interest
	Rs.	Rs.	Rs.	
1938	5,00,000	5,00,000	5,00,000	3 %
1940	24,00,000	24,00,000	24,00,000	3 %
1941	5,00,000	5,00,000	5,00,000	3 %
1942	20,00,000	20,00,000	20,00,000	3 %
1943	4,00,000	3,00,000	50,000	2 %
1944	20,00,000	20,00,000	20,00,000	3 %
1945	5,60,000	4,30,000	...	1½ %
1946	{ 30,21,000 10,60,000	30,21,000 9,30,000	30,21,000 2,75,000	3 % 1½ %
1947	7,15,000	6,65,000	1,80,000	1½ %
1948 (Upto 15-3-48) .	1,00,35,000	*62,70,000	..	1½ %
TOTAL	2,31,91,000	1,90,16,000	1,09,26,000	

*Application for Rs. 30 lakhs still under consideration.

Note to Statement B

The statement attached would show that whatever accommodation was sought for by the Provincial banks has been granted more or less to the full extent. In a few instances only the demand was met on a slightly reduced scale. The reasons may be easily guessed. The fact is, that there has not been much of a demand from the Provincial banks for financial help from the Reserve Bank. The Reserve Bank believe that this is so, because the provincial banks themselves are having a plethora of funds. The Bank have found by an examination of their balance sheets that only a small portion of their large working funds could be utilised for co-operative purposes and much of the working capital had to be invested in Government securities or otherwise. Indeed, they have also noticed latterly a trend in some of the provincial banks to seek investments in commercial transactions with a view to earn better on their surplus funds.

This view would be further supported by the fact that particularly of late, the banks have even drawn less than the sanctioned amount. It may be added that all accommodation under Section 17 (2) (b) for purposes of seasonal agricultural operations or marketing of crops are made at a concession rate of 1½ per cent. on a clean basis.

THE RELATIONSHIP BETWEEN RESERVE BANK OF INDIA AND PROVINCIAL CO-OPERATIVE BANKS

The relationship of Reserve Bank of India with provincial co-operative banks is governed by sections 17 and 54 of the Reserve Bank of India Act. The role of the Bank under section

17 has already been described. As regards section 54 it reads as under :

"The Bank shall create a special Agricultural Credit Department, the functions of which shall be :

- (a) to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Central Government, Provincial Governments, Provincial Co-operative Banks, and other Banking Organizations;
- (b) to co-ordinate the operations of the Bank in connexion with agricultural credit and its relation with Provincial Co-operative Banks, and any other banks or organisations engaged in the business of agricultural credit."

It would be seen from the above that the role of the Bank is purely of an advisory character and in the case of provincial banks the question of their consulting the Bank does not arise very often. There were some instances when provincial banks and co-operative associations referred to the Reserve Bank for advice on matters regarding financial policy to be followed, such as the pursuit of commercial banking activities by co-operative institutions, etc. However, the Bank always studies their working as revealed in their returns under section 42 and also their balance sheets and annual reports. If any comment is called for such comments are usually addressed to the Provincial banks in an advisory capacity. It may also be mentioned that consultation with the Reserve Bank is generally made by Provincial Governments and not by the Provincial co-operative banks directly.

In this connexion mention may also be made of the special facilities granted to provincial co-operative banks under the Reserve Bank scheme of remittance facilities introduced in 1940. Apart from enjoying all concessions allowed to scheduled banks, provincial co-operative banks joining the scheme of the Reserve Bank drawn up in 1940 are allowed the additional facility of making even inter-provincial transfer of funds between the offices of the Reserve Bank free of charge even though they do not have their own branches in any provincial capital other than their own province; for this purpose the provincial co-operative banks of the other provinces are considered as branches of the one remitting the money, provided they maintain accounts with the Bank's Office.

The co-ordination of the operations of the Bank in connexion with agricultural credit and its relation with provincial co-operative banks is endeavoured to be brought about by the issue of circulars on all matters relating to agricultural credit. The provincial banks are free to express their opinions on any suggestion made by the Bank and such opinions are always carefully considered before any scheme of relief to the agriculturists is drawn up by the Reserve Bank of India.

The Reserve Bank have been consulted by land mortgage banks on matters pertaining to the issue of debentures, viz., the period for which the debentures are to be issued, the rates of interest and similar matters. In fact the Bank had issued circulars on the technique of issuing debentures, and building up of sinking funds as early as 1937, and as a token of their support to the land mortgage bank debentures which are declared as trustee securities, the Reserve Bank have recently decided to accept them as securities for accommodation under section 17 (4) and also to make token purchases of new issues of debentures, if considered necessary.

LAND CUSTOMS FRONTIERS BETWEEN INDIA AND PAKISTAN.

1948. *Prof. N. G. Ranga: Will the Honourable Minister of Finance be pleased to state:

- (a) what steps are being taken to safeguard the land customs frontiers between Pakistan and India;
- (b) at how many places these offices are being opened;
- (c) whether they are being supplied with adequate police assistance;
- (d) whether any agreement has been reached between India and Pakistan in regard to the proper regulation of Customs Traffic at these Customs Stations on both sides of the border; and
- (e) what is the estimated cost of Frontier Customs Offices on our side?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). 98 land customs stations staffed by officers working under the respective Collectors of Central Excise have been opened on the routes which alone have been authorised for the passage of goods between the two Dominions. Steps have been taken to organise patrols to see that goods do not pass through unauthorised routes and police protection wherever necessary is being provided with the co-operation of the Provincial Governments concerned.

†Answer to this question laid on the table, the questioner being absent.

(d) No. But an inter-dominion conference is going to be held in Calcutta soon when these questions might also be considered.

(e) The cost is estimated at Rs. 10 lakhs per annum, but the estimates will have to be revised in the light of actual experience.

ORGANISATIONS BANNED SINCE ATTACK ON MAHATMA GANDHI

†1949. *Prof. N. G. Ranga: Will the Honourable Minister of Home Affairs be pleased to state how many and what organisations have been banned since the attack on Mahatma Gandhi?

The Honourable Pandit Jawaharlal Nehru: Three Organisations have been declared unlawful in the Chief Commissioners' Provinces in India. These are the Rashtriya Swayam Sewak Sangh, the Muslim League National Guards and the Khaksars. The Government of India also recommended to Provincial Governments that they should take similar action in their own areas. As far as Government are aware, some Provincial Governments have taken wider action in accordance with their respective requirements but full details are not available.

RESEARCH IN SCIENCE OF EUGENICS IN INDIA

950. * { Shir S. V. Krishnamurthy Rao: (a) Will the Honourable Minister of Health be pleased to state whether Government are aware of the importance of the science of eugenics in modern days?

(b) If so, is there any research on this subject being done in India on behalf of the Department? If not, what are the reasons?

The Honourable Rajkumari Amrit Kaur: (a) Yes.

(b) No research has so far been carried out but any proposals put forward by research workers competent to carry out such research will receive due consideration by Government as well as by the Indian Research Fund Association.

TRANSFER OF EVACUEES DEPOSITS IN CENTRAL CO-OPERATIVE BANKS IN EAST AND WEST PUNJAB

951. *Seth Govinddas: (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that those Central Co-operative Banks, who had deposited their surplus funds and their Government securities with the Punjab Co-operative Banks are being treated as evacuees by the Government of West Punjab and that their deposits and Government securities are not being returned?

(b) Is it a fact that the banks are not making payments to their constituents?

(c) Is it a fact that in the case of Central Co-operative Banks, no amounts are being paid or transferred to India while Muslim refugees from East Punjab are being paid out of the accounts of the Central Co-operative Banks in the East Punjab with the Punjab Provincial Co-operative Bank, Lahore, which until partition was functioning as a financing institution for Central Co-operative Banks?

The Honourable Dr. Syama Prasad Mookerjee: (a), (b) and (c). Complaints have been received from certain Co-operative Banks that they have not been able to withdraw the balances in their current and fixed deposit accounts and Government securities kept with the Punjab Provincial Co-operative Bank Limited, Lahore. The Registrars of Co-operative Societies of the East and West Punjab Governments have, however, evolved an agreed scheme as regards funds of Co-operative Banks in East and West Punjab Provinces, as announced in a Press Communiqué which was published on the 17th March, 1948.

†Answer to this question laid on the table, the questioner being absent.

POLICY OF RETRENCHMENT, RECRUITMENT ETC., IN ORDNANCE FACTORY, MURADNAGAR, MEERUT IN 1945-46.

952. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state the policy of Government with respect to the recruitment, retrenchment and reversion in the Ordnance Factory, Muradnagar, Meerut, in 1945-46?

(b) What is the number of persons dismissed and reinstated in the year 1945-46 and what are the reasons, if any, for such a large number of dismissal and reinstatement?

The Honourable Shri N. V. Gadgil: (a) The methods of recruitment retrenchment and reversion in the Ordnance Factory at Muradnagar are the same as those obtaining in other Ordnance Factories, viz.: (i) Non-gazetted employees are recruited through the National Service Labour Tribunal, (ii) Skilled employees are recruited through transfer from other factories, (iii) Unskilled employees are recruited locally, and a Ghorakpuri Labour Unit recruited by the Labour Ministry is also employed, and (iv) Retrenchment and reversion are made on the basis of merit cum seniority.

(b) The number of persons dismissed is 175, none of whom was re-instated. They were all dismissed for disciplinary reasons.

Seth Govinddas: Out of those who were dismissed, were there some who were technically competent?

The Honourable Shri N. V. Gadgil: Yes, some were so but they were dismissed for reasons of discipline.

INDIAN AND FOREIGN OFFICERS IN ORDNANCE FACTORY, MURADNAGAR, MEERUT

953. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state the total number of foreign and Indian officers respectively in the Ordnance Factory, Muradnagar, Meerut?

(b) Do Government propose to replace the foreign officers, if suitable Indian hands are available?

The Honourable Shri N. V. Gadgil: (a) There are five officers of whom four are Europeans and one Indian. Of the four European Officers two are due to leave very soon.

(b) It is the policy of Government to fill all vacancies by Indian Officers wherever possible.

Seth Govinddas: Besides the two Europeans who are to leave soon, may I know when will the other two Europeans leave?

The Honourable Shri N. V. Gadgil: As soon as their period of employment is over.

Seth Govinddas: How much of that period is still left?

The Honourable Shri N. V. Gadgil: I require notice of that.

Shri H. V. Kamath: Do not Government propose to eliminate all foreigners from key positions in our services at the earliest possible date?

The Honourable Shri N. V. Gadgil: This is a matter of which cognisance is taken by the Government.

Shri H. V. Kamath: Cannot the Honourable Minister speak on behalf of the Government?

Mr. Speaker: Therefore he is saying it.

MILITARY ATTACHES OF INDIA AND PAKISTAN IN EMBASSIES AT KARACHI AND NEW DELHI.

954. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Defence be pleased to state whether there is any Indian Military Attache, attached to our Embassy at Karachi?

(b) If the answer to part (a) above be in the negative; why was it not done?

(c) Are there any Pakistan Military Attaches, attached to the Pakistan Embassy at Delhi, and if so, how many?

(d) If the answer to part (c) above be in the affirmative; is it a fact that those Military officers were employed in Delhi before they opted out to Pakistan?

The Honourable Shri N. V. Gadgil: (a) and (c). No.

(b) The matter is under consideration.

(d) Does not arise.

REORGANISATION OF EDUCATION SPECIALLY IN ARTS AND TECHNOLOGY AND DEPUTATION TO RUSSIA

955. *Shri P. Kunhiraman (on behalf of Shri V. C. Kesava Rao): (a) Will the Honourable Minister of Education be pleased to state whether it is proposed to re-organise education, especially the Arts and Technical sides of it?

(b) Do Government propose to consider the question of sending a deputation of educationists to Russia to study the Russian model?

آنریبل مولانا ابوالکازم آزاد: (a) ہاں۔ سنٹرل ایڈوائزری بورڈ آف ایجوکیشن نے پوسٹ وار ڈیولپمنٹ کے بارے میں جو رپورٹ دی تھی۔ اور جسے سنٹرل اور پراونشل گورنمنٹوں نے عام طور پر منظور کر لیا ہے اس میں یہ بات رکھی گئی ہے کہ تعلیم کو جس کے اندر آرٹس بھی آجاتا ہے۔ نئے سرے سے organise کیا جائے۔

ایجوکیشن منسٹری نے جو کانفرنس پچھلی جنوری میں بلائی تھی اس نے اس رپورٹ کے پلان میں کچھ باتیں گھٹائی بڑھائی ہیں۔ اور سکیم کو تیزی کے ساتھ چلانے کیلئے کچھ تجویزیں تیار کرائی ہیں۔ گورنمنٹ ان تجویزوں پر آجکل غور کر رہی ہے اور بہت جلد نئے ڈھنگ سے کام شروع ہونے والا ہے۔

(b) گورنمنٹ کے دھیان میں اس وقت پہلا کام یہ ہے کہ پیسک ایجوکیشن کا پلان جو تیار ہو چکا ہے۔ اسے جلد سے جلد عمل میں لایا جاوے۔ منسٹری نے اس بارے میں اپنی سکیم ایجوکیشنل کانفرنس کے سامنے رکھی تھی۔ کانفرنس نے ایک سب کمیٹی بتایا دی ہے۔ جو اس پر سوچ بچار کر کے اپنی سفارشی گورنمنٹ کو بھیجے گی۔ اُمید کی جاتی ہے کہ یہ رپورٹ چون تک گورنمنٹ کو مل جائے۔ آنریبل منسٹر کو میں بھروسہ دلانا کہ جونہی ٹھیک موقع پیدا ہوا۔ گورنمنٹ ضرور اس بات پر دھیان دیگی کہ روس میں اور دوسرے ملکوں میں ہندوستانی ایجوکیشنل بھیجے جائیں۔ تاکہ وہ رہاں کے تعلیمی کاموں کے ڈھنگوں کو ٹھیک طور پر معلوم کریں۔

The Honourable Maulana Abul Kalam Azad: (a) Yes. The Report of the Central Advisory Board of Education on the Post-War Educational Development in India, which has been generally accepted by the Central and Provincial Governments, subject to the limitations of Finance and the peculiar needs of each area, envisages reorganisation of education, including Arts and Technical Education.

The modifications recommended by the Education Conference recently called by the Ministry of Education, in the above plan and the question of speeding up the execution of this plan are, however, still under the consideration of my Ministry.

(b) In Government's opinion the first thing is that the plan about basic education, which is ready, should be implemented as early as possible. The Ministry has already placed the scheme before the Educational Conference and a sub-committee was constituted to go into the financial aspect of the problem and to submit its recommendations. It is hoped that its report will be ready by June 1948. The Honourable Member may rest assured that Government will certainly consider at the appropriate time the question of sending a deputation of educationists to Russia and to other countries to study their educational schemes.

श्री एच. वी. कामत: क्या माननीय वजीर तालीम को यह मालूम है कि रूस ने इस क्षेत्र में खूब तरक्की की है।

Shri H. V. Kamath: Is the Honourable Minister for Education aware of the fact that Russia has made remarkable progress in this sphere?

COMPENSATION FOR LANDS FOR 1946-47 TO PEOPLE OF CHARBATIA NEAR CUTTACK ORISSA.

956. ***Shri Lakshminarayan Sahu:** Will the Honourable Minister of Defence be pleased to state:

(a) whether the people of Charbatia near Cuttack (Orissa Province) have been paid compensation for the year 1946-47 for their lands that were taken over by the Military;

(b) what is the cause of delay, if any, in payment;

(c) whether their cultivated and homestead lands have been surrendered in April 1947;

(d) whether terminal compensation for making their lands fit for cultivation again has been paid;

(e) if not, the reasons for the delay; and

(f) whether it is a fact that homestead lands of five or six people at Charbatia have not yet been surrendered?

The Honourable Shri N. V. Gadgil: (a) Yes.

(b) I am ascertaining from the local authorities whether there has been any delay in payment and, if so, the reasons therefor.

(c) Yes, except a few which were a part of the airfields and which were required by Government till recently. Government assets on these lands were declared available for disposal a short time ago, and these are now being used for accommodating refugees.

(d) Terminal compensation has been paid in respect of all lands that have been returned to their owners.

(e) Does not arise.

(f) This may be so. Enquiries are being made of the local authorities.

REPORT OF COMMITTEE ON AYURVEDIC SYSTEM OF MEDICINE.

957. ***Shri Biswanath Das:** Will the Honourable Minister of Health be pleased to state:

(a) when the report of the committee on the Ayurvedic system of treatment is expected to be submitted to Government;

(b) whether any interim report has been submitted;

(c) whether any preliminary work is being undertaken through the agency of the Provincial Governments in this regard;

(d) if so, whether Government propose to lay a statement showing the details on the table of the House;

(e) why a medical man, outside the fold versed in Ayurved was appointed to preside over the deliberations of this committee?

(f) What was the composition of the Committee on the basis of Ayurvedic, Allopathic and other practitioners?

The Honourable Rajkumari Amrit Kaur: (a) The Report of the Committee on Indigenous Systems of Medicine is expected to be ready by the end of May 1948.

(b) No.

(c) No. The Questionnaires issued by the Committee were sent, among others, to Provincial Governments.

(d) Does not arise.

(e) The present Chairman was selected in view of his great experience in the field of research in drugs.

(f) The Committee consists of 4 practitioners of Ayurveda, 4 practitioners of Unani and 3 Allopaths.

Shri Biswanath Das: May I know the reason why provincial governments were not consulted in this regard?

The Honourable Rajkumari Amrit Kaur: I have already said that questionnaires were sent to provincial governments.

Shri Biswanath Das: Before the appointment of the personnel of the Committee I should like to know whether provincial governments were consulted and whether they suggested any names?

The Honourable Rajkumari Amrit Kaur: Since this Committee was appointed before I took over, I would like to have notice of that question. As far as I know provincial governments were consulted at the time of the appointment of the Committee.

Shri Biswanath Das: May know whether any preliminary work in this regard is being undertaken?

The Honourable Rajkumari Amrit Kaur: No. The report is awaited before any further action is taken.

Seth Govinddas: May I know whether as far as the representatives of Ayurveda on this committee are concerned there have been a lot of representations to the Honourable Minister that they did not represent Ayurveda?

The Honourable Rajkumari Amrit Kaur: I have already answered this question many times. The fact that some complaints were received is true but all prominent Ayurvedic practitioners were consulted when the Committee toured the provinces.

Shri Biswanath Das: May I know why three Allopathic practitioners were found necessary to be taken on the Committee?

The Honourable Rajkumari Amrit Kaur: In the opinion of the Government it was necessary to have three Allopaths.

Shri H. V. Kamath: Considering that the Honourable Minister informed the House during the last session that the report of the Committee was to be submitted by the end of February, what has the delay in the submission of the report been due to?

The Honourable Rajkumari Amrit Kaur: It has been due to the serious illness of the Chairman.

TREATMENT AS NON-INDIANS OF APPLICANTS FROM ACCEDING INDIAN STATES
BY F. P. S. C.

958. *Shri B. N. Munavalli (on behalf of Shri K. Hanumanthaiya): (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that the Federal Public Service Commission is treating applicants for appointments from Indian States, which have acceded to India, as non-Indians?

(b) If so, why?

The Honourable Pandit Jawaharlal Nehru: Candidates for appointments from Indian States formerly required a declaration of eligibility for appointment to Central Services. As this practice was inconsistent with Section 262(1) of the Government of India Act, 1935, as adapted, revised instructions have since been issued. Declarations of eligibility will no longer be necessary in respect of candidates from acceding States for appointment to the Central Services.

ORGANISATIONS DECLARED ILLEGAL BY GOVERNMENT OF INDIA

†959. *Prof. Shibban Lal Saksena: (a) Will the Honourable Minister of Home Affairs be pleased to state:

(i) the names of the organisations which have been declared illegal by the Government of India;

(ii) the dates on which they were declared illegal; and

(iii) the dates on which action under these orders was initiated?

(b) Do Government propose to lay on the table of the House copies of the orders declaring these various organisations illegal?

The Honourable Pandit Jawaharlal Nehru: (a) (i). Rashtriya Swayam Sewak Sangh, Muslim National Guards and the Khaksars were declared unlawful by the Chief Commissioners in Centrally Administered Areas under instructions from the Government of India.

(ii) and (iii). Rashtriya Swayam Sewak Sangh was declared unlawful in Delhi and Ajmer on the 4th February and in Coorg on the 9th February. Ajmer declared Muslim National Guards and Khaksars as unlawful on the 8th February and Coorg on the 9th February. Delhi declared the Muslim League Guards unlawful on the 9th February and the Khaksars organisation had already been declared unlawful on the 9th August 1947. Action was taken immediately to enforce these orders.

(b) The Honourable Member's attention is invited to the *Gazette of India Extraordinary*, dated the 9th August, 1947, the 4th and 10th February, 1948, *Gazette of India*, dated the 21st February, 1948, and *Coorg Gazette Extraordinary*, dated the 11th February, 1948, copies of which are available in the Library.

REMOVAL OF RESTRICTIONS ON MOVEMENTS OF AMERICAN CITIZENS IN INDIA

960. *Shri Lakshminarayan Sahu: Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether it is a fact that American citizens while in India have to report their movements to the police, whereas Indian citizens while in the United States of America are not required to report their movements to the police; and

(b) if so, whether it is proposed to eliminate this discrimination?

The Honourable Pandit Jawaharlal Nehru: (a) All foreigners, unless they have been specifically exempted, have to send written reports of their movements to the appropriate registration authority in certain circumstances. Government understand that periodical reports of place of residence are required of temporary foreign residents in the United States of America and that even permanent residents have to send intimation of the change of their residence.

†Answer to this question laid on the table, the questioner being absent.

The Honourable Member also probably knows that the Immigration Laws of the United States of America are much more stringent than ours and that very strict formalities have to be undergone at the time of entry to United States of America.

(b) No discrimination is involved and therefore the question does not arise.

DISAPPEARANCE AND DETENTION OF AN EUROPEAN OFFICER OF ORDNANCE FACTORY AT CALCUTTA

961. *Shri Mihir Lal Chattopadhyay (on behalf of Shri Arun Chandra Guha): Will the Honourable Minister of Defence be pleased to state:

(a) whether it is a fact that, as reported in the *Amrita Bazar Patrika* of the 27th February, 1948, a responsible European officer of the Ordnance Factory at Calcutta has recently disappeared from his post;

(b) whether it is a fact that some European officer of the Calcutta Ordnance Factory was suspected of some illegal deeds and was put under detention or surveillance;

(c) if so, whether it is the same officer who is now reported to have disappeared; and

(d) whether Government have any information as to whether the officer now alleged to have disappeared has been put in a responsible post by the Government of Pakistan?

The Honourable Shri N. V. Gadgil: (a) and (b). No, Sir.

(c) and (d). Does not arise.

COPIES OF GOVERNMENT NOTIFICATIONS re MERGING WITH PROVINCES FORMING DEPENDENT ADMINISTRATIVE UNITS.

962. *Shri L. S. Bhatkar (on behalf of Dr. P. S. Deshmukh): Will the Honourable Minister of States be pleased to lay on the table of the House copies of all the notifications issued by the Government of India since 15th August 1947 in respect of:

(a) States that have been merged with the provinces; and

(b) States that have been formed into independent administrative units?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Copies of the notifications under the Extra Provincial Jurisdiction Act 1947 relating to merger of certain States with Provinces are laid on the table of the House. No such notification was necessary for the formation of Unions of States.

GOVERNMENT OF INDIA

MINISTRY OF STATES

New Delhi, the 23rd December, 1947

NOTIFICATION

No. 111-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of the States specified in the Schedule annexed thereto;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra Provincial Jurisdiction Act, 1947 (No. XLVII of 1947) and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Provincial Government of Orissa, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said States as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

Provided that—

(i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and

(ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

Schedule

Athgarh	Gangpur	Pallahara
Athmalik	Hindol	Patna
Bamra	Kalahandi	Rairakhol
Baramba	Keonjhar	Ranpur
Baudh	Khandpara	Seraikella
Bonai	Kharsawan	Sonepur
Daspalla	Narsinghpur	Talcher
	Navagarh	
Dhenkanal	Nilgiri	Tigiria.

C. C. DESAI, Addl. Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES

NOTIFICATION

New Delhi, the 23rd December 1947

No. 112-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of the States specified in the Schedule annexed hereto;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Provincial Government of the Central Provinces and Berar, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said States as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

Provided that—

- (i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and
- (ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

Schedule

Bastar	Kanker	Nandgaon
Changbhakar	Kawardha	Raigarh
Chhuikhadan	Khairagarh	Sakti
Jashpur	Korea	Sarangarh
		Surguja
		Udaipur

C. C. DESAI, Addl. Secy.

GOVERNMENT OF INDIA

MINISTRY OF STATES

NOTIFICATION

New Delhi, the 28th January 1948

No. 134-IB.—Whereas the Ruler of Makrai State has ceded to the Central Government full and exclusive authority, jurisdiction and powers for, and in relation to the governance of the Makrai State;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to direct that the following amendment shall be made in the notification of the Government of India in the Ministry of States No. 112-IB, dated the 23rd December 1947, namely:—

In the schedule attached to the said notification after the word 'Udaipur' the word 'Makrai' shall be added.

(Sd.) M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA

MINISTRY OF STATES

NOTIFICATION

New Delhi, the 13th January 1948

No. 125-IB.—Whereas the Indian States specified in the Schedule hereto annexed have ceded full and exclusive jurisdiction to the Central Government;

And whereas it is necessary to abolish the land customs barriers between such States *inter se* and the said States and the Provinces of Orissa, Bihar and the Central Provinces and Berar;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 3 and section 4 of the Extra-Provincial Jurisdiction Act, 1947 (XLVII of 1947), and of all other powers enabling it in that behalf, the Central Government is pleased to direct that so much of any existing law, rule, order or notification in the said States as imposes any prohibition or restrictions, or imposes a duty of customs, on the import into or export from any such State from or to another such State, or on the import into or export from any such State from or to any of the Provinces of Orissa, Bihar and the Central Provinces and Berar and *vice versa*, of goods of any class or description shall be deemed to have been cancelled with effect from the 1st January 1948.

Schedule

Athgarh	Kalahandi	Ranpur	Kawardha
Athmalik	Keonjhar	Seraikella	Khairagarh
Bamra	Khandpara	Sonepur	Korea
Baramba	Kharsawan	Talcher	Nandgaon
Baudh	Narsinghpur	Tigiria	Raigarh
Bonai	Nayagarh	Pastar	Sakti
Daspalla	Nilgiri	Changbhakar	Sarangarh
Dhenkanal	Pallahara	Chhuikhadan	Surguja
Gangpur	Patna	Jashpur	Udaipur
Hindol	Rairakhol	Kanker	

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA

MINISTRY OF STATES

NOTIFICATION

New Delhi, the 23rd February 1948

No. 144-IB.—Whereas the States specified in the Schedule hereto annexed have ceded full and exclusive jurisdiction to the Central Government;

And whereas it is necessary to abolish the land customs barriers between the States *inter se* and the said States and the province of the Central Provinces and Berar;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 3 and section 4 of the Extra-Provincial Jurisdiction Act, 1947 (XLVII of 1947), and of all other powers enabling it in that behalf, the Central Government is pleased to direct as follows namely:—

- (1) that so much of any law, rule, order or notification in the said States as imposes—
 - (i) any duty of customs on the import into or export from any such State from or to any province of India or any Indian State, and
 - (ii) any prohibition or restriction on the import into or export from any such State from or to another such State or on the import into or export from any such State from or to the Central Provinces and Berar, and *vice versa*, of goods of any class or description shall be deemed to have been cancelled with effect from the 1st January 1948, and

- (2) that the notification of the Government of India in the Ministry of States No. 125-IB, dated 13th January 1948, shall be deemed to be cancelled so far as it relates to such of the States as are specified in the said Schedule.

Schedule

1. Bastar	7. Khairagarh	13. Surguja
2. Changbhakar	8. Korea	14. Udaipur
3. Chhuikhadan	9. Nandgaon	15. Makrai
4. Jashpur	10. Raigarh	
5. Kanker	11. Sakti	
6. Kawardha	12. Sarangarh	

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES

NOTIFICATION

New Delhi, the 25th February 1948

No. 150-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of the States specified in the Schedule annexed hereto;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of Bombay, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said States as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

(i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and

(ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

Schedule

Akalkot	Kurundwad (Junior)	Sangli
Aundh	Miraj (Senior)	Savanur
Bhor	Miraj (Junior)	Sawantwadi
Jamkhandi	Mudhol	Wadi Jagir.
Jath	Phaltan	
Kurundwad (Senior)	Ramdurg	

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES

NOTIFICATION

New Delhi, the 25th February 1948

No. 151-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of Banganapalle State;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of Madras, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said State as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935.

Provided that—

(i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and

(ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION*New Delhi, the 25th February 1948*

No. 152-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of Loharu State;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of East Punjab, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said State as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

Provided that—

(i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and

(ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION*New Delhi, the 10th March 1948*

No. 156-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of Pudukkottai State;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of Madras, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said State as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

Provided that—

(i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and

(ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION*New Delhi, the 19th January 1948*

No. 127-P.—The following Order of the Governor-General is published for general information:—

THE BOMBAY (ENLARGEMENT OF AREA AND ALTERATION OF
BOUNDARIES) ORDER, 1947.

Whereas, by section 290 of the Government of India Act, 1935, as adapted by the India (Provisional Constitution) Order, 1947, it is provided that the Governor-General may by order increase the area, and alter the boundaries, of any Province and make such provisions as the Governor-General may deem necessary or proper for any supplementary, incidental or consequential matters;

And whereas it is expedient that certain areas outside the Dominion of India should be included therein and made part of the Province of Bombay;

And whereas in accordance with the provisions of the said section 290 the Governor-General has ascertained the views of the Government of the Province of Bombay both with respect of the proposal to make the order and with respect to the provisions to be inserted therein;

Now, therefore in exercise of the powers conferred on him by the said section and of all other powers enabling him in that behalf, the Governor-General is pleased to make the following Order:—

1. (1) This Order may be cited as the Bombay (Enlargement of Area and Alteration of Boundaries) Order, 1947.

(2) It shall come into force at once.

2. (1) The areas specified in the succeeding paragraph are hereby included in the territories of the Dominion of India.

(2) The areas referred to in the preceding paragraph are:

(a) the areas comprised in the Estates which on the first day of July, 1947, were included in the Vatrak Kantha thana of the Baroda, Western India and Gujarat States Agency and were known by the following names:—

(i) Ged, (ii) Polajpur, (iii) Morvad, (iv) Koprurpur, (v) Mahisa, (vi) Porda and (vii) Dana; and

(b) the area known as Dangs.

3. The said areas shall form part of the Province of Bombay and the boundaries of that Province shall be so altered as to comprise within them the said areas.

4. (1) The areas comprised in the Estates of Ged, Polajpur and Morvad shall form part of the district of Ahmedabad, the areas comprised in the Estates of Koprurpur, Mahisa, Porda and Dana shall form part of the district of Kaira, and the said areas shall be administered accordingly.

(2) All enactments in force in any of the aforesaid districts, and all notifications, orders, schemes, rules, forms and bye-laws issued, made or prescribed under such enactments and in force in any of the aforesaid districts, shall extend to and be in force in the areas included in that district by the preceding paragraph.

5. (1) The area known as the Dangs shall for the time being form a separate district of the Province of Bombay and be administered accordingly.

(2) The Governor may, by order notified in the official gazette of the Province, make such provision as appears to him to be necessary or expedient,

(a) for extending to the said area the application of any laws for the time being in force in the Province or any part thereof;

(b) for removing difficulties arising in connection with the absorption of the said area in the Province; and

(c) generally for the proper administration of the said area.

(3) Any order made under this Article may be made so as to be retrospective to any date not earlier than the date of the commencement of this Order.

(4) Any order made under this Article shall be subject to the same powers of repeal and amendment as laws of the Provincial Legislature.

(5) No order shall be made by the Governor under this Article after the expiration of six months from the date of the commencement of this Order.

MOUNTBATTEN OF BURMA,
Governor General of India.

C. C. DESAI, Additional Secretary.

Shri H. V. Kamath: How many States are there still which have neither merged with the Provinces nor integrated among themselves?

The Honourable Pandit Jawaharlal Nehru: It is a simple mathematical question which the Honourable Member can do after looking at the statement.

Shri H. V. Kamath: I am asking whether the Honourable Minister can throw some light here at this stage.

Mr. Speaker: The statement is laid on the table.

SCHOLARSHIPS BY MINISTRY OF LABOUR FOR SCHEDULED CASTE CANDIDATES FOR STUDIES ABROAD

963. *Shrimati Dakshayani Velayudhan: (a) Will the Honourable Minister of Education be pleased to state whether there was a scheme for giving scholarships by the Ministry of Labour for sending scheduled caste candidates for higher studies abroad?

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(b) If the answer to part (a) above be in the affirmative, is that scheme still continued?

(c) If not, when and why was it stopped?

(d) Have Government any idea of renewing that scheme?

آنریبل مولانا ابوالکلام آزاد: (a) سوال میں جس اسکیم کوئیے پوچھا گیا ہے وہ شہدول گاسٹ اسکالرشپ اسکیم ہی ہو سکتی ہے لیکن اس اسکیم کا تعلق لیبر منسٹری سے نہیں ہے ایجوکیشن منسٹری سے ہے۔

(b) نہیں، آجکل کوئی ویدیارہی اس اسکیم کے اندر نہیں بھیجا جا رہا ہے۔

(c) اس اسکیم کے اندر سالہ ۱۹۴۵ء میں بائیس ویدیارہی ہاتر استھیتی کوئیے

باہر کے ملکوں میں بھیجے گئے تھے اس کا نتیجہ کچھ زیادہ اچھا نہیں نکلا اس لئے شہدول گاسٹ اسکالرشپ بورڈ نے باہر بھیجنا بند کر دیا۔ اُس وقت سے جو اسکالرشپ دئے گئے ہیں ملک کے اندر تعلیم پانے ہی کوئیے دئے گئے ہیں۔

(d) گورنمنٹ ضرور اس پر دھیان دیکھی کہ شہدول گاسٹ اسکالرشپ اسکیم ہر اہل

چلتی رہے لیکن اس بات کا فیصلہ شہدول گاسٹ اسکالرشپ بورڈ ہی کر سکتا ہے کہ اسکالرشپ باہر بھیجنے کوئیے دئے جائیں یا ملک کے اندر لائے۔

The Honourable Maulana Abul Kalam Azad: (a) Yes, Sir. Presumably the question refers to the Scheduled Castes Scholarships Scheme, under the Ministry of Education and not Ministry of Labour.

(b) No, Sir. No students are being sent abroad under this Scheme.

(c) The policy of sending Scheduled Caste students for higher studies abroad under this scheme was discontinued in 1946 by the Scheduled Castes Scholarships Board. In 1945 twenty-two students were sent for studies abroad, but in later years, in view of the rather unsatisfactory results achieved by this batch, the Board decided not to send any further students for advanced training abroad under this Scheme.

(d) Government will certainly consider the continuance of the Scheduled Castes Scholarships Scheme, but whether any students will be sent abroad under this scheme, if it is continued, it will be for the Board to decide.

Shrimati Dakshayani Velayudhan: When was the scheme started?

آنریبل مولانا ابوالکلام آزاد: سالہ ۱۹۴۴ء میں

The Honourable Maulana Abul Kalam Azad: In 1944.

Shrimati Dakshayani Velayudhan: How many students were sent each year?

آنریبل مولانا ابوالکلام آزاد: اس کے لئے نوٹس [کی ضرورت ہے] میں اس وقت پوری

تعداد نہیں بتا سکا ہوں۔

The Honourable Maulana Abul Kalam Azad: I would require a notice for this. I cannot tell the exact number at present.

Shri T. A. Ramalingam Chettiar: In the case of candidates who were selected, but were not able to go on account of want of shipping accommodation or other reasons, will they be sent the next year, or will the scholarship lapse?

آنریبل مولانا ابوالکلام آزاد : پہلے سالہ ۱۹۴۵ء میں ۲۲ سٹوڈنٹس باہر بھیجے گئے تھے اس کے بعد انکے باہر بھیجا جانا بند کر دیا گیا تھا۔ اس لئے یہ سوال پیدا نہیں ہوتا۔

The Honourable Maulana Abul Kalam Azad: 22 students were sent abroad during the year 1945, afterwards, no more students were sent. This question therefore does not arise at all.

سے 5 گوویند داس : क्या माननीय मंत्री जी इस बात का ध्यान रखेंगे कि उन्हीं विषयों में विद्यार्थी बाहर भेजे जायें जो विषय हिन्दुस्तान में नहीं पढ़ाए जाते हैं।

Seth Govinddas: Will the Honourable Minister please keep this in view that the students should be sent abroad for study in those subjects only for which no training facilities exist in India?

آنریبل مولانا ابوالکلام آزاد : سالہ ۱۹۴۵ء میں جو ۲۲ سٹوڈنٹس بھیجے گئے تھے انکے نتیجہ کچھ بہتر نہیں نکلا سات ناکامیاب ہوئے اور ایک واپس آیا۔ اب اس سکیم کے تحت جو ہندوستان میں ہی تعلیم دی جا رہی ہے اور جس بات کی طرف آنریبل ممبر نے توجہ دلائی ہے اسکا خیال رکھا جاتا ہے۔

The Honourable Maulana Abul Kalam Azad: The twenty-two candidates who were sent abroad in 1945 did not show good results. Seven of them were unsuccessful and one returned. Under the provisions of this scheme, training is being given in India and the point to which the Honourable Member has drawn attention is always kept in view.

Shrimati Dakshayani Velayudhan: May I know the reasons that led to the abolition of this scheme?

آنریبل مولانا ابوالکلام آزاد : شہدوں کا یہ کہیونٹی کی تعلیمی ترقی کے لئے یہ اسکیم چلائی گئی تھی۔

The Honourable Maulana Abul Kalam Azad: This scheme was started for the educational advancement of the Scheduled Caste Community.

Mr. Speaker: It is stated in the reply given by the Honourable Minister.

Shrimati Dakshayani Velayudhan: May I know why it was thought unsatisfactory?

Mr. Speaker: That will be a matter for the Board to reply, and not for the Honourable Minister.

ATOMIC ENERGY BILL

The Honourable Pandit Jawaharlal Nehru (Prime Minister and Leader of the House): Sir, I beg to move for leave to introduce a Bill to provide for the development and control of atomic energy and for purposes connected therewith.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the development and control of atomic energy and for purposes connected therewith."

The Honourable Pandit Jawaharlal Nehru: I introduce the Bill.

The motion was adopted.

JUNAGADH ADMINISTRATION (PROPERTY) BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to move for leave to introduce a Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government."

The motion was adopted.

The Honourable Shri N. V. Gadgil: I introduce the Bill.

DELHI AND AJMER-MERWARA RENT CONTROL (AMENDMENT) BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to move for leave to introduce a Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act, 1947."

The motion was adopted.

The Honourable Shri N. V. Gadgil: I introduce the Bill.

PROTECTIVE DUTIES CONTINUATION BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to move:

"That the Bill to extend the date upto which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect and further to amend the Sugar Industry (Protection) Act, 1932, be taken into consideration."

This Bill is merely intended to continue the protection on certain industries which have been already established and certain other industries which have been established during war-time. Advantage is also taken of this opportunity to continue all the provisions of the Sugar Industry (Protection) Act for a period of one year more. The industries concerned are Magnesium chloride, Calcium chloride, Bichromates, Silk and silk manufactures, Artificial silk and cotton and artificial silk mixed fabrics, Silver thread and wire including so-called gold thread.

So far as the sugar industry is concerned, it is a long history and if the House permits I shall briefly state the facts. The claim of this industry for protection was originally investigated in the year 1930-31 and the measure of protection recommended by the Tariff Board was Rs. 7-4-0 per cwt. for the first seven years and Rs. 6-4-0 per cwt. for the remaining period. Later on in the year 1946 the duty of Rs. 7-4-0 per cwt. was imposed only for a year. It was clearly stated that it was the intention of the Government to make full investigation and to come to a final conclusion. But it was not possible to complete the consideration in time and the result has been that this Bill is introduced with a view to continuing the duty for another year. The House is aware that the Tariff Board is already constituted. But there are so many matters pending before the Tariff Board that it is not possible before the end of this financial

year to have anything like a report or even a thorough investigation and enquiry into this. It has therefore been decided, as I said, to continue protection till the 31st March 1949. While it is proposed to continue the protective duty on sugar it is also considered necessary to keep in force, as I stated, the whole of the Sugar Industry (Protection) Act, 1932, particularly because there are two very important sections, namely Sections 5 and 6 which empower the Government of India and the Provincial Governments to make rules requiring the owners of factories to submit returns relating to production of sugar, and the factories to post notices specifying rates being paid for sugarcane. I think the House will agree that the times have not yet been steady and other economic factors have not yet stabilised which will justify all of a sudden the discontinuance of this protective duty. As an undertaking has been given by the Government last year, namely to refer the whole question to the Tariff Board, that will be done. It is expected that before the end of the next financial year the Government will be in a position in terms of the recommendation that may be made by the Tariff Board, to come before the House if it is advised that the protective duty should continue or if there is any variation in the rate of the protective duty. If the recommendation is not to give further protection there will in that case be no necessity to come before the House.

As regards Silk and silk manufactures and Artificial silk the position is the same. All these industries which have been enumerated in the Bill have been given protection from time to time.

The Honourable Shri N. V. Gadgil: Protection to the sericulture industry was given by the Indian Tariff Textile Protection Amendment Act of 1934 for a period of five years. It has been continued since then.

Now there is one matter namely alloy, tool, or special steel and electrical steel sheets and high carbon or spring steel wire. The Tariff Board went through all matters relevant to these and they have recommended that protection should continue. The exact recommendation of the Tariff Board is this, Sir:

"In view of the existence of the government surplus stocks and the prevailing prices of non ferrous metals, we have recommended the imposition of the protective duty and the operation of the import control to be in force until the 31st March 1949. In view of the importance of this industry we have thought a period of about three years should

Government will review the whole position as desired in the report of the Tariff Board. This, as I said, Sir, is a Bill merely to continue the protection that is already in existence and I do not think there are any big questions involved in this at this stage. I find, Sir, from the Order Paper that notice of two amendments has been given by my Honourable friend Mr. Ananthasayanam Ayyangar. One is that the Bill should be referred to a Select Committee; and another refers to the somewhat important question of preference being still continued to British goods. So far as reference to a Select Committee is concerned, I understand that it is not going to be moved for the simple reason that there is no time left and this Bill must be passed before the 31st March 1948. As regards the other, Sir, I will say whatever I want to say later on, but I still want to tell my Honourable friend that no important question to the extent to which he thinks is involved in this. Sir, having said this, I move that the Bill be taken into consideration.

"That the Bill to extend the date upto which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect and further to amend the Sugar Industry (Protection) Act, 1932, be taken into consideration."

Sri M. Anantdasayanam Ayyangar. Sir, In a casual way the Government have brought this Bill to continue protection to as many as 18 industries. In clause 2, which is the material clause of this Bill, sub-clause (1) relates to 15 items for which Government wants continuation of protection for a further period of a year: the second one is about steel bars and other things which were investigated by the Tariff Board: the third one is regarding sugar. Now, Sir, the Honourable Minister evidently thinks that as soon as he makes up his mind that certain duties should be continued, automatically the Assembly must say ditto. I am really surprised at this, not that in so many words he said so. This is a very important matter. He himself read out to us that protection was given to some of these industries so early as 1929 and for a period of five years: in 1934 for a period of five years: in 1939 for a period of five years. Taking the earliest date, 1929, right to this date, a number of years have already elapsed. What is the need to continue to protect these industries? It was the Fiscal Commission that was appointed to go into the matter of taxation policy and also advise as to what ought to be done regarding the steps to be taken for protecting our industries. I do want the industries in this country to flourish. Industries in this country should flourish and should be prevented from being interfered with by the dumping of foreign goods of similar variety which can be produced in this country. To the extent that any industry in this country is protected, to that extent the consumer puts an additional burden on himself by way of tax. He pays it for what purpose? He pays so that the industries in this country and the wealth of this country as a whole may increase. On the other hand, far from doing so, industry even to this day is still crawling and has not established itself. The original object with which the industry was given protection has not been carried out by the industrialists. The main points that we should take into consideration before an industry is given protection are these: firstly, whether there are raw materials in this country: secondly, whether there is sufficient skilled and unskilled labour in this country: thirdly, whether machinery and other things are available; fourthly, whether there is a reasonable chance of this industry standing on its own legs and establishing itself firmly, so that at the end of a particular period or even twice that period the protection may be removed and it will stand world competition.

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Sir, these industries for which protection was given could have established themselves firmly. On the other hand the industrialists have not carried out the original object for which the industries were given protection. They have been only anxious to take advantage of the protective duties and try to increase as much as possible the profits that would go to them. I expected that the Honourable Minister would at least lay before the House or would have circulated to members of the House a statement showing under what conditions and why the industries have not established themselves till now; why such a long period has been given; and why he wants to continue protection for one year. I do agree that no protection ought to be withdrawn even without investigation, but what is it that the industry says? Has it given an account of itself, and for what term does the industry want protection to be continued? What are the steps it has taken to establish itself? We have not that material before us. Each one of the items here requires sufficient data so that the Assembly may come to a certain conclusion as to what is to be done. What is the reason for the Government not circulating the Tariff Board report regarding steel alloys and tools? If it was the bureaucratic government that existed before the present government that was responsible for this, we would have torn this to pieces. It is not at all right. As a matter of fact the Honourable Minister may have had no time to look into this. How did the Cabinet decide? What are the difficulties? We have absolutely no such data, and it is only later on, at my request, that I got this volume two days ago. Why should it not be printed and circulated to members, or at any rate make this copy available to all members? Now this is not doing the right thing by the members of this House. Let us take one instance; let us address ourselves to the sugar industry. It has received protection right from the year 1934. The other day decontrol of sugar was insisted upon. We decontrolled sugar; the prices soared up to even Rs. 40, whereas Cuba sugar for the same unit was selling at Rs. 20 in Calcutta. Why should the industrialists make enormous profits at the expense of the consumer? I would say that these industries do not deserve any further protection. They have not justified themselves. They are trying—I ought not to use a strong word—to have practically a loot of the poor consumer.

We are not having a sufficient quantity of sugar; sugar is not available in the market. The Sugar Syndicate has got practically a monopoly; it controls everything and would not yield to prices. That is the way in which this industry, an essential article, has behaved with us.

There is a large acreage under sugar cultivation but in spite of it they do not produce a sufficient quantity and whatever quantity is produced, it is cornered, it is kept in particular shops and released to the public at enormous prices. The other day I suggested on the floor of the House that with respect to sugar and other essential commodities, even cereals, a kind of a reserve bank ought to be established in this country so that in times of scarcity large quantities of sugar or other essential commodities may be released from this bank; and when there is a surplus production, such surplus may be withdrawn from the market so as to keep up the prices. Something like that should be done for sugar.

One ought not to be blindly following the policy of protection; it will become not a policy of discriminatory protection but a policy of indiscriminate protection. That is what it has come to. We have no control over this industry. There are other things also. The industry has been asked to limit its profits; what is the dividend this industry has declared during the previous year? Let it have protection; we are prepared not to purchase Cuba sugar which is cheap, but purchase this sugar even at a higher price so that the industry may establish itself. But if in this country the sugar industry cannot establish itself,

it cannot establish itself in any other country. No doubt the Java sugar is cheap; we can make our sugar also cheap—a new variety of cane was discovered and it is that variety that is grown all over India.

The Government has not hesitated to give all the facilities required for this industry. But this industry has not reduced its price. The next point is that even now it wants protection. Then how has it dealt with labour? What facilities has it given—at least any bonuses—for the labour? This is the second largest industry in this country—first comes the textile industry and then steel and sugar.

I would say, Sir, that this industry has not behaved quite well so far as this Assembly is concerned, and so far as the people of this country are concerned. If felt to myself I would tell them that they shall not have any protection this year; let them stand by themselves or falter. But we cannot take any risk; so, with a sad heart I would support this motion for continuing this protection for a year so far as this industry is concerned.

Next we come to steel. At page 83 of the Report the Tariff Board says—

"Our conclusions and recommendations are summarised as under:

- (i) The present inquiry is confined to three categories of alloy, tool and special steels
- (ii) The manufacture of alloy, tool and special steels was taken up during the war, at the instance of Government, by the Tata Iron and Steel Co. Ltd., to meet urgent defence requirements."

Iron and steel is one of the key industries. Therefore this industry requires protection. They have made an experiment during the war; the experiment is so far successful, it must be made more successful. I entirely agree with the recommendations of the Tariff Board; those recommendations ought to be adopted. That is the most salient feature of this Bill.

But even with respect to this industry I would say that they are not producing to the full. During the war their output was much larger; they have reduced it by practically 30 per cent. or even 40 per cent. now. Why should they not go up? There is a tendency nowadays for these industrialists to coerce this Government to yield to any extent by way of reduction of taxation. The Assembly heard the Honourable the Finance Minister very anxiously placate the industry. I agree with him that it is only upon the industry that we ought to depend and make the wealth of this nation grow—without them we cannot get on. But there is a tendency on the part of industrialists to coerce the Government in every shape or form. If any loan is floated in the country, the loan is not subscribed; but there is a constant agitation that rates ought to be reduced, that income tax ought to go down, that other facilities ought to be given. When we are giving protection to this industry, which is practically a monopoly of Tatas Iron & Steel Company, I would urge upon them to put forth greater effort to produce larger quantities of iron and steel, and manufactured goods, which are necessary and of which we are in short supply. Let not the facility, let not the approach, be absolutely one-sided. The Government is doing its best to protect this industry; the industry must also equally realise its responsibility both to the consumer and to the country and also to the labour to which better conditions and better facilities ought to be given. Labour's wages ought to be increased; they must also be made sharers in profits. Difficulty is experienced in the matter of production because labour is not kept in good humour. The other day in the Industries Conference a resolution was passed which was agreed to by both the industrialists and the labour. It said that labour must be made a partner in the industry, that it must be given a share of the profits in addition to fair wages; labour must also be given a share in the management—some persons from labour must be appointed as directors

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in the management; and according to increase in production labour must also be entitled to a share in the profits. That was the principle adopted, and is being adopted, in the United Kingdom. Cripps who is every week broadcasting that the country must put forth greater and greater effort says that the further increase of labour wages will depend largely upon the increase in production. A share in the profits to labour will certainly encourage them to put forth more and more efforts to increase production.

These are the things which the industry must also take into account and that is the only way in which the industry could establish itself. The mere erection of a particular duty to avoid competition from foreign products will not alone help the industry to stand on its legs. I hope that the protection that is sought to be given to these alloys etc.—which will certainly be taken advantage of by Tata Iron & Steel—would not come up again after the period of three years—we are giving it for one year though I was willing to give it for a period of three years as recommended by the Tariff Board. I do not know why Government wanted one year only up to 31st March 1949; evidently Government wants time for considering before they implement the decision or recommendation of the Tariff Board completely.

Then the other articles are artificial silk and silk manufactures. As food is necessary so also clothing is equally necessary. Textiles have not come up before us because there is no particular protection there—revenue duty alone is imposed on textile goods. But silk and artificial silk are other pieces of clothing. What is the account that they give to us? In 1934 protection was settled for this industry. What is the production rate now? How far have they supplemented the clothing in this country? What is the need for protection to continue? I expect a little greater detail regarding the need for continuing protection for this industry.

Sir, during the war there was an opportunity for every industry in this country to put itself on a sound basis, to stand on its own legs and establish itself within the five years of war. Then we were not getting most of these articles from abroad partly on account of political reasons and partly due to economic considerations or the difficulty of shipping. Now, under those circumstances, during that windfall when an industry was practically able to produce larger quantities and also acquire larger profits, if they were not able to establish themselves, I do not know if, after the war, they will be able to establish themselves and how long we have to impose this additional burden upon ourselves. Japan is now switching over from wartime to peacetime economy and may produce silk and artificial silk. Japan and other countries might enter the field. How long have we to impose this additional burden on ourselves? Certainly this should be one of the considerations which the Tariff Board will enquire into.

Though individually I have no objection to these industries being given some more help, so that they may establish themselves, there must be a reasonable period—and sufficient time has been given—within which they should establish themselves and if they do not establish themselves, they ought not to come again to us for any kind of protection. That is all that I would submit. So far as the procedure adopted by the Government is concerned, there is one thing. No doubt, we are here to support the Government, but our support must be based on facts. It ought not to be a blind support of whatever the Government says, though it is our own Government. The Government must be more considerate to the House and place before it all the materials. This one day's notice is not sufficient. If the Report is in our hands for a

couple of days that is absolutely inadequate. (An Honourable Member "You are the only member fortunate to get it.") I asked for it and so I got it. This was not distributed to me. With these remarks, I do support the motion for consideration. I am not pressing for a reference to the Select Committee inasmuch as without much of material, there is no purpose in making a motion for reference to Select Committee. I do not think with the meagre material that is placed before us, we will be able to do anything more in the Select Committee.

Shri T. T. Krishnamachari (Madras: General): Sir, I must confess that this has become a sort of hardy annual coming up year after year in continuation, apparently because just like the Governments in the past the Government of today is not able to make up its mind as to its policy in this matter. There has been admittedly enough justification, because other preoccupations make it very difficult for the Government to make up its mind. My Honourable friend Mr. Ananthasayanam Ayyangar gave an idea of what is happening behind the screens. It is quite possible that before long the Government will have some definite policy in regard to industries in this country and the nature of the protection that is to be afforded to them.

But, Sir, speaking on this particular motion made by my Honourable friend the Minister for Works, Mines and Power, I find that the articles covered fall into two categories. Sugar and silk fabrics are undoubtedly articles that affect the common man who is the consumer directly. On the other hand, chemicals of specialised variety and special type of steel do not touch this class of consumers. They only touch the industrialists, the people who want these goods for manufacturing purposes. Well, my friend is right in regard to his insistence that the Government should act in such a manner as to reduce the consumer price in regard to such of those articles which affect the common man, but he is not quite on the same firm ground in regard to the second class of articles. I have a little experience in regard to the treatment afforded to the chemical industry in the past by the previous Government and I had protested times without number in this very House that the Government was treating them in a stepmotherly fashion. It is true that many of these industries came into being because of the support that was given to them by Government and also of the adventitious circumstances that were in operation during the war. But such specialised industries like calcium chloride or bichromates will ordinarily be very difficult to start. They have been started by a number of people in various parts of the country. They may even be uneconomic industries as they cannot produce cheaply. It may be profitable for the industrialists to import these articles direct from other countries, but surely, are we to allow them to die merely because various other factors like the transport bottleneck,

12 Noon —coal being high priced and other raw materials not being available for one thing or being high priced for another—are in operation and they are not able to produce at an economic price? That is a policy which we had in the past observed the previous Government favouring and we had protested very vehemently and I am sure my Honourable friend Mr. Ananthasayanam Ayyangar had also done it. So, it means that either the Government gives them protection or operates its import policy in such a manner as would give them protection—namely, by prohibiting goods which are of a competitive nature—or allows them to go under. Surely, my Honourable friend the Mover and his colleague the Commerce Minister have in their hands enough power to regulate imports in such a manner as no protection need at all be given, but they have chosen the more obvious method and utilised the precedent established in the past of coming before the House every year for protection for a temporary period of one year. In fact, in regard to sugar, considering the price that has now been fixed as a result of the understanding arising out of the increased

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price for the growers of sugar cane, it may be that unless we give this protection, or unless the Government regulates its import policy in such a manner—it has to, because of the scarcity of hard currency—we will probably have a lot of foreign sugar dumped into this country. It is quite conceivable that our sister Dominion next door might import sugar from Java and Cuba and even smuggle it across the frontier. (An Honourable Member: “They have already done it”.) So I do not think that we can afford to allow an industry of this kind to go under; notwithstanding the fact that by this protection and by other remedies that the Government might provide prices will not come down, because sure enough, some time or other Government might take up these industries on hand as they have taken up some mills in the U. P. I understand, and produce sugar at an economic rate. So we have to keep the industries we have going and not let them be destroyed. I think the House will remember that even though we ask the consumer to make a sacrifice—a temporary sacrifice—we are doing it in the best interests of the economy of this country and not because of a particular circumstance which is now prevailing.

Sir, in regard to silk and silk fabrics, my Honourable friend felt a little impatient. I might put it to him: “Nothing has been done in the past; something might be done in the future. Why do not you wait?” Otherwise, the other factor is also there. Supposing you take away this protection. It is not quite easy for you to allow Japanese silk to come in, although certainly it will be quoted at a much less price than our own silk, because it will mean so much of our foreign exchange expended. My own feeling is that by this gesture Government is merely giving a token of their view that they are prepared to do the best for the industry on their side and that the industry must pull up in the meanwhile. On the question of the past behaviour of the industrialists I agree with practically every word that has fallen from the mouth of my Honourable friend Mr. Ananthasayanam Ayyangar. It is not that the industry is behaving well. It is not that the industry appreciates the realities of the situation. All that is true. But at a time when defeatism overwhelms every hope in the horizon, by any act of Government, why should we make the situation worse? The psychological factor requires that even though this particular object might be achieved by Government controlling its import policy, this Bill is necessary to tell the people: “we are no doubt continuing the protection for one year, but for one year only, subject to review later on. But in the meantime, you must do your best.” Therefore, Sir, we in this House should do nothing or say nothing which would detract from the gesture that the Government is making to the industry. We will certainly wait and see for a year. When the industry comes back again, with a request for protection to be continued we shall know what to do. In the meantime, I feel that nothing that we say here should be such as which will make the industry feel more frustrated than what they are feeling now. I do not say that they are justified in it. I do not say that they have been appreciative of all the circumstances that make up for this consideration to be shown to them but the facts are there and we have to help many a lame dog over the stile because it is in the best interests of this country.

Sir, I support the motion made by my Honourable friend the Minister for Works, Mines and Power.

Mr. R. K. Sridhva (C. P. and Berar: General): Sir, when this Bill was presented to the House—this half sheet of paper—it looked as if it was a simple Bill. But if you read the Bill, it contains many figures and it refers to another main Bill or Bills to enable a member to study it. In the Library I was able to get the respective Bills—the Indian Tariff Act and the Sugar Industry Protection Act. I wanted further information and I was not able to get anything from the Library.

My Honourable friend, Mr. Ananthasayanam Ayyangar was able at least to get something whereby he was able to express his views freely, but I am not in a position, Sir, to get anything from the library or from the Ministry, which should have really supplied to all the members the relevant information. We have been receiving a number of circulars relating to various bills and opinions which have been received from the Provinces today also we received three batches which relate to Hindu Family Code Bill! Then in regard to the Insurance Bill we have been receiving the opinions from various Provinces and from various institutions—all these give us an idea as to what the country feels about these matters. But in this very important matter—it is not a simple bill as it seems to be—which affects really the average consumer and the policy of the Government, it is most unfair that the House should be kept absolutely dark and therefore, I shall not be able to do justice to this subject fully. What I have been able to gather is that this protective duty is being given to industries, which, as my Honourable friend rightly stated, ultimately falls on the consumer and is an indirect taxation upon the average consumer who is asked to pay for protecting these industries. We are out for supporting our Indian industry. I and many of my friends were preaching from various platforms to support the Indian industry under the British rule and even when the prices of textile, cement and many articles which were imported from foreign countries shot up, we advocated the Indian industry to be supported until we became free.

Now, Sir, nobody can question our *bona fide* as far as the support of the Indian industries are concerned. I do not think my Honourable friend Mr. T. T. Krishnamachari can say that we are not out for supporting the Indian industry; we are as patriotic as any body else. In fact, let me tell you, Sir, men like us have given a great deal of impetus for the expansion of Indian industry by our propaganda. I must tell you, Sir, plainly, we never took into consideration any high prices at that time and whatever the increase might have been, we said that they must be protected. Without giving an opportunity to this House as to what the condition of each industry is, we are asked to support the protection. It is unfair to the House; we have not the data before us. With regard to sugar industry in the conference of the Indian Chambers of Commerce and Industry, which I attended, many of the industrialists themselves complained that in the very first year of this industry when it was established, they made 110 per cent. profit. Some of the industrialists had to complain that they frittered away the money and they did not conserve it and after about three years, there was a setback. Our industrialists have a policy that whatever the high profit they get, they swallow up, without keeping anything in reserve for bad days or for improvement of machinery. The Japanese industry has prospered for the reason that they actually maintain the most modern machinery they have been able to compete with the prices in all other countries. In India our industrialists, of course—I do not know at the present juncture—during war made much money, but they did not put it in the Reserve fund for meeting bad times or improving their old machinery. In the textile machinery in Japan and other countries, one operator conducts 6 looms at one time, because the looms are worked automatically, whereas in our country one operator has to look after each loom and that also under extraordinarily bad and most uncongenial weather conditions. Therefore, my point is what steps Government have taken to enquire from this sugar industry which we really wish to flourish. Industries such as textile, sugar, cement and steel, we want to be fully protected; if any foreign Government wants to kill our industries, then I shall certainly say the Government must help them.

Then, take the case of Japan. In spite of having increased the import duty by 40 per cent on Japan textile which was imported at a cheaper price Japan

[Mr. R. K. Sidhva]

was competing with Lancashire piecegoods. Still Japan with all this heavy duty was able to compete with the Indian manufacturer. Why? It was not because of low paid labour but because their Government have so arranged matters as to give an impetus to their industry; they gave them concessions in freight; in insurance and in other ways; they had their own companies, the Government have their own steamship companies and insurance companies and the main purpose was to send all their goods outside their country and for this they gave various concessions and in this way they were able to compete. Of course, the labour there is cheap. Our labour has not got even Provident Fund today. A labourer in our country who works for 55 years and when he is old, is thrown on the road; it is no concern of the State or the industrialists to look after him after he had faithfully, loyally and honestly served the concern. That is the condition and still to say that labour prices have increased and therefore protection is needed is not correct. I admit wages have increased; everywhere they have increased—I should say proportionately increased. But on that ground alone protection to these industries is not justified. I must admit, Sir, most of the profit from protection go to the industrialists and because we favour Indian industries, we are asked to give them this kind of latitude at all times. Therefore, my contention is that the House should be fully informed as to what is the position of each one of this industry. If there was no 'Objects and Reasons' given in this Bill, Sir, I am sure, no Honourable Member would have understood the meaning of this Bill. It says that protective duty will be continued on certain articles, but the material is not there. At least Mr. Ananthasayanam Ayyangar was able to get a copy; there are not many copies to get at. It is the Government who has got the machinery and it is the duty of the Government to supply the Honourable Members all materials. If they cannot give copies to everybody, they must at least inform the members through the Assembly office that such a copy is available.

An Honourable Member: Such an information is available in the Assembly Office that they are exclusive to members who want to see them.

Mr. R. K. Sidhva: As regards artificial silk also there are many silk looms in Bombay and I know some of them are making very heavy profit on them. Therefore, I do not know whether this additional protection duty is justified from the point of view of Indian industries or from the point of view of individual industrialists. If it is in the interests of India to give protection to the industry and for the expansion of the industry, then we shall certainly see that they should be given help, but if it is intended to continue for the benefit of the industrialist or the manufacturer only, then we should say there must be a fullstop; we do not want any kind of protection. If these industries had not prepared themselves after so many years protection, they must be wound up. If the Government feel that these industries must be maintained for good of the country, then they must send for scrutiny to the Tariff Board or they must take upon themselves to run the industries. Otherwise the country would certainly prefer the imported articles at a cheaper price which will not fall upon the consumers. In the name of protecting Indian industry we should not give off these individual industries some kind of relaxation at all times by which nobody is benefited. The Government's policy ought to be that in all the industries where we give protection, they must find out whether these industries which have been working for so many years, are able to stand on their own legs; if they are not able to stand the competition against foreign imports, then it is to nobody's good to protect them. But if the industries themselves feel

that they can continue, let them do so without our aid. But when the protection from Government is needed they must really consider whether these industries must be supported or not and until they can, let the imported goods come in. There is nothing wrong in that. How is the average Indian benefited by this protection being given? In spite of all its faults I will not say that sugar protection should be stopped because it is an industry which has come to stay and we must protect it. I know shipments of Mauritius and Java sugar have come to Karachi but the prices are exorbitant and therefore our prices are still very much cheaper. Similarly in the case of steel the imported price is 200 p. c. more than the local price; so why should there be protection for Indian steel? That has not been explained. It does not need any protection; the imported price being so heavy it can stand on its own legs and stand a competitive market. In fact the steel prices should be put up. As I said the other day, you can levy a duty on Indian steel so that the price may be nearer to foreign steel, and that will give you about 10 crores which you can spend on the betterment of villagers and village industries. But that is not the issue just now. My point is that while we support this motion the Honourable Minister must know that we desire that before this measure is brought up next time the industrialists must make out a case for further protection and Government must make an exhaustive survey and see whether the justification exists. If small industries have not been able to stand by themselves in spite of protection being given for ten years, they should be closed down.

An Honourable Member: Including the war period?

Mr. R. K. Sidhva: That is a matter of detail; I do not mind excluding that period if it is necessary in the interest of the country's industries. I am for expanding our industries as much as possible; but in the name of industries I do not want to waste public money so that while some people make money others are asked to pay through the back door. The consumers paid at one time because it was our duty to patronise Indian industries. Therefore I hope that the views expressed by me and by my Honourable friend Mr. Ayyangar will be borne in mind. While giving protection they must be made to understand that they must improve themselves in 12 months and make out a real case; otherwise the House will not be prepared to consider their case favourably next time. Sir, I support the motion.

Shri T. A. Ramalingam Chettiar (Madras: General): Sir I cannot congratulate Government on the way in which they have been dealing with this matter. They have not at all been fair either to this House or to the industrialist in bringing a motion like this. Taking the industrialist first, he does not know where he stands; if year after year the period is extended he does not really know whether he can make improvements at great cost to himself and develop the industry or not. He should be assured that the protection is going to last for some time so that he may make all efforts to see that the industry is properly established in the country. This sort of spoon-feeding from year to year makes things very difficult for the industrialist. On the other side we do not know what we let ourselves in for, whether the industries have been making any progress. How long the consumer is going to pay for establishing these factories on a proper footing and that is not known. Government should have a proper policy; they should have a proper examination of every protective duty they impose and then impose it for just the period that may be required, instead of this sort of haphazard business in which they extend the protective duty from year to year. In any case the House should have an opportunity to see whether the duty that has been imposed has led to the development of the

[Shri T. A. Ramalingam Chettiar]

industry, whether any progress has been made and whether there is any advantage in continuing the duty in future years. We do not know all this. The Honourable Minister said just now we are on the eve of the expiry of the period for which the duty was imposed and told us that unless we pass it here and now the whole thing will collapse. That is not the way in which we expect Government to deal with this House. I suggest that they should deal with this more as an industrial measure than as a fiscal or a merely commercial matter. With reference to commerce, it may be that with reference to exchange and other difficulties or difficulties of getting shipping and getting goods from outside we may have to impose certain duties to help the industrialists of our own country. That will have to be taken separately. Then there is the other class of cases where we want to levy a duty as a matter of fiscal necessity. Such cases again have to be treated separately. When you think of giving protection to industries there should be a proper examination as regards the commodities to be protected and also the period for which protection will be necessary; and there should be a review made of any measures that we take once in three or five years, as the case may be. Then, before Government come to this House they ought to be in a position to tell us what the effect of the protection that they have given has been and what protection is necessary and for what period, whether there is any object in continuing the protection or not. It may be that the protective policy has not succeeded; in such cases it is not at all fair that the consumers should be made to pay more for the goods manufactured in this country. So I request Government that during the coming year they should make it their business to examine all the protective duties that they have imposed and want to impose hereafter, and then come to a conclusion as regards the list of articles for which they want protection, the period for which they want protection for each of those articles to be given and also arrange for a periodical review; so that when they come for an extension of the period they may make out a case and ask us to consider on the merits whether protection should be continued or not.

With reference to the particular articles mentioned I do not want to make any remarks because, as I said, the Honourable Minister said we must pass this today and he is not prepared to go into an examination of the result of protection given with reference to these articles. There are matters relating to several articles about which examination will be necessary. I am told, Sir, by an Honourable friend here that the Tariff Board have already gone into them. If so, it is only fair that Government should have given us information as regards the recommendations made by the Tariff Board.

Shri M. Ananthasayanam Ayyangar: Out of the eighteen items, only one item was considered by the Tariff Board.

Shri T. A. Ramalingam Chettiar: It is very unfair that the recommendations of the Tariff Board were not communicated to the members of this Assembly so that they may consider those recommendations and consider also whether the recommendations ought to be accepted or not. Now, in the present state of our knowledge we have to accept the Bill as brought without any change or any remarks. It may be that even if we agreed to the articles being protected, the actual protection given may be sufficient or insufficient, or it may be too high. All these things will have to be considered every time a measure like this is brought before this House. That is why I said the Government has not been fair to this House. I do hope that in the year to come

they will make the proper enquiries, make up their minds as regards the articles which are to be protected and the period for which protection will be necessary, and inform the House sufficiently in advance of all the information available. I would even say that with reference to the protection being given, they need not bring the whole list before the House at one time. They may deal with each article at different times as the examination is over. That would be better for this House and for the industrialist, because in the case of the industrialist, he will be in a position to make a good case and in the case of this House they will be better able to devote their attention and concentrate on the merits or demerits of the particular industry that may require protection.

With these words, Sir, I agree to this motion going forward, even though I am not at all satisfied with the way in which the House has been treated in this matter.

Shri B. P. Jhunjhunwala (Bihar: General): With regard to the remark by my Honourable friend, Mr. Ayyangar, the Government is not at all far in not letting us know why it wants to give further protection to a particular industry.

Mr. Speaker: I might invite the attention of Honourable Members to one aspect of the debate. I have been noticing that the Honourable Members are practically repeating the same general arguments and I find a large number of members are anxious to speak. I would earnestly request them not to repeat the general aspect of the question but to come to the definite point to which they wish to invite the Honourable Minister's attention. The general aspect has been sufficiently discussed.

Shri B. P. Jhunjhunwala: I was not going to repeat the general argument, but began it only as a preamble to a concrete instance I propose to give only in regard to sugar industry.

Mr. Speaker: I was not speaking with reference to what the Honourable Member was going to talk about.

Shri B. P. Jhunjhunwala: I will speak as to why the industry has not progressed and come to the stage so as to compete with foreign sugar because of the negligence of the parties concerned. I will confine my remarks only to the sugar industry. According to the Honourable Minister, it was in 1932 that protection was granted to the sugar industry. The protection was Rs. 7/4 per cwt. and the parties affected by this protection were the Government, the cultivators, the industrialists and the consumers. I shall simply examine the question to see which party was the loser and which parties profited at the cost of efficiency. The Government in the beginning, when it gave protection to this industry had to forego a large amount by way of customs duty which they used to realize from the sugar which used to come in the country. So far as the Government is concerned they have been making up all the losses which they incurred by way of foregoing the customs duty, by imposing excise duties and by different kinds of cesses. I have not got the figure at the moment to ascertain whether the Government is a loser or not now. But so far as my memory goes, I think the Government is gaining by way of excise duty and other cesses, which they have been levying from time to time and there is no loss to the Government.

The other party concerned, is the cultivator. When there was no protection and control millers used to purchase the sugar cane at the lowest price and they made tremendous profit at the cost of cultivators. But subsequently the Government came to their help and the price of sugar cane was

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fixed at a price for giving sufficient margin of profit to be made by the cultivators, and while levying the excise duty and the cesses on the provinces, the Government had promised that this amount will be invested for the improvement of cane cultivation so that the cane could be sold at such rate, leaving sufficient margin of profit to them, as to enable the millers to produce and sell sugar in the market at the lowest competitive rate when compared with foreign sugar. So far as the levying of the excise duty and cesses are concerned, those are there, and these are being increased from time to time. But so far as the improvement of the cane cultivation is concerned, nothing has been done in that respect. What the Government does when the cultivators approach them and they say that it is not paying for them to grow cane at such a price, is that they take this into account and raise the price of the cane without taking into consideration that if the cane cultivation is improved it will not be necessary to increase the price of cane, and consequently the price of sugar. As I have stated before, formerly the sugar cane price was four annas per maund and even at that rate the cultivators used to make some profit. Now the cultivators are being paid Rs. 2/- per maund and even then the margin of profit to the cultivator is not much. When this protection was given, it was expected that both the cultivators and industrialist will work efficiently and take advantage of protection in that sense and that after sometime we shall be in a position to supply sugar to the consumers at a competitive price when compared with the rate of the foreigners. When protection was given, we used to get sugar at the rate of Rs. 10/-. In India also the sugar was being produced. The mills could give sugar at Rs. 10/- and now we are getting sugar at the rate of Rs. 40/-. The cultivators get Rs. 2/- per maund as price of the cane but the Government does not care to see that it is not the higher price of sugar cane and consequently increase in price of sugar that will solve the problem of the cultivators and the industry, but the method of producing cane at the cheapest possible rate. In one acre of land now the cultivators produce about 200 maunds of cane. If instead of that they can produce 600 maunds of cane per acre as is being done in the Government experimental farms the price of cane can easily be reduced to 7 to 8 annas and the sugar can be sold to the consumers at much below the price at which we are selling now. Government has taken the whole control of sugar industry in their own hands: they do not care as to how to help the cultivators, so that they can produce more cane in the same acre of land and get more return out of one acre of land, and can make profit even though they may get 8 annas per maund of cane rather than Rs. 2 per maund of cane. The whole snag lies in this. We have not been able to bring in efficiency in the cultivation of cane. As I said before it is not at all difficult. It is quite possible and easy if the Government left it to the cultivator and to the industry to take care of themselves. In that case it would be possible for the industry and the cultivators to combine to bring about efficiency. But the Government's control is there at every stage and because of this control people cannot move an inch. The people placed in charge of these controls and those who administer the industry are such that they do not know much about it. One I.C.S. gentleman did not know as to what kind of seed the sugar cane has. Once when the cultivators approached the Government that they wanted facilities for bringing sugarcane seedlings from another place, where they could get better seedlings, so that they could grow more sugarcane in the same acre of land, the reply given by that officer was "Why don't you store the seedlings for a year and then grow the cane?" This officer was in charge of the administration of the whole province and it was at his dictation that the whole thing was being administered. A veterinary doctor or a price controller can be and is a director of Agriculture without any knowledge of Agriculture.

Shri B. Das (Orissa: General): That is Bihar, I think.

Shri B. P. Jhunjhunwala: No, that is Orissa! I do not want to name the province. This is the way in which administration is going on. From my personal experience I can say that if the Government had not interfered and had left the industry and the cultivators to themselves, they would have taken better care of the industry and more efficiency would have been brought about.

The Honourable Shri N. V. Gadgil: That is gratitude!

Shri B. P. Jhunjhunwala: In the Statement of Objects and Reasons they say:

"To keep in force up to the 31st March, 1949 the whole of the Sugar Industry (Protection) Act, 1932, which ceases to operate after the 31st March, 1948 particularly in view of the provisions of sections 5 and 6 thereof which empower the Government of India and the Provincial Governments to make rules requiring the owners of factories to submit returns relating to production of sugar."

They have not mentioned anything as to what the snag in the industry was which had not led to better production and more efficiency. They have taken care only to realise their own taxes and excise duties. They place special emphasis on that. If the Government had taken care to know and to inquire as to how we have not been able to bring about efficiency, why we have not been able to compete with the sugar produced in other countries, why we have not been able to make this industry self-sufficient, they would have rather said that with special reference to the instructions given to the provincial governments they have not been able to bring about efficiency in the cultivation of sugarcane.

My Honourable friend Mr. Ayyangar said in the beginning that he would like to oppose the Bill but subsequently he said that he did not want to oppose it. Sir, I don't know why he changed his views. The business of the Government has throughout been to extract as much money out of the Industry by way of increase in cesses as possible, and to increase the price of cane whenever the cultivators so demanded and consequently the price of sugar so as to keep both the parties pleased, without minding in the least as to what the result will be and without caring to bring about efficiency in cane cultivation which alone is the solution. All these three parties are making money at the cost of the consumers. If this is the policy of the Government which it will follow my advice to the House is that the protection should go and along with it the control of the Industry will go and in the latter case the Industrialists and the cultivators left to themselves in free competition will know their interest better and bring about improvement.

Shri B. Das: Sir, I did not think that this enabling measure would raise such diverse discussions on the floor of this House. My Honourable friends Mr. Ayyangar and Mr. Sidhva who were protectionists till now have gone back to being freetraders. They created a little storm in a tea pot. What is the position of the Government? The Government have not entered into an Indo-British trade agreement. There is still the Damocles sword of Imperial preference hanging on our heads and therefore if Government have to devise any new measure of protection their hands must be free. They should not have the manacles of the British Government which they have at present in spite of their being a free country. An Indo-British trade negotiation would have to be made before that the constitution act would be passed whereby we would be a free country and there would be no preference to the U.K.

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The second point is that the Finance Minister has already announced that he is going to appoint a Fiscal Commission or Committee consisting of taxation experts who will examine the taxation structure in India. Whether protection is necessary or not in spite of the recommendations of the Tariff Board that Committee should examine. From the day when the sugar industry received protection and when various industries received protection I have advocated on the floor of this House,—at that time I was sorry I advocated it and at present I am happy that I advocate it—that the Government of India must levy more and more excise duty; otherwise the Government will not have funds for the development of the country or run the normal administration. This Bill has not been introduced at the suggestion of the industry. This Bill is there because for one year the Finance Minister and the Commerce Minister will get their necessary quota of taxes. Whether the sugar industry deserves any protection is not the subject matter before the House. That subject we will examine after we pass the constitution act and after we are free from the manacles of U.K. In spite of the cry of the industrialist for protection, India is going to have high tariff walls. The Industrialist will not have to come to the House: the Government of India for its own existence will create high tariff walls and that would give enough protection to the industry and the industrialist need not be castigated, as he has been castigated this morning, although he was not in the picture. I agree with my Honourable friend Mr. Ramalingam Chettiar that industrialists and industry should be ensured a certain period of protection. But the subject is not before this House today. The subject will be there when the Commerce Minister brings it in next year after going through the Fiscal Committee's recommendations—the Fiscal Committee will soon be appointed—and after studying the Tariff Board's recommendation and also after terminating the unholy United Kingdom preference.

My Honourable friend Mr. Jhunjhunwala laid the blame on the Government in regard to sugarcane prices.

Shri Ramnarayan Singh (Bihar: General): He has got experience of that

Shri B. Das: And so have I. Sugarcane is being paid today eight times what it was paid in 1934, when the sugarcane grower did not earn sufficiently. My friend somehow thinks that the Government has to be blamed. We know what happened in 1934, how the big capitalists incited the masses to grow more sugarcane and they bought it for a song, even 4 annas per maund; to the cultivators in Bihar even 10 pice or 2 annas per maund was paid. But the Commerce Minister cannot do anything for that. It was the Provincial Government that was there to see that the sugarcane cultivator was paid the right price. If there is a lacuna in the law the Provincial Governments must stiffen their law—and I think they have stiffened it when it is remembered that eight times the price of 1934 is paid today. The cost of living has gone up by three or four times and I think the sugarcane grower ought to be satisfied with an eight times rise in the price. If we say that Rs. 2 per maund is not sufficient for the sugarcane grower, then what about the price of sugar? As we all know the price of sugar has gone up after the decontrol of prices. It went up and it followed the economic law.

Pandit Thakur Das Bhargava (East Punjab: General): Now, it has gone down.

Shri B. Das: It went up immediately with the decontrol. The price must go up if we follow some rational economic law. The only thing is I think the

House should not come to sit in judgment on the capitalists or the industrialists seeking protection now. This Bill which my Honourable friend Mr. Gadgil has brought in is only with a view to enable the collection of taxes for one year and to allow him and his colleagues within that time to understand what will be the future structure of taxes.

As regards the various items that are mentioned in the statement of objects and reasons, I fully support the plea for extension up to the 31st March 1949. But whether some of the articles mentioned there—Sugar, Magnesium chloride, Calcium chloride, Bichromates, Silk and silk manufactures, Artificial silk and cotton and artificial silk mixed fabrics—will require further protection from the Government's own policy of taxation and the creation of high tariff walls, I do not know. But I can predict that the Government themselves will raise high tariff walls for the purpose of their own maintenance and for their own administration.

My Honourable friend Mr. Sidhva passed a remark that Japanese goods were selling cheap. The Japanese Government used to give subsidies. But we were under foreign rule. Whether our Government has to subsidise the shipping industry or has to subsidise Indian industry for export markets; Government need not subsidise cotton mills or sugar factories to sell things cheap in India. We can say that our export policy should be such that Indian manufactured products will be carried in Indian national bottoms and sold at competitive prices in foreign countries. That is a demand that I can understand. But I would not like the Government to subsidise any industry as for instance we are doing at present in the matter of food. We are subsidising the purchase of food to the extent of Rs. 27 crores per annum. This year it will be Rs. 20 crores. We have been subsidising the purchase and selling of food grains at a cheaper price in the countryside. That will not be possible and Government will not have, I think, finance enough to do that. That comparison of Japan and the Japanese method of expanding industry, with India had no bearing on the present Bill.

With these few observations I support the Bill. But I do hope that whoever will be the Commerce Minister in 1949 he will bring a comprehensive measure in line that will suit free India and her fiscal policy.

Prof. Shibban Lal Saksena (U. P.: General): Mr. Speaker, Sir, I am really surprised that this Bill seeks to extend for one year the protection granted to the sugar industry in the year 1932. As one who has been associated with this industry from the beginning when the protection was granted, I may say I was one of those who welcomed it most warmly. I am sure that if protection had not been granted we would not have had this industry as strong as we have it today. But when protection was granted it was laid down that it would be only for a limited period, and it was said in 1937 that there would be an Enquiry Committee to see whether further extension of the protection would be necessary. An enquiry was held in 1937, and I myself appeared before the Tariff Enquiry Committee. That Committee extended the period to the full term. Now we have come to the end of that full period and it will expire on 31st March 1948. The Bill before us asks for a further extension of one year. I would have understood it if the Bill sought extension of protection for another five years or for a longer period. The proposal to extend it only by one year means, I think, that the Government has not yet been able to chalk out any definite policy in regard to this industry. This is not very good, especially in regard to an industry which affects not only a few industrialists but a very large number of growers. There are now about 170 or 180 mills all over the country and this is an industry with which a large number of sugarcane growers are connected. In a normal year we produce about 12,00,000 tons of sugar which means about 3,60,00,000 maunds of sugar. Roughly that means about 36 crore maunds of sugarcane. If an

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average sugarcane cultivator be taken to produce, say, 300 maunds then we have got about ten lakhs of growers who will be connected with this sugarcane cultivation. I therefore say that this industry needs very careful handling and it should be seen that we are able to put this industry on its own legs so that it can be in a position to compete with any sugar-producing country in the world.

Secondly, it should be in a position to supply sugar to consumers at a cheap rate. I know that in 1932 when the protection was granted, sugar used to be landed at Calcutta from Java for Rs. 3-8-0 per maund. The duty of Rs. 7-8-0 per cwt. was imposed and then the price came to about Rs. 10 and then alone could our sugar factories compete with it. Before that there were only 31 factories in the whole of India. Now there are about 170 factories.

If you examine the growth of the industry, you will find that in the very first seven years 120 new factories were set up. That shows the urgent need of protection because obviously this country could not compete with the highly efficient sugar industry of Java where there are natural advantages also and where they had specialists from the Dutch Empire who were running this industry in a most efficient manner. There was an urgent necessity. If it had not been done, probably you would not have had sugar industry here. Now Java is practically devastated and I am sure it cannot produce sugar at the cheap rate at which it used to produce before. Besides there was a time in the year 1937 when sugar prices went down to as low as Rs. 5/12/0. We entered into competition and millers were very much upset. Sugar could be produced at Rs. 5/12/0 in this country in 1937. Now today sugar is sold at Rs. 35/7/0. I think it is not proper to say that this industry now requires protection. What has happened is this. Since the year 1937 when the syndicate was formed—in order to check internal competition it had reduced prices to so low a level—since then the syndicate is functioning as one of the worst monopolies. Its only purpose is to mulct the consumers and I would not be in the least sorry if the syndicate was broken today. I think this is a most urgent demand. So long as the syndicate remains, there will not be free competition between one mill and another.

Shri B. Das: How can you do that?

Prof. Shibban Lal Saksena: I will tell you how we can do that. Unless we break the syndicate, there will be no competition between one mill and another. The result will be whatever price the syndicate think fit in their own interests or to their own profit, they will force it upon the market and the result will be that the consumers will be mulcted and production will go down. My friend Mr. Jhunjhunwala told you something about the cane production and he said there had been no development. He was perfectly right. In Java the recovery of sugar is as high as 14 per cent. and in Formosa it is as high as 15 per cent. whereas now after 15 or 16 years of cane cultivation in this country when methods have improved we still have a normal recovery of 10 per cent. and the highest level reaches about 11.5 per cent. That shows that unless we give special attention to the improvement of the cane, we cannot compete with the markets of the world, but that will never happen until the mills are forced to set their own house in order, unless they are forced to improve their cane cultivation, unless they are compelled to spend more money on research so that high quality cane is produced and the sugar content in the sugarcane is increased. In fact until that is done, there is no hope of increasing it.

Secondly there is the question of yield. The yield has not also improved. In Java they produce 8,000 maunds per acre whereas in this country we pro-

duce 300 maunds per acre, 1/10th of the production which an acre gives in Java. I think it is high time we introduced those varieties of cane and those methods of cultivation so that we can compete in cane production with other people, India can produce it. It is not impossible. In Bombay for example, they are doing it. But of course it will require some special effort, some special pains so that we can do it. But if we go in the manner in which we are going, I am sure we will never be in a position to compete with foreigners in this industry. The sugar industry is the second biggest industry in our country now, and its interests are so closely interlinked with the fate of millions of families in our country that we cannot afford to have a very superficial treatment of this industry. Unless that is done, I think a crisis will come. In this industry there are 170 factories.

Mr. Speaker: Order, order. The Honourable Member need not go into the details of all considerations for or against protection at this stage. I believe he has made out a case that the sugar industry does not stand in need of protection. There are a large number of items in the schedule and if we were to discuss each item so thoroughly as that, we shall have to sit for days together, for this Bill.

Prof. Shibban Lal Saksena: Sir, I shall finish in 15 minutes.

Mr. Speaker: Then we better adjourn for the Lunch recess and re-assemble at 2-30.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock.
Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Prof. Shibban Lal Saksena: Sir, my Honourable friend Mr. B. Das made a very pertinent query. He said, "How can we abolish the Syndicate?" I will tell him. This present syndicate in the U.P. at least, with the 130 dealers, is a farce Syndicate. In the Sugar Control Act one of the provisions is that each mill shall be a Member of the Syndicate to begin with. Once in 1941 these millers tried to deceive the Government by suddenly reducing the price of cane at the end of the season. The Government then removed this condition and there was a very great embarrassment in the whole of the industry; they begged the Government to put in the condition because as soon as this compulsory Syndicate was abolished and they were left to form a voluntary Syndicate, there were so many internal differences and factions among themselves that they could not carry on. Do not think that the Syndicate today is a voluntary Syndicate. When this Syndicate works against the Government, it must go. I think unless it goes the Government cannot control it.

Then, Sir, I say that this industry which caters for millions of employers as well as labourers and the shareholders of the industry, must be taken care of. Therefore, I think that this is an industry which must be nationalized first. Only nationalization can ensure that we can guarantee profits to the cane-growers, to the labourers and to the Government also—whatever it can have. I therefore hope that next year we shall not be confronted with a Bill for further giving protection to this industry but with a Bill which will nationalize the industry. I hope the Minister in charge will see to it.

Now, Sir, we are called to give protection for one year. Well, if the Government—our own Government—wants it, we will give it, but only on one condition that they will see that the profits of the industry this year are not monopolised by the mills themselves. I will tell you that the Tariff Board, after an enquiry in 1937, said that in the preceding years the mills had made profits which had enabled one factory to become three factories. Almost all

[Prof. Shibban Lal Saksena]

factories had made huge profits—70 per cent. dividends were distributed—and every factory had become almost three factories. When the Board referred to the condition of labourers, they said:

"In a protected industry it is to be expected that the labourer in the factory should also share in the benefits of protection, but we find that the interests of labour have not received the consideration they deserve."

And they again said:

"Our attention has been drawn to the fact that many mills employ the greater part of their staff only temporarily for the working season and that the salaries paid are not such as to attract the best men. In Java and other countries and in some mills in India, the staff is mainly permanent and the employment of a permanent staff appears to be justified by the results. We are told that a sufficient number of fully qualified Indians are now available and in our opinion the Mills which enjoy the benefits of protection should be under an obligation to employ full, qualified men on adequate salaries."

I therefore think that if the Honourable Minister wants us to give further protection, he will also insist that the millers—see that the profits are distributed evenly among the cane-growers as well as the labourers.

This year on 8th December 1947 the sugar industry itself was in a crisis and the Government made a deal with it; it purchased all the sugar which they had for Rs. 26½ and they then fixed the price at Rs. 35 when the control was removed. I was feely surprised at that because last year the Sugar Control Board in the U.P. and Bihar fixed the price at Rs. 20¼; in that they allowed a ten per cent. profit on the blocked capital which amounted to Re. 1¼. The actual profit which the millers reaped was not less than rupees four per maund last year. But now we must see whether the price which has been raised goes entirely to the mill-owner or is distributed evenly. Out of this, Rs. 7⁄8 have gone to the cane-growers because the price has been raised from Re. 1¼ to Rs. 2—say ten maunds of cane being necessary for one maund of sugar. Annas eight is given to the labourer. Of the remaining amount, Re. 1¼ has gone to the Government by way of taxes. So, Rs. 9⁄4 go this way. Of the remainder—nearly Rs. 6—the whole goes to the mill-owner. This year the mills are making a profit of Rs. 10 per maund of sugar. I think this is an unconscionable profit; it will work out to about 60 per cent. on blocked capital and 80 per cent. on the worked capital. I think this is an unconscionably high profit and I think the popular Government has no right to give such profits when the poor people will have to purchase sugar.

I therefore suggest that first of all they must give proper wages to the workers. Workers have been clamouring for at least a living wage. Even the Pay Commission recommended Rs. 55 as the minimum wage which every worker should get. But the worker in the sugar industry does not get that much. So I say that he must get Rs. 55. And the sugar factory worker gets paid only for four months. I therefore suggest that he must get enough money so that he may have at least Rs. 55 per month for the whole year. I therefore want that if you want us to step up production, you should insist that the mill-owners will give to the workers a fair deal. The mills should not be allowed a very high profit. If you carry out the proposals I have made, then the price of labour per maund of sugar will not reach more than rupees two; it will not be very much.

Then I think it is high time that the consumer also got some benefit. Rs. 35 is too high a price. It must be reduced and brought down by at least rupees five. Even then the price will be quite high. Besides, an extraordinary thing has happened recently. When sugar price was raised, the price of sugarcane was also raised to Rs. 2 per maund. But now suddenly an order has been issued that the factories shall pay rupee one per maund to the cane-grower and keep the remaining rupee one out of the cane price in reserve which they will give the cane-growers afterwards. But the growers have a very bad

experience of refund of deducted cane price. For the last four years there was deduction from cane prices of As. -/2/- per maund for War-Loan and this money had been accumulating. The other day a cut motion was moved by one of our friends who showed how difficult it is to get back this deducted money and how much corruption there is in post offices when kisans come to get back their money. I am afraid the money which is now being deducted will not be given to the cane-growers and will go to people who should not get it. This cut in the price is very bad. It must not be tolerated. Government must see that the cane-growers are paid the full cane price.

I also hope Sir that when next time the Government comes with another Bill for the sugar industry in 1949 they will be able to report that the conditions which we have prescribed have been followed.

Another very bad symptom in the industry is that they are not trying to set up Unions among the factories. They are trying to see that the labour is not able to organise their own organisations. They are saying that only those Unions affiliated to such and such Associations or persons will be recognised. I think this is most shameful. Even in our Trade Disputes Act we have laid down that the Union which has the highest membership should be recognised. I think the present practice of saying that only those Unions affiliated to certain Associations will be recognised is against the laws passed by this Assembly. I therefore hope that when we pass this Bill the Honourable Minister will see and will write to the U.P. and Bihar Governments and also to the Sugar Syndicate that this protection is given to them on the understanding that the profits of the industry shall be shared between the labourers, the growers and the consumers and the profit of the millowners is cut down to a minimum. I am sorry to waste the time of the House, but this is a very important Bill dealing with the second important industry in the country. I do not want to oppose this Bill but only want that next time when the Government comes to us, the Honourable Minister will see that the industry is nationalised and that we have got a really great industry which observes all the conditions laid down by us.

Shri Satyanarayan Sinha (Bihar: General): Sir, I move that the question be put.

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri N. V. Gadgil: Sir, I said in the morning that there was really no principle involved in the Bill, because it sought merely the continuance of existing protective duties and I thought inasmuch as I was able to add sugar to it, the sugar-coated business would make matters easy, but it seems that most of the members are rather bitter over sugar. The wider question which has been discussed by the Honourable Members is a question discussed in this House for many long years in the past and is likely to continue to be discussed hereafter, namely, the interests of the consumer versus the interests of the community in so far as industrialisation is concerned. In this particular Bill, there has been no departure from the policy in this connection which has been laid down long ago by the Government. It is very difficult to balance very accurately or very equitably the interests of the consumers and the interests of the industrialists. The policy of the Government has been that of discriminating protection and the considerations which ought to weigh with the Tariff Board in granting any measure of protection have been very well detailed by my Honourable friend Mr. Ananthasayanam Ayyangar. He agreed that protection must be given for a reasonable period within which the industry ought to be able to stand on its own legs.

Now, so far as the industries that are concerned and for which the present Bill has been brought, most of them were given protection just a few years

[Shri N. V. Gadgil]

before the war started. Some were given protection for five years, some for seven years and the period in each case ended while the war was on or while the war was on the horizon. The six years of war were years of abnormal economy and so were the years which followed the war and it is difficult and everybody will agree that a fair and impartial consideration is not possible when the economic circumstances are not as favourable and the whole economy is not in a stabilised position. In this context, the members of the House will agree that it is only the path of wisdom that industries which have found their feet a year or two before the war and industries which have come into existence during the war period must be given sufficient protection and no hasty action ought to be taken. I think this is something with which all the members are in agreement. As far as I am able to see, on the main principle there is no disagreement; nobody wants to oppose this Bill; but everybody is anxious that protection should not be given a moment more than what is absolutely necessary. All I can say is, this is exactly the policy of the Government. Those considerations which have been urged with vehemence and vigour by most of the members will certainly be taken into consideration by the Tariff Board. If it was possible for the Government to bring even today something after a thorough scrutiny of the various industries and their prospects, Government would have done it with gladness. But the hands of the Indian Tariff Board are so full—as a matter of fact, there are 11 cases pending enquiry with the Tariff Board in addition to the enquiry relating to the prices of textiles and steel—that it is impossible to do anything and the Government has had no option but to come before the House and request the House for the continuance of protection for a period of one year.

Now, Sir, I was surprised to hear from my Honourable friend Mr. Jhunjhunwala, who is closely associated, I understand, with the sugar industry, that instead of doing any good to the industry the policy of the Government has done harm. I do not know what he exactly meant, but just as in politics there is no gratitude I now understand that in economics also there is no gratitude. As a matter of fact, as a result of protective duty being levied, as was pointed out by Prof. Saksena, over 100 factories (Prof. Shibbanlal Saksena: 150 factories) came into existence, employment was found for hundreds of thousands of people and the industry has as a matter of fact progressed. Suppose, if Government today were to remove this duty, what will happen? I have no doubt that there are enough stocks in Java and they will be released here in India. Probably, my friend Mr. Jhunjhunwala is not aware of the fact that a representation has been made by the Indian Sugar Mills' Association to the effect that protection should be continued for a period of additional two years. Government has not accepted that proposition. What the Government has agreed to is to refer the whole question to the Tariff Board and to abide by the recommendations as far as they are consistent with the discriminating protection policy of the Government. I am one with those members who say that the industrialists should not be given preferential treatment and that the interests of consumers should not suffer. As I said, it is very difficult to balance these two. But the policy that has been followed so far has resulted, I should say, in giving sufficient protection to the industries and also giving not very high prices for the commodities that are purchased here for the consumer. Now this is a matter, Sir which is also closely associated with the policy of industrialization. Do we want industrialization or not? Do we want to be self-sufficient economically or do we want to be still active believers in the policy of free trade? Shall we be followers of the principle of comparative cost and buy wherever cheapest or shall we in the larger interest of our community and of our country say that industrialization should proceed even if it means some sacrifice on the part of the consumer. When industrialization takes place the benefit that

may directly accrue from it may go for the time being to the industrialists. That can be neutralised by a system of progressive taxation or by levying an excise duty, as has been done in the case of sugar industry, or by some other method. But let us clearly understand that without industrialization, the fundamental problem of poverty cannot be solved, and if for that purpose the consumers have to pay a little more for something, that sacrifice is worth having.

Sir, I do not want to go further into this question, but I shall only touch on one more point which has been made out by some of our friends that the Government has not been fair in giving the necessary information. I agree, Sir, that it has been somewhat difficult for some members to be well-equipped in the matter of their speeches and arguments, but to that extent I have been greatly relieved because I had a little less to answer. But I may respectfully point out to the Honourable Members that whenever any report is submitted by the Tariff Board, if it is not published in full immediately, a summary and a resolution of the Government on that are usually published in the *Gazette of India* and its issues are supplied to the Honourable Members. I just made enquiries and I find that all these resolutions have been so published and have been supplied to the Honourable Members.

An Honourable Member: They are not being supplied.

The Honourable Shri N. V. Gadgil: Now, so far as the publishing of some of these Tariff Board reports is concerned, I respectfully wish to state that owing to difficulties over which it was very difficult to exercise any control, it had been delayed but now all efforts are being made and the reports will be published and copies as usual will be made available to the members of this House. I am grateful to the members of this House for giving general support and offering no opposition whatsoever to this motion. Sir, I move.

Babu Ramnarayan Singh: What is the rate of dividend of profit which ought to be allowed?

The Honourable Shri N. V. Gadgil: It is too general a question to be answered on the floor of the House at a moment's notice, but if my Honourable friend wants further information, I shall give him later on.

Mr. Speaker: The question is:

"That the Bill to extend the date upto which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect and further to amend the Sugar Industry (Protection) Act, 1932, be taken into consideration."

The motion was adopted.

Shri M. Ananthasayanam Ayyangar: Sir, I move:

"That in part (iii) of clause 2 of the Bill, in the proposed item No. 63(30) of the First Schedule to the Indian Tariff Act, 1934, entries (a) and (b) be omitted and in columns 2 and 3, the following be added, namely:

"Protective 42 per cent. *ad val.* March 31st, 1949."

You will see, Sir, that towards the end of clause 2 a number of items are given:

"(ii) 10-00 per cent. or more of manganese.

(a) of British Manufacture Protective 30 per cent. *ad valorem* March 31st, 1949

(b) not of British Manufacture Protective 42 per cent. *ad valorem* March 31st, 1949."

The object of my amendment is to do away with the difference between the duty imposed on British manufacture as against those not of British Manufacture. There is a preference shown in favour of British Manufacture of 12 per cent. *ad valorem*. The other portions of my amendment are merely consequential. This is the object which I have in view. What are these articles for which a differential treatment is given in favour of British Manufacture?

[Shri M. Ananthasayanam Ayyangar]

These are alloys, tools and special steel which was originally included in steel and iron articles in the Tariff Act. Later on it was found that these three items ought to be separated and special treatment ought to be meted out during war. The Tata Iron and Steel works undertake the manufacture of special kinds of alloys, tools and special steels. It is necessary to improve that industry and protect it against unhealthy competition from foreign countries. One of our worst competitors is Great Britain. It is one of the biggest countries in the world which manufactures steel and iron to the largest degree. Steel, iron and coal are the essential commodities of Great Britain and it is on account of that that country has become one of the biggest industrialized country in the world. Now the object of this will be frustrated if we show preferential treatment to Great Britain. I do not see any need. Secondly things have moved in such a way in Ottawa in 1932 that the United Kingdom is not the centre of industry in the world. The centre has shifted from the United Kingdom to Washington and the United States of America. We want only some grain during the critical period here and even that we get from the sterling area countries, for example, Australia and other countries. We would also get equal quantities from the United States of America. Barring that our essential capital goods have to come from the U.S.A. Now the time has come for us to divert our trade from the United Kingdom to America. We must increase the favourable trade balance with America so that we may increase our dollar position in that country and purchase the capital goods that we want. Therefore, we must do away with this preference in favour of Great Britain. The minimum that we could do hitherto after the last war with a view to increase the export of Great Britain and its trade within the sterling area countries was to have a kind of cordon put by way of tariffs and the Ottawa agreement was brought in to have a kind of sterling bloc created and thus a special-market for the U.K. goods. That was the result of the Ottawa agreement. Now we have changed over from that. We are trying to get into multilateral arrangements. That was the object of our last meeting in Geneva and in Havana where the trade agreements are being entered into. There, multilateral trade agreements is the policy followed. Bilateral agreements with respect to some essential commodities are allowed to be entered into. Now the time has come for us to cut ourselves away from the United Kingdom. We are to be no longer dragged by the ear by the United Kingdom. The sooner we get rid of it, the better for us. The U.S.A. is not able to freely negotiate with us for the reason that whatever she might do, however much she may encourage to industrialize ourselves, the United Kingdom ultimately will capture our market. Are we to continue to create that impression in the world that we are constantly at the mercy of or somehow we are being dragged by the United Kingdom? Therefore, Sir, I accepted this new item which is added to the tariff. Whatever might be said with respect to the preferential duties that have hitherto been in existence there is no justification for a new item which we want to protect. We might easily take advantage of this position that we are trying to protect this industry and therefore, we are not prepared to show any preference in favour of any country and if any preference is to be shown, it must be the U.S.A. because we have to depend upon the U.S.A. for much of our capital goods. England has got this advantage over us and even without protection England exports 8.1 per cent. of her industry to this country. And our country is the largest importer, next only to some other country, of United Kingdom goods. Therefore

I want to do away with these preferences. On a previous occasion my Honourable friend Mr. Santhanam gave an amendment to some other Bill where we objected to preference being given to goods of British manufacture; we accepted an amendment doing away with that preference.

An Honourable Member: No, we accepted the preference.

Shri M. Ananthasayanam Ayyangar: I thought otherwise; anyway if we made that mistake then let us not continue it any more. We should now declare unequivocally that either in the matter of exchange or of industrial policy we will not be guided by the United Kingdom. Crores of our money are blocked up in that country, and they have the cheek to say that they have been let down and they have to rehabilitate themselves, as if we have industrialised ourselves and they alone have suffered. That is the step-motherly treatment that we are having; and, as the Finance Minister said, the present position is that the creditor has to go and beg of the debtor. I do not see any good in our supporting the United Kingdom through thick and thin. Let us at least be fair to the rest of the world and fair to ourselves. Let us take a definite stand that we shall no longer give any preferential treatment to the United Kingdom goods. This is our first opportunity; if we hesitate now the result will be that though we have attained political freedom it will be only nominal and we will ever be condemned to slavery in the economic field; we will be slaves of the United Kingdom. Let us mark our protest and let us today start a new era in the industrial life of our country. Let us ally ourselves with others who can support us hereafter. The direction of our trade must be in favour of the United States of America which alone can help us. If necessary I would advise that this preference should be shown to United States goods. Let us now do away with this preference; Let us watch and see which is the best country with which we can negotiate. I therefore request this House to do away with this preferential treatment.

There is another advantage. On British manufactured goods we have 30 per cent. as against 42 per cent. on others. So if we increase that by another 12 per cent. it will help our country's revenues. It will be 42 per cent. all round and the industry also will be protected. I am in favour of industry getting 42 per cent. because it is a new industry. Some of my friends misunderstood me when I spoke in another connection. I am absolutely for industrialisation of this country. This morning I referred to the industries not behaving properly with us, because I want reciprocity from industry. If the industries do not behave properly in spite of protection I would suggest, not that the protection should be withdrawn, but that the industries should be taken up by the State and nationalised. I do not believe in agricultural economy; it is not as if that has improved the wealth of the country or given anything to the peasant. Industrialisation alone can save this country and make us richer.

I am sorry I do not find here another Honourable friend who comes from Bombay. On a proper occasion he wanted to say, "Look at the way in which private industry has managed as against State-managed industry." The insistence is upon the State taking over the industries. But have these 18 and odd industries proved worthy of the protection that we have given? Sir, this measure should have been piloted by the Industries Minister and not by the Commerce Minister because he only knows what industries have developed and how. It is more in the interest of the improvement and growth of industries in this country. Therefore I am for total industrialisation. The amendment that I have moved is a right step towards that direction. Let us not be tied down to the chariot-wheels of Great Britain, and the sooner we get rid of it the better. If we raise it from 30 to 42 per cent. the industries will have greater protection and we will get out of the United Kingdom. I hope the Assembly will heartily support my amendment.

Mr. Speaker: Amendment moved:

"That in part (iii) of clause 2 of the Bill, in the proposed item No. 63(39) of the First Schedule to the Indian Tariff Act, 1934, entries (a) and (b) be omitted and in columns 2 and 3, the following be added, namely:

'Protective 42 per cent. *ad val.*

March 31st, 1949'."

The Honourable Shri N. V. Gadgil: Sir, I am in complete agreement with the arguments and sentiments expressed by my Honourable friend Mr. Ayyangar; but owing to certain circumstances it is not possible for Government to accept the amendment. As a matter of fact this question has now assumed considerable importance. There is no more preference for textile goods and in fact there is no more protective duty. The same thing has happened with respect to steel except the three articles which have been included in the Bill under consideration. Government are thinking about it, but today if I were to accept the amendment it will be tantamount to putting an end to an agreed arrangement unilaterally; and that is not open to Government under the terms of the Ottawa Agreement. Furthermore, this question is now considerably affected by what is being done in the International Trade Organisation and the various conferences that are being held. I want to assure my Honourable friend Mr. Ayyangar that he will soon have what he wants. But today, as I said, we cannot unilaterally put an end to this policy. I should therefore very much like to request my Honourable friend to withdraw his amendment.

Dr. B. Pattabhi Sitaramayya (Madras: General): Sir, is it only India that is bound down by this Ottawa agreement which I thought had been buried seven fathoms deep? Have not other countries repudiated it? I cannot understand why India sticks to those dead bones of the Ottawa agreement.

The Honourable Shri N. V. Gadgil: Sir, I do not know what other countries have done, whether they have reinforced it or repudiated it or continued it. But we believe that when word is given it should be honoured.

Shri M. Ananthasayanam Ayyangar: On a point of information, Sir, I should like to know if that agreement relates to matters for future protection also. Some items were then picked up and we gave preference to them as against some other preferential treatment which was given to us. But with regard to these new items we are not within the scope of that agreement. So why should we do it now?

The Honourable Shri N. V. Gadgil: The position is that the whole matter is being discussed; and if as a result of our commitments in the International Trade Organisation we find that it is no longer necessary, as we are thinking on those lines, the result that the Honourable member expects will happen.

Shri M. Ananthasayanam Ayyangar: Sir, I have no intention to press the matter. We know that Government are equally interested in this matter. We only wanted to voice the deep sense of resentment that we feel in being still pledged to a course of action for which we were not responsible. I thought that by some fluke we could get rid of it because this is a new entry. As the Honourable Minister says that the whole position is being reviewed and satisfaction will be given to us, and as I have complete faith in the integrity of the Honourable Minister and his colleague in charge of Industry I beg leave of the House to withdraw my amendment.

Dr. B. Pattabhi Sitaramayya: May I know how this is to be done once the Act has been passed? May I move that this question be adjourned?

Mr. Speaker: Of course, it is competent for the Honourable Member to move a motion for adjournment. That is a different matter. But, at present, the proposition before the House is that the Honourable Member wishes to have leave of the House to withdraw his amendment. He can if he likes oppose the withdrawal and then I shall have to put the original amendment to the House.

Shri M. Ananthasayanam Ayyangar: It is also open to the Doctor to express what he feels in this matter and urge upon the Government to take action as early as possible.

Mr. Speaker: That will be opening up arguments again after the question has gone to the stage of voting, which I would now like to proceed with. But it is competent for him to say that the further discussion on this subject be adjourned.

Dr. B. Pattabhi Sitaramayya: I do propose that further discussion on this subject be adjourned till 30th March so that in the meantime by cable they may communicate with the British Government and maintain the high traditions of honour which they want to preserve in relation to a country which has ruined this land for over a hundred years. It passes my understanding how it is that these gentlemen today are quoting the Ottawa Agreement with an emphasis which attaches only to the Vedas and the Bible. Does it mean that the Finance Minister also comes with those traditions and sits on the Treasury Benches?

Shri M. Ananthasayanam Ayyangar: No.

Dr. B. Pattabhi Sitaramayya: Then we must repudiate it and it must be repudiated at an early date. There is a tendency, which is beginning very unobtrusively, of hanging on to the coat-tails of England in some manner or other. The British have made us free. We are unable to acknowledge ourselves free. It is the spirit of the slave which revolts against the freedom that has been obtained. I do not want a ruling on this. But I do suggest that further consideration should be adjourned till March 30th. In the meantime I do hope the Government will put themselves in communication with the British Government and get rid of these shackles.

Mr. Speaker: The Government have said that they would do their best and the Honourable Member who has moved the amendment is himself satisfied and is prepared to withdraw his amendment.

Shri M. Ananthasayanam Ayyangar: I became weak!

Dr. B. Pattabhi Sitaramayya: That is our trouble. Our members suddenly become weak.

Mr. Speaker: Let us wait for twelve months more and be strong in the meanwhile so that, the next time that the Honourable Members meet here.

Dr. B. Pattabhi Sitaramayya: We may not be here!

Mr. Speaker: Has the Honourable Member leave of the House to withdraw his amendment?

Some Honourable Members: No, no.

Mr. Speaker: The question is:

"That in part (iii) of clause 2 of the Bill, in the proposed item No. 63/30 of the First Schedule to the Indian Tariff Act, 1934, entries (a) and (b) be omitted and in columns 2 and 3, the following be added, namely:

"Protective 42 per cent. *ad val.*

March 31st, 1949."

The motion was negatived.

Mr. Speaker: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Honourable Shri N. V. Gadgil: Sir, I move:

(i) "That in the Long title of the Bill, after the word 'which', the word 'certain' be inserted"; and

(ii) "That in the Preamble to the Bill, after the word 'which', the word 'certain' be inserted."

Mr. Speaker: The question is:

(i) "That in the Long title of the Bill, after the word 'which', the word 'certain' be inserted"; and

(ii) "That in the Preamble to the Bill, after the word 'which', the word 'certain' be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That the Title and the Preamble, as amended, stand part of the Bill."

The motion was adopted.

The Title and the Preamble, as amended, were added to the Bill.

The Honourable Shri N. V. Gadgil: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

INDIAN TEA CONTROL (AMENDMENT) BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power):

Sir, I move:

"That the Bill further to amend the Indian Tea Control Act, 1938, be taken into consideration."

Sir, this Bill has become necessary on account of the fact that there has been a conference and an interim agreement.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen)].

There is no principle involved in this. What has happened is this. The export of tea and the extension of the area for tea cultivation have been controlled for many long years under an Act and from time to time this Act was continued, and it has now become necessary to continue it further for a period of two years. The International Tea Committee on which each of the signatory countries is represented by nominees of the industry and the Government concerned, and which is responsible for administering the agreement, have, after consultation with the various Governments concerned, suggested the continuance of the agreement with certain modifications for a period of two years from the 1st April 1948, or till such time as the regular agreement under the aegis of the proposed International Trade Organisation is concluded, whichever is shorter.

The main features of the interim agreement are:

- (a) A standard figure has been prescribed for export so far as each signatory country is concerned;
- (b) Area under fresh cultivation is also allowed to the extent of 4 per cent. over the permissible acreage on the 31st March 1948.
- (c) Replacing of worn out areas by planting of new areas should be permitted up to a maximum of ten per cent. over the permissible acreage on the 31st March 1948;
- (d) Export of tea to countries which are not parties to the agreement should be prohibited.

So far as India is concerned, the quantity that India is now permitted to export has considerably increased and it has now come to 383,240,916 lbs. This is for Pakistan and India conjointly. Up till now Pakistan has not expressed itself whether it is going to be a party to this arrangement or not. If Pakistan does not agree then the matter will be referred to the International Committee. If it agrees there will be no difficulty.

INDIAN TEA CONTROL (AMENDMENT) BILL

Similarly, the permissible acreage so far as India and Pakistan are concerned is 8,54,240 acres. Out of this 90,000 are in Pakistan. This agreement has got to be embodied in a Bill and this is exactly what the Bill proposes to do. Once it is agreed that it is necessary to control the export of tea as well as the extension of tea plantation, then the relevancy and validity of such a Bill will be apparent. The period during which this system has worked has shown that there has been an all round improvement and there is nothing to justify that this control should be given up. It is in the interest of the trade, it is in the interest of the planters, although it is true that quite a large number of them are not Indians, but that is a different matter. That is the position and I would therefore request the House to agree to the motion that the Bill be taken into consideration.

Mr. Chairman: The question is:

"That the Bill further to amend the Indian Tea Control Act, 1938, be taken into consideration."

The motion was adopted.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I move:

"That in clause 2 of the Bill, in the proposed sub-section (4) of section 1 of the Indian Tea Control Act, 1938, the word 'only' be omitted."

Sir, the Bill clause says that the Act shall remain in force only upto 31st March, 1950. The word 'only' is unnecessary.

The Honourable Shri N. V. Gadgil: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in clause 2 of the Bill, in the proposed sub-section (4) of section 1 of the Indian Tea Control Act, 1938, the word 'only' be omitted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to point out that in clause 3, part (b) of the Bill the word "wherever" has been spelt with two 'e's, viz., "whereever". With your permission, Sir, I shall move a short notice amendment.

Shri T. A. Ramalingam Chettiar (Madras: General): It has been corrected.

Mr. Chairman: The question is:

"That clauses 3 to 6 stand part of the Bill."

The motion was adopted.

Clauses 3 to 6 were added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (a) of clause 7 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

The Bill clause says 'figures' 1943. The correct expression is 'figure'.

The Honourable Shri N. V. Gadgil: Sir, I do not accept it. I am told that as it stands it is better.

Shri M. Ananthasayanam Ayyangar (Madras: General): "Figures" is wrong. 1943 or 1948 cannot be figures. There is no question of prestige in this.

The Honourable Shri N. V. Gadgil: The Law Minister says "Do not accept it": what am I to do?

Mr. Chairman: I will put it to the House. The question is:

"That in part (a) of clause 7 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (b) of clause 7 of the Bill, in the proposed proviso to section 26 of the Indian Tea Control Act, 1938, for the word 'at' wherever it occurs, the word 'on' be substituted."

Sir, this is an important amendment. In the passage in question the expression "at the 31st day of March, 1948" occurs in five places. I should say it should be "on the 31st day of March". You can say "at the Connaught Place" but with regard to a date you must say "on" a date. It seems to be very obvious.

Shri M. Ananthasayanam Ayyangar: I think the word "by" would be better.

Mr. Naziruddin Ahmad: "By" may be better but "at" is inopportune.

Shri H. V. Kamath (C. P. and Berar: General): Sir, I would suggest "on or before".

Shri M. Ananthasayanam Ayyangar: Sir, if you would accept substitute amendment I move:

"That in part (b) of clause 7 of the Bill, in the proposed proviso to section 26 of the Indian Tea Control Act, 1938, for the word 'at' wherever it occurs, the words 'on or before' be substituted."

The intention is that the land should be planted with tea on or before the 31st day of March, 1948. Tea cannot be planted only on one day. "On or before" would be better.

Mr. Naziruddin Ahmad: I would accept the amendment.

The Honourable Shri N. V. Gadgil: Sir, I do not accept it. "at" is all right.

Mr. Chairman: The question is:

"That in part (b) of clause 7 of the Bill, in the proposed proviso to section 26 of the Indian Tea Control Act, 1938, for the word 'at' wherever it occurs, the words 'on or before' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7 as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

(i) "That in part (1)(b) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted"; and

(ii) "That in part (2) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

Mr. Chairman: The question is:

(i) "That in part (1) (b) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted"; and

(ii) "That in part (2) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 8, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 9 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

Mr. Chairman: The question is:

"That in clause 9 of the Bill, for the word, 'figures' wherever it occurs, the word 'figure' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clauses 10 to 13 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Shri N. V. Gadgil: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Chairman: Motion moved:

"That the Bill, as amended, be passed."

Shri M. Ananthasayanam Ayyangar: Sir, I would like to say a few words on this Bill. I received a copy of an agreement entered into in London by all companies who import tea from India, Java and other countries. This agreement lays down that such and such a country shall produce such and such a quantity of tea and shall export only a particular quantity. The idea underlying this stipulation is avoidance of all unnecessary and unhealthy competition, or cut-throat competition, as it is called. Sir, I am opposed to all sorts of cartels and combines. They are something like the Sugar Syndicate which we have in India. I feel the sooner such agreements or understandings are given up the better it is in the interests of all concerned. It is a matter of common knowledge that just before the war huge quantities of wheat, coffee and potatoes used to be dumped into the Gulf of Mexico, because if they were allowed to come into the market, that will result in a slump, with the consequent fall in prices. What I, therefore, suggest is that let us not allow this practice to be brought into the region of tea trade. After all tea is a harmless beverage which every country wants. Let us therefore encourage its production as much as we could, without imposing any restrictions. And the wonder of wonder is that this attempt at restricting the quantity of production is made in London which produces no tea, but depends entirely on imports from overseas countries. Let us therefore set our face against all such attempts at restricting production. I am sorry I did not rise up earlier, but when next year, this agreement lapses, we should protest against its continuance.

Dr. B. Pattabhi Sitaramayya (Madras: General): Sir, may I say a word in support of what Mr. Ananthasayanam Ayyangar has said. He has really stirred up a much larger question which bristles with issues that cannot perhaps be settled in an isolated manner. It is not a very good proposition that we should always produce for consumption and not for export. So long as we have to pay for iron, or machinery or for capital goods, it is necessary no doubt for us to export certain goods. I, therefore, say that the point raised by Mr. Ananthasayanam, Ayyangar goes to the very root of the matter. Not that I want that production should be for export only and not for internal consumption. My Honourable friend referred to the agreement executed in London. I may in this connection refer him to the Indo-British Trade Agreement which was passed about the year 1933 in London in Whitehall between two rooms, one room on the right side occupied by Lord Staney, the son of Lord Derby and another room on the left side occupied by Oliver Stanley, the younger brother of Lord Stanley and the second son of Lord Derby:

Both of them entered into an Agreement in the common hall in favour of their father Lord Derby. It was implemented by Lord Derby's brother, Sir George Stanley, who was Governor of Madras and looked after by Lord Derby's daughter's daughter's husband, Lord Irwin, the Viceroy. This is the

[Dr. B. Pattabhi Sitaramayya].

arrangement which obtained in England. Two brothers enter into an Agreement in favour of their father to be implemented by their uncle and their niece's husband. These trade agreements must be absolutely quashed. We must now begin a new economy altogether. I wish that the Ministry would look into the matter instead of merely carrying forward old agreements as a merchant carries forward his account on to the next generation. It is very necessary that we should overhaul our whole economy and therefore I do wish that apart from the present Bill the Ministry would give consideration to these important points.

The Honourable Shri N. V. Gadgil: I wish to say only a few words with reference to the contention of my friend Mr. Ananthasayanam Ayyangar. The figures that I have will show that except for the years 1933-34 up to 1938-39 India had not been able actually to export the quota allotted to her. So there is no question of any restriction being put on the production of tea in India. As a matter of fact this concession is further liberalised in the Interim Agreement arrived at only a few weeks ago. An additional 25 per cent. has been allotted. Ten per cent. additional area and four per cent. replacement area has been allotted. In every way the Agreement has been liberal to our country.

Shri M. Ananthasayanam Ayyangar: Is it not one of the terms of the Agreement that there should be only so much of acreage under tea cultivation?

The Honourable Shri N. V. Gadgil: The permissible acreage is fixed in view of what has been available and there has been addition every now and then.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

INDIAN POWER ALCOHOL BILL

The Honourable Dr. Syama Prasad Mookerjee (Minister for Industry and Supply): Sir, I beg to move:

"That the Bill to provide for the development of the power alcohol industry be taken into consideration."

Sir, the object of this Bill is to develop the production of power alcohol and also to take power in the hands of the Central Government to direct the use of power alcohol as motive power. The House will recall that the position of petrol in this country is indeed critical, and any step that Government may take to ease the situation will be doing something in the undoubted national interest. At present we consume about 180 million gallons of motor fuel per year, and 18 million gallons of aviation oil. In addition to this we consume about 800,000 tons of kerosene oil, 360 thousand tons of diesel oil, 700,000 tons of furnace oil and 70,000 tons of other minor oil products. So far as aviation oil is concerned, India does not produce anything. So far as motor fuel is concerned, out of 180 million gallons that we consume we produce only about 17 to 18 million gallons in India. For the rest we are dependent on supply from foreign countries. Previous to the war we used to get about 75 million gallons from Burma. That supply has now stopped, and whatever we are now fortunate enough to get comes mainly from the Middle East. The question of mixing power alcohol with petrol has been a subject matter of discussion in this country for the last ten years. But unfortunately there has been delay for some reason or other and up till now no directive policy of the

Government of India has been indicated. Committees met, conferences were held, and although it was generally agreed that the mixture of power alcohol should be encouraged, somehow a Central policy of Government was lacking. The object of this Bill is to give this Central direction in a way which will be fair to all the Provinces as also serve our purpose so far as circumstances at present permit. Now it appears that power alcohol is being mixed with petrol in various countries. In Great Britain, France, Germany, Poland, Czechoslovakia, Italy and Australia this is done and power alcohol is obtained in those countries mainly from beet, potatoes, corn and from imported molasses. In Brazil it appears that the bulk of power alcohol is produced from molasses just as we propose to do in India. In fact there, nearly 20 million gallons of power alcohol obtained from molasses are used with motor fuel. My friend Mr. Masani will soon be going to Brazil and he will be able to see at first hand how power alcohol is being used successfully with motor fuel. India is one of the biggest sugar producing centres in the world. At present we have eleven distilleries in India. Ten are situated in U.P. and one in Mysore. Three are now under construction in Bihar. The power alcohol which is now being produced cannot be used because there is no law compelling the use of such power alcohol with petrol, so that although U.P. produces more than what U.P. can possibly consume or even if Bihar may produce more than what Bihar can consume, unless there is some law compelling the use of power alcohol this production will practically remain fruitless. The object of this Bill is to secure the compulsory use of power alcohol to the extent of 25 per cent. That is the figure which experts have certified that we can safely and successfully use:

Mr. R. K. Sidhva (C.P. and Berar: General): With 75 per cent. petrol?

The Honourable Dr. Syama Prasad Mookerjee: Yes. It is hoped that once this Bill is passed into law and the Government of India, after conference with the Provincial Governments, is able to develop the power alcohol industry we shall have sufficient power alcohol in India which will give us some relief at any rate in the use of petrol. But of course I should warn here and state that the relief which we shall get will not be adequate. We expect to get not more than about 20 per cent relief in all. Even that will take some years.

If our development schemes go ahead properly, if the sugar production reaches the target that we have laid down, then in the course of the next four or five years we expect to get sufficient power alcohol to give us relief in the manner that I have indicated.

The Government of India has also under its consideration a big scheme for the manufacture of synthetic oil from coal. We have not yet arrived at a stage when I can make any announcement in public. But I can assure the House that Government is very seriously considering the possibility of the manufacture of synthetic oil from coal, which is available in abundance in our country. For that purpose we are bringing out experts from America with whom will be associated some German experts, who will be able to give us a full scheme for the production of one million tons of petrol or half a million tons of petrol or one quarter of a million tons of petrol as circumstances may permit. Use of power alcohol therefore is what I may call a third line of defence, but this is an important measure which Government proposes to undertake.

Now Sir, the powers which the Government of India proposes to take up are now enjoyed by the provincial governments. For the last year and a half the Government of India has been in negotiation with the provincial governments and advised them to allow the Central Government to regulate this industry. There has been some delay in the matter. When the Industries Conference met in Delhi in December last the matter was discussed in detail and

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it was generally agreed that powers should be transferred to the Central Government in national interest. I did not ask the House to refer the Bill to a Select Committee because it is a short Bill, and once the principle is accepted, the details are not of a controversial nature. So far as the amendments proposed are concerned, I have discussed the amendments with most of the movers who have given notice, and barring three or four which I believe we can accept, others perhaps may not be moved, so that the Bill may be passed into law before the House adjourns today at 5 O'clock. Sir, I move that the Bill be taken into consideration.

Mr. Chairman: Motion moved:

"That the Bill to provide for the development of the power alcohol industry, be taken into consideration."

Mr. B. K. Sidhva: Sir, on a point of information only from the Honourable Minister. I want to know whether by the admixture of Power Alcohol with petrol, the result will be the same for transport purposes as it is at present with pure petrol, and will the mileage increase or remain the same with the admixture of power alcohol with petrol?

The Honourable Dr. Syama Prasad Mookerjee: According to the expert's report, the result will be for the better. These are the experts words:

"Its octane value will become higher than that of petrol and consequently it will have better anti-knock properties; it is more volatile and the engine can be started in the cold more easily; it has a higher latent heat and can bear higher compression; the power output of the mixture is for all practical purposes the same as that of petrol; it deposits less carbon in the combustion chamber of the engine; and it does not have any more corrosive effect than straight petrol."

Shri B. Das (Orissa: General): Sir, I congratulate my Honourable friend Dr. Syama Prasad Mookerjee, for introducing this Bill and for taking us into his confidence. What he said about the oils that will be distilled from coal and coal tar opens a vista of future when India will no more have to purchase German products produced from coal tar. I hope the Government will secure the right type of German experts who will not only manufacture these oils from coal tar but will manufacture colours and dyes. Sir, some of us have been cursing the Government that has gone, for not permitting the use of power alcohol in India. Sugar would not have been sold at such high prices and India would not have purchased petrol at such high prices, but we know the reason why. Burma which was part of India, had all its oil wells British owned. They did not want to give the India Government, which was then under British Control, facilities to make any experiments whereby power alcohol could be produced. Thereby their profits would go down. Fortunately for us and unfortunately for them the Great War came and they smashed all the Burma oil wells. Government has got the chance to introduce this measure today on the floor of the House. A few minutes ago I told my friend Dr. Pattabhi that we are not yet independent enough over the measure which my Honourable friend Mr. Gadgil tabled and the House just now passed to have a unilateral way of abolishing Imperial preference. When we are independent we will not send a telegram to London that we are abolishing preference to U.K. We are going to erect this high tariff wall. We are not to consult with U.K. But in this matter of production of Power alcohol my Honourable friend Dr. Mookerjee is completely free. He is not to consult England. Of course he suffers from the same feeling that I have suffered these many years. England has kept us something like eunuchs, and not allowed our scientific minds and skill to help us and develop it. My Honourable friend Dr. Mookerjee has read out from the Industries Committee's report about the advice of certain experts—I hope he is not a U.K. expert because I have no trust in an Englishman's perfidious advice—that the wear and tear on the motor cars will not

be more than it would be with the use of petrol. I do hope when power alcohol is manufactured the Government of India will see that there is a cess on power alcohol and that the money so derived is utilised for experimental purposes—so that we can have chemical experiments and see what other products can be manufactured from molasses.

My Honourable friend, in his Statement of Objects and Reasons, says they will manufacture food yeast. We buy at very high prices foreign products, and our allopathic doctors of whom my Honourable lady friend Rajkumari Amrit Kaur is so fond of, prescribe yeast for every disease in India. My Honourable friend Rajkumari Amrit Kaur will some day see that this country has many substitutes, and those products—they may be Ayurvedic or indigenous—are far superior to food yeast that these allopathic doctors trained in foreign ideas prescribe always, so that Bayers and other chemical manufacturers in London may profiteer.

I cannot tell the House how happy I feel. But I do hope my Honourable friend Dr. Mookerjee will have the drive and will see that no obstruction comes from anywhere—not from the few foreign employees that may be found in the archives of the Government of India or from anywhere else—and he will go ahead with the research and will see that not only this power alcohol product—whether it is derived from molasses or from coal—but also coal tar products will be developed properly in India and India does not buy any foreign chemicals in future.

Shri H. V. Kamath (C. P. and Berar: General): Mr. Chairman, Sir, our Free National Government was born only about 7½ months ago, and though not in its swaddling clothes it is still in the cradle. But it is a happy sight to see it alive and kicking—the baby is very much alive and kicking and is doing well.

It is a happy augury for the future that this vital industry, the power alcohol industry, will be developed by the Government of India under its own auspices.....

Shri Deshbandhu Gupta (Delhi): What have the bachelors to do with babies?

Shri H. V. Kamath: They see babies all around them—they cannot ignore them, they do not escape their notice.

It is, however, a very happy augury for the future that this power alcohol industry will be developed by Government under its own auspices and in the national interest.

Sir, this industry is a vital industry, is a key industry, in modern times because it is vital not merely for our transport but also for the larger problem of defence which is assuming greater and greater importance as days roll by. In modern warfare, petrol or motor fuel, aviation fuel and all these other kinds of fuel have assumed a very great importance, and if the war at all comes to our doors—God forbid that it should—but if the war does come we will be hard put to it to meet the demands that will be made on us for petrol. The Honourable Minister has given us the figures as regards motor fuel, aviation fuel and other kinds of fuel. If I am not mistaken, India at present consumes only about 85 per cent. that is, less than one per cent. of the total world production of petrol, minus Russia. Russia does not come in the picture at all—there is an iron curtain over Russia: Russia does not give figures either of production of oil or of consumption; whatever she produces, she perhaps consumes. But as far as we are concerned, I think—I am speaking subject to correction—we consume less than one per cent. of the total world production—world means world minus Russia—of petrol. And I am told that America has recently threatened us—not quite threatened but dropped a broad hint—that the supply may be further cut short. That

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means to say that our supply may be cut down to 0.67 per cent. from .85 per cent; it may go down to .65 per cent. of the total world production.

Sir, it is an irony of fate that a country like India with 300 million people and her industries going ahead should get only so little petrol from the world and America with a population of only 160 million, that is a little more than half of India, should consume about 80 per cent. or over of the world's total production of petrol. If this state of affairs continues, and if unfortunately war does break out—we hear the drums beating already, I hope the drums would not lead to the marching of troops and the clashing of colours—but if the war does break out and comes to Asia top, we will have to see that by then we will have arranged to get enough petrol, enough motor fuel, for all our purposes—army aviation and navigation. And from that point of view this Bill to develop the power alcohol industry has not come a day too soon.

Coming to other aspects of this industry, Sir, the Minister has assured us that it will be developed in the national interests, that the Central Government will take authority in its own hands. But looking at the Bill, I find there is a sad lacuna as regards this very vital industry which Government should take in its own hands. This is an industry, Sir, which we cannot leave to private enterprise or even to subordinate authorities of Government; it is open to Government, of course, in particular cases to delegate their authority to subordinate Governments or Authorities. But, Sir, the fountain head and the source of authority and power so far as the manufacture of this power alcohol is concerned, so far as this industry is concerned, must rest proximately and ultimately with the Central Government. It is a vital and key industry, and complaint has already gone abroad, has been voiced here in this House, that even when we start vital key industries Government does not care to own these industries. The Bill provides for the control of this industry and for the development of this industry. I for one would wish that Government should own this industry—not merely control it. But as the saying goes—"One step enough for me"—I am content, though reluctantly content, that Government has agreed to control the industry. But I hope at no distant date Government will thoroughly and completely own this power alcohol industry.

Then I would stress one other point in this connection, and that is that we should entirely stop any import of power alcohol from abroad. We have got enough sugar and we have got other resources too to produce what power alcohol we need for our purposes here in our own country. We should import nothing at all of power alcohol from abroad. If we put our shoulders to the wheel and all pull together, I am sure that we will have enough power alcohol within a few years. If Russia could implement her Five Year Plan with much less resources than we have in our country. I see no reason why, if there is the will and the means—will, of course, depends upon ourselves and upon God partly—if we have the will—otherwise the country will go to dogs—and use the means, there is no reason why we should not develop the power alcohol industry to the maximum.

The Honourable Minister has referred to the production of synthetic or ersatz petrol which Government have already taken in hand; exports are already cogitating and are agitated over the matter. I hope thereby we will have even with short supply from the oilfields, enough synthetic petrol for our needs.

If this petrol problem and power alcohol problem is satisfactorily solved, we can face any contingency or danger of a new war with patience, with cool confidence and fortitude. But I hope, however, that certainly we will be kept out of the war. But assuming that the war

comes and yet we are kept out of it, even then our industries and our transport will require so much petrol for our ordinary needs of peace in war time—we will be in peace but there will be war all round us—for our peace in war time, we will have enough petrol and enough power alcohol if we develop this industry and our transport will not suffer at all in war time.

Before I close I would just say one more word and that is this. Power alcohol, as I said in the beginning, will help our transport as well as our defence. A friend of mine asked the other day, what exactly is power alcohol? What exactly does it mean? He said facetiously, half in jest perhaps, "Does this really mean some alcohol that goes inside and gives power"? It is said that if one takes alcohol inside, he feels a little access of power, though *pro tempore*. So I said it is true in a way. This analogy is not very dissimilar because power alcohol, as the Honourable Minister has pointed out, if it is added to petrol it adds to the efficiency, it adds to the anti-knock, it improves the speed and also the efficiency of the vehicle, and also eliminates some of the faults that might develop with only petrol in the vehicle. So looked at from that stand point, this power alcohol will add to the power of the vehicle.

Finally, Sir, I hope that this development of this industry will contribute to the strength of our State, not merely in the field of transport but also in the wider field of defence which has become more and more important as days roll by and will help to make us a more powerful nation ere long.

Shri S. V. Krishnamurthy Rao (Mysore State): Sir, I welcome this Bill as a landmark in our industrial legislation. But an industry cannot be developed merely by issuing a few licences for starting factories or by imposing certain restrictions for the manufacture of power alcohol and the use of the mixture of petrol and power alcohol. Something more must be done for the development of this industry. In fact, there is a vast scope for the development of this industry in our country. As it is, about 250,000 tons of molasses are being wasted. During the war, Australia developed this industry to a very great extent. And the success of an industry depends upon two things, firstly, the subsidiary industries that develop round about it and the State aid which it gets for its development. In fact, the Planning and Development Report of the Panel on Sugar Alcohol and Food Yeast Industries on Page 25, in para. 98 says:

"The Panel is of opinion that distillery plants ought to be fabricated in this country, patent rights to be acquired where necessary by the Central Government from the foreign manufacturers. Licences for the manufacture of the plants should be given only to approved parties who should receive all necessary assistance from the licensing authorities in receiving raw materials for manufacture at a reasonable cost."

That is as regards the supply of machinery. Again on page 67, they say regarding excise duty:

"The Government of India have so far opposed all proposals of preferential treatment of power alcohol used as motor fuel in respect of exemptions from excise duties."

In fact, Mysore has been a pioneer in the development of the power alcohol industry and when the Government of India was getting 15 annas per gallon of petrol, Mysore Government was getting only seven annas or eight annas from power alcohol. They showed a preferential treatment for the manufacture of power alcohol and they have developed this industry with great success. If, in our country, this industry is to develop, I want to know what aid the State is going to give and I am sure the Honourable Minister when replying will throw some light on this point.

Again, Sir, while this industry developed in Australia, the State subsidised this industry and she was able to manufacture about 20 million gallons in the year 1941. Some such subsidy has to be given to the industry and the State has to come to its aid in supplying machinery and seeing as far as possible the machinery is fabricated in India. Some protection should also be given as regards excise duty and if necessary also subsidies. According to this Bill, no

[Shri S. V. Krishnamurthy Rao]

doubt the central Government is taking some powers but I would submit, Sir, that in framing the rules they should not frame the rules in such a way as will come in the path of the industrial autonomy of the Provinces and the States. The States also, or at least some of them, have developed this industry. I hope therefore that the rules will not come in their way and all that the rules will do will be to co-ordinate the various activities and lay down a general policy for the development of this industry. I hope by such a method the industry will be developed, so as to satisfy the fuel problem of India.

One other thing to bear in mind in developing this industry is the springing up of several subsidiary industries like the manufacture of butyl alcohol, amyl alcohol, acetic acid, acetal-dehyde, ethyl acetate, ether, chloroform and potash. I hope the State will also come forward to help these subsidiary industries.

I have put down certain amendments, so that in starting this industry there may not be cut-throat competition between Province and Province and also that there can be no leakage in alcohol while in transit, that is, for being used as potable alcohol. I have put down an amendment that the power alcohol should be denatured in the manufacturing distillery itself. I hope the Honourable Minister will be able to accept some of these amendments.

With these remarks I support the Bill.

Shri Satyanarayan Sinha (Bihar: General): Sir, I move:

"That the question be now put."

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

Mr. Chairman: The question is:

"That the Bill to provide for the development of the power alcohol industry, be taken into consideration."

The motion was adopted.

Mr. Chairman: We shall now take up the Bill clause by clause.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I beg to move:

"That Clause 2 of the Bill be omitted and the subsequent clauses be renumbered accordingly."

Sir, it seems to me that Clause 2 merely declares a pious opinion, which is normally out of place in a Statute. It says:

"It is hereby declared that it is expedient in the public interest that the Central Government should take under its control the development of the Power Alcohol Industry."

So, it is only a pious expression of opinion without any operative effect and therefore out of the question. But it may be that the Honourable Minister has something up his sleeve to justify the retention of this Clause. If there is any, I would welcome a clarification.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I have already explained this matter to the Honourable Member, but he wanted a public explanation from me so that he will publicly withdraw. Item 34 in the Federal List under our present Constitution Act lays down that development of only those industries where development under Dominion control is declared by Dominion law to be expedient in the public interest can be taken up by the Federal Legislature. For that reason, we were advised by the Law Ministry that this Clause was essential. Normally, it falls within the purview of the Provincial Legislature, but only in the case of those industries whose development, in the opinion of this House, is necessary in the public interest, will the House have jurisdiction. I hope the Honourable Member will now withdraw.

Mr. Naziruddin Ahmad: I do not press my amendment. It need not be put to the House.

Mr. Chairman: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Naziruddin Ahmad: I would like to know whether any of my amendments will be accepted.

Mr. Chairman: Which amendment he is moving?

Mr. Naziruddin Ahmad: No 6 to clause 3 which may change the meaning

The Honourable Dr. Syama Prasad Mookerjee: Here again I am in the hands of my technical advisers. The clause says "Molasses means the heavy dark-coloured residual syrup drained away in the final stage of the manufacture of sugar by vacuum pans" and my Honourable friend proposes that it should be 'in vacuum pan'. But my experts advise me that the actual substance is obtained not inside the vacuum pan, but outside it. The process by which it is obtained is the vacuum pan process and therefore the word 'by' is desirable.

Mr. Naziruddin Ahmad: Then why not say 'by the vacuum pan process'?

The Honourable Dr. Syama Prasad Mookerjee: It is all right as it is.

Mr. Chairman: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Shri H. V. Kamath: Sir, I move:

"That before sub-clause (1) of clause 4 of the Bill, the following new sub-clause be inserted and the existing sub-clauses be renumbered accordingly:

"(1) No person or association of persons shall manufacture power alcohol except under a licence or permit from the Central Government."

The Honourable Minister in his introductory speech has told us already that the Central Government has conferred with the Provincial Governments in this connection and that the Central Government intends or has decided to assume the power for the regulation of this industry.

The Honourable Dr. Syama Prasad Mookerjee: I do not wish to interrupt my Honourable friend, but may I point to him that I propose to accept a similar amendment under the rule-making power of Government. Therefore, this is not the proper place for his amendment. However, his object will be met.

Shri H. V. Kamath: I must thank the Honourable Minister for pointing this out, but I feel that this is a very vital point which goes to the root of the matter. As I have already said the fountain-head and the source of authority must rest and vest in the Central Government and mere rule making does not meet the point which I have raised. At the very root of this matter is this fundamental fact: "Who is to manufacture this?" Clause 4 refers as you see, Sir, to the production of power alcohol, but the Bill is absolutely silent on the point as to who will manufacture it. The only thing mentioned is that you manufacture from molasses alone. That is hardly a very vital point, but the more vital and the more fundamental point is this: "Who will manufacture?" I feel we should not be silent on this point at this stage. Clause 4 says nothing except production of alcohol. Rule-making is a subsidiary thing.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sub-clause 3 of clause 5 includes this:

"The power alcohol to be employed for such mixture shall be obtained from such distilleries as may, from time to time, be specified by the Central Government."

It is exactly the manufacture.

Shri H. V. Kamath: I am afraid this clause is misplaced. This sub-clause (3) of clause 5 is absolutely in the wrong place.

Shri M. Ananthasayanam Ayyangar: The title may not be complete.

Shri H. V. Kamath: Clause 4 as you can very well see refers to production and clause 5 refers to the use of power alcohol as motive power. These are quite different matters in my estimation. In clause 2 Government say that it has been the declared policy that Government wants to take this under its control,—the development of this industry under its control,—but when we come to this vital clause 4—production of power alcohol, Government are mum as to who will manufacture and produce the power alcohol. Therefore I press this point that it should be made clear here and now while we are on this clause, and not leave it to the rule-making machinery of the Government in such a delightfully vague manner. The amendment which has been put forward by Mr. Krishnamurthy Rao is "Government shall make rules under the rule-making power providing for the licensing the manufacture of power alcohol". This, Sir, is delightfully vague and beautifully vague.

I want Government to say here in this very clause that they will have complete control over the production of power alcohol.

Shri T. T. Krishnamachari (Madras: General): Does the Honourable Member think that there is no control over production of alcohol now?

Shri H. V. Kamath: We are considering a Bill now to regulate the whole industry, and clause 4 says that any person can manufacture power alcohol, but from molasses only or any other substance, as may be specified by the Central Government. The very important matter about it is the agency production but it is left entirely out of consideration.

If this amendment is accepted, then the amendment of Mr. Krishnamurthy Rao will not arise. This is more comprehensive, more fundamental and meets the vital need of this industry far more than my Honourable friend Mr. Krishnamurthy Rao's does.

Mr. Chairman: Amendment moved:

"That before sub-clause (1) of clause 4 of the Bill, the following new sub-clause be inserted and the existing sub-clauses be renumbered accordingly:

(1) No person or association of persons shall manufacture power alcohol except under a licence or permit from the Central Government."

The Honourable Dr. Syama Prasad Mookerjee: As I just now said I propose to meet the point of view generally expressed by the Honourable Member in some way other than what he has suggested. The amendment will be moved shortly by Mr. T. T. Krishnamachari, which is to the following effect:

"The Central Government may regulate the production and disposal of power alcohol by any distillery situated in any area in which this section is for the time being in force."

Under the rule-making power, it will be definitely laid down that licences have to be obtained. If the object of the Honourable Mover in moving his amendment is to provide that licensing should be granted by Government, then the same object will be met by the other amendment which I have decided to accept and also by the amendment which Mr. Krishnamachari will shortly move. In view of this his amendment should be withdrawn.

Shri H. V. Kamath: I do not agree.

The Honourable Dr. Syama Prasad Mookerjee: I think the Honourable Member may be a little less selfish.

Shri H. V. Kamath: It is more vital in my estimation. It goes to the root of the matter.

श्री राम सहाय: सभापति जी, मेरा ऐसा खयाल है कि पावर अलकोहल (Power alcohol) तैयार करने के बारे में इस वक्त भी दूसरे कायदे मौजूद हैं जिन कायदों की तहत में लाइसेन्स () दिये जायेंगे। इस (act) में इसके आने की विशेष आवश्यकता नहीं मालूम होती।

(English translation of the above speech.)

Shri Ram Sahai (Gwalior State): Mr. Chairman, I think that even at present there exist certain rules for the manufacture of Power Alcohol under which the licences will be issued. There does not appear to be any particular necessity for incorporating such a provision in this Act.

Mr. Chairman: The question is:

"That before sub-clause (1) of clause 4 of the Bill, the following new sub-clause be inserted and the existing sub-clauses be renumbered accordingly:

(1) No person or association of persons shall manufacture power alcohol except under a licence or permit from the Central Government."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill

Shri T. T. Krishnamachari: Sir, I move:

"That after clause 4 of the Bill, the following new clause be inserted, namely:

4A. Power to regulate production and disposal of power alcohol.—The Central Government may regulate the production and disposal of power alcohol by any distillery situated in any area in which this section is for the time being in force."

This clause contemplates action under clause 1(3). It may be considered that it is not wholly necessary for the reason that provincial Governments have power already to control the production of alcohol of any type. Actually rectified spirit which is being manufactured in various provinces is being controlled by the provincial Governments. But since an over-all control is visualised I thought it better for the Central Government also to have the necessary power, though normally they will only act through the provincial machinery for this purpose. It is not a question of encroachment on the powers of the provinces as the new clause only aims at providing for central direction in the matter. As I said before, the Honourable Minister has expressed his willingness to accept this. Sir, I move.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I accept this.

Mr. Chairman: The question is:

"That after clause 4 of the Bill, the following new clause be inserted, namely:

4A. Power to regulate production and disposal of power alcohol.—The Central Government may regulate the production and disposal of power alcohol by any distillery situated in any area in which this section is for the time being in force."

The motion was adopted.

New clause 4A was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (2) of clause 5 of the Bill the words 'from time to time' be omitted."

[Mr. Naziruddin Ahmad]

The point, though technical, is important and requires a brief explanation. The passage where the offending words occur is to the effect that 'the proportion of petrol and power alcohol in such mixture shall be as may from time to time be specified by the Central Government'. The words 'from time to time' are clearly implied by virtue of the General Clauses Act and need not be repeated here.

The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member has said that from time to time.

Mr. Naziruddin Ahmad: This time I shall give some reasons. I shall read a relevant passage from a classical book on Legislative Drafting by Sir Alisson Russell which runs thus:

"The draftman must make himself familiar with the Interpretation Act locally applicable."

In England this Act corresponds to our General Clauses Act:

"If he does not know the Interpretation Act thoroughly he will certainly find himself making provision for matters which are already provided for. He must bear this in mind that the Interpretation Act, unless expressly excluded, applies to every Act passed; and if it is intended to depart from this it must be stated in express terms."

Shri Ramnarayan Singh (Bihar: General): Sir, I rise to a point of order. As the British Government is no longer in this country can we quote any British legal authority in this House?

Mr. Naziruddin Ahmad: I do not cite this as a binding authority; I only ask the House to consider the reason behind it. I will now read sec. 14(1) of our own General Clauses Act.

"Where by any Central Act or Regulation made after the commencement of this Act any power is conferred, then unless a different intention appears, that power may be exercised from time to time as occasion arises."

The inconvenience of using these words here and there without using them thoroughly at every possible place is obvious. It may be thought that when this expression is not used in every conceivable place Government cannot exercise power from time to time in such cases. I draw attention to clause 4(1) where it is stated that a certain 'power may be exercised as specified by the Central Government'. According to this kind of draftsmanship there also you should say, "power may be exercised as may from time to time be specified by the Central Government". In fact when power is given it is obvious, even apart from the General Clauses Act, that it can be exercised from time to time as occasion arises, unless specially restricted. The General Clauses Act again makes that quite clear. I suggest that these words should be banished once for all and the General Clauses Act followed as advised by Sir Alisson Russell. That provision must be kept in mind and duplication avoided.

Alternatively I would suggest that if you are so fond of this expression "from time to time" you should also introduce it in clauses 7 and 9. I submit that the words are unnecessary and inartistic. As said in this book, it is bad diction to use one unnecessary expression in a legislative enactment; if you use them once you must use them always.

Mr. Chairman: The Honourable Member is repeating himself and may now bring his remarks to a close.

Mr. Naziruddin Ahmad: Sir, as one Honourable Member said the other day, hammering has its uses. Sir, I move.

Mr. Chairman: Amendment moved:

"That in sub-clause (2) of clause 5 of the Bill the words 'from time to time' be omitted."

The Honourable Dr. Syama Prasad Mookerjee: Sir, I am afraid I cannot accept the learned interpretation of my Honourable friend. This in fact is a most vital clause in the Bill; it is said here that Government may fix the proportion which should not be more than 25 per cent. or less than 5 per cent. Lest there should be any doubt that power may not vest in the Government to change from time to time as occasion may arise, we were advised that these words, which seem to be redundant to the Honourable Mover, should be put in there and also in the following clause. But obviously there are some clauses where we thought the words to be redundant and there we have ourselves removed them. So the Honourable Member need not move that they should be reimposed there.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 5 of the Bill the words 'from time to time' be omitted."

The motion was negatived.

Shri T. T. Krishnamachari: Sir, I move:

"That in sub-clause (2) of clause 5 of the Bill, the words 'with petrol' occurring in line three be omitted and after the word 'mixture' occurring in line four, the words 'with petrol' be inserted."

The words were in the wrong place and I am moving this amendment for remedying the defect as it seems to have escaped the eagle eyes of my Honourable friend Mr. Naziruddin Ahmad. Sir, I move.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 5 of the Bill, the words 'with petrol' occurring in line three be omitted and after the word 'mixture' occurring in line four, the words 'with petrol' be inserted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill. Clauses 6 to 8 were added to the Bill.

Shri S. V. Krishnamurthy Rao: Sir, I move:

"That in sub-clause (2) of clause 9 of the Bill—

(i) before part (a) the following new part be inserted:

'(a) provide for the licensing of the manufacture of power alcohol;'

(ii) after part (e) the following new part be inserted:

'(f) provide for denaturing of power alcohol at the distilleries; and all the parts of the sub-clause be re-lettered accordingly.'

I consider both these amendments very important because the distilleries will have to be started with reference to the availability of molasses and the cost of transportation of molasses from the sugar factory to the distillery and from the distillery to the mixing centre. So a judicial licensing of these factories is necessary; and also to prevent leakage of petrol for other purposes denaturing of power alcohol at the distilleries is necessary.

The Honourable Dr. Syama Prasad Mookerjee: I accept it.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 9 of Bill—

(i) before part (a) the following new part be inserted:

'(a) provide for the licensing of the manufacture of power alcohol;'

(ii) after part (e) the following new part be inserted:

'(f) provide for denaturing of power alcohol at the distilleries; and all the parts of the sub-clause be re-lettered accordingly.'

The motion was adopted.

Mr. E. K. Sidhva: With your permission I would like to make a change in the amendment standing in my name. I want to drop the latter portion, permitting a member to move an amendment. I am only stating that the rules should be placed on the table of the House.

Mr. Chairman: I would point out that unless he passes a written amendment to me I am not going to agree to his suggestion. Just now when the previous Bill was on there was some talk between Members, as a result of which an amendment was put and some confusion resulted.

The Honourable Dr. Syama Prasad Mookerjee: The general wish was expressed that the rules as framed might be placed before the Central Legislature. I am prepared to accept that.

Shri T. T. Krishnamachari: Before the Central Legislature.

The Honourable Dr. Syama Prasad Mookerjee: All rules should be placed before the Central Legislature.

Mr. Chairman: The amendment as proposed on this paper in pencil is correct neither in language nor in the idea behind it and therefore I cannot allow this amendment at this stage. As the Honourable Minister is pleased to accept the principle of this amendment, he can himself bring up an amendment to this effect if he so chooses.

Shri M. Ananthasayanam Ayyangar (Madras: General): What is the object of placing them on the table of this House? The penalty is on the person who sells.

Mr. Chairman: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clause 10 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Naziruddin Ahmad: Sir, the Honourable Minister promised to make his reply at this stage.

The Honourable Dr. Syama Prasad Mookerjee: I prefer to give you power alcohol and not a speech!

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

INDIAN RAILWAYS (AMENDMENT) BILL

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I beg to move:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

Sir, the object of this measure is extremely simple and is of a purely formal character. It arises in consequence of the fact that various States have acceded to the Union and they have acceded in respect of the entry of "Railways" in the Federal List. It becomes therefore necessary to regularise their position in regard to the application of the Indian Railways Act to them. There are two things that this Bill seeks to do. First of all it seeks to extend the scope of the Indian Railways Act to the whole of India, which means both the

Provinces and the States. The second is that in regard to the States, it seeks to place the acceding States in the matter of railways on exactly the same footing as the Provinces. This is a simple matter and I hope the House will accept the measure.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I beg to support the motion.

Mr. Chairman: The question is:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

"That clauses 2 to 5 stand part of the Bill."

The motion was adopted.

Clauses 2 to 5 were added to the Bill.

Shri T. T. Krishnamachari (Madras: General): Sir, I beg to move:

"That in clause 6 of the Bill, in the proposed section 144 of the Indian Railways Act, 1890, for the words 'an enactment not in force', the words 'an enactment in force in the provinces of India but not in force', be substituted."

Sir, this merely clarifies the position in regard to enactments which are in force in Provinces but not in force in the acceding States. Otherwise the position of the enactments in the provinces will be left vague. It is said that by implication it will be understood but I thought that it would be better to make it explicit. I think the Honourable Minister might probably be willing to accept the motion.

The Honourable Dr. John Matthai: Sir, I am advised by legal advisers that it is entirely superfluous but if the Honourable Member wishes to have it I have no objection.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in the proposed section 144 of the Indian Railways Act, 1890 for the words 'an enactment not in force', the words 'an enactment in force in the provinces of India but not in force', be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 1 was added to the Bill.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, day before yesterday we passed another amending Bill so far as the railways are concerned. The difficulty will be whether this is the first or the second amending Bill 1948 to the Indian Railways Act.

The Honourable Dr. John Matthai: That has nothing to do with this Bill at all.

Mr. Chairman: The question is:

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

The Honourable Dr. John Matthai: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Monday, the 29th March, 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Monday, 29th March, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

DECLARATION BY MEMBERS

The following member made the Declaration under Rule 2C:
Shri Kuladhar Chaliha (Assam: General).

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

ENQUIRY INTO DISPOSAL OF AEROPLANES BY CERTAIN OFFICIALS

964. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Industry and Supply be pleased to refer to the answer given to my Short Notice Question, asked on the 12th December, 1947 regarding the disposal of aeroplanes by certain officials and state whether the enquiry referred to therein is now completed?

(b) If not, when is it likely to be completed and what are the reasons for the delay?

(c) If it is completed, what is the result and do Government intend to take steps against the officials concerned?

(d) What action do Government intend to take against such of those officials as have left India?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). Yes, Sir, Government have completed their enquiry. The decision complained of, which was taken in 1946, was that it was not worth while to undertake the repair of the damaged aircraft because the cost of repair would be excessive, there was an adequate supply of Dakotas available to meet all demands, and there was an acute shortage of the major spares which would have been required for repair. Conditions since that decision was taken have altered, and India's requirements of aircraft have greatly increased. My Ministry has consulted the Communications Ministry, and it is considered that the decision taken in 1946 by the officials concerned was, in the conditions then existing, a justifiable one.

(d) Does not arise.

Mr. R. K. Sidhva: Sir, my question was quite different. I wanted to know what action has been taken in view of the Honourable Minister having made that statement. He is giving the 1946 reply. Does it really refer to the same thing?

Mr. Speaker: Possibly it is the same.

Mr. R. K. Sidhva: It has no bearing on this question.

Mr. Speaker: That is the Honourable Member's opinion. If he is not satisfied with the answer he may put supplementary questions.

Mr. R. K. Sidhva: May I know whether the officer who then condemned these aircrafts was then Director of Aeronautical Inspection and he is even today employed as the Deputy Director General?

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The Honourable Dr. Syama Prasad Mookerjee: As I explained, Sir, this happened in 1946 and it has been held after enquiry by the Communications Ministry that there were proper reasons for arriving at the decision by the officials concerned and therefore no action is proposed to be taken now.

Mr. Speaker: The question of the Honourable Member was whether the same gentleman continues in service.

The Honourable Dr. Syama Prasad Mookerjee: That is so.

Mr. R. K. Sidhva: May I know whether the Government propose to take any action against the gentleman concerned or not?

Mr. Speaker: That has been replied to.

Mr. R. K. Sidhva: The Honourable Minister stated last time that one officer had gone to Pakistan and the other was in service in India. May I know whether the Honourable Minister is taking the necessary action.....

The Honourable Dr. Syama Prasad Mookerjee: This matter was inquired into. I have got the answer before me that the enquiry would be undertaken. The enquiry could not be undertaken by my Ministry; it related to the Communications Ministry, and the Communications Ministry held the view that no further action need be taken.

Mr. R. K. Sidhva: Mr. Biswanath Das asked whether in view of the fact that some of the officials had gone to Pakistan whether their pensions would be stopped and the Honourable Dr. Syama Prasad Mookerjee replied that they had mostly gone to Pakistan. May I know how many of them have gone to Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: I cannot give the number but there were several officers who were holding subordinate positions and who have gone to Pakistan.

Mr. R. K. Sidhva: Is it not a fact that one of the officers has gone to Pakistan and one is in service? In view of that will the Honourable Minister consider the question of stopping this officer's pension if he was found responsible?

Mr. Speaker: The Honourable Member's point of view may be right but the question is a suggestion for action.

Shri M. Ananthasayanam Ayyangar: May I know if as a result of this enquiry instead of meeting out punishment to the officer concerned he has been promoted?

The Honourable Dr. Syama Prasad Mookerjee: I will have to refer to the Communications Ministry.

Shri M. Ananthasayanam Ayyangar: Is it a fact that that officer is a Britisher and is holding a key post and is it not dangerous to keep him in a key post of that kind?

The Honourable Dr. Syama Prasad Mookerjee: I can convey this to the Honourable Minister for Communications.

Prof. N. G. Ranga: In view of the fact that the Honourable Minister for Communications is sitting just next to the Honourable Minister, will the Minister for Communications and the Minister of Industry and Supply have a rapid discussion between themselves and give the House a satisfactory answer?

Shri M. Ananthasayanam Ayyangar: In view of the fact that these Dakotas were found useful and necessary in the interest of our expansion, what steps are being taken in the way of installing a repair factory or a factory which would produce the spare parts, etc., in this country?

The Honourable Dr. Syama Prasad Mookerjee: All possible steps have been taken. The repair work is undertaken by the Hindustan Aircraft Factory at Bangalore and we are also arranging to get spare parts from Dakotas which will not be used in India. We are also getting stocks from the U.S.A.

Seth Govinddas: By what time do the Government expect these Dakotas which are under repair to be ready for use?

The Honourable Dr. Syama Prasad Mookerjee: The Hindustan Aircraft Factory has intimated that it will be prepared to carry out the repairs according to schedule.

Seth Govinddas: How much time will it require?

The Honourable Dr. Syama Prasad Mookerjee: They will repair about six Dakotas per month and may later go up to nine.

Shri M. Ananthasayanam Ayyangar: May I know if in the Hindustan Aircraft Factory the top men are all Europeans?

The Honourable Dr. Syama Prasad Mookerjee: Some of the top men are non-Indians but we are Indianising the personnel of the Hindustan Aircraft Factory.

Mr. R. K. Sidhva: Is it a fact that this gentleman who is now promoted has since condemned more American aeroplanes?

The Honourable Dr. Syama Prasad Mookerjee: Not recently.

Shri T. T. Krishnamachari: May I know whether the officers of the Civil Aviation Department who condemned these aircraft took a unilateral decision or they did it in conjunction with the R.I.A.F. or the R.A.F.?

The Honourable Dr. Syama Prasad Mookerjee: They act jointly.

Dr. B. Pattabhi Sitaramayya: Was this enquiry which was conducted an open public one or was it a departmental private action?

The Honourable Dr. Syama Prasad Mookerjee: It was a departmental enquiry. The position is this. Certain decisions were taken by the officer concerned that it would not be worthwhile to repair these Dakotas in view of the non-availability of major spares in India and the Communications Ministry now feels that there was sufficient justification for coming to that decision.

Mr. R. K. Sidhva: The question is whether they were good, workable, air-worthy craft which were condemned by this officer. That is the question.

Mr. Speaker: That has been replied to.

TRANSFER OF SERVICE BOOKS OF GOVERNMENT EMPLOYEES FROM PAKISTAN

965. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether the Service Books of various Railway employees who have opted out from Pakistan and are now employed in India, have been received from the Government of Pakistan?

(b) If not, have Government written to the Government of Pakistan to accelerate their despatch?

(c) Is it a fact that due to the non-availability of Service Books, several employees have not received their increments and have also suffered regarding their promotions?

The Honourable Dr. John Matthai: (a) Out of approximately 50,000 employees affected, the service records of about 9,000 only have so far been received.

(b) Yes and such communications have been followed up by deputing a Liaison Officer with a staff to assist him for the actual collection of such records.

(c) The reply to the first part is in the affirmative. As regards the latter part, instructions have been issued to the Railway Administrations that in the case of staff whose service records have not yet been received from the Pakistan Government, declarations regarding their dates of confirmation in the substantive grade should be taken from the staff and that they should be given

the seniority on the basis of these declarations subject to adjustment on receipt of the records. In cases where the staff do not recollect the exact dates, the Railway Administrations have been authorised to accept approximate dates.

Shri Deshbandhu Gupta: May I know if all those people who had opted for India have been absorbed by the Railways?

The Honourable Dr. John Matthai: Not completely.

Shri Deshbandhu Gupta: What is the likely number which has not been absorbed so far?

The Honourable Dr. John Matthai: I will furnish the Honourable Member with that particular information: I have not got it just now.

Prof. N. G. Ranga: In view of the fact that the railways themselves have said that they are short of hands in very many branches, why is it that all those who have opted out from Pakistan for India have not yet been absorbed?

The Honourable Dr. John Matthai: The reply to that question is that shortage occurs in certain specialized categories and a large number of the people who have not been absorbed so far are people who are not suitable for those particular categories.

Mr. R. K. Sidhva: Are they entitled to appointment under the terms of the agreement?

The Honourable Dr. John Matthai: Yes, we have got to absorb them.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if preference will be given only to those people who in the first instance opted out for Pakistan and are now trying to return to India?

The Honourable Dr. John Matthai: That is the principle on which we are acting.

Shri M. Ananthasayanam Ayyangar: May I know how many of those persons who originally opted out for Pakistan and are trying to return, have been given facilities in regard to service books, etc.?

The Honourable Dr. John Matthai: That is a question on which I am not in a position to give a definite reply straightaway. I may tell the House that I am getting a detailed memorandum drawn up because several Honourable Members informally have expressed great interest in the question and I hope to be able to give the Honourable Member fuller and more detailed information later.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if he would appoint any tribunal of say an official and a non-official to enquire into the cases of those persons who are now coming back from Pakistan having originally opted out because these are essential and key services?

The Honourable Dr. John Matthai: That is a suggestion which would arise after the Honourable Member has had an opportunity of examining the position that will be set out in the memorandum that I am having prepared.

Shri M. Ananthasayanam Ayyangar: May I take it as an assurance from the Honourable Minister that until the House—myself along with other members—has had an opportunity of studying these matters, no person who originally opted out for Pakistan and now wants to come back will be entertained?

The Honourable Dr. John Matthai: I should like to make the position absolutely clear. This matter is not in the hands of the Railway Ministry. The problem is one that affects all the departments in the Government of India, and what we are doing in the Railway Ministry is to act strictly within the framework of the policy which has been laid down by the Home Ministry. So the Honourable Member's question really must be addressed to the Home Ministry. We are entirely in their hands.

Dr. P. S. Deshmukh: May I know what is the policy laid down by the Home Ministry?

The Honourable Dr. John Matthai: The policy that they have laid down in regard to people who opted in the first instance for Pakistan and then later have changed their option, in broad terms is this: We offer opportunities of employment to people who opted for India in the first instance. After that would come those people who exercised their final option for India. In regard to these cases the policy of the Home Ministry is that each individual case must be examined on the merits. That broadly is the policy. Now as far as we in the Railway Ministry are concerned, as I said, we are acting entirely on whatever policy may be laid down by the Home Ministry in this matter.

Mr. Frank R. Anthony: Are Muslims being treated exactly on the same footing as members of other communities?

The Honourable Dr. John Matthai: There is no distinction being made between one community and another.

Pandit Lakshmi Kanta Maitra: May I enquire if it is not a fact that in regard to final option for the Indian Union, the original period of six months was scrapped as soon as this policy was given out?

The Honourable Dr. John Matthai: In certain cases that was done. That is how the problem of shortage of engine crews arose in Bengal.

Pandit Lakshmi Kanta Maitra: I am asking if it is not a fact that the original period given for exercising option was six months but that was changed later?

The Honourable Dr. John Matthai: No, it has not been.

Shri Deshbandhu Gupta: May I know if it is a fact that special facilities are being given by the Government of India to those who had originally opted out for Pakistan and have now changed their minds?

The Honourable Dr. John Matthai: No such facilities are given.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister arising out of his answer that it is a Home Department matter, but there is no Cabinet responsibility, and if the Honourable Minister did not consider the point that reinstatement of these people will disturb the amity and the relationship in the existing staff in his department?

The Honourable Dr. John Matthai: The responsibility is certainly that of the Cabinet as a whole, but the department primarily concerned is the Home Ministry, and as far as we are concerned, I may tell the Honourable Member that I refer every doubtful case (every case on which I am not in a position straightaway to determine what the application of the Home Ministry's policy would mean) to the Home Ministry for their opinion.

Pandit Balkrishna Sharma: May I know if the Honourable Minister is aware of the fact that the East Bengal Government refused its employees the exercise of the clause about the final option, and if it is a fact, whether it is not possible for the Railway Ministry also, and the Home Ministry along with it, to take into consideration the recalcitrance of the East Bengal Government in this matter?

The Honourable Dr. John Matthai: I have received no definite report on this point, but if there are cases of that kind, they will be taken up at the inter-dominion level.

Shri M. Ananthasayanam Ayyangar: May I ask if the opinion of the Honourable the Law Minister has been obtained in regard to the enforcement of this

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clause as to whether, irrespective of the change of conditions, we are bound by those terms?

The Honourable Dr. John Matthai: I presume the Home Ministry has consulted all the Ministries concerned in the matter.

Pandit Lakshmi Kanta Maitra: May I know if the Honourable Minister has enquired of the different general Managers of the Railway Administrations as to the reaction that it is likely to have on the morale of the existing staff in case these people are absorbed?

The Honourable Dr. John Matthai: I may assure the Honourable Member that I am in constant touch with the Railway Administrations as regards the reactions of this problem upon the staff as a whole.

Pandit Lakshmi Kanta Maitra: Is it not a fact that General Managers in different places have reported that it would have a disastrous effect on the existing staff if these people who have now opted for the Indian Union are absorbed in service?

The Honourable Dr. John Matthai: As a general proposition that is not true.

Prof. N. G. Ranga: May I ask, Mr. Speaker, for your guidance whether, when another Honourable Minister to whom reference is being made here by a Minister at question time happens to be in the House, whether it will not be possible for either the Speaker or for any of us to request the other Honourable Minister to give the necessary information called for?

Mr. Speaker: In fact, that practice is being followed, and the House knows that whenever an occasion arose, the Honourable the Prime Minister has given information but in this particular case, the Honourable Minister for Home Affairs is not here.

Prof. N. G. Ranga: Just now the Honourable the Railway Minister has made a reference to the Honourable the Law Minister and said it is presumed that the Home Minister might have consulted the Law Minister. May I request the Honourable the Law Minister through you to tell the House whether he has been consulted at all about this particular matter, and if so, what reply he has given?

Mr. Speaker: I think, as a matter of general prudence and in the interests of not involving government into unnecessary controversy, the Law Minister should not be expected to express his opinion on particular points.

Prof. N. G. Ranga: But whether he has been consulted or not, is a question of fact?

Mr. Speaker: That he can say if he wants to.

The Honourable Dr. B. R. Ambedkar: My department may have been consulted. It is not a matter which necessarily comes to the Law Minister.

Prof. N. G. Ranga: I take very strong exception to this levity because every Minister is expected to be responsible for everything that is supposed to be done by his department and I take very strong objection indeed to that kind of procedure.

Mr. Speaker: Not being a lawyer perhaps the Honourable Member does not understand that there is a difference between being responsible for a thing and knowing that particular thing. Admittedly the Law Minister would be responsible for anything done by any of his subordinates, but that does not necessarily mean that he is conversant with all the details. Whatever it is, it is not a point for argument now, and I am calling the next question.

DISALLOWANCE OF UNIFORMS TO STAFF FROM PAKISTAN SERVING ON INDIAN RAILWAYS AND HOUSE RENT FOR BOOKING AND LUGGAGE CLERKS.

966. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the North Western Railway used to allow their employees uniforms?

(b) If so, is it a fact that such employees who opted out from Pakistan and were posted to the Bombay, Baroda and Central India Railway do not get uniforms?

(c) Were the Booking and Luggage clerks appointed before 1928, entitled to house rent in lieu of quarters?

(d) If so, are such employees who opted out from Pakistan being paid this allowance?

The Honourable Dr. John Matthai: (a) Yes, to certain categories of staff.

(b) The N.W. Railway staff who have been absorbed on the B.B. and C.I. Railway are given uniforms according to the scales laid down and provided they work in posts in which a uniform is given on that Railway.

(c) Yes, provided they held posts which carried the concession of rent-free quarters or house rent allowance in lieu thereof prior to 1st August, 1928.

(d) Yes, subject to the same condition as in (c) above.

Mr. R. K. Sidhva: May I know, Sir, whether the booking and luggage clerks of the N.W. Railway were granted uniforms and house rent, and whether they are being granted on the B.B. and C.I. and G.I.P. Railways?

The Honourable Dr. John Matthai: I am not quite certain, but I would like to get information on that.

Mr. R. K. Sidhva: Will the Honourable Minister make enquiries and let me know?

The Honourable Dr. John Matthai: Yes, Sir.

REDUCTION IN PASSENGER SEATS ON VARIOUS INDIAN AIR ROUTES DUE TO HEAVY FREIGHT.

967. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Communications be pleased to state the total carrying capacity of passengers in a Dakota aeroplane, and the number of passengers actually carried by each Dakota plane by various companies from 5-2-48 to 20-2-48 on Bombay—Delhi route and *vice versa* and Karachi—Delhi route and *vice-versa*?

(b) Is it a fact that some companies carry large quantities of freight thus reducing the number of seats for passengers?

(c) Are Government aware that on many occasions seats are denied to passengers for days because of heavy freight?

(d) If so, do Government propose to enquire into the matter?

The Honourable Mr. Rafi Ahmed Kidwai: (a) The normal carrying capacity of a Dakota aircraft is 21 passengers. Particulars of number of passengers carried on each of the services on the Bombay-Delhi and Karachi-Delhi route have been called for from the Operating Companies concerned and will be supplied to the Honourable Member on receipt.

(b) Normally Companies carry freight only when spare load capacity is available after allowing for passengers.

(c) Freight is very rarely carried at the expense of passengers, but then if it is only of very high priority.

(d) Government would be prepared to enquire into concrete cases if they are brought to their notice.

Mr. R. K. Sidhva: Is it not a fact, Sir, that although seats were available for passengers they were refused tickets and the freight was given preference over the passengers? May I know whether the Companies' attention was drawn to that fact?

The Honourable Mr. Rafi Ahmed Kidwai: As I have said, the companies have been carrying freight only when they can take the extra weight. But they have to give preference to passengers; if any concrete case is brought to the notice of Government, with particulars of dates and time of the service, then enquiries will be made.

Mr. R. K. Sidhva: Have the Government given instructions to the Companies that they must give preference to passengers?

The Honourable Mr. Rafi Ahmed Kidwai: That has been said more than once in this House.

Shri M. Ananthasayanam Ayyangar: Is it not a fact that these Dakotas were carrying 39 and 40 passengers in times of emergency, and the number of 21 is unnecessarily reduced so as to divert the purchase of Dakotas to other Vikings and "Seakings" in England?

The Honourable Mr. Rafi Ahmed Kidwai: That is the number prescribed by international law and that is being enforced here.

Mr. R. K. Sidhva: Is it not a fact that under the international law 26 passengers are allowed in Great Britain whereas here in India only 21 are allowed? May I know what is the reason for this difference?

The Honourable Mr. Rafi Ahmed Kidwai: Great Britain is not following that law—that is all I can say.

Shri M. Ananthasayanam Ayyangar: I did not follow that answer.

The Honourable Mr. Rafi Ahmed Kidwai: Great Britain is not following that law that has been decided by convention.

Shri M. Ananthasayanam Ayyangar: Is it not a fact, Sir, that on account of shortage of Dakotas, even in case of an emergency this limiting of the number to 21 is working as a hardship for passengers to be carried from one place to another?

The Honourable Mr. Rafi Ahmed Kidwai: I have replied to this question several times in this House and I have said that that is the law. But this law does not apply to the military and if the military wants to carry more passengers they can take over Dakotas and use them as they like.

Shri M. Ananthasayanam Ayyangar: Even with respect to civilian passengers why is this law not adopted when it is adopted in the United States of America?

The Honourable Mr. Rafi Ahmed Kidwai: For reasons of safety, it is not applied in this country. On another occasion I mentioned that we have got very few aerodromes. In case of difficulty Dakotas cannot easily land without proper aerodromes.

The Honourable Pandit Jawaharlal Nehru: Sir, may I remind the House that in this matter we have to take extreme precautions? It may be that inconvenience is caused to some passengers, but I take it that it will be a greater inconvenience if there is a crash. We have a very excellent record in this country with regard to air flights and we are going to take no risks about it. It is better for a fewer passengers to be carried with perfect safety than any risk to be taken.

SEASON TICKETS ISSUED ON B. B. AND C. I. AND G. I. P. RAILWAYS IN JANUARY AND FEBRUARY 1947 AND 1948.

968. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Railways be pleased to state the total number of season tickets issued for all classes in the months of January and February 1947 and January and February 1948 on the B.B. & C.I. and G.I.P. Railways?

(b) What is the total revenue derived from each class during the above periods?

(c) Is it a fact that the demand for season tickets between Bombay and Poona has fallen down after the recent increase in fares?

(d) Do Government expect to realise, in view of this fall, the same revenue as anticipated?

(e) If not, do Government intend to take any steps to revise the rates for season tickets?

The Honourable Dr. John Matthai: (a) and (b). A statement giving the required information is placed on the table of the House.

(c) The number of season tickets issued in January and February, 1948, available between Bombay and Poona shows a decrease as compared with the corresponding period of 1947. This does not necessarily indicate that there has been a fall in traffic as many passengers purchased quarterly or half-yearly season tickets in December, 1947, and the actual effect of the increase in fares can be gauged only after six months.

(d) It has not been proved that there has been a fall in season ticket traffic between Bombay and Poona, and in any case the proportion of this traffic to the general traffic is not very great. It is not apprehended that the anticipated revenue from season tickets will not be realised.

(e) Does not arise.

Statement

The G.I.P. Railway sold 1,83,700 season tickets in January and February 1947, and 1,73,500 in January and February 1948. The B.B. and C.I. Railway sold 98,827 season tickets in January 1947 and 99,236 in January 1948. In February 1947, they sold 93,080 season tickets. Comparative figures for February 1948 have not yet been received and will be laid on the table of the House later.

G. I. P. Railway:

First Class	Rs. 30,255 in January and February, 1947; Rs. 11,182 in January and February, 1948.
Second Class	Rs. 1,41,330 in January and February, 1947; Rs. 95,019 in January and February, 1948.
Inter Class	Rs. 101 in January and February, 1947; Rs. 135 in January and February, 1948.
Third Class	Rs. 6,56,125 in January and February, 1947; Rs. 7,57,000 in January and February, 1948.

B.B. and C.I. Railway:

First Class	Rs. 22,636 in January and February, 1947; Rs. 6,078 in January, 1948.
Second Class	Rs. 1,63,126 in January and February, 1947; Rs. 76,999 in January, 1948.
Inter Class	Rs. 176 in January and February, 1947; Rs. 54 in January, 1948.
Third Class	Rs. 7,49,023 in January and February, 1947; Rs. 4,47,187 in January, 1948 (February figures are awaited and will be laid on the table of the House when received).

PICK-POCKETS ON PLATFORMS AND RUNNING TRAINS ON BENGAL NAGPUR RAILWAY.

969. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware of the growing menace from pick-pockets on railway platforms and running trains, particularly on the Bengal Nagpur Railway, in between the stations of Jharsuguda and Tatanagar?

(b) Is it a fact that most of the pick-pockets, as revealed from cases brought to the notice of the authorities, are beggars who are allowed to travel and beg freely on the trains?

(c) How do Government propose to combat the menace in the particular section referred to in part (a) above?

The Honourable Dr. John Matthai: (a) Government have received complaints but it is difficult to say whether the habit is on the increase. With regard to stations between Jharsuguda and Tatanagar on the B.N. Railway, information is being obtained from the Police and will be laid on the table of the House on receipt. There is reason to believe that an organised gang has been operating between Jharsuguda and Kharagpur.

(b) Beggars are amongst those involved in such cases, but the crime is committed mostly by old offenders, some of whom may be carrying out their activities in the guise of beggars. Beggars are not allowed to travel and beg freely. When detected, they are either driven out or made over to the Government Railway Police.

(c) It is intended to move the Provincial Governments to ask the police to devise more effective steps for the prevention of pocket-picking.

Dr. B. Pattabhi Sitaramayya: Are Government aware of the statement of a pick-pocket in a magistrate's court that so long as gentlemen have side-pockets there will be pick-pockets?

Mr. Speaker: Order, order.

HELP TO C. P. AND BERAR GOVERNMENT FOR ESTABLISHING FOREST TRAINING COLLEGE.

970. *Seth Govinddas: (a) Will the Honourable Minister of Agriculture be pleased to state whether Government propose to give any help to the Central Provinces and Berar Government for establishing a college for training in forestry?

(b) Are Government sending candidates abroad for training in forestry from that province? If so, what is their number?

The Honourable Shri Jairamdas Doulatram: (a) The Government of India have not received any such request from the Provincial Government. Government of India is of the view that for some time still to come forestry training, if it is to be of a high standard should not be undertaken by different provinces but should be undertaken at the present two central Training institutions.

(b) Yes. One student was deputed in 1946.

Seth Govinddas: Are Government thinking of establishing such an institution on behalf of the Central Government in that Province?

The Honourable Shri Jairamdas Doulatram: Not at present.

Prof. N. G. Ranga: What is the capacity of these two Central institutions to train young men in forestry?

The Honourable Shri Jairamdas Doulatram: Round about 175.

Prof. N. G. Ranga: Are Government satisfied that for the whole of India an annual number of 175—or is the 175 for a period of three or five years' training?—is quite enough and satisfactory?

The Honourable Shri Jairamdas Doulatram: No, the number is not enough and we will increase the number through these two Central institutions.

Shri M. Ananthasayanam Ayyangar: Arising out of answer to (b), may I know whether Government are sending candidates abroad for training in forestry, from that Province, and if so to what country?

The Honourable Shri Jairamdas Doulatram: I could not say off hand.

Shri M. Ananthasayanam Ayyangar: What is the need any further for sending candidates for further studies in England?

The Honourable Shri Jairamdas Doulatram: There is no special need and our efforts will be to see that our students are educated in our institutions which are of a fairly high order.

Shri M. Ananthasayanam Ayyangar: Has the Honourable Minister set a time limit within which our Forest Institutes here will be brought to a high standard?

The Honourable Shri Jairamdas Doulatram: As soon as possible.

Shri M. Ananthasayanam Ayyangar: Is there any plan behind it, any five year or ten year plan? Has the Honourable Minister evolved a plan both for teaching as also for forest re-planting and so on?

The Honourable Shri Jairamdas Doulatram: There is no immediate plan but there will be a plan. I am visiting the Institute myself tomorrow to understand the situation.

Shri Biswanath Das: May I know whether the Honourable Minister is aware of the fact that England is neither an agricultural country nor has she any forests?

The Honourable Shri Jairamdas Doulatram: That is so; therefore nobody will be sent there now.

Prof. N. G. Ranga: Is it not a fact that even those who are to be qualified as forest officers are to be trained in these institutions or are these institutions intended for training rangers and guards alone?

The Honourable Shri Jairamdas Doulatram: Not only rangers but officers also.

Seth Govinddas: Is there any plan at present, as far as the Central Government is concerned, to open such colleges in any other places where they do not exist at present?

The Honourable Shri Jairamdas Doulatram: At present we have two Central institutions. If we are to duplicate these institutions all over the country, the standard of teaching is bound to fall. There is a limited number of fairly highly-qualified instructors; it is with that limited strength that we can at present run these two institutions so as to benefit the country as a whole. A time will come when other Provinces will need forest institutions, but at present we will not be able to man them with staff of the requisite high standard.

Seth Govinddas: Is there any proposal to select students for admission to these Central institutions from the various provinces on the basis of their population or their agricultural needs?

The Honourable Shri Jairamdas Doulatram: An effort will be made in that direction and if any defect is pointed out it will be corrected.

REASONS FOR DIFFERENT CHARGES BY G. N. I. T. LTD., DELHI ON DIFFERENT OR SAME ROUTES

971. *Seth Govinddas: Will the Honourable Minister of Transport be pleased to state the reasons for the difference, if any, between the fare charged by the Gwalior and Northern India Transport Company Limited, Delhi, on their buses for the different routes or between stopping stations on the same route and the fare prescribed by the Chief Commissioner, Delhi?

The Honourable Dr. John Matthai: As far as Government is aware there is no difference between the fares charged by the Company and the rates prescribed by the Chief Commissioner, Delhi. There are regular 'bus stops' and intermediate 'by request' stops and the fares are charged on the basis of the distance between the regular bus stops. A passenger getting down at an intermediate 'by request' stop has to pay the fare up to the next regular stage and this accounts for the apparent discrepancy in the rates of fares referred to by the Honourable Member.

Seth Govinddas: What is the machinery, Sir, which generally checks these bus fares on behalf of Government?

The Honourable Dr. John Matthai: Well, Government do not do any checking as such. As far as Government are concerned, what we do is that when specific cases of irregularities are reported to us, we enquire into them and see that these irregularities are set aright.

Dr. P. S. Deshmukh: Has Government at any time tried to compare the fares obtaining in Delhi with those charged in Bombay?

The Honourable Dr. John Matthai: I have not done it yet.

Dr. P. S. Deshmukh: Will they do it?

The Honourable Dr. John Matthai: Certainly.

Mr. R. K. Sidhva: Is it not a fact, Sir, that the fares of this company are higher than the fares charged by bus services in any town in India?

The Honourable Dr. John Matthai: I will have to enquire into that.

Seth Govinddas: Am I to take it, from the reply which the Honourable Minister gave a few minutes ago, that Government have not received any complaints about the fares charged by this company?

The Honourable Dr. John Matthai: Not so far as I know. I made an enquiry into this matter as soon as I received copy of the Honourable Member's question, and as far as our papers here show, we have not received any formal complaints.

Shri M. Ananthasayanam Ayyangar: Is there any proposal to acquire this company by the State from the 1st April?

The Honourable Dr. John Matthai: I cannot give any particular time limit, but that matter is under very active consideration.

Shri Deshbandhu Gupta: May I know, Sir, whether any further progress has been made in the negotiations which were being carried on between the Government and the Company in respect of the service being taken over by Government?

The Honourable Dr. John Matthai: The question is being examined, by the Standing Finance Committee and the Ministry of Finance.

Dr. B. Pattabhi Sitaramayya: Will Government be pleased, Sir, in view of the extremely high efficiency of the Madras bus service, to get some expert from there and seek his advice in regard to the running of buses here?

The Honourable Dr. John Matthai: I will keep the suggestion in mind.

GUIDES FOR THIRD CLASS PASSENGERS AT DELHI MAIN STATION ON EAST PUNJAB RAILWAY

972. *Seth Govinddas: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that guides for third class passengers have been recruited and posted at the Delhi Main Station on the East Punjab Railway?

(b) Is it a fact that applications were not invited for recruitment, as the selection was confined to the candidates trained in social service and recommended by well-known social service institutions?

(c) What is the number of guides recruited for this purpose?

(d) Out of the total, how many are men and how many are women?

(e) What are their educational qualifications and which social service institutions have recommended them?

(f) In what way were these institutions approached by the Railway Administration?

The Honourable Dr. John Matthai: (a) Yes.

(b) No applications were invited, but well-known Social Service Organisations were requested to recommend suitable social workers for employment as Guides.

(c) and (d). Sixty-eight men and 17 women have been recruited for various stations on the N.P. Railway. Out of this, 27 men and 6 women are employed at Delhi Main Station.

(e) The minimum educational qualification is Matriculation 2nd Division. Candidates are recruited from those recommended by the Central Relief Committee, and the Provincial Congress Committee, the Y.M.C.A. and Y.W.C.A., The Caravan of India and the Boy Scouts Association.

(f) The representatives of the Organisations were invited to attend a meeting at which the objects of the scheme were explained. They were thereafter requested to send their recommendations.

Seth Govinddas: Is it a fact, Sir, that the majority of the persons who have been appointed were persons who were not recommended by any social service institutions?

The Honourable Dr. John Matthai: That is not my information. As a matter of fact, in making these appointments the administrations were specially instructed to keep themselves in close and continual touch with the leading social service organisations of the area.

Seth Govinddas: Will Government make enquiries into the fact that these instructions were not followed by the authorities who made these appointments?

The Honourable Dr. John Matthai: I will certainly do that. At present these appointments are being made on a purely temporary and experimental basis and speaking for myself I am extremely anxious that the scheme should succeed and I am going therefore to institute an enquiry precisely on the lines of the Honourable Member's suggestion.

Mr. R. K. Sidhva: May I know whether the well-known social service organisation, the Hindustan Scouts Organisation was asked to recommend names.

The Honourable Dr. John Matthai: I presume they were asked to; but I cannot give an answer straightway.

Mr. R. K. Sidhva: The name of this organisation was not among the names of social service organisations—just now read out by the Honourable Minister—which were asked to recommend the names of candidates for appointment as Guides. For instance, he mentioned the Boy Scouts Association. Will he kindly ask the Hindustan Boy Scouts Organisation to recommend names.

The Honourable Dr. John Matthai: I will look into that.

Shrimati G. Durgabai: May I know from the Honourable the Railway Minister whether, in view of the importance of this service, Government would be pleased to invite applications from women who seek to serve in this new organisation?

The Honourable Dr. John Matthai: Well, I may tell the Honourable Member one reason why I did not instruct the railway administration to advertise these appointments, is that I want to get, if possible, the class of people who would bring into work of this kind an outlook entirely different from the usual official outlook.

Prof. N. G. Ranga: Were these people given any special training in order to make them fit for this particular work, or if they were not given, will they be given any such training?

The Honourable Dr. John Matthai: The Honourable Member is perfectly right. The question of training is vital and I am having that looked into.

Shrimati Renuka Ray: In view of the necessity of having women guides for third class women passengers not only in Delhi and the East Punjab, but throughout India, would the Honourable the Railway Minister consider the desirability of appointing such guides in all the important stations in India.

The Honourable Dr. John Matthai: That is our idea. As a matter of fact, the railway administrations have been instructed to appoint guides of this kind, and as far as my information at present goes, all the principal railways have made a beginning in this direction.

Seth Govinddas: Have Government instructed the different railways to see that persons who are appointed are recommended by some social service institutions.

The Honourable Dr. John Matthai: Yes, those are our definite instructions.

Shrimati G. Durgabai: May I know from the Honourable the Railway Minister whether Government will be pleased to consult the All-India Women's Conference and also the Kasturba National Trust who have got a number of women workers specially trained for social service.

The Honourable Dr. John Matthai: I am grateful for the Honourable Member's suggestion. I will certainly consult them.

POST OF DIRECTOR OF INDIAN FOREST EDUCATION AT DEHRA DUN

†973. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Agriculture be pleased to state when the post of the Director of Indian Forest Education at Dehra Dun was created?

(b) What is his grade?

(c) Was it a post created in addition to the posts of Principal of the Indian Forest College and the Director of the Indian Forest Ranger's College at Dehra Dun?

(d) If so, what are the reasons for creating this additional post and do Government intend to continue this post?

The Honourable Shri Jairamdas Doulatram: The information is being collected and will be laid on the table of the House in due course.

TAKING OVER BY CENTRAL GOVERNMENT OF FOREST COLLEGE, COIMBATORE FROM MADRAS GOVERNMENT

†974. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Agriculture be pleased to state whether Government contemplate to take over the Forest College at Coimbatore from the Government of Madras?

(b) If so, what are the reasons therefor?

†Answer to this question laid on the table, the questioner having exhausted his quota.

The Honourable Shri Jairamdas Doulatram: (a) Government have decided to take over temporarily the Forest College at Coimbatore.

(b) The very large demand for Forestry training now cannot be met at Dehra Dun without substantial capital outlay in buildings and equipment while these facilities at Coimbatore are not fully utilised as a Provincial institute.

TRACTORS FOR AGRICULTURAL DEVELOPMENT OF COASTAL AREAS

975. ***Shri Satis Chandra Samanta:** (a) Will the Honourable Minister of Agriculture be pleased to state whether tractors have been tried in coastal areas for development of agriculture?

(b) If the answer to part (a) above be in the negative, what steps do Government propose to take for the development of such areas?

The Honourable Shri Jairamdas Doulatram: (a) and (b). Tractors can be used everywhere in India except in marshy or waterlogged land or for the cultivation of wet land rice. In the case of marshy or waterlogged lands tractors can be used after the lands have been properly drained.

Shri Satis Chandra Samanta: Is there any difference in produce?

The Honourable Shri Jairamdas Doulatram: It has not been properly experimented.

PREVIOUS AND FUTURE DATES FOR CATTLE CENSUS IN INDIA

976. ***Shri Satis Chandra Samanta:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the year when the Cattle Census was held last; and

(b) the probable date for the next census?

The Honourable Shri Jairamdas Doulatram: (a) 1945.

(b) 1950.

TELEPHONE CONNECTIONS FOR RESIDENTIAL HOUSES IN CUTTACK

977. ***Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that there is a great demand for telephone connections at Cuttack and that people are not getting them?

(b) Do Government propose to give telephone connections to the residential houses in Cuttack and if so, when?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) Yes; within a year, provided equipment is available.

TRAINING IN U. K. OF CERTAIN RAILWAY EMPLOYEES AS LABOUR OFFICERS

978. ***Seth Govinddas:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that certain railway employees are sent to the United Kingdom for being trained as Labour Officers, under the scheme inaugurated by the Ministry of Labour?

(b) If so, what use, if any, has been made in the past, by the Railway of such persons after they were trained?

The Honourable Dr. John Matthai: (a) Yes.

(b) After training, they are posted as Assistant Personnel Officers whose duties include *inter alia* the consideration of questions affecting labour and its welfare.

Seth Govinddas: Has any report been received by the Government as to the work which these persons have done after their return?

The Honourable Dr. John Matthai: So far I have seen the reports received I think they have been fairly satisfactory in their work. So far I think we have had about 4 people trained under this system since 1944. The first batch came back in 1946 and the second batch came back only last year. So it is a little too soon to judge the value of the work that they are doing at present.

Seth Govinddas: But as the first batch came about two years ago, is it not a fact that that batch has not shown any particular work which persons trained in India could not do?

The Honourable Dr. John Matthai: I forgot to tell the Honourable Member that most of the people who came back after training have opted for Pakistan and got away already.

Seth Govinddas: And how many of them are now working in Hindusthan?

The Honourable Dr. John Matthai: At present, as far as I can tell straight-away, there is only one person and the other three have gone to Pakistan.

Seth Govinddas: As far as that one person is concerned, has he done any particular work since he returned to India two years ago?

The Honourable Dr. John Matthai: It is a little too soon to tell.

Prof. N. G. Ranga: What work is expected of them?

The Honourable Dr. John Matthai: All kinds of problems arising in connection with industrial relations fall within their province.

Prof. N. G. Ranga: Are they expected to work as Labour Conciliation officers or anything of that sort on the Railways?

The Honourable Dr. John Matthai: They are not.

Seth Govinddas: Is there any particular technical training which was given to this person who is now working in Hindusthan and which could not be given in India?

The Honourable Dr. John Matthai: Well, the idea behind is this; it was initiated really in the Ministry of Labour. The whole idea was that in the matter of dealing with industrial relations probably people working here would get a better understanding of what is involved in it if they went to a country like the United Kingdom where it is done on a scientific basis.

CONSTRUCTION OF NEW LINE BETWEEN JAGDALPUR IN BASTER STATE AND RAIPUR STATION ON B. N. RAILWAY

†979. ***Shri Ramprasad Potai:** (a) Will the Honourable Minister of Railways be pleased to state whether there is any proposal for the construction of a new Railway line connecting Jagdalpur in Baster State with Raipur Station on the Bengal Nagpore Railway?

(b) If so, has any survey for the same been made?

(c) When will the construction of the proposed Railway line begin?

The Honourable Dr. John Matthai: (a) Yes.

(b) Yes.

(c) This project will be examined along with the Nagpur-Vizagapatam project which is now being surveyed, in order to determine the most advantageous alignment to develop the area. Government are, therefore, not in a position at this stage to state if the Raipur-Jagdalpur Railway will actually be constructed or when the construction will start.

†Answer to this question laid on the table, the questioner being absent.

INCOME FROM PARLAKIMEDI LIGHT RAILWAY AND CONVERSION INTO A BROAD GAUGE LINE

980. ***Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Railways be pleased to state what is the income derived from the Parlakimedi Light Railway that is managed by the Bengal Nagpur Railway?

(b) How much will it cost on investment if the whole line is to be turned into a broad-gauge line?

(c) How much interest will it bring per year thereby?

(d) What are the quantities of food grains, oil seeds, and pulses that will be probably carried by the said broad-gauge railway and what will be their money value?

(e) Do Government propose to undertake the work of converting Parlakimedi Light Railway into a broad-gauge line during this year?

(f) If so, when and if not, why not?

The Honourable Dr. John Matthai: (a) The net earnings of the Parlakimedi Light Railway during 1946-47 were Rs. 21,000, the percentage return on capital being 0.88 per cent. only.

(b) The cost of converting the Narrow Gauge line into Broad Gauge, including the capital cost of the Narrow Gauge Railway, is estimated at Rs. 147.24 lakhs approximately.

(c) The Survey Reports are under examination, but from information gathered so far the project is not likely to be remunerative.

(d) The Government are not in a position at this stage to furnish the figures asked for.

(e) No.

(f) It is not possible at this stage to state if the work of conversion of the Parlakimedi Light Railway would actually be taken in hand.

COLLECTION OF STATISTICS ON AGRICULTURAL PRODUCE IN PROVINCES

981. ***Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that the Government of India have directed the collection of statistics on agricultural produces in the Provinces?

(b) If so, do Government contribute funds for this purpose?

(c) If so, what is the amount sanctioned for Orissa?

(d) What is the purpose of collecting such statistics?

The Honourable Shri Jairamdas Doulatram: (a) Yes.

(b) Yes.

(c) Rs. 2.7 lakhs in 1944-45, 3.46 lakhs in 1945-46 and 2.87 lakhs in 1946-47. From 1947-48 onwards the Orissa Government have included this scheme in their five year development plans.

(d) In view of the food shortage in the country and the need for scientific planning of agricultural production the Government of India considered it necessary to improve the method of collection of agricultural statistics.

IMPLEMENTATION OF CENTRAL PAY COMMISSION'S RECOMMENDATIONS IN RAILWAY AND STORES DISTRIBUTORS OF B. N. RAILWAY

982. ***Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Railways be pleased to state whether the recommendations of the Central Pay Commission regarding the grades of pay for all categories of railway staff have since been implemented?

(b) Is it a fact that the Stores Distributors of the Bengal Nagpore Railway who were recommended a grade by the Central Pay Commission, have been debarred from it when all others throughout the country got it?

(c) Are Government aware of the discontentment on account of this discrimination?

(d) If so, do Government propose to take steps to rectify this?

The Honourable Dr. John Matthai: (a) Yes. Scales of pay under the Central Pay Commission's recommendations have been sanctioned for all railway staff other than skilled and unskilled artisan staff, some apprentices and some miscellaneous categories of subordinate staff whose case at present is under consideration.

(b) Stores Distributors not only of the Bengal Nagpur Railway but of all Indian Government Railways have been placed on the scales, Rs. 80—5—120—E.B.—8—160 and Rs. 55—3—85—E.B.—4—125—5—130. No specific scale of pay was recommended for Stores Distributors by the Central Pay Commission.

(c) and (d). Do not arise in view of the reply to (b).

IMPORT AND EXPORT OF RAW COTTON, CLOTH AND YARN BETWEEN INDIA AND PAKISTAN

983. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether the Government of Pakistan has imposed any duty on cotton exported to India? If so, is this imposition of duty in conformity with the terms of the Standstill Agreement entered into between the two Governments?

(b) What was the average quantity of raw cotton coming to the territories now comprised in the Indian Union from the Punjab and other parts of the country now included in the new State of Pakistan and what was the quantity of yarn and cloth exported to Pakistan from India?

(c) Has there been any talks between the two Governments in respect of the export and import trade in raw cotton, cloth and yarn between the two dominions? If so, with what result?

(d) What decision have the Government of India taken in respect of its future trade with Pakistan in the above-mentioned commodities, and what steps do Government propose to make India self-sufficient in raw cotton of the quality imported from Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: (a) An agreement has recently been concluded with the Government of Pakistan concerning supplies of cloth and cotton. Under that agreement the export of cotton from Pakistan and cotton textiles from India are subject to customs duties. The Standstill agreement as regards Indo-Pakistan trade terminated on the 29th February, 1948 and the imposition of the duties is in order.

(b) Before partition the territories now in the Indian Union used to get annually about 10 to 12 lakhs bales of cotton from the areas now forming part of Pakistan, and used to supply to those areas about 575,000 hales of cloth and yarn.

(c) The agreement already referred to provides that India will supply 12 bales of cloth and yarn in return for every 20 bales of cotton from Pakistan.

(d) The agreement referred to will last up to the end of August. Future trade with Pakistan in these commodities will form part of a general trade agreement which is proposed to be negotiated. The question of making India self-sufficient in raw cotton is under consideration by the Government of India.

PRESIDENT OF CUTTACK CONSUMERS ASSOCIATION, ORISSA TELEGRAM re FIXATION OF PRICES OF PADDY

984. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Food be pleased to state whether it is a fact that the President of the Cuttack Consumers' Association, Orissa had sent a telegram dated 15th January, 1948 to Government regarding the fixation of the price of paddy and rice in Orissa by the Government of Orissa?

(b) If the answer to part (a) above be in the affirmative, what action has been taken by Government on that telegram and a letter sent in confirmation thereof?

The Honourable Shri Jairamdas Doulatram: (a) Yes, Sir.

(b) An enquiry was made from the Orissa Government and I place on the table a press note, which fully explains the Orissa Government's point of view. The Government of India did not think that they should interfere with the increases in prices which have been allowed by the Provincial Government in this case.

PRESS NOTE

The Provincial Government by Notification No. 44463-ST, dated the 12th December 1947 has fixed the producers price for paddy and rice in the districts of Balasore, Cuttack, Puri, Sambalpur and Ganjam at the following rates from the 16th December 1947 to 31st October 1948 or until further orders:

Coarse—Paddy	Rice	Fine—Paddy	Rice	Superfine—Paddy	Rice
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
6 8 0	11 6 0	7 0 0	12 2 6	7 12 0	13 14 0

The rates represent an increase in the price of coarse paddy of Rs. 2 per maund over last year's prices but only Re. 1-6-0 in fine paddy and Re. 1-2-0 in superfine paddy prices. The price differentials between coarse and fine and fine and superfine have been fixed this year more in consonance with trade practice in the past. The Provincial Government realise that the sudden jump of Rs. 2 in the price of coarse paddy is a serious increase to the poorer class of consumers. The prices so far prevalent in Orissa were fixed on the basis of certain freezing orders of the Government of India and were disadvantageous to the extent of about one rupee compared with the frozen prices in the areas of Madras and Bengal bordering us. This year Bengal and Madras have raised prices by Re. 1-4-0 and Re. 1-6-0 per maund of paddy on our borders. Parity prices are essential not only as a simple act of justice to our cultivators but also to prevent smuggling and upsetting of controlled distribution. The Provincial Government would have liked the general price level to have been stabilised at a lower figure all over this coast as being just both to the agriculturists as well as the consumers but have to stabilise the prices at the present level for the reasons stated above. The cultivators can co-operate to a large extent in making the effect of the rise less drastic on the poorer class of consumers by paying for all their labour in the rural areas in kind instead of trying to haggle for money rates in the expectation of slight profits on the margin. In the ultimate interest of rural economy they will be advised to pay all classes of such labour fair wages in kind and they will also be advised to maintain the rural prices for partial producers and non-producing consumers at a level close to the producers price which price is already high. The Provincial Government are also fully aware of their responsibility to see that the poorer consumers do not suffer. They are watching the situation and if local conditions warrant it they will be ready to issue Government stocks in rural areas at subsidised rates to prevent prices rising too high. They will also suitably subsidise issues to poorer wage earners including Government servants drawing low salaries in the town areas in order to minimise the effect of the price increase on the poorer consumers as much as possible.

Prof. N. G. Ranga: Is it not a fact, Sir, that the paddy and rice prices in Orissa are about the lowest in the whole of India?

The Honourable Shri Jairamdas Doulatram: That may be so.

FALL IN SUPPLY OF CAPITAL GOODS TO INDIA IN VIEW OF EUROPEAN RECOVERY PROGRAMME

985. *Shri Damodar Swarup Seth: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether the attention of Government has been drawn to Mr. Grio P.W.D. Costa's declaration in a joint meeting of the East India Association and the Overseas League that the supply of capital equipment for India is likely to fall due to the high priority to be given to the European recovery programme;

(b) whether it is a fact that steel, coal and transport therefor cannot be obtained under the Marshall Plan or otherwise; and

(c) what are the plans of Government to obtain an early supply of these articles?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) The Government are doing their best to import steel from the U.S.A. for India's urgent requirements.

There is no need to import coal, as the indigenous production can be increased to meet the growing demand.

The availability of rail transport largely depends on the supply position of steel and spare parts for the manufacture of locomotives and carriages and wagons. Requirements of motor transport are obtained through commercial channels.

(c) The Government are in close touch with the U.S.A. authorities through their Embassy here and the India Supply Mission in Washington, and are trying to obtain a reasonable allotment of steel.

No difficulty is anticipated in obtaining trucks from the dollar and non-dollar sources during this half year.

Besides improving rail transport, the Government propose to make increased use of road and water transport for the movement of raw materials and manufactured goods.

Prof. N. G. Ranga: Is the advisability, Sir, of getting this Marshall Plan extended to India in regard to Industries and Commerce being considered by the Department concerned or the whole of the Ministry?

The Honourable Dr. Syama Prasad Mookerjee: Yes, the Government is considering how to obtain facilities for capital goods.

Mr. S. V. Krishnamurthy Rao: Is Government aware that almost a similar statement as stated in this question was made recently in New Delhi by the Honourable Ambassador for U.S.A. in a lecture to the Indian Council of World Affairs?

The Honourable Dr. Syama Prasad Mookerjee: I saw reports in the newspapers.

STATES ISSUING THEIR OWN STAMPS AND KEEPING POST AND TELEGRAPH OFFICE CONTRARY TO INSTRUMENT OF ACCESSION

†986. *Dr. B. V. Keskar: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that though Posts and Telegraphs are a central subject and are recognised as such in the Instrument of Accession, they are under the control of the State authorities in a number of States?

Answer to this question laid on the table, the questioner being absent

(b) Is it a fact that contrary to the Instrument of Accession, a number of States are still permitted to issue their own postage stamps and have their own Post Offices?

(c) What are the States which control their own Post and Telegraph Offices and those which issue their own stamps?

(d) What steps do Government propose to take to bring all Post and Telegraph Offices under the control of the Government of India?

The Honourable Mr. Rafi Ahmed Kidwai: The question should have been addressed to the Honourable Minister of States. It has accordingly been transferred to the list of questions for the 5th April, 1948 for answer by the Honourable Minister of States.

CONSTRUCTION OF NEW AERODROMES IN HYDERABAD STATE WITHOUT CONSULTING GOVERNMENT OF INDIA

†987. *Dr. B. V. Keskar: (a) Will the Honourable Minister of Communications, be pleased to state whether it is a fact that the Government of Hyderabad are constructing new aerodromes without consulting the Government of India?

(b) Are the Government of Hyderabad permitted to do so under the Standstill Agreement?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). The question should be addressed to the Minister of States. It has now been transferred to that Ministry and will be replied to by the Honourable Minister for States on 5th April, 1948.

TRAFFIC BOTTLE-NECK ON LUCKNOW-KANPUR SECTION ON E. I. RAILWAY

†988. *Dr. B. V. Keskar: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that there is a traffic bottle-neck on the Lucknow-Kanpur section of the East Indian Railway?

(b) Are Government aware that this is one of the most important sections in the United Provinces from every point of view for future development?

(c) What steps do Government propose to take to relieve this congestion by doubling the line or otherwise?

The Honourable Dr. John Matthai: (a), (b) and (c). There is adequate line capacity available on the metre and broad gauge lines for immediate and prospective demands. Partially to relieve the overcrowding in passenger trains, the O.T. Railway Katihar-Lucknow passenger trains are being extended to and from Kanpur, with effect from the 1st April, 1948. It is not possible at present further to augment passenger train services on this section on account of the shortage of rolling stock.

APPOINTMENT OF INDIAN COMPANIES AS TOURIST AGENTS

989. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Railways be pleased to state whether the consideration of the question of appointing Indian companies as tourist agents, has been completed?

(b) If so, has any decision been taken and what are they?

The Honourable Dr. John Matthai: (a) Yes.

(b) Government do not consider it in the public interests to extend the activities of Tourist Agents until the conditions of passenger traffic have become more normal.

Dr. P. S. Deshmukh: Is it a fact that there is hardly any Indian company doing this business? If so, will Government be prepared to encourage them to take up this job?

†Answer to this question laid on the table, the questioner being absent.

The Honourable Dr. John Matthai: That question was put to me during the last session, and I went into it with some care with a view to seeing that Indian interests get fair opportunities of sharing in this business. But on a general review of the whole position I have come to the conclusion that in the present conditions of traffic, when there is more traffic offering than the railways with their present equipment can carry, there is really no justification for encouraging the purchase of tickets through tourist agencies, which means that more traffic is attracted and at the same time the railways lose revenue by having to pay a commission. So the decision that I have come to for the time being is that with regard to those companies which are now on our approved list—most of them are international concerns—their activities should be confined to travel by non-nationals who are non-resident in the country. As far as nationals and non-nationals who are resident in this country are concerned, they must purchase their tickets in the usual way and not through tourist agencies.

Dr. P. S. Deshmukh: Is the Honourable Minister aware that we are also falling increasingly in line with other people in purchasing our tickets through travel agencies? So would there be any objection in some Indian company or concern shares the profits which are entirely the monopoly of outsiders here?

The Honourable Dr. John Matthai: What I tried to convey to the Honourable Member is the fact that at present when we have far more traffic offering than we can carry, the justification for this system of purchasing tickets through tourist agencies and the railways giving them a commission for that purpose ceases to exist.

Dr. P. S. Deshmukh: Is the Honourable Minister aware that his non-encouragement of the establishment of Indian travel bureaus is holding up progress in other means of travel such as sea-voyages, etc.?

Mr. Speaker: I am afraid the Honourable Member is entering into an argument.

Prof. N. G. Ranga: What percentage of fares is being paid by the railways to these tourist agencies?

The Honourable Dr. John Matthai: It goes up to 10 per cent. in certain cases.

Prof. N. G. Ranga: Have Government considered the advisability of opening more booking offices in big cities like this instead of allowing that income to these tourist agencies?

The Honourable Dr. John Matthai: That is precisely the direction in which I would like to move.

CONSIDERATION OF APPOINTMENT OF TOURIST AGENTS BY COMMERCIAL COMMITTEE OF INDIAN RAILWAYS CONFERENCE ASSOCIATION

990. ***Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Railways be pleased to state whether the Commercial Committee of the Indian Railways Conference Association held any meeting in the month of July, 1947?

(b) Did this meeting consider the question of appointing tourist agents?

(c) Do Government propose to lay on table of the House a copy of the agenda on the subject of appointing tourist agents that was placed before this Conference?

The Honourable Dr. John Matthai: (a) No. But a meeting was held in October, 1947.

(b) Yes.

(c) It is not the practice of Government to publish the proceedings of purely departmental meetings.

FIXATION OF PRICES FOR STANDARD SIZED DAILY NEWSPAPER UNDER NEWS PRINT CONTROL ORDER, 1947

991. ***Shri Sri Narayan Mahtha:** Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that under the Newsprint Control Order, 1947, the maximum and minimum prices for standard-sized daily newspapers, which published less than 56 pages in a seven-day week, are fixed?

The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member is presumably referring to the Newsprint Control (No. 2) Order, 1947 which came into force with effect from the 3rd April, 1947 in supersession of the Newsprint Control Order, 1947. The answer is in the affirmative. Under clause 11 of the Newsprint Control (No. 2) Order, 1947 the maximum and minimum prices of standard sized daily newspapers publishing less than 56 pages in a seven day week are fixed.

Shri Sri Narayan Mahtha: Is it permissible under the Control Order for a standard size daily newspaper publishing 40 pages in a seven-day week to be sold for one anna per copy?

The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member may refer to rule 11.

Shri Deshbandhu Gupta: Is it intended to do away with the Control Order altogether?

The Honourable Dr. Syama Prasad Mookerjee: That is under consideration.

Prof. N. G. Ranga: How soon will Government come to a decision, in view of the fact that they have given this answer several times during the session?

The Honourable Dr. Syama Prasad Mookerjee: That shows that consideration is still continuing.

Shri Deshbandhu Gupta: Before cancelling the Newsprint Control Order, will Government take into account the difficulties of smaller newspapers in getting newsprint?

The Honourable Dr. Syama Prasad Mookerjee: I am expecting a memorandum on this subject from certain Honourable Members of this House including the questioner, which was promised a week ago.

SHUTTLE TRAIN BETWEEN DELHI AND ROHTAK SUSPENDED DURING COMMUNAL DISTURBANCES

992. ***Ch. Ranbir Singh:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that a shuttle was running between Delhi and Rohtak before the 1st of September 1947?

(b) Is it also a fact that that shuttle was suspended due to disturbances in the area?

(c) If so, do Government propose to resume it and if not, why not?

The Honourable Dr. John Matthai: (a) Yes.

(b) Yes.

(c) A shuttle Passenger train each way has been reintroduced between Delhi and Rohtak from the 20th March, 1948.

Shri Khurshed Lal: Have Government got under consideration the question of restoration of other lines which were discontinued?

The Honourable Dr. John Matthai: We are trying to reintroduce trains as quickly as possible, but we are limited by the shortage of rolling stock at present. We have introduced a considerable number of additional trains during the past three or four weeks.

**TRANSPORT FACILITIES FOR *Gur* FROM STATIONS ON EAST PUNJAB RAILWAY TO
- STATIONS B.B. & C. I. RAILWAY**

993. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that a large quantity of *Gur* is lying in the markets of Delhi Province and in Ambala Division, especially in Rohtak Mandi for want of transport facilities on the Railways?

(b) Is it a fact that the loading of *Gur* from the markets mentioned in part (a) above is closed to stations on the Bombay, Baroda and Central India Railway?

(c) Is it also a fact that a large proportion of *Gur* produced in the area mentioned in part (a) above used to be transported to stations on the Bombay, Baroda and Central India Railway?

(d) If so, do Government propose to provide special facilities for transport of *Gur* from the stations on the East Punjab Railway to the stations in Rajputana on the Bombay, Baroda and Central India Railway?

* The Honourable Dr. John Matthai: (a) and (b). Yes, mainly because movement is required to stations on the B.B. and C.I. Railway, booking to which is at present limited.

(c) Yes, except during last year.

(d) Special arrangements for moving train loads of *Gur* sponsored by the Food Ministry, from stations on E.P. Railway to stations on B.B. and C.I. Railway have already been made. I understand the Food Ministry now have under consideration the sponsoring of additional movements from these particular areas.

**RECRUITMENT TO POSTS OF CLERKS IN POSTS AND TELEGRAPHS DEPARTMENT IN
EAST PUNJAB CIRCLE**

994. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that the last competitive examination for recruitment of clerks in the Posts and Telegraphs Department was held in 1943 for the Punjab and North West Frontier Circle?

(b) Is it also a fact that only persons who came out successful in the competitive examination, were placed on the list of approved candidates, maintained for appointment as clerks?

(c) Is it also a fact that under the rules, the vacancies in the department are to be filled in from the candidates, who are on the approved list?

(d) Is it also a fact that several vacancies have been filled up permanently, by candidates, who have neither passed the competitive examinations nor were on the approved list, maintained under the rules in the East Punjab Circle?

(e) If the answers to parts (c) and (d) above are in the affirmative, do Government propose to reconsider the cases of those persons, who have been overlooked?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) and (c). No. Not after 1941.

(d) No.

(e) Does not arise.

IMPORTED FOOD GRAINS FROM FOREIGN LANDS LYING UNDISTRIBUTED

995. *Shri Ramnarayan Singh: Will the Honourable Minister of Food be pleased to state whether all the foodgrains hitherto purchased and imported from foreign lands, have been distributed and consumed and if not, how much is lying undistributed?

The Honourable Shri Jairamdas Doulatram: Between January and March, 1948 according to information available at present a total quantity of 886,000 tons of imported foodgrains will have arrived in India. The distribution of this total quantity is as follows:

(a) Deficit Provinces and States	738,000 tons.
(b) Exchange with other countries for rice	28,000 "
(c) Earmarked for Central Government reserve	120,000 "
Total	886,000 tons.

The Honourable Member will be interested to know the detailed mechanics of how imported foodgrains are received and are put into consumption. All imported foodgrains are received on account of the Central Government. On arrival at each port they are moved to the godowns. From the godowns the quantities are despatched to the various deficit Provinces and States against the year's basic plan allocations made to them. The Provinces and States use the quantities received by them for the purposes of distribution through their system of rationing or controlled distribution. Most of the grain which has so far arrived has already been despatched to the various consuming Provinces and States for consumption through their controlled channels of distribution. The quantity earmarked for Central Reserve will be reached by imports expected to arrive by 31st March, 1948. This quantity will be held in storage godowns by the Central Government to be utilised to meet further demands of Provinces and States towards their allocated quotas or for any special emergency demand. More imports will be arriving in the remaining portion of the year.

Prof. N. G. Ranga: In what centres have the Government of India got their central storage godowns?

The Honourable Shri Jairamdas Doulatram: We have some at Bombay, Calcutta and South India.

Shri Ramnarayan Singh: Does the Honourable Minister satisfy himself that whatever is given to the provinces is consumed by them?

The Honourable Shri Jairamdas Doulatram: Surely, Sir. If there is any complaint I am prepared to go into it.

Shri Ramnarayan Singh: Is the Honourable Minister aware that in certain parts of the country *Jia* and maize are lying undistributed and unconsumed?

The Honourable Shri Jairamdas Doulatram: I am not aware of it.

Shri S. V. Krishnamoorthy Rao: In view of the fact that Madras and Mysore are deficit provinces will the Central Government think of having a central godown in Madras?

The Honourable Shri Jairamdas Doulatram: Yes, we have it there.

**BOOKING OF GOODS FROM DELHI RAILWAY STATION TO STATIONS ON O. T.
RAILWAY VIA MORADABAD**

996. *Shri Ramnarayan Singh: Will the Honourable Minister of Railways be pleased to state whether it is a fact that booking of all goods from Delhi Railway Station to stations on the Oudh and Tirhut Railway via Moradabad has been stopped for a year or so and if so, why?

The Honourable Dr. John Matthai: No. Booking was entirely stopped only during the period between 23rd of December, 1947 and 22nd of March, 1948.

DELAY IN PRINTING OF ASSEMBLY DEBATES

Dr. B. Pattabhi Sitaramayya: Now that we have finished a thousand questions in this term, may we request you to make available the printed answers to these questions whether the full reports are issued or not. The next question is an important one because it relates to the disappearance of 30 wagons of salt from Gorakhpur district.

Seth Govinddas: Are you aware that even the questions and answers of the last Session have not yet been supplied to members?

Mr. Speaker: I have already informed the members of the difficulties in the way. The matter rests with the Press and unless the House has its own press, the matter cannot be satisfactorily solved. The scheme is already there but it will naturally take some time to put it into force in view of the difficulties of obtaining machinery and having the necessary buildings.

However, I shall certainly consider the proposal which the Doctor has made and see what is possible. I do not promise anything. I will see what steps are possible to have the despatch of these answers expedited.

Prof. Shibhan Lal Saksena: May I suggest that they be printed in the *Gazette of India*?

Mr. Speaker: That is not the publication of the House.

STARRED QUESTIONS AND ANSWERS—Contd.

(b) WRITTEN ANSWERS

DELAY IN DELIVERY OF SOME SALT WAGONS TO DISTRICT SUPPLY OFFICER, GORAKHPUR

997. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that thirty-two wagons of salt disappeared from the Gorakhpur Railway-yard in the first week of October, 1947 and were delivered to the District Supply Officer, Gorakhpur in February 1948?

(b) If so, has any inquiry been held by Government to find out the causes for this delay?

(c) What is the result of the inquiry?

(d) What action have Government taken against those who were responsible for the delay?

(e) What steps, if any, have been taken or do Government propose to take to prevent repetitions of such cases in future?

The Honourable Dr. John Matthai: (a) and (b). The thirty-two salt wagons to which reference has been made formed a part of three hundred and odd loaded wagons that the railway had been unable to connect with booking documents during the latter part of the year 1947. The wagons were stabled at Gorakhpur. In October, 1947, Gorakhpur Yard became badly congested and the unconnected wagons had consequently to be moved away to facilitate yard operation. Attempts were made to deliver the contents of the wagons by tracing the consignors and consignees. These having failed, the loads were offered to the District Supply Officer, Gorakhpur, to whom they were ultimately delivered. The delay in delivering the wagons was due to inability to identify the correct consignees. The wagons were not consigned to the District Supply Officer, Gorakhpur, and were made over to him only as a last resort to ensure the proper distribution of a commodity at the time in short supply.

(c) Does not arise.

(d) Does not arise.

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(e) Steps have been and are being taken to strengthen the organisation with the object of ensuring that consignments are so handled that they are not disconnected from their booking documents. There are already signs of appreciable improvement in this respect.

CONSIGNMENTS OF FULL WAGON LOAD OF GOODS REACHING DELHI LATE FROM BOMBAY AND CALCUTTA

998. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Railways be pleased to state the number of consignments of full wagon load of goods which took more than one month to reach Delhi from Bombay and Calcutta respectively during the last six months?

(b) What is the number of consignments which had reached Delhi but instead of being delivered to the consignees, were despatched to other stations, by the railway staff?

The Honourable Dr. John Matthai: (a) 33 consignments of full wagon loads of goods from Bombay and 126 from Calcutta took more than one month to reach Delhi during the period 1st October, 1947 to 10th March, 1948.

(b) The information is being obtained and will be placed on the table of the House.

ENQUIRY INTO DELAYS IN TRANSIT OF GOODS TO DELHI FROM BOMBAY, MADRAS AND CALCUTTA

999. ***Shri Deshbandhu Gupta:** Will the Honourable Minister of Railways be pleased to state whether Government have considered the desirability of instituting an inquiry into the causes of extra-ordinary delays which occur in the transit of goods by goods trains to Delhi from port-towns like Calcutta, Bombay and Madras? If not, why not?

The Honourable Dr. John Matthai: No. Delays in transit to goods from Port to Delhi during recent months were mainly due to the abnormal conditions obtaining in Delhi and surrounding areas, which had serious repercussions on railway operation. Congestion in Delhi resulted in wagons having to be stabled short of destination. Breaches on the Delhi-Ghaziabad section contributed to a difficult situation.

There has been marked improvement of late, and the position is kept continually under watch and is expected to return soon to normal.

REPRESENTATION BY POSTAL AND TELEGRAPH EMPLOYEES re ANOMALIES IN PAY COMMISSION'S RECOMMENDATIONS

1000. ***Prof. N. G. Ranga:** Will the Honourable Minister of Communications be pleased to state:

(a) whether any representations have been received from the postal and telegraph employees regarding the anomalies in the recommendations of the Pay Commission;

(b) if so, what the general nature of those representations is; and

(c) what action has been taken so far in this connection?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) and (c). A statement showing the main complaints regarding anomalies, and the action taken in the matter, is placed on the table of the House.

Statement showing Main Anomalies in regard to the Fixation of Pay represented by P. & T. Staff and Unions

Anomalies	Action taken
1. According to rule 10 of the Central Civil Services (Revision of Pay) Rules a junior official will in some cases draw more pay than his seniors after refixation of pay in the new scales and drawing the next increment.	The matter is under consideration.
2. Fixation of pay of pre-1931 entrants. According to the Central Civil Services (Revision of Pay) Rules there will be reduction in pay of these officials in some cases if they elect the prescribed scale.	Government have decided to remove the anomaly in this case and issued a press communique on the subject on 4-2-48. Formal orders will be issued shortly.
3. Fixation of pay of holders of "non-permanent posts" i.e., posts created as a temporary measure during war on inflated rates of pay. According to the rules there will be reduction in their pay in some cases when their pay is fixed in the prescribed scales.	In the Posts and Telegraphs Department there is only one class of officials falling under this category who will be adversely affected, i.e. Women telephone operators in Delhi appointed in the war-time scale of pay of 90-5-120. The cases of these officials is under consideration.
4. Fixation of pay of clerks of subordinate Posts & Telegraphs Offices who have been absorbed in the cadre of 1st Division Clerks in the Circle Offices. They may in some cases draw less pay in the 1st Division scale than they would have got if they had remained in the Posts & Telegraphs Offices.	Under consideration.
5. Postal signallers absorbed in the cadre of telegraphists may in some cases get less pay than they would have drawn had they remained as Postal signallers.	Under consideration.
6. Reduction of total emoluments of certain officials as a result of the withdrawal of the interim concessions like Good Conduct Pay etc.	Orders have issued protecting lower paid officials from loss of old emoluments upto a maximum of Rs. 100/- p.m. The question of including personnel pay under the Adjudicator's Award in "present pay" for fixation of pay in the prescribed scales under consideration.

PORTS TRUSTS IN INDIA

1001. *Prof. N. G. Ranga: Will the Honourable Minister of Transport be pleased to state:

- how many Port Trusts there are at present in India;
- how many of the Presidents of Port Trusts are Indians; and
- what control Government have over the Port Trusts?

The Honourable Dr. John Matthai: (a) Three Major Port Trusts including the Commissioners for the Port of Calcutta.

(b) Two.

(c) Government Control over the Ports Trusts is exercised as provided for in the Indian Ports Act, 1908, the Madras Port Act, 1905, the Bombay Port Trust Act, 1879 and the Calcutta Port Act, 1890.

ORGANISATION OF CO-OPERATIVE DRYING AND CURING OF FISH AND PROVISION FOR TRANSPORT FACILITIES

1002. *Prof. N. G. Ranga: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether any efforts are being made by Government to organise the co-operative drying and curing of fish at any centre in the east or west coasts of India;

(b) whether any efforts are being made to persuade the railways to provide the necessary special wagons for the conveyance of fish; and

(c) what action has been taken on the note sent by the Federation of Rural Peoples Organisations, on the need for organising the fishermen into co-operative societies and providing them with necessary credit and technical assistance?

The Honourable Shri Jairamdas Doulatram: (a) As the Honourable Member is aware, Fisheries is a Provincial subject. The Provincial and State Governments concerned have been requested to furnish the requisite information—which, when received, will be placed on the table of the House.

(b) The matter has been taken up by this Ministry with the Railway Board who have already issued instructions to the Railways for establishing contact with the Provincial Governments in order to ascertain their requirements of wagons for the transport of perishables including fish.

(c) The position in regard to the organisation of multi-purpose Co-operative Societies was discussed by the Fisheries Development Adviser to the Government of India with the federation in March, 1947. As Fisheries is a Provincial subject it was suggested that the Federation might address the Provincial Governments. Government would be glad to give such help in connection with the organisation of the Societies as may be possible when the Provincial Governments proposals in this regard are received.

EDITORIAL OF 'INDIAN SKY WAYS' re REPLACEMENT OF AIR CRAFT AND MODIFICATIONS IN DESIGNS OF U. S. A. AND WEST

1003. *Prof. N. G. Ranga: Will the Honourable Minister of Communications be pleased to state:

(a) whether the attention of Government has been drawn to the editorial of the "Indian Sky Ways" of February, 1948, in which it is stated that by the middle of 1950 Airline Operators "will have to give serious attention to replacement of air-craft and that extensive modifications have to be made in the available air-craft designs of the United States of America and the West"; and

(b) whether it is a fact that the sales representatives of the western manufacturers are not giving proper attention to such needed modifications?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) No. The manufacturers have sent technical representatives to India and have rendered valuable assistance in rectifying defects and incorporating any necessary modifications. Director General of Civil Aviation in India is also in constant communication with the manufacturers on such matters.

INCREASE IN EXPENDITURE ON INDIAN AGRICULTURAL RESEARCH INSTITUTE, DELHI

1004. * { Shri S. V. Krishnamurthy Rao:
Shri R. R. Diwakar:

(a) Will the Honourable Minister of Agriculture be pleased to state whether Government are aware that the annual expenditure on the Indian Agricultural Research Institute, Delhi has shot up from about 8 lakhs in 1941 to 12 lakhs in 1947?

(b) Have Government assessed the value of the performance of this Institute in terms of effective translation of results of research into actual practice?

(c) Does the Institute tackle problems arising out of the day-to-day needs of the Indian agriculturist, or follow lines of abstract research?

(d) Has the Institute, tackled the problems of waste of human manure, want of storage facilities for good and uniform seed, helplessness against pests and rodents in Indian villages?

(e) What are the channels through which results of research, which can bring immediate returns, are conveyed to the agriculturist in the village?

(f) Are such results published and popularised in all Indian languages in popular and non-technical phrase?

The Honourable Shri Jaramdas Doulatram: (a) The figures for expenditure are approximately correct, the revised estimates for 1946-47 being Rs. 11,23,100. The expenditure has not shot up suddenly. The annual average during 1940-41, 1941-42, 1942-43 roughly was Rs. 6,50,000, the annual average during 1943-44 and 1944-45 was Rs. 7,45,000. In 1945-46 it was Rs. 9,54,000. The rise in wages of labour, cost of laboratory equipment, concentrates and fodder mainly account for the increase. The gradual rise in expenditure generally has also been due to war and dearness allowance, expansion of post-graduate training from 24 to 100 students and extension of research to all branches of agriculture.

(b) Government are aware of the useful research work done at the Institute and the effect of the translation of its results in actual practice has been noticeable in—

(i) the development of certain pedigree cows whose milk yield now averages to about 20 lbs. per day,

(ii) the introduction of the famous Pusa wheat variety which covers by now over one-fifth of the entire area under wheat in India and which stands well against rust epidemic,

(iii) the use of improved variety of sugarcane for about 70 per cent. of the total sugarcane crop,

(iv) the successful combating of the locust pest during the last locust cycle and thus saving a good portion of the country's crop,

(v) the progressive control of certain other pests, specially of sugarcane and potatoes,

(vi) the breeding of new varieties of barley, pulses and oil seeds which are now under distribution.

These are some of the main gains of the research work done.

(c) The Institute tackles some of the fundamental scientific problems relating to the day to day needs of the Indian Agriculturist as has been indicated in the reply to part (b). All research may appear to be in a sense abstract but all progress depends on fundamental research. Government, however, feel that in view of the urgency of the problem of food self-sufficiency, the question of greater concentration on certain special schemes of research may have to be considered.

(d) The Institute carried on research work on a compact scheme for two years from 1945 to 1947, and has also published the valuable results of special research on storage and foodgrain pests and their control four years ago. The problems referred to in this part of the question are, however, problems not so much of research at the Institute as problems relating to steps to be taken by local governments and authorities to apply the results of research.

(e) and (f). The results of research work carried out at this Institute are at present conveyed to the people generally through publications and also articles in Indian journals, besides the published Annual Reports. These results are further published in non-technical language in the journal called 'Indian Farming' published by the Indian Council of Agricultural Research. Arrangement has been made by that organisation to publish Hindi issues of the Journal shortly under the name of *Kheti*. It is the function of the provincial and State governments to carry the results of research to the agriculturist in the village. But so far as the Central Government is concerned, it is realised that it may in the present conditions be desirable for it to take special steps in cooperation with provincial and State Governments further to popularise the results of research among the agriculturists.

BASIS FOR STARTING POST OFFICES AND BRANCH POST OFFICES IN VILLAGES

**1005 * { Shri S. V. Krishnamurthy Rao:
Shri R. R. Diwakar:**

(a) Will the Honourable Minister of Communications be pleased to state what is the basis on which new post-offices or branch post-offices are usually started in villages?

(b) Have Government any plan for extending postal facilities to every village with a population of about 500 or more?

(c) Do Government propose to consider the desirability of providing the facility of daily delivery of post to such villages?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). Government desire to open post offices, as a first step, in villages with a population of 2,000 or more. They may also be opened in a smaller village provided it is necessary in the interest of the general public. Where an office is not likely to pay its way, deficit to the extent of Rs. 500 a year is condoned. This limit is raised to Rs. 750 per annum when the new post office is for a village or group of villages having a total population of 2,000 or over and the villages are situated within a diameter of 4 miles and it is expected that the loss will be reduced to Rs. 600 within the first 6 months and to less than Rs. 500 at the end of the first year.

(c) Government's policy is to increase the frequency of delivery of mail to villages and to ensure that there is no village which is not visited by a Postman at least once a week.

RAILWAY INTERSECTIONS ON PROVINCIAL ROAD NEAR BAREILLY AND INCONVENIENCE TO ROAD TRAFFIC

1006. *Shri Damodar Swarup Seth: Will the Honourable Minister of Railways be pleased to state:

(a) whether Government are aware that the Bareilly-Muttra provincial road is intersected on the southern border of the town of Bareilly by two Railway lines, i.e., the East Indian Railway and the Oudh and Tirhut Railway;

(b) what is the average number of trains which pass daily during the 24 hours (i) on the East Indian Railway (Broad gauge) and (ii) on the Oudh and Tirhut Railway metre gauge respectively over the points of intersection;

(c) what are the orders of the railway authorities concerned to the gate-keepers at the broad gauge and the metre gauge level crossings respectively, as to how long before the expected arrival of a train, the gate-keepers concerned should close the gate to road traffic;

(d) the aggregate amount of time for which (i) the broad gauge; and (ii) the metre gauge gates respectively, are kept normally closed during the 24 hours daily;

(e) the aggregate time during which the two gates are normally kept closed between 4 A.M. to 8 P.M. daily when the bulk of the road traffic passes along the provincial road at the points of intersection;

(f) whether Government are aware that inconvenience is caused to the public on account of the traffic along the Provincial road being held up at the level crossings; and

(b) 34 broad gauge trains and 24 metre gauge trains pass through this cross-the situation?

The Honourable Dr. John Matthai: (a) Yes.

(b) 34 broad gauge trains and 24 metre gauge trains pass through this crossing daily.

(c) No specific time is laid down for the closing of the level crossing gates. The gatemen are required to see that the gates are closed only for the minimum time required to ensure the safety of road traffic.

(d) About 8 hours for B.G. trains and 3 hours for M.G. trains.

(e) About 4½ hours for B.G. trains and 2 hours for M.G. trains.

(f) Delays to road traffic with consequent inconvenience are unfortunately unavoidable.

(g) It is a matter for Provincial Government decision as to what should be done to remove an inconvenience which is being felt by road traffic.

TOTAL INVESTMENT IN INDIA UNDER 'INDUSTRIES' AND 'ESTATES' BY U. K. AND U. S. A.

1007. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and Supply be pleased to state the total investment in India under the heads of 'Industries' and 'Estates' made by the United Kingdom and the United States of America?

(b) Have Government sanctioned the so-called fifty-fifty agreement between Birlas and Nuffield and Tatas and Imperial Chemicals?

The Honourable Dr. Syama Prasad Mookerjee: (a) The information asked for is not readily available but is being collected.

(b) No, Sir.

REQUIREMENTS OF FOREST WEALTH OF INDIAN AND WOOD DISTILLATION INDUSTRY.

1008. *Diwan Chaman Lall: (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that there is only one Wood Distillation Factory in India?

(b) If so, what are the requirements of the forest wealth of India and how far the capacity of the Factory meets them?

(c) what steps do Government propose to take to expand the wood distillation industry to enable it to cope with the requirements of the country?

The Honourable Shri Jai Ramdas Doulatram: (a) There are at present three Wood-distillation (destructive distillation) factories in India, and a fourth one is being considered. They are as under:

(1) The Mysore Iron and Steel Works, Bhadravati, which produces charcoal by distillation for the manufacture of iron and steel by the Charcoal process. These works have been in existence for over 20 years.

(2) Kolhapur Wood Distillation, Kolhapur.

(3) Calcutta Wood Distillation Co., 11/4, Canal Circular Road, Calcutta. Started in 1946.

(4) The Bombay Government had under contemplation about a year ago the erection of a plant at Londa. The present position about this scheme is not known.

(b) Charcoal, the main product of wood distillation, is being manufactured all over the country in what are known as indigenous kilns. This charcoal is ordinarily presumed to meet the Indian requirements. The by-products, such as acetone, acetic acid and methyl alcohol, are all wasted and cannot be recovered when wood is burnt in indigenous kilns. In the factories named above these are recovered but are insufficient for the country's requirements.

(c) Destructive distillation of wood in India has not hitherto made much progress because of the following reasons:

(1) It requires a costly and cumbersome machinery for the recovery and refining of by-products.

(2) Enormous amount of Wood from suitable species is required to sustain a large factory. These supplies are difficult to maintain at reasonably low rates.

(3) The by-products, such as acetone, acetic acid and methyl alcohol, are now-a-days being manufactured more cheaply by synthetic processes.

For the above reasons large-scale Destructive distillation of wood with modern machinery is also going out of favour in foreign countries, and is being replaced by small continuous type of kiln which is more economic to run. This type of kiln is at present little known in India.

RESULTS OF RESEARCHES CONDUCTED BY INDIAN COUNCIL OF AGRICULTURAL RESEARCH

1009. *Shri Ramnarayan Singh: Will the Honourable Minister of Agriculture be pleased to state:

(a) what have been the important results of research conducted by the Indian Council of Agricultural Research during the past ten years;

(b) whether such results have been conveyed to the cultivators in the country and if so, in what way and with what effect; and

(c) what research is being carried on at present?

The Honourable Shri Jai Ramdas Doulatram: (a) A detailed summary of the important results achieved since the inception of the Indian Council of Agricultural Research including also the results for the past ten years was prepared last year. As no spare copies of the summary are available, it is being printed, and a copy will be placed on the table as soon as printed copies are available.

(b) The results achieved are communicated to the Provincial Governments who are expected to bring the result of the research work sponsored by the Council to the knowledge of the cultivators. The results are also published in the Journals of the Council from time to time. Government are not satisfied that full use of the results of research is being made. Government are considering suitable steps to remedy the state of things.

(c) Attention is invited to the list of current research schemes financed by the Indian Council of Agricultural Research which was placed on the table of the House in reply to Starred Question No. 680 by Dr. V. Subramaniam on 10th March, 1948.

TRACTORS IN USE IN VARIOUS PROVINCES FOR AGRICULTURAL DEVELOPMENT

1010. *Shri Ramnarayan Singh: Will the Honourable Minister of Agriculture be pleased to state:

(a) how many tractors are being at present used in the several provinces of the country for the development of agriculture;

(b) whether it is a fact that fifty tractors as reported in the *Hindustan Times*, dated the 10th March, 1948 are working at one place in the United Provinces and if so, whether they are Government or private tractors;

(c) how many tractors are being used in Bihar?

(d) whether there are any tractors in the possession of the Government of India, and if so, where they are being used; and

(e) how many tractors are expected to arrive in the country within the next six months and to which provinces are they being allotted?

The Honourable Shri Jairamdas Doulatram: (a) The information available with the Government of India as to the number of tractors at present used in the several provinces of the country is as follows:

Orissa.....1
Madras.....95

all owned by the Provincial Government.
No information is at present available about the number of tractors owned by private parties.

Bombay.....84
United Provinces.....40
Assam.....4
West Bengal.....4
C.P. and Berar.....11

of which 4 are owned by Government and the rest by private parties.

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Information from other provinces is awaited and will be placed on the table when available.

(b) The tractors working in the Jhansi Division of United Provinces mostly belong to the Government of India. Not fifty but 43 tractors are working there in the Jhansi Division of the United Provinces. Of these 32 belong to the Government of India and the rest to the Provincial Government.

(c) Full information is not yet available.

(d) 202 tractors are owned by the Government of India at present. All these 202 were acquired from Army Disposals, 131 have been completely rehabilitated and are fit for use. These tractors are employed as follows:

(1) For Land Reclamation work, in the United Provinces:

Meerut (Ganga Kadar).....17
Naini Tal (Terai).....18
Jhansi (Lalitpur).....32

In the Central Provinces:

Saugor (Khurai).....32

(2) For training purposes in the Central Tractor Organisation.....7
(3) For mechanical cultivation in the United Provinces.....10
(4) For C. P. W. D.....3
(5) Reserve.....2

(e) It is not possible to say how many tractors will be received on private account within the next six months. On Government account, however, 440 tractors have been ordered for early delivery. It is expected that quite a good number of these will arrive within the next six months. The distribution of these tractors to provinces has yet to be finalised. The programme of making India self-sufficient in regard to food and the readiness of provincial plans for immediate implementing will be among the guiding principles in determining the final distribution.

PROPOSED VILLAGE POST OFFICES IN DISTRICTS OF RANCHI, PALAM, SINGHBHUM AND MANBHUM.

1011. *Shri Ramnarayan Singh: Will the Honourable Minister of Communications be pleased to state the number and names of village post offices proposed to be opened in the districts of Ranchi, Palam, Singhbhum and Manbhum in the year 1948-49 and also whether any financial aid has been demanded from the people of the villages concerned?

The Honourable Mr. Rafi Ahmed Kidwai: A statement furnishing the required information in respect of proposals that have so far come up for examination for the year 1948-49 is laid on the table of the House.

Statement

Showing the number and names of new village post offices proposals for the opening of which during the year 1948-49 have so far come up for examination, including one case in which local people have been asked if they are interested in furnishing financial aid.

(1) *Ranchi District.*—(i) Bargaon, (ii) Barendra, (iii) Pithoria, (iv) Mamarla, and (v) Phudi.

(2) *Palamau District.*—(i) Kusa, (ii) Untari Road (local people have been asked if they are willing to pay a contribution of Rs. 98-8-0 for one year for the maintenance of the proposed experimental post office. This is the amount by which the estimated loss in working the office for one year exceeds Rs. 500 which is the permissible annual loss in such cases), (iii) Karkata.

(3) *Singhbhum District.*—Kudlung.

(4) *Manbhum District.*—(i) Lodna, (ii) Ekra, (iii) Jamadoba, (iv) Jitpur, (v) Salanpur, (vi) Kirkend, (vii) Kustore, (viii) Dhansar, (ix) Sindri, (x) Keshargarh, (xi) Parbelia, (xii) Saltore, (xiii) Jituguri, and (xiv) Ramchandrapur.

1012. * [Withdrawn.]

IMPORT OF DRY FRUITS FROM PAKISTAN AND OTHER COMMODITIES

1013. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Food be pleased to state whether India is self sufficient in dry fruits?

(b) What are the countries exporting dry fruits to India?

(c) Is it a fact that most of the dry fruits come from Pakistan?

(d) If the answer to part (c) above be in the affirmative, has any agreement been reached between India and Pakistan as regards the import of dry fruits?

(e) Are any individuals permitted to import them from Pakistan?

The Honourable Shri Jairamdas Doulatram: (a) No.

(b) The main exporting countries from which India obtains dry fruits are: Bahrein Islands, Kenya Colony, Italy, Greece, Turkey, Muskat and Trucial Owen, Other Arab States, Iraq, Iran, Portuguese East Africa, Afghanistan, and Pakistan.

(c) Exact figures are not available but considerable quantities of dry fruits are imported from West Punjab, N.W.F.P. and Baluchistan.

(d) Until March, 1948 there were no legal restrictions on the export from Pakistan or import into India of dry fruits. Now, so far as the imports of dry fruits into India are concerned, such imports are permitted on a General Open Licence which means that any individual who wants to import dry fruits from Pakistan to India is allowed to do so and is given the necessary permit. So far as exports from Pakistan to India are concerned, it is understood that though the Pakistan Government have adopted a system of export permits, their general policy is to issue export permit to whoever desires to export dry fruits from Pakistan to India. It is not therefore considered necessary to have a separate agreement with Pakistan on this subject at this stage.

(e) Yes, as explained in (d).

DELAY IN DELIVERY OF AIR MAIL LETTERS FROM INDIA IN FAR EAST COUNTRIES

1014. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that Air-Mail letters posted in India are not reaching Indo-China, Burma, Malaya, Singapore and Indonesia in time?

(b) What is the normal time taken for an air-mail letter to reach these countries?

(c) Have Government received any representation from any Indians living in these countries to this effect?

(d) What steps do Government propose to take to arrange for the regular delivery of letters to Indians in the Far-East countries?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Government have no such information.

(b) A statement containing the required information as far as is available is laid on the table of the House.

(c) No.

(d) Does not arise.

Statement

Showing the normal transit time for air mail letters to certain foreign countries from the place they leave India by air.

- (1) *Burma*.—Air mails despatched from Calcutta reach Rangoon the same day, except on Sundays when there is no service.
- (2) *India-China*.—Air mails are routed through Rangoon, to which place they are carried by air every morning, except on Sundays, taking about 3½ hours in flight from Calcutta, where outward air mails for Rangoon are collected. Information in regard to the time taken in air transit onward from Rangoon to Indo-China is not available, but it is being collected from the Foreign Administrations concerned.
- (3) *Malaya*.—Air mails reach Malaya on the day following their despatch from Calcutta which is the centre for despatch of air mails for all countries in the East.
- (4) *Singapore*.—Same as for Malaya.
- (5) *Indonesia*.—Air mails are due to reach Indonesia on the third day of their despatch from Calcutta.

PRINCIPLES GOVERNING THE WORK OF RESERVE FUND AND BETTERMENT FUND

1015. *Shri Upendranath Barman: Will the Honourable Minister of Railways be pleased to state:

(a) the principle under which the Reserve Fund and Betterment Fund work;

(b) the rule that guides the augmentation of, and disbursement from, the said two funds; and if there be no definite rule, the reason therefor; and

(c) whether Government propose to consider the desirability of relieving the Railway Administration from its position of continued indebtedness; and if so, by what suitable method?

The Honourable Dr. John Matthai: (a) and (b). The Honourable Member's attention is invited to the Resolution of the Legislative Assembly of the 20th September, 1924 regarding the Railway Reserve Fund and to the Proceedings of the Standing Finance Committee for Railways of the 16th February and 18th July, 1946 regarding the Betterment Fund.

(c) The Railways have not been in a state of continued indebtedness. The question, therefore, does not arise.

IMPLEMENTATION OF THE REPORT OF CENTRAL LAND UTILISATION SUB-COMMITTEE

1016. *Shri Upendranath Barman: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether the report of the Central Land Utilization Sub-Committee submitted in the year 1945 by the Chairman, Shri N. Gopalaswami Ayyangar, has since been acted upon;

(b) whether the Indian Council of Land Utilization (Advisory Council and Executive Board) has been constituted, as recommended by the Ayyangar Committee; and if so, who are the personnel; and

(c) if the answer to part (a) above be in the negative, why they have not been acted upon?

The Honourable Shri Jairamdas Doulatram: (a) and (b). No.

(c) The Ayyangar Committee, while dealing with the problem of Soil Conservation, has submitted a report, which was too extensive and the scope of the Indian Council of the Land Utilisation (Advisory Council and Executive Board) as envisaged by the Ayyangar Committee, was regarded as too wide, including as it did the major activities of the three Ministries of Agriculture, Works, Mines and Power and Transport (Roads).

It is obvious, that such an ambitious programme could not be given practical shape, in view of the day-to-day political developments. The whole scheme has had to be reconsidered afresh, in the light of the constitutional changes, and a proposal for the formation of a Central Soil Conservation and Land Utilisation Bureau under the Agriculture Ministry is under discussion.

CULTIVATED AREA AND CULTIVABLE WASTE IN BENGAL AND IN EAST BENGAL

1017. *Shri Upendranath Barman: Will the Honourable Minister of Agriculture be pleased to lay on the table of the House a statement showing the following particulars district-wise:

(a) the average cultivated area and the average area of cultivable waste in the Province of Bengal, before it was partitioned;

(b) the average cultivated area and the average area of cultivable waste in the Province of West Bengal, after Bengal was partitioned; and

(c) whether any classification of cultivable waste has been made according to agricultural, pasture and forest possibilities? If so, what are the figures under each head?

The Honourable Shri Jairamdas Doulatram: (a) and (b). Statements showing the average cultivated area and the average area of cultivable waste in the Province of Bengal before it was partitioned and in the Province of West Bengal respectively are placed on the table.

(c) "Culturable but not yet cultivated land" in Bengal (undivided) has been classified, under the heads "Culturable waste", "Grazing ground" and "Jungles", etc., in the Report on "Agricultural Statistics by Plot to Plot Enumeration in Bengal, 1944-45". A statement showing district-wise area under the above-mentioned different heads in the Province of Bengal before it was partitioned is placed on the table. The Government of West Bengal has since the partition undertaken a survey of the area of culturable waste but its results are not yet published.

Average cultivated area and average area of cultivable waste in the Province of West Bengal

(Figures in acres)

District	Net cultivated area		Area of cultivable waste*	
	Normal (average 1936-37 to 1938-39)	Average 1943-44 to 1945-46	Normal (average 1936-37 to 1938-39)	Average 1943-44 to 1945-46
1. Bankura	631,867	644,700	183,316	321,763
2. Birbhum	667,733	714,100	139,281	117,199
3. Burdwan	578,000	859,400	242,408	203,026
4. Darjeeling	187,000	184,433	45,407	3,210
5. Hooghly	301,467	403,900	68,613	66,629
6. Howrah	105,067	219,933	90,600	18,319
7. Midnapore	1,658,833	1,812,467	884,390	482,661
8. 24-Parganas	842,233	1,273,900	449,721	
9. Murshidabad	866,267	927,333	99,634	157,067
10. Dinajpur	463,307	659,620	104,153	111,172
11. Jalpaiguri	608,320	658,064	260,830	255,306
12. Malda	311,337	662,690	219,847	81,741
13. Nadia	500,938	620,860	176,101	143,418
14. Jessore	87,058	137,892	22,882	33,389
Total	7,809,427	9,779,292	2,977,183	2,218,194

*Figures of cultivable waste in the strict sense are not available. The area given above represents all uncultivated land, other than that included in the heads "Forests", "Area not available for cultivation" and "Current fallows". It is not possible to specify accurately as to how much of this area may be regarded as really fit for cultivation.

Area of "Culturable but not yet cultivated land" in undivided Bengal (excluding Darjeeling and Chittagong Hill Tracts) during 1944-45 as classified in Ishague Report under "culturable waste", "Grazing ground" and "jungles."

(Acres)

District	Culturable waste	Grazing ground	Jungles
24 Parganas	141,069	844	30,136
Nadia	213,708	1,352	25,251
Murshidabad	116,197	5,815	11,695
Jessore	188,496	2,149	26,561
Khulna	112,361	7,438	10,601
Burdwan	127,145	19,006	22,459
Birbhum	81,615	6,933	14,410
Bankura	227,032	11,119	41,513
Midnapore	277,010	33,572	28,219
Hooghly	34,853	2,837	12,379
Howrah	12,057	190	1,351
Rajshahi	84,977	5,377	17,488
Dinajpur	175,283	23,077	61,893
Jalpaiguri	137,002	42,367	81,167
Rangpur	107,863	20,442	35,317
Bogra	21,393	2,123	9,092
Fabna	75,138	2,079	12,868
Malda	76,252	4,852	13,948
Dacca	39,894	14,144	21,096
Mymensingh	216,061	38,531	75,390
Faridpur	103,823	3,328	26,976
Bakarganj	64,550	33,762	28,512
Chittagong	57,583	3,463	37,114
Tippera	29,676	10,824	7,351
Noakhali	47,921	21,594	2,110
Total	2,768,759	317,219	654,906

*Average cultivated area and average area of cultivable waste in the
Province of Bengal, before partition*

(Figures in acres)

District	Net cultivated area		Area of cultivable waste*	
	Normal (average 1936-37 to 1938-39)	Average (average 1943-44 to 1945-46)	Normal (average 1936-37 to 1938-39)	Average (average 1943-44 to 1945-46)
1. 24 Parganas	842,233	1,273,900	449,721	218,296
2. Nadia	945,167	1,171,433	332,265	270,600
3. Murshidabad	866,267	927,333	89,634	157,067
4. Jessore	791,433	1,253,567	208,012	303,534
5. Khulna	810,833	1,172,567	465,788	162,223
6. Burdwan	578,000	859,400	242,408	208,025
7. Birbhum	667,733	714,100	139,281	117,199
8. Bankura	631,867	644,700	183,316	321,763
9. Midnapore	1,658,833	1,812,467	884,390	482,661
10. Hooghly	301,467	403,900	68,613	66,629
11. Howrah	105,067	219,933	90,600	18,319
12. Rajshahi	97,067	1,190,667	165,000	133,428
13. Dinajpur	1,187,967	1,691,333	267,060	285,056
14. Jalpaiguri	760,400	822,567	326,037	319,132
15. Darjeeling	187,000	184,433	45,407	3,210
16. Rangpur	1,757,767	1,670,533	5,180	228,168
17. Bogra	558,900	760,300	108,000	42,102
18. Pabna	928,367	834,833	36,067	85,090
19. Malda	444,767	946,700	314,067	116,773
20. Dacca	1,436,567	1,333,067	23,374	65,539
21. Mymensingh	2,425,400	2,871,400	341,567	243,489
22. Faridpur	1,414,633	1,136,933	21,644	98,108
23. Bakarganj	1,617,933	1,625,333	34,559	163,426
24. Chittagong	654,800	730,933	166,301	104,378
25. Tippera	1,146,000	1,275,833	50,450	46,737
26. Noakhali	740,433	679,367	45,963	67,857
27. Chittagong Hill Tracts	208,600	263,200	1,009,436	1,069,793
Total	24,641,500	28,470,732	6,114,140	5,398,601

* Figures of cultivable waste in the strict sense are not available. The area given above represents all uncultivated land, other than that included under the heads "Forests", "Area not available for cultivation", and "current fallows". It is not possible to specify accurately as to how much of this area may be regarded as really fit for cultivation.

TELEPHONE COMPANIES IN INDIA TAKEN OVER BY GOVERNMENT

1018. *Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Communications be pleased to state the names of private Telephone Companies in India which have been taken over by Government?

(b) What was the basis on which the price and/or compensation to be paid to the respective private companies, were calculated?

(c) What is the capital outlay of Government on the Bombay and Calcutta Telephone Companies?

(d) Has there been improvement in earnings since Government took over the Calcutta and Bombay Telephone Companies? If so, to what extent?

(e) If not, what are the reasons for the fall in the earnings?

The Honourable Mr. Rafi Ahmed Kidwai: (a) (i) Bombay Telephone Company Ltd.

(ii) Madras Telephone Company Ltd.

(iii) Bengal Telephone Corporation Ltd.

(b) The Compensation paid to the three Companies mentioned in the reply to part (a) of this question was calculated on the basis of the then market value of the assets acquired by Government after making due allowance for depreciation, etc.

(c) (i) Bombay—Rs. 3,47,93,604.

(ii) Calcutta—Rs. 1,55,07,779.

(d) Yes. The total earnings in the case of Bombay which were Rs. 75,60,000 in 1942-43 went upto Rs. 1,12,94,688 in 1946-47. In the case of Calcutta, the total earnings which were approximately about Rs. 58 lacs in 1942-43 went upto Rs. 1,03,16,267 in 1946-47.

(e) Does not arise.

BASIS FOR FIXATION OF TRUNK TELEPHONE CHARGES

1019. *Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Communications be pleased to state the basis on which Trunk Telephone charges are fixed?

(b) How do these charges compare with those in the United Kingdom, the United States of America, Japan and the U.S.S.R.?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Trunk call charges are fixed by radial distance. The rate is related to several factors such as cost of the service, the capacity of the traffic to bear it and the financial position of the Department.

(b) A statement comparing trunk call charges in the United Kingdom and the United States of America with those in India is laid on the table of the House. Information in respect of the U.S.S.R. and Japan is not available.

Statement showing comparison of some typical trunk call charges during day time in India, U.S.A. and U.K.

Showing comparison of some typical trunk call charges during day time in India, U.S.A., and U.K.

	India	United Kingdom	U. S. A.
	(From 1-4-48)		
Miles	Rs. A. P.		
15	0 10 0	10 d (9 annas)	15 Cents (8 annas)
25	0 10 0	1 sh 2 d (12½ annas)	25 Cents (13 annas)
50	1 3 0	1 sh 10 d (Rs. 1/3-½)	40 Cents (Rs. 1/5)
75	1 13 0	2 sh 3 d (Rs. 1/8)	45 Cents (Rs. 1/8)
100	2 6 0	3 sh 0 d (Rs. 2/-)	55 Cents (Rs. 1/13)
125	2 13 0	3 sh 0 d (Rs. 2/-)	60 Cents (Rs. 2/-)
150	3 13 0	3 sh 9 d (Rs. 2/8)	70 Cents (Rs. 2/5)

N. B. The unit period for a call is 3 minutes in the United Kingdom and India; but in the U. S. A. it differs according to the rate. Where the charge is 15 cents, the initial unit period is 5 minutes, subsequent unit being 2 minutes. Where the charge is over 25 cents, the initial period is 3 minutes, subsequent period being 1 minute.

POLICY re ENCOURAGEMENT TO VEGETABLE PRODUCT INDUSTRY.

1020. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Food be pleased to state, the policy of Government in encouraging vegetable product industry (i.e., Vanaspathi, Dalda, etc.)?

(b) Have Government given any encouragement for investment of money in that industry?

(c) Is the increase in the excise duty on vegetable product, a restrictive duty?

The Honourable Shri Jairamdas Doulatram: (a) The present policy of Government as announced by Dr. Rajendra Prasad on the floor of the Assembly last year is not to encourage Vanaspathi production and not to allow any further increase in capacity beyond what was already taken place or to which Government are really committed.

(b) Government helped some new factories with priorities for controlled material and with import licences but otherwise they have not made any direct commitments to investors in these concerns.

(c) No. The excise duty on Vanaspathi is a revenue duty.

REPRESENTATION BY EAST PUNJAB RAILWAY EMPLOYEES re USE OF KHANDI UNIFORM IN PLACE OF MILL-MADE CLOTH.

1021. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Railways be pleased to state whether Government have received any representation from persons, serving on the East Punjab Railway to allow them to wear pure khaddi uniforms of the same pattern and colour prescribed for them under the rules, in place of mill-made cloth?

(b) If so, have they been allowed to wear khaddi clothes? If not, why not?

The Honourable Dr. John Matthai: (a) No such representation has been received from the employees of the E.P. Railway.

(b) Does not arise.

POLICY re UTILISATION OF FOREIGN CAPITAL FOR DEVELOPMENT OF INDIAN INDUSTRIES

1022. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and Supply be pleased to state the policy of Government in the matter of utilising foreign capital in developing our industries?

(b) Are any concessions being offered to firms in the United Kingdom and the United States of America to develop industries in India?

The Honourable Dr. Syama Prasad Mookerjee: (a) A statement of Government's Industrial Policy which will cover this point also is expected to be issued within the next few days.

(b) No, Sir.

STRATEGIC RAILWAY LINES AND HIGHWAYS ALONG INDIA'S BORDERS IN VIEW OF PARTITION

1023 * { Shri R. R. Diwakar:
Shri S. V. Krishnamurthy Rao:

(a) Will the Honourable Minister of Railways be pleased to state whether, in view of the partition of India, that was effected on 15th August, 1947 Government have planned strategic railway lines and highways along the borders of India?

(b) If so, how far are the plans complete?

(c) What is the estimated capital outlay?

(d) Has any actual construction begun?

(e) Are Government aware that recently some raiders from Pakistan were reported to have penetrated into Jaisalmer on the North-Western borders of India?

(f) Is there any railway line or highway to Jaisalmer, which is strategically useful?

(g) Are Government further aware that a railway line from Kalyat in the North can be brought up to Siddpur along the Indian borders for defence purposes?

(h) Has any survey been made? If not, is it contemplated?

The Honourable Dr. John Matthai: (a) Yes.

(b), (c) and (d). It would not be in the public interest to disclose this information.

(e) Yes.

(f) Jaisalmer is not situated on a rail route but is connected by motorable roads with Barmar and Phalodi on the Jodhpur Railway and also with Bikaner.

(g) Yes.

(h) The reply to both parts of the question is in the negative.

AGREEMENT WITH JAPAN FOR EXCHANGE OF SPINDLES WITH INDIAN COAL

1024. *Shri Jaspat Roy Kapoor: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether any agreement has been made or is proposed to be made with Japan for the purchase of spindles in exchange for coal, and if so, what is the number of such spindles?

(b) How are these spindles proposed to be distributed?

The Honourable Dr. Syama Prasad Mookerjee: (a) Negotiations have been completed with Japan for the supply of 1 lakh spindles in exchange for 30,000 tons of coking coal.

(b) Government addressed all the industrialists who had been given licences to erect new mills, informing them of the availability of the spindles, and asking them if they wished to take them. The spindles will be allotted to those firms who wish to place firm orders.

UNSTARRED QUESTION AND ANSWER

VARIOUS CATEGORIES OF RAILWAY SERVICES IN ACCORDANCE WITH PAY, DEARNESS, ALLOWANCE, ETC.

6. Dr. P. S. Deshmukh: Will the Honourable Minister of Railways be pleased to lay on the table of the House a statement showing:

(a) categories into which various kinds of railway services are divided with the maximum and minimum scales of pay and dearness allowance of each, at present;

(b) what were these categories and their scales in 1938-39, 1941-42, 1945-46, 1946-47 and 1947-48;

(c) the present strength of the personnel in each category in each Indian Railway;

(d) what their strength was in 1938-39, 1941-42, 1945-46, 1946-47 and 1947-48; and

(e) what were the maximum and minimum number of persons employed by the various railways in India during 1938-39, 1941-42, 1945-46, 1946-47 and 1947-48?

* **The Honourable Dr. John Matthai:** (a) and (b). The Honourable Member is presumably referring to the non-gazetted services. The various categories in these services and their former and present scales of pay and the rates of dearness allowance are given in the rules and annexures to the Ministry of Railways. † Notification No. E47C.P.C./Rules, dated 1st November, 1947, a copy of which is laid on the table of the House. There were no changes in the categories or in scales of pay in the various years referred to, except in the year 1947.

(c) to (e). Statistics regarding the number of staff employed on the Indian Government Railways are given in Appendices C.I, C.II and C.III of Volume II of the Reports by the Railway Board published every year, copies of which are available in the library of the House. As regards detailed figures in respect of the strength of the personnel in each category and on each railway and the maximum and minimum number of staff employed in each year, Government regret they cannot undertake to collect the information as the time and the labour involved will in their view be incommensurate with the value of the results obtained.

† Not printed in the day's Debates. A copy has been placed in the Library of the House.—Ed. of D.

STATEMENT OF POLICY re EX-INDIAN NATIONAL ARMY PERSONNEL

The Honourable Pandit Jawaharlal Nehru (Prime Minister and Leader of the House): Sir, I crave leave of the House to make a statement of Government's policy in regard to the ex-Indian National Army Personnel. I regret the delay that has taken place in this matter because both this House and the country are interested in this question. Indeed, that interest has been evinced on many occasions in this House. Many of us in our personal and individual capacities have, in the course of the last two years and more, been associated with an attempt to give some relief and occupation to some of this personnel. But the House will remember what has happened during these last one and a half years. It was originally viewed from the particular point of view before this Government came into existence. Then there was a kind of mixed Government and there were other difficulties. We might have viewed it and we should have viewed it after the 15th August, from an entirely different viewpoint and come to such decisions as we thought fit and proper. But from the 15th August or thereabouts and onwards all manner of upheavals have taken place in the country which delayed the consideration of the most vital problems. Hence this delay. Among the other things that have happened since the 15th August, is the fact that the Indian National Army itself—the ex-Indian National Army personnel—has been split up into those that might be considered to belong to India and those that might be considered to belong to Pakistan. Now, obviously, any statement of Government policy that I might make applies only to those who belong to India and not to those who now belong to Pakistan.

I shall now read the statement of policy.

"Government have given earnest consideration to the cases of ex-I.N.A. personnel, both officers and other ranks. These cases were considered by the previous Government over two years ago. It was then decided that I.N.A. personnel should be divided into three categories: White, Grey and Black, and that certain steps should be taken in regard to the three categories. 'Whites' were permitted to remain in service, 'Greys' were discharged, and the 'Blacks' dismissed and/or convicted.

"The new Government brought a fresh view point to bear on the whole question so that no stigma should attach to anyone by virtue of the fact that he was a member of the I.N.A. Immediately on the Government assuming office in August last, officers and men who had been convicted and imprisoned were released. Government have now considered other aspects of the matter. They have come to the conclusion that orders of dismissal passed on I.N.A. personnel should be set aside and replaced by orders of discharge from the Army, so that no stigma should attach to the members of the I.N.A. The result will be that the previous classification will not hold good any longer and will not be a bar for service of the State in any capacity. Whether any person should be employed *de novo* would be judged on individual merit and suitability.

"The question of reinstatement in the Army of the I.N.A. personnel is full of difficulty. In the normal course, a large number of these members of the I.N.A. would have been out of the army for many years and there has been a long break in service. They have thus got out of touch with the Army and any attempt to reinstate them would lead to many complications, both practical and psychological. At a time when the Army has been exposed to considerable stress and strain, consequent on its reorganisation after partition, the unity of the Army, which is so essential, might be affected. Government have therefore come to the conclusion that ex-I.N.A. officers and men should not be reinstated in the Army.

"Government are however anxious to afford ex-I.N.A. personnel opportunities of service. It will be open to them to join the Home Guards, the State Forces,

[Pandit Jawaharlal Nehru]
the Armed Constabulary, the Police and like Services as well as the Civil Services, subject always to merit and suitability. The Central Government and the Provincial Governments will give every help to them to find such employment.

"The financial loss which the ex-I.N.A. personnel have suffered is not easy of assessment. While serving overseas our Armed Forces were a charge on the Government of the United Kingdom. Family allotments continued to be paid in India. A large measure of support was also obtained from public funds.

"Government however realise the hardships which the I.N.A. personnel have suffered. They have decided to arrange for payment of pension wherever due. They have further decided to set aside a sum of rupees thirty lakhs for distribution among the ex-I.N.A. personnel on an equitable basis. Widows and dependents of those who died and disabled persons will also be entitled to help from this sum."

May I just point out one or two matters contained in this statement. First of all, I wish to repeat that this statement applies to the I.N.A. personnel in India and obviously not to Pakistan. Secondly it removes from the political point of view, so far as we are concerned, any question of a stigma or bar attaching to them and it is open to them to serve the State in any capacity. "In any capacity" includes military capacity also, so far as that is concerned. But so far as re-instatement of this personnel in the Army is concerned, numerous other factors arise. In the Army many of these people were engaged temporarily—by way of Emergency Commissions and the like. Normally speaking, they would have gone out of the Army long ago. A number of permanent commissions would have remained. The main fact, as stated in the statement is, that there has been such a big gap, and meanwhile all manner of changes have taken place in the Army—promotions, etc.—that it will be exceedingly difficult, not only practically but psychologically to fit them in. But that has nothing to do with any political reason because they belong to the I.N.A. but entirely to other reasons. Then again, we want them to serve the State because we think there is very valuable material among them. We want them to serve the State in many other capacities, including not only the Home Guards etc., but the military forces of the States and the Civil Services, and may be, if they are suited for it, for such very highly important services like Consular or Foreign Services, so that no avenue is closed to them.

Then so far as compensation for non-payment of various allowances, etc., is due, first of all we have decided to give them pensions wherever due. Secondly it involves a difficult calculation of how to give them compensation. For the present we have decided to set aside a sum of Rs. 30 lakhs, that is apart from the pensions—that is a separate item to be given to them. How exactly it will be given to them will be worked out according to some form which will be fair and equitable.

Prof. Shibban Lal Saksena (U.P.: General): Sir, I would like to know whether the Honourable the Prime Minister would allot a separate day for the discussion of this question, which raises some very important problems with regard to the verdict of the electorate on the issue during the last elections, on the basis of which this House has been elected.

Mr. Speaker: I do not know whether any day can at all, be made available now, as we are closing the session on the 9th April. That is the position.

The Honourable Pandit Jawaharlal Nehru: For my part I feel it is difficult to make a day available, unless the House thinks otherwise. I do not think it is very necessary.

PAPERS LAID ON THE TABLE

NOTIFICATION *re* AMENDMENTS OF THE AJMER-MERWARA MOTOR VEHICLE RULES 1940

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I lay on the table under sub-section (3) of Section 133 of the Motor Vehicles Act, 1939, a copy of the Notification by the Chief Commissioner, Ajmer-Merwara, No. F/22-3-IV(CC), dated the 21st November, 1947, relating to certain amendments of the Ajmer-Merwara Motor Vehicles Rules, 1940.

ORDERS BY THE CHIEF COMMISSIONER, AJMER-MERWARA
NOTIFICATION

Ajmer, the 21st November 1947

No. F/22-3-IV(CC).—The Chief Commissioner is pleased to make the following amendments in the Ajmer-Merwara Motor Vehicle Rules 1940 published with his Notification No. 1141/34-W/38-111, dated the 12th June 1940, the amendments having been previously published in this Administration's Notification No. F/22-3-IV (CC), dated the 27th September, 1947.

1. To the rule 5.34 the following sub-rules shall be added namely:—

(f) The Provisional Transport Authority may by order, in writing direct that until the first day of January 1948 nothing in this rule in regard to and consequent upon the provision requiring that the vehicle shall be driven from the right hand side shall apply to a public service vehicle or specified class of public service vehicles fitted with left hand steering control and obtained through the Disposals Organisation of the Central Government.

(g) Where a Registering Authority registers a public service vehicle in respect of which or belonging to a class in respect of which an order under sub-rule (f) has been made he shall note in the certificate of registration the fact that nothing in rule 5.34 in regard to and consequent upon the provision requiring that the vehicle shall be driven from the right hand side shall apply to the vehicle.

2. The existing rule 5.54 shall be numbered as sub-rule (1) and the following sub-rules added namely:—

(2) The Provincial Transport Authority may by order in writing direct that until the first day of January 1948 nothing in rule 5.54 in regard to and consequent upon the provision that the vehicle shall be driven from the right hand side shall apply to a goods vehicle fitted with left hand steering control and obtained through the Disposals Organisation of the Central Government.

(3) Where a Registering Authority registers a goods vehicle in respect of which or belonging to a class in respect of which an order under sub-rule (2) has been made he shall note in the certificate of registration the fact that nothing in rule 5.54 in regard to and consequent upon the provision requiring that the vehicle shall be driven from the right hand side shall apply to the vehicle.

3. For rule 6.2 substitute the following:—

"6.2. *Signalling devices.*—(a) Subject to the succeeding sub-rules, the signalling device required by section 80 of the Act shall be a direction indicator as prescribed in rule 5.23 and shall be fitted to both sides of the vehicle.

(b) Notwithstanding anything contained in sub-rule (a) until the 1st day of January 1948 a vehicle other than a transport vehicle obtained through the Disposals Organisation of the Central Government equipped with electric lighting may be fitted with a mechanical direction indicator complying with the requirements of rule 5.23 on the right hand side of the vehicle only.

(c) The Provincial Transport Authority may by order in writing direct that the provisions of sub-rule (b) shall apply to any transport vehicle or class of transport vehicles equipped with electric lighting specified in the order.

(d) Where a Registering Authority registers a transport vehicle in respect of which or belonging to a class in respect of which an order under sub-rule (c) has been made he shall note in the certificate of registration the fact that the vehicle may be fitted with a mechanical direction indicator on the right hand side only."

By order.

B. C. KAPUR,
Secretary to the Chief Commissioner,
Ajmer-Merwara.

DELHI AND AJMER-MERWARA LAND DEVELOPMENT BILL

PRESENTATION OF REPORT OF SELECT COMMITTEE

The Honourable Shri Jaifanddas Doulatram (Minister for Food and Agriculture): Sir, I beg to present the Report of the Select Committee on the Bill to provide for the preparation and execution of land development schemes, the reclamation of wasteland and the control of private forests and grass-land, in the Provinces of Delhi and Ajmer-Merwara.

INCOME-TAX AND BUSINESS PROFITS TAX (AMENDMENT) BILL

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, I move for leave to introduce a Bill further to amend the Indian Income-tax Act, 1922 and the Business Profits Tax Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Income-tax Act, 1922 and the Business Profits Tax Act, 1947."

The motion was adopted.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I introduce the Bill.

NATIONAL CADET CORPS BILL

The Honourable Sardar Baldev Singh (Minister for Defence): Sir, I move for leave to introduce a Bill to provide for the constitution of a National Cadet Corps.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the constitution of a National Cadet Corps."

The motion was adopted.

The Honourable Sardar Baldev Singh: Sir, I introduce the Bill.

ROAD TRANSPORT CORPORATIONS BILL

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I move for leave to introduce a Bill to provide for the incorporation of Road Transport Corporations and for purposes connected therewith.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the incorporation of Road Transport Corporations and for purposes connected therewith."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

CALCUTTA PORT (PILOTAGE) BILL

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I move for leave to introduce a Bill to provide for the transfer of control over pilotage on the River Hooghly to the Commissioners for the Port of Calcutta.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the transfer of control over pilotage on the River Hooghly to the Commissioners for the Port of Calcutta."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

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AJMER-MERWARA TENANCY AND LAND RECORDS BILL

The Honourable Shri Jairamdas Doulatram (Minister for Food and Agriculture): Sir, I move for leave to introduce a Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and other matters connected therewith in Ajmer-Merwara.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and other matters connected therewith in Ajmer-Merwara."

The motion was adopted.

The Honourable Shri Jairamdas Doulatram: Sir, I introduce the Bill.

INDIAN FINANCE BILL

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, I beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee, be taken into consideration."

Sir, the Finance Bill was carefully considered by the Select Committee and a few changes have been made by that Committee. I shall just indicate the changes that have been made and also the financial effects of those changes.

The Committee decided that the additional excise duty on tea and coffee should be one anna per pound and not two annas per pound as proposed by me. The net effect of this change will be a loss of revenue of Rs. 90 lakhs in the case of tea and Rs. 15 lakhs in the case of coffee. The Committee has also reduced the proposed excise duty on vegetable ghee from Rs. 2/8 to Rs. 2. The present duty is Rs. 5 per cwt. and the Committee thought that if the total duty is levied at Rs. 7 it will work out to a round sum of one anna per pound and therefore the proposed duty of Rs. 2/8 was reduced to Rs. 2/-. The effect of this proposal will be a loss of revenue amounting to Rs. 8 lakhs. The Committee has also proposed that the export duty on vegetable oils should be reduced from Rs. 200 which was proposed by me to Rs. 160 per ton. This change was effected, so that there might be more encouragement to the export of oil rather than oilseeds. The effect of this proposal will be a loss of 33 lakhs in revenue.

The export duty on manganese was suggested at Rs. 20 in the original Bill. In view of the fact that there are different grades of manganese and we do not want to encourage the export of the higher grade of ore, the Committee thought that the more equitable rate of duty should be on an *ad valorem* basis and it was therefore decided that the export duty should be 25 per cent *ad valorem* and not the specific duty of Rs. 20 per ton as proposed by me. Even with regard to this 25 per cent *ad valorem* duty some doubts have been expressed as to whether the lower grades of ore can really bear the incidence of this duty. The position is not yet quite clear. What I therefore propose to do is to leave the duty at 25 per cent *ad valorem* in the Act and if it is found that it operates detrimentally in the case of certain low grades of ores, to reduce the duty by executive order under Section 23 of the Sea Customs Act. The loss of revenue on this item will be Rs. 8 lakhs.

The Committee has also increased the minimum amount for the purpose of application of the Income-tax law. Rs. 2,500 which is now the minimum has been raised to Rs. 3,000. The effect of the proposal will be a loss of revenue of Rs. 50 lakhs.

[Shri R. K. Shanmukham Chetty]

With regard to the concession contained in the original Bill for the deduction of Municipal taxes on property in calculating the income-tax payable, the Committee thought that this is a matter which ought to be taken up in considering any amendment to the Income-tax Act and that it should not be brought in as a proposal in the Finance Bill. I have therefore accepted the suggestion of the Committee and in the Amending Bill that I have sought leave to introduce today I have incorporated this provision as an amendment to the Income-Tax Act. The withdrawal of this concession will mean an addition of Rs. 75 lakhs to the revenue.

With regard to the exemption from tax on donations made to charities the Committee decided that this exemption should apply only in the case of donations made on or after the 1st April, 1948. The effect of this amendment will be a gain of Rs. 75 lakhs in revenue. The total financial effect will be a loss of Rs. 204 lakhs in revenue which is offset by an additional revenue of Rs. 150 lakhs resulting in a net loss of revenue of Rs. 54 lakhs. To this loss, however should be added the net increase in the incometax revenue payable to the provinces which will come to Rs. 50 lakhs. The total net effect on the central Budget of all the changes made by the Select Committee will therefore be an additional loss of Rs. 104 lakhs which would mean that the anticipated deficit of Rs. 109 lakhs will be increased to a deficit of 213 lakhs. These are the changes, Sir, that have been made in the Select Committee. Every clause of the Bill was very carefully examined by the Committee and I hope that this House will accept the Bill as it has finally emerged from the Select Committee. Sir, I move.

Mr. Speaker: Motion moved:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee, be taken into consideration."

As regards the allotment of time, I may inform the House that I propose to put this question of consideration to the House at 5 P.M. today. That means the consideration motion by itself may be discussed up to that time, unless it is finished earlier, and the clause by clause reading will be taken up immediately after the consideration motion is disposed of by the House, and the guillotine time will be tomorrow 5 P.M. when all outstanding questions will be put to the House.

Shri B. Shiva Rao (Madras: General): Mr. Speaker, Sir, even with the explanation given by the Honourable the Finance Minister of the changes made by the Select Committee in the Bill, I must nevertheless confess to a certain sense of disappointment that the members of the Committee could not see their way to go much further in the direction of giving relief to the poor man and the lower middle class. Sir, I was one of those who felt when the Finance Minister delivered his budget speech, and still feel that there was no real justification for giving back to industry a slice of the business profits tax, even under cover of the picturesque phrase that it may later be "ploughed back into capital." I think it is the aim of every section of this House and of people outside that all possible effort should be made to increase industrial production. The question is how it should be done. Sir, I speak with a good deal of first hand knowledge of industrial labour conditions in this country, and I am convinced that mere appeals to labour, whether they are broadcast over the air or made from public platforms, that it should cooperate in increasing production are not of much use. Even to announce, as the Labour Minister did the other day that he is going to have a Housing Board and looks forward to the construction of a million houses in the course of the next ten years, even that is not likely to be impressive. What would convince industrial labour is something done immediately in the course of the next twelve months,

and I was very much impressed with the Prime Minister's statement yesterday to the annual meeting of the Federation of Indian Chambers of Commerce that we should not wait for bricks and cement and steel in order to put up houses. I have seen very good and durable houses built in Mexico of sun-baked bricks and local timber, and if they are good enough in Mexico, they will be good enough in this country.

Prof. N. G. Ranga (Madras: General): They are good enough in our villages now for ages.

Shri B. Shiva Rao: I would like to suggest to the Finance Minister to consider the utilisation of this slice of the business profits tax, which he proposes to hand over to industry, as a bonus for increased production. Let him fix a standard figure for production in each industry and in each factory, and let him propose that any production over that standard figure would entitle both labour and capital concerned in that particular factory to a bonus on the principle of profit-sharing. That, Sir, may prove an incentive more effective towards increased production than the suggestion he has now made. The other suggestion I should like to make is that the notification announced two years ago by the Central Board of Revenue may suitably be modified for present conditions. Sir, two years ago the Central Board of Revenue in a notification said: "It is desirable to offer some inducement to employers of labour to continue expenditure on labour welfare work without interruption during the years of low profits or even losses, and the Board have therefore decided that any expenditure on labour welfare work, not of a capital nature, but actually incurred during the previous year should be allowed in entirety as a deduction in income-tax assessment, irrespective of the actual amount of profits for that year available for meeting expenditure." Sir, now that the Labour Minister has announced the formation of a Housing Board, I would suggest that contributions from employers for building houses for labour may be brought under this notification.

Now, Sir, I would like to turn for a moment or two to the work of the Economics Committee. I believe certain enquiries are already in progress department by department to scrutinise their expenditure. I would like the Finance Minister to consider even at this stage whether he could not extend the terms or reference of that committee to look into certain aspects of Defence expenditure. I realise the force of the contention which was put forward the other day that so long as the Kashmir operations are in progress, and in view of the present uncertainty regarding the composition and the structure and the disposition of our Defence forces, it would be rather difficult to look too closely into Defence expenditure. Sir, I do not wholly subscribe to that view. Inevitably during these six years of war there was a great deal of laxity permitted in financial control over defence expenditure, and I am not sure that that laxity has disappeared altogether. I remember, after the first Great War, when the Military Retrenchment Committee was first announced, a sudden change took place in the estimates of the Defence Department of that time in an item which was called 'Amenities for convalescent officers in Waziristan'. Originally the estimate was for about 80 to 90 lakhs, and as soon as the Retrenchment Committee was announced, the Defence Department said that there had been an over-estimate in regard to that item, and had cut it down to about 40 lakhs. On enquiry I was told that the difference was due to the fact that this particular item which was withdrawn consisted almost entirely of expenditure on champagne and whisky. Sir, I do not suggest that that particular form of expenditure continues at the present moment—I do not know. Nevertheless, I have been intrigued by the estimate of Rs. 1,73,00,000 for Military Grass Farms in the present budget. When the army has been completely mechanised, and there are very few cavalry units and very few mule corps, I do not see the necessity for retaining such an item of expenditure. There is also a lump sum

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[Shri B. Shiva Rao]

grant of 5 crores for temporary labour in one place and a crore and a half in another. These I think may well be subjected to the scrutiny of the Economics Committee.

There is another direction again in which I think the attention of the Economics Committee may usefully be directed. I am referring to expenditure abroad on which I believe there is no audit check at the present moment. Sir, in recent months I have been scandalized by the extravagance displayed by certain delegations or members of delegations when they are sent out. I know of one or two cases in which officials of the Government of India sent out on deputation have flown their girl stenographers over half the world at Government expense, and I think it is time that the Finance Minister put his foot down on expenditure of that kind. Sir, I hope the Finance Minister at any rate will not accuse me of provincialism when I say that from my long experience I can say that one good Madras stenographer is equal to three American girl stenographers—not in looks, but certainly in efficiency.

Apart from enquiries department-wise, I would like the Economy Committee to consider certain general propositions. I believe, Sir, the Government of India spends a great deal of money on posters. The Finance Minister's own Department issues a large number of posters whenever they go to the money market for loans or for campaigns to promote the sale of saving certificates. The Department for Food and Agriculture has its own posters for the Grow more food Campaign. So has the Transport Department. I believe the practice has been in the past for each Department to go to the most expensive press in the country and place orders for a very large number of posters. I do not know if the estimate is correct, but I am told that normally the Government of India spends as much as Rs. 40 lakhs on posters every year. There, I believe, is room for considerable economy.

There are also other ways in which the Economy Committee might improve the efficiency of the Secretariat. It might consider, for instance, how long a letter which has been signed by the official concerned takes to leave the Department after it has been signed. I found that in the Home Department during the war some times a letter took as much as 11 days. The Economy Committee might also consider whether greater use cannot be made of telephones. I do not know if the House has read the very interesting remarks of the Gorwalla Committee on the state of telephones in Delhi—they border almost on the libellous.

Sir, speaking of the standards of efficiency in the Secretariat, I was interested in the debate which took place in the House the other day, initiated by my Honourable friend Mr. Mohan Lal Saksena. As a newspaperman, it has been my business for many years to go round the Secretariat, and I think I may claim a fairly intimate knowledge of the way it has been functioning. I have no hesitation in saying that during the last twelve months there has been a very considerable deterioration, both in the quality and the quantity of the work done in the Secretariat. At the same time, I am bound to say that the criticisms voiced on the floor of the House the other day seemed to me entirely one-sided—the fault is not all on the side of the Secretariat. Since that debate took place I have carried out, entirely on my own, a kind of informal Gallup poll amongst friends of mine in the various Departments, and the results are certainly interesting. In the first place, there have been far too frequent changes of the personnel in some Departments. In the Information and Broadcasting Department there have been four Secretaries in the last eight months. In the Commerce Department there have been three. In the Education Department there have been three. Similar changes have occurred in other Departments.

Prof. N. G. Ranga: They are all omniscient!

Shri B. Shiva Rao: I do not claim any omniscience for them but new Secretaries take time to get acquainted with the details of business. Also, Sir, incidentally I would like to say that, speaking for myself, I strongly disapprove of eminent men of science being pitch-forked into administrative jobs. I do not think we in the House realise how much of resentment there is among Secretariat officials when outsiders are brought over their heads. That is one difficulty in the Secretariat. And the other is—on this only Members of Cabinet can speak with authority—I am told that the rules of executive business are substantially the same today as they were in the time of Lord Reading's Viceroyalty almost thirty years ago. I think it is time, if that charge is correct, that the Cabinet gives its attention to revising the rules of business to accord with the requirements of the present day.

Thirdly, Sir, I think the Cabinet, which has borrowed its method of functioning from England, should initiate an enquiry into whether the present allotment of portfolios is conducive to the rapid and efficient discharge of business. Ever since the time of Lord Haldane's Committee in 1917, periodically such inspections have taken place in England with excellent results—I think it is recognised widely at the present moment that Members of the British Cabinet, especially those who are in charge of evolving policies whether they are long-term or short-term—should not be saddled with too many Departments, and certainly not with administrative and routine work which would keep them away from the more important business of shaping policy.

And lastly I would like to say this. In the old days when the Legislature consisted of officials and non-officials, there were frequent contacts between the Secretariat and the non-Official members of the House not only on the floor of the House but in the lobbies. Those contacts have almost completely disappeared with the change in the composition of the Legislature. In the old days Secretaries, when they sat down to write their notes on files, took a great deal of care to see how public opinion was likely to react to any particular policy, and on files they were not afraid to express their own opinions freely. The shaping of policy was for the Executive Council, but there was a great deal of independence of judgment in the senior officials of the Government of India of those days. Today, Sir, the Cabinet is no longer afraid of the Legislature; the division bell hardly ever rings except to summon a quorum after the lunch interval. And frankly, my friends in the Secretariat say, "We no longer bother about what you say on the floor of the House; we are concerned entirely with what our Honourable Ministers think". I cannot complain that such a change has come over the Secretariat because on the notice board the other day was put up a brief statement that members of the Legislature would move only such amendments as were acceptable to the Honourable Minister in charge of the Bill.

Dr. B. Pattabhi Sitaranayya (Madras: General): That was a mistake. Sir; it has been corrected since.

Shri B. Shiva Rao: Nevertheless, I think there is a danger in the present situation in that Secretaries no longer exercise a healthy independence of judgment.

Prof. N. G. Ranga: Why do not they do it?

Shri B. Shiva Rao:.....but write on files not what they think, but what they believe would please their respective Ministers.

Prof. N. G. Ranga: Why not? Will it not otherwise lead to a lot of log-rolling and canvassing here between the members and Secretaries? Are they supposed to be subordinates of the Ministers, or are they supposed to be independent masters themselves?

Shri B. Shiva Rao: Well, Sir, I made a reference to the subject of deference; I would like to make one or two suggestions in regard to this matter. Like Prof. Shah who spoke the other day, I too believe that economy does not mean

[Shri B. Shiva Rao]

only retrenchment but only avoidance of wasteful or unremunerative expenditure. In these days, when there is a threat of war, I would be the last person to suggest that we should effect unwise retrenchment in regard to our defence expenditure. War today is total, and we had a reminder of it last week when the Prime Minister introduced a Bill on Atomic Energy. It is not only the scientist who comes into the picture these days, but the politician and the economist also; and it is very necessary that our top-ranking officers who are in the Army or the Air Force or in the Navy should have a fairly intimate knowledge of the political, the social and the economic conditions not only of India, but of countries which are our near neighbours. Sir, I was present in Amritsar towards the end of January when the Prime Minister gave a very lucid and comprehensive off-the-record talk after dinner to a large group of Army officers. Now, that practice, I think should be extended. Further I would like to see in the Army Headquarters here and in the headquarters of Divisions and Brigades throughout the country books on these different subjects placed in their libraries so that we may build up an intellectual atmosphere in these various headquarters. I would also like to see added to the courses of the proposed new Staff College at Wellington, lectures on such subjects as foreign affairs, and political social and economic conditions in various parts of the world.

Lastly, Sir, I would like to place one or two suggestions before the Honourable the Finance Minister for his consideration. One is in regard to the Sales Tax. I think if provinces levy different rates of sales tax, they are likely to interfere unduly with inter-provincial trade. I was interested to read in this morning's papers a report that the Government of Pakistan has decided to make sales tax a Central Subject. I would like the Finance Minister to discuss this matter with Provincial Finance Ministers to see whether the levy and even the collection, if necessary, of the Sales Tax may be made a Central subject, in order to remove needless restrictions and annoyances in the way of inter-provincial trade.

The second suggestion I would like to make to the Finance Minister is this. Sir, two or three years ago one of his predecessors, Sir Archibald Rowlands, sent two officers from the Finance Department to Australia to study the way in which the Federal Government of Australia was distributing federal grants and the manner in which those grants were spent by the different States in Australia. I do not know whether the Finance Minister has had the time to get down to problems of this kind or whether that report has been published. If it has not been published, I would like him to consider whether he could place either the whole report, or such parts of it as are not confidential, on the table of the Library of the House. I would also like him to consider the advisability of creating a new section in the Ministry of Finance or, if the Planning Commission is going to materialise in the near future, the creation of a separate finance section in the Planning Commission to consider the kind of problems which the Australian Grants Commission considers at the present moment. I think, Sir, Provincial Governments would be grateful for expert financial assistance in regard to the manner in which budgets have to be framed; in his own and interests the Finance Minister of the Central Government should see whether the burden of taxation in the different provinces, Central, Provincial and local, falls adequately and equitably on the different classes of the population; and thirdly whether the grants given to the provinces are spent wisely and for the purposes for which they were made. I would like him to discuss these suggestions when he meets the Finance Ministers of the different provinces.

Prof. K. T. Shah: (Bihar: General): Mr. Speaker, Sir, on the last occasion when I addressed this House on this subject I confined myself to deal with three important issues, as I conceived them, namely, constitutional, economic

and social. I intend to confine myself mostly to the broad issue of public economy, not because I am convinced that there has been any satisfactory response in regard to the other two matters to which I alluded on the last occasion, but because it would be as well to draw the attention of the House to broader issues which I am afraid are apt to be lost sight of in discussion of details. For the discussion of details we have not sufficient time, a handicap to which I have referred on a former occasion.

The fact remains however that in regard to matters coming within the scope of the Finance Bill, and with special reference to the administrative machinery, we have yet to find a radical change. My friend Mr. Shiva Rao has just given the House explanations or reasons why the fault does not lie entirely with the bureaucracy. I agree that it is so, but I submit that these explanations do not deny the fact that whether in temper, in tradition or in technique, the administrative machinery remains still unchanged. I find evidence of this lack of change, the absence of change, in the replies one receives in the course of this House's question hour, in the rejoinder one gets in the course of the discussions on subjects like the Finance Bill and in a number of ways in the general attitude displayed towards criticisms voiced in this House. The replies, Sir, apart from such information as may be innocuously given, are standardised, such as "The question does not arise", or that "No useful purpose will be served by giving material of this kind", or that "the matter is under consideration (no one knows for how long!)", or that that Honourable Member "must have notice of that question." Sir, in regard to this device of further notice, I am reminded of a very interesting episode in the British House of Commons, which, with your indulgence I would like to tell the House. Once upon a time there was a Noble Lord, a member of the House of Commons and member also of the Cabinet of the day, who was most averse to answering questions and particularly supplementary questions. He made it a point, whenever it was unavoidable for him to be present at the instance of the Leader of the House, to answer questions by saying "I must have notice of that question." It so happened that members got tired of this reply. Two of the members one day particularly requested the Prime Minister to make the Honourable Minister to be present in the House when a question of some importance on national policy was going to be addressed, and whether he liked it or not he had to be present. The question came up in the ordinary course and was solemnly answered as prepared by the Heads of the Department of the Honourable Minister. One of the two members who had previously arranged among themselves got up and very solemnly asked whether the reply of the Right Honourable Gentleman meant affirmative or negative. The Honourable Minister got up and replied in his standardised form: "I must have notice of that question." Sir, I do not mean to say that the formula repeated on the floor of this House also smacks of the same condition, but I have heard the standardised replies so often that it is doubtful if the information gathered in the course of the question hour and particularly in regard to the supplementaries goes very far to educate or enlighten the House. I am not blaming or criticising the Honourable Ministers. I am only making this as a point that those who prepare the answers for them, namely, the Bureaucracy, still follows the same traditions, the same technique and is in the same temper, so that if I may repeat an immortal saying, of Shri Krishna, speaking of the Soul—न जायते म्रियते वाकदा चिन् and edit and modernise it to suit this unchanging irremovable and incorrigible organisation. I would say of Bureaucracy.

न जायति विभ्रति वा कथंचित्

न शुष्यते बुध्यते वा कदापि ।

न शुष्यते शुष्कीमूने प्रवणे

न लिप्यते लिप्यमाने विशाने ॥

[Prof. K. T. Shah]

That I would also say of this Bureacracy, even though the entire spirit of our constitution is supposed to have been altered, even though the heads of Government have completely changed, the traditions still continue immortal as ever and goodness knows when we shall be free from this. I have been inured in my life of writing and criticizing Government and Government ways, to the replies of the kind that we receive very often on the floor of the House; I have been inured to suggestions that what I put forward is either an impracticable or that it is destructive criticism, though I must confess I had not looked forward to such a rejoinder on suggestions that I had offered on a previous occasion to an Honourable Minister. This does not sound very well coming from the old Bureacracy which operated for the benefit of a foreign master, but when these things come from our own men and particularly the responsible heads of Government, one cannot help recalling even at the risk of criticism of self-glorification that most of the suggestions that I have made for the last 25 years in several of my works have been adopted entirely and they have become so common-place that one hardly knows anybody standing up and questioning them, but at that time they were laughed at; they were thought to be impracticable; they were thought to be destructive criticism. I can mention just such items, as for instance, the rates of income-tax, the rates of super-tax, the proposal for the national planning on a large comprehensive scale and even the suggestion for nationalisation. I know there are people who would even now suggest that the progress of nationalisation should be halted, that the Bank should not be nationalised, that the Reserve Bank must not even at this moment be thought of as capable of nationalisation. I wonder why they would not suggest that the Post Office should be turned into a private enterprise, that the railways should be handed over to a private company, that the army even should be managed by private enterprise, because in private enterprise there is greater efficiency, there is greater economy and of course, there is greater profit—I forgot that in the Army there is no profit and that they would never work—and the Army, the Navy or the Air Force being nationalised. But short of that where there is minimum service and maximum return, every item can be monopolised on pain of industry and capital becoming so shy that industry would not progress. It is a marvel to me, Sir, that in countries like the United States or the United Kingdom where taxation has been for years at the rates at which we have not been familiar till two or three years ago, the total production of the country had not fallen off. As the Honourable the Prime Minister said at the Conference yesterday it is a surprise which only a magician can explain as to how in spite of these threats, in spite of these apprehensions, in spite of these gloomy predictions, industry has nevertheless continued to go on and if the total volume of production has fallen, there are other explanations besides merely the burden of taxation. I have not got the report for instance of the Central Board of Revenue, which would give the total number of assesseees, the total income of the assesseees, the total yield of the income-tax and so on, but I am perfectly certain that if these were examined, we will find that the wealth has not in the aggregate declined. Be that as it may, Sir, speaking of the country's public economy as a whole, I should like to place a few thoughts before this House, on the nature and function of public expenditure, on the nature and purpose of Central or local taxation and the nature and working of our national credit.

As regards public expenditure I like to point it works in three-fold ways. It is a part of investment in intangible assets which are to be built up for the greater and greater development and greater and greater prosperity of the country. It is a form of building up our sources of production, our nation's wealth and its equipment, moral, mental and physical, whereby for each succeeding generation, we may leave better and better heritage. Expenditure should not merely be cut here and cut there, *ad hoc*, but should be so regulated that you have for every item so to say a greater and greater return. It is because

of this view that I have criticised and would criticise the way that expenditure, as it is, being incurred to-day, we have the fullest and the best return for every Rupee spent in this country. I join with my Honourable friend Mr. Shiva Rao for suggesting for instance, the Army expenditure. There too there should be room for true economy without necessarily reducing our defence provision and that is another aspect of public expenditure which we also cannot ignore, namely, the formation of national industries. It is not merely investment, but it is also an insurance to which we cannot be indifferent. Defence is particularly a form of insurance for the national security, for national growth and expansion, I mean, expansion in the moral and material sense and not necessarily in the territorial. We have therefore to see whether the insurance premium we are paying is in proportion to the security we are getting. That is the test by which I would judge the item of expenditure on defence.

Almost every item in the Budget seems to show an increase and we are generally told that the increases, two or three-fold as it may be, is justified by either increase in the level of prices or other circumstances of allied nature beyond the control of Government. I am not sure that every such expansion would be valid. The composition of the Army in India before 1945 was partly British and partly Indian troops and the British section of it was supposed to be 4 or 5 times as costly as every Indian soldier in the Army. That section is now gone and yet you have almost the same level of expenditure for a smaller India than was the case for the larger India of one year ago. I want to know, Sir, whether there is sufficient scrutiny; I want to know, Sir, whether there is sufficient close consideration of every item which has been spent upon the Defence Budget, so that we are not only not locking up unnecessary capital—let me say in military stores and equipment which gets out of date every year with the advance of science and technique—and whether we are getting in actual services, in actual capacity for Defence the same return that we have the right to expect. According to the report of the Incheape Committee at the end of the previous war, the Army Department alone had locked 60 odd crores of capital in stores which were steadily depreciating. I do not know how much those stores eventually realised and how much is the expectation of those stores serving the purpose for which they have been bought and kept in godowns. The point may also be made that public expenditure is in its third aspect a means of correcting social injustice. That is where development in civil services and development or expansion in utilities comes in. I note that this Government planned or proposed considerable outlays in what we may well regard as development services. It has been well pointed out that the real field for these services lies with the units which make up the Federation—I agree—and that the function of a central Government is to guide them and help them financially where necessary, so that the services can all march more or less abreast. In this connection, however, I cannot help voicing a certain apprehension of my own regarding the emphasis now very fashionable to place upon the concentration of power and authority in the Central Government. I yield to none in the belief that we need today a strong central Government, but I do also think that a real and working democracy where the government is by the people and for the people lies with the units. And therefore unless and until the units are encouraged and unless and until they have resources which they would themselves manage and develop to build up a real nation of the kind that we have all been hoping and dreaming about, I am afraid the centre's concentration of authority and particularly of resources may not be always in the best interests of the country.

I now pass on to the resources side of the budget, namely, the taxation and forms of revenue by which the public purse is filled. Sir, we have had no real scientific comprehensive survey of the revenue system of this country from the national standpoint that I think is highly overdue. Twenty odd years ago there was what was known as the Taxation or Todhunter Committee which reviewed certain forms of taxation but did not consider other forms like land

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revenue, which was specifically excluded. The co-ordination of the resources of the country for its needs, the best application of the tax receipts or revenue income so as to improve the requirements of the State and yet give the best return not only to the present but to the unborn generations of the land, remains to be done. If there is need for a true economy committee, I submit there is still greater need to examine properly the resources of the country and see whether the incidence of the burden, the distribution of tax receipts is as even and as fruitful as it should be. I am one of those orthodox people who still believe in some of those canons of taxation which have been evolved years and years ago. That tax is bad which takes more from the country than is needed, that tax is bad which will impinge upon the people in a manner that would be inconvenient or harmful to the people paying it. And that is why I have all my life believed that the only salvation of any country would be to replace taxation, which after all is compulsory deduction from private men—by public enterprise. I do not mind saying that it is only the profits or the surpluses of the public enterprise which alone can add to the wealth not only of the State but also of the community in general and every individual member therein. From this point of view that taxation system of India badly needs overhauling and re-examining from a point which is not the point of our past rulers in this country, but which is the point of view of people intent upon a true nation-building in this land. Taxation is an instrument not only for correcting the injustices and inequalities of wealth distribution—and that is one purpose of taxation which is not always looked to—but taxation is also a weapon, means and instrument for actively developing our resources and increasing the national wealth. I spoke of expenditure as a form of investment; here is its counterpart when I say that taxation is a means which provides the State with all such expenditure which will be a long-range investment. But while I am quite willing to grant that taxation is a means of active national development in a State which may grow even to a time-table, I am not prepared to say that all that exists today, the rates and forms which have been adjusted, are the best we can have. From the brief glance that I could give to the report of the Select Committee and to the Bill as a whole I am not convinced that the Bill is all that it might be, that the measure, level and forms of taxation are all that we can have. I am never able to see why, for instance, people should not be content with incomes ranging right up to two or three lakhs even though the taxation is supposed to go by slabs to something like 15 annas in the rupee. Why an individual should have more than 60, 70 or 100 thousand rupees for himself or his immediate family to spend, I have never been able to understand. Why should not there be an absolute limit upon any individual's income in the country and the balance to go to the State? That I have not been able to understand. If, as the Prime Minister said yesterday, we may have to resort to some form of social conscription so that the labour of every individual will be at the disposal of the State to do what the State considers it necessary in the interest of public service, I do not see why there should not be a similar or still greater conscription of public wealth of the country in the hands of private individuals, to be spent as they like and how and where they like with thought of how the country's interests are served. The capitalist talks about patriotism; but the capitalist is patriotic so long as he can get a 5 per cent yield. The moment he gets a better yield elsewhere out of the country he will find the means to emigrate and go out of the country without any risk or fear that his patriotism will be impinged. I always look upon the cry of patriotism of the capitalist with suspicion, because the more he shouts about patriotism or of matters which benefits him and his class, the more will the country be left to.—I will not utter that word because it is unparliamentary. In this way of looking at the country's public economy I have only one more word to say with regard to the use of national credit. I fear we have not understood and developed the national credit as we might, for

the reason that those who had to develop and work the national credit were not actuated by the best interests of this country. They had to maintain the credit of India as they called it so that they should not find it a needless burden. The moment, however, they turned the road and themselves became debtors they had no thought about the credit of India thereafter if the dues from them were either not paid or not paid in full. I was very glad to hear a categorical assurance from the Finance Minister the other day that he would not be a party to any scaling down of our sterling balances. But while I was glad to hear that assurance from that eminent authority I feared whether this phrase "scaling down" may not have different interpretations according as the final agreement was made. We may not have any scaling down in the total of 15 or 16 hundred crores as it is; but if this amount together with whatever interest we may get on it is spread over 50, 60 or 100 years, I do not know whether it may be called scaling down or otherwise. I trust the Finance Minister will bear this also in mind and will not regard me as a sort of Cassandra who is becoming a prophet of woes or a prophet of pessimism. I have no intention to discourage anybody who may be accompanying the Finance Minister and advising him in presenting and maintaining the case of India in regard to this. I want only to urge that here is an asset and our source of international credit which ought not to be weakened at any cost. We have never yet tried, so far as my memory goes, the strength of India's credit in the international money market. We have been so tied to the apron strings of England: we have been so dependent upon all our loans and borrowings abroad such as they were and conducted through the London money market, that we do not know what strength we have in other countries. If only we would try. Therefore I would appeal that both in India and outside, for purposes on which we feel perfectly certain there will be increased wealth in this country and increased strength to maintain our national credit, those who have the administration, those who have the charge of this credit in their hands, will see to it that the national credit in the hands of the free and independent rulers of today will not suffer at their hands.

Sir, I have only one word more to add. It is not merely that credit is an instrument for enabling a country to tide over any immediate deficit or difficulty. Credit is a form of wealth for the future. If I may say so, and as such it is to be employed not merely in the service of replenishing or making up a deficit of a wasteful character, not only in tiding over the moment's emergency, but in the most proper use, in the most effective employment for the real development of long-term growth of the country, its industries, its agriculture and its human as well as its material resources of all kinds.

Shri Harihar Nath Shastri (U. P.: General): Sir, I am grateful to you that you have given me an opportunity to speak on this occasion. Last time when various demands were under consideration. I could not be present in this House, nor could I take part in the discussion when the Finance Bill was presented in the House about a fortnight back.

All the same, it was with close and respectful attention that I listened to almost all the speeches that were made in this House in connection with the Finance Bill, and I felt that almost all the important points were covered in course of the speeches that were made: I will not repeat the points that have already been dealt with. I would only invite your kind attention to one or two points that I feel are of paramount importance.

Sir, it was stressed in course of.....

Mr. Speaker: If the Honourable Member is going to any further points he has hardly half a minute. He would better resume at 2.30 P.M.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalannar) in the Chair.

Shri Harihar Nath Shastri: Sir, as long as national independence was not achieved the undivided attention and energy of our people was directed towards the fulfilment of that objective. The masses of our country were under the belief that political emancipation would pave the way for putting an end to all our miseries. But, as we found, political independence was achieved on the 15th August but it was attended by a great many complications. Some of these complications were of a temporary nature, for instance, the Kashmir situation and the situation arising out of the partition of our country. But the Government of our country is ably dealing with these matters and I am sure within a short time it will be possible to tide over these obstacles. But there are certain other matters that are more deeprooted and which require sustained efforts and deep imagination to tackle them.

As you may be aware, Sir, the political serfdom of our country was accompanied by a feudal economy in our country. That brought about a feudal stagnation in the country which resulted in a state of chronic poverty of the masses, their low standard of living and their moral and economic degradation. They were forced to live in insanitary dwellings which caused a rapid decay in their health and increasing death rates. Then you find that as a result of this feudal economy there has been a chaotic growth of industries in the urban areas. The industrial development of our country due to this feudal economy and due to the political dependence was kept under check and we find a chaotic growth of towns that have sprung up with slums containing millions of human beings. These slums are responsible mainly for the high death rate, devitalised health, low standard of living and above all the moral degradation of our people. If we are anxious to bring about rejuvenation of our country, if you want to raise the economic and moral standard of our people and to insure their health and happiness, the political independence of our country must be immediately followed by on the one hand reconstruction of our village life and on the other, the scientific planning of our urban areas. Town-planning and housing must receive priority and should be regarded as a condition precedent to the proper industrial growth of our country. Slum clearance and construction of housing, especially for the poorer classes of people must receive most urgent consideration in the formulation of any plan. Sir, I regret to note that this particular aspect, which in my humble opinion is very important, is not reflected at all in the financial proposals. For several years the question of construction of workmen's houses has been engaging the attention of the Government. About two or three years back perhaps in the year 1943, a housing sub-committee was set up by the Standing Labour Committee of the Indian Labour Conference and it was entrusted with the task of formulating a detailed scheme for the construction of workmen's houses. That sub-committee submitted its report. It prepared a model for houses and also ways and means to meet the expenditure likely to be incurred in the construction of such houses. That scheme was considered again by the Standing Labour Committee and by the Government of India and since then about three years elapsed but nothing has been done. In the Industrial Conference that took place in the month of December last this question was raised and it was one of the principal items of the Industrial truce which has been so often referred to in this House. I remember on that occasion the Honourable the Finance Minister himself, when questioned by certain industrialists as to what the Government of India proposed to do in the matter, stood up and said that the Government of India was willing to contribute a substantial portion of the amount likely to be incurred in connection with the workmen's houses and to do their level best in that connection. Since then several statements have been made by the Labour Minister also. One such statement was referred to by an Honourable Member this morning, viz., that one million houses are going

to be constructed but in actual practice we find that nothing so far has been done, nor is there any intention of doing anything so far and neither do I find any such evidence from the financial proposals that have been put forward. On the contrary there is one disquieting piece of information that has been brought to my notice—I do not know how far it is correct. One of the proposals that emerged from the Ministers' Conference held in the month of December was that a housing cess should be imposed on the industry. Now, I came to know some weeks back that there was some disagreement on that question between the Ministry of Labour and the Ministry of Finance, and that the Ministry of Finance was opposed to the imposition of any such cess. Sir, I would very much like to know from the Finance Minister in the course of his reply as to how far this is correct, and if it is so how does he propose to implement the promise that he gave in the Industrial Conference with regard to reconstruction of workmen's houses. I should say, Sir, that this is a very important matter which has been emphasised so very often; this has caused acute discontent amongst the workers and one of the causes of inefficiency is that this important problem has not been tackled in the manner in which it should have been done.

I seek your permission, Sir, to offer a few remarks about the Defence Department. I do not grudge, Sir, the huge amount of our national income that is spent or is proposed to be spent on this Department. I have also no hesitation to admit that the Defence Forces of our country have at the present critical moment rendered excellent service at great risk and sacrifice for which the whole country is extremely grateful to them. There is, however, one aspect that has not been touched in the course of discussion, but which is all the same of considerable importance. As you may be aware, there is a large number of Ordnance Establishments spread throughout the country. With the termination of the War, the majority of employees in these Establishments have been thrown out of work and large amounts of precious machinery and equipment are lying idle and rotting. Looking even from the standpoint of defence and judging from the rapid development in the international situation, what is needed today is an expansion of the field of activity of the Ordnance Establishments and not their contraction. You may also notice, Sir, that all over the world these Ordnance Factories have been converted to peace-time production of capital and consumer goods. Some weeks back I came across a report about the working of the Ordnance Establishments in England. From that report I learnt that these Ordnance Establishments at the present moment are making innumerable goods and to quote a few of the articles that are being produced by them I may mention: Internal combustion engines, Mining machinery, Manufacture of railway wagons, Chemicals for agriculture and industry Steel furnaces, Weighing and lifting machinery, Steel wagons, and Laundry machinery. But what do we find in this country? We cry at the top of our voice about the industrialisation of our country and about increasing production. Here is a golden opportunity to accelerate industrialisation by producing innumerable descriptions of machinery and equipment that we are seeking to import from foreign countries. But the enormous capacity of these Ordnance Establishments is running idle. Sir, soon after the formation of the Interim National Government, I had the privilege, as President of the all-India Ordnance Employees' Federation, to meet the Honourable the Defence Minister and I put forward before him certain proposals in this regard. He promised to look into the matter and then after some time a departmental committee was set up the results of which are still being awaited. I should submit that so far as such departmental committees are concerned no good is likely to come out of them, especially in the case of Ordnance Establishments. What we find and what we all know is that these Establishments are today being looked after by European officers most of whom are not at all interested either in the industrialisation of our country or in the defence of our country. So, I should

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submit, Sir, that this aspect should be looked into and I suggest that immediately a committee of enquiry composed of representatives of this House and other interests should be constituted to look into this matter and to examine the possibilities of running these Establishments to the best advantage of the country.

Sir, there are one or two more matters that I would deal with, with your permission. There is a recent event which it would not be out of place to refer to. I mean the annual Conference of the Federation of Indian Chambers of Commerce and Industry held in this very city only yesterday. I leave detailed comments on the proceedings of that Conference to some future occasion, but permit me, Sir, to express my satisfaction on the assurance of the President on behalf of the Federation to give the fullest co-operation in evolving a comprehensive and well-thought out plan which would enable labour to play its proper role in the industry, and would also settle the just claims of capital and labour in regard to their remuneration on the principles laid down in the resolution on industrial truce. I only hope that these sentiments will be translated into action without delay. Although three months and a half have already elapsed since the Industrial Conference took place, we still hardly find any change in the attitude and ways of industry. One important Conference—the National Industrial Committee on Textiles—took place in the month of January, about a month after the Industrial Conference. That Committee was held under the presidency of the Labour Minister where certain important subjects arising out of the industrial truce were discussed. I regret, Sir, in the first place to state that the leading industrialists in the country were conspicuous by their absence from that Conference. Secondly, of those who were present, their attitude was so unhelpful and so arrogant that no good could come out of that Committee and it dispersed without coming to any conclusions. I trust the industrialists of this country will take due note of the timely hint given by our respected leader Pandit Jawaharlal Nehru who said:

"It is not enough to blame any group of interested people for misleading them. The cause lies deeper than that. The minds of labour is generally upset and they have no faith in the sense of justice of those with whom they have to deal. The all-important thing is that labour should have satisfaction and peace of mind, because when minds are upset they prove welcome fields for mischief-mongers."

Sir, within a few weeks meetings of the Standing Labour Committee of the Indian Labour Conference and the Tripartite Conference are going to take place in this city when various matters in connection with industrial truce will come up for discussion and I do hope that the conclusions of the Conference will be such, particularly with reference to control of profits, payment of fair wages, works and production committees and provident fund, that they will infuse in labour a spirit of service towards their country.

Sir, in the course of discussion it was urged by certain sections of the House that labour at the present moment was not so responsive as it should be. I should say, Sir, that such a sweeping statement should not be made of labour as a class, though I do admit that there are certain section of labour workers who are of course fomenting or trying to foment trouble. For instance, Sir, there is the Communist Party. Till some time back the Communist Party was a great admirer of the Nehru Government which they called the "Peoples' Government." But later on there was a change in the international situation and our respected Prime Minister refused to side with Russia or to be dragged in any power politics in the international affairs with the result that since then the main and exclusive concern of the communists in this country has been, in season and out of season, to blame and decry the Government and to create chaotic conditions in the country. But I assure you, Sir, that the working

classes of this country are gradually recognising the real colour and complexion of that party and are increasingly coming under the banner of the new organisation that has for some time been set up and which is gaining momentum every day in this country.

So far as the Socialist Party is concerned, Sir, I would not like to say much at this stage. Only recently they met at Nasik and passed a resolution seceding from the parent organisation. But still more unfortunate was their decision to set up a rival trade union organisation in this country. Sir, from my personal experience of them I can say that among its leadership are persons who are actuated by the best of motives to serve their country and I do hope that a time will come when they will recognise their mistake and will appreciate the fact that the best interests of the country and the working classes can be best served by their remaining a part and parcel of the great organisation which they have left. Thank you, Sir.

Prof. N. G. Ranga: Mr. Speaker, Sir, I am sorry to have to say that I have not at all been pleased with the general stand taken by the Honourable the Finance Minister who happens to be a very old friend of mine. Sir, it was in 1925 that I came into personal touch with him while he was then the doyen of the opposition benches in this House. But ever since I have found him taking up consistently the same stand taken up by the capitalists in this Country. He has been trying to polish it up and palm it off also, as if it was a kind of socialism. I am afraid, Sir, there are all sorts of conceptions of socialism in this country. Only today my old friend Mr. Jai Prakash Narain was saying that his cult of socialism is not very much different from the Gandhian Socialism. But I wish to tell my Honourable friend Mr. Chettiar that Gandhian socialism is something which is really ascertainable, which has been defined and stated quite clearly by Mahatma Gandhi especially during the last two years of his career. According to Mahatma Gandhi, Sir, there should be no scope for profit motive; the Finance Minister stands for it. According to the Mahatma there need be no private capitalism as such; my Honourable friend stands for it. According to Mahatma there should be the smallest amount of concentration of power in industry as well as in politics and in other spheres of life; my Honourable friend does not stand for them. According to Mahatma Gandhi every effort should be made both by the Provincial Governments and the Central Government to encourage co-operative enterprise and also cottage industries and there should also be decentralisation of power, decentralisation of industry and decentralisation of economic organisation. I do not find much evidence in favour of any of these conceptions in the two or three speeches my Honourable Friend has made. Therefore, I am quite convinced anyhow in my own mind that my Honourable friend Mr. Chettiar is certainly not a Gandhian Socialist. I leave it to him to decide as to what school of socialism he would like to belong. (An Honourable Member: "Capitalist socialism".) But one thing I know. It is not enough that he should be in favour of equal distribution of wealth, or rather he should be in favour of reducing the present inequalities and preventing any further progress in these inequalities. I do agree with him on that point but that is not enough. What is most necessary is that just as you have self-government in political life today in other countries also, you 3 P. M. have also to aim at the achievement of economic self-government in the industrial sphere. Why is it that the workers today are not able to make as much response as they are expected to? It is not only because the communists are creating trouble, it is not only because they are not quite satisfied with the kind of response they get from these capitalists, but it is also because they today have very little say in the way in which these various industrial enterprises are being run. Being themselves one of the two or three most important partners in the management and running of the industrial structure of this country or of any other country, they would like—and quite naturally and rightly—to be taken into full partnership in the management of industry. Surely capital alone cannot be given the monopoly of

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[Prof. N. G. Ranga]

managing these things and laying down the law. Capital might turn round and say, "Well, we ourselves are not alone in this; we have got our managerial staff and all the intellectuals and professionals, the mechanics and engineers and all these people." But even then they make only two partners: there is a third partner and that is the worker, and he has got to be taken into full partnership. It is true that the recent Industries Conference has suggested that there should be mechanism of consultation like works committees and so on. But are they enough? I am afraid not. They go some way to satisfy the legitimate needs, the desires and aspirations of workers; but they ought to be taken into full partnership in its complete significance, in the Board of Directors, and so on. There is no such proposal as yet either from my Honourable friend the Finance Minister or his colleague the Industries Minister. And until and unless we are able to establish what has come to be known as tripartite management of industries with necessary modifications in order to suit our own conditions, I am afraid it will not be possible for us and go to our own workers and tell them that they have got all that they can reasonably ask for and therefore they must offer their whole-hearted support. At the same time I wish to tell my Honourable friend Mr. Sastri who spoke just now that it is not enough for workers to go on saying that the employers are not giving a sufficient response. If really our workers are keen on the achievement of nationalisation of most of the important industries, then the responsibility rests on them also to try and maximise production in order to show that until there were to be nationalisation also to boot, there would be much more co-operation from labour and much more production also, and there would be much greater development of our own national wealth. I want the workers to take the viewpoint also.

Then there are these capitalist friends of ours; yesterday the Prime Minister gave them a homily, though in an indirect manner. I am afraid even then that the Indian capitalists do need a homily. They seem to think that the whole of this country anyhow, if not the whole world, should belong entirely to themselves, that they are absolutely rejuvenated people like the old Maharaja Yayati, that they have all the youth and strength of Kartaviryaryuna, and no one else can poach into their grounds. There should be no State socialism, there should be no nationalisation, no co-operative enterprise or anything like that, and all enterprise must be left to their own exploitation. But what is their position? They are even worse than the Maharaja Yayati, who at least had one thousand sons out of whom he could pick up one fellow who was prepared to give up his own youth in favour of his father. But here they have no such thing. They want to show people that they have got control over the entire capital of the country and with all that capital they would be able to develop all the industries that they want in this country. They want us to believe also that State enterprise is bad, therefore we should not come in their way and they should have complete freedom. But what is the position? They are not able to do anything. Here are all these refugees—5½ million of them and even more,—and their number is increasing. There has been plenty of demand for houses, for cloth, for small shops, consumer goods and various other things. What happened to our industrial capital here and their enterprise that they kept mum and did nothing at all while all these people have been begging for various things in this country? There has been plenty of scope; it is a buyers' market. Who prevented these people from doing anything. Has the State gone and competed with them? The State has not been able to do anything at all. Has there been any sort of nationalised or any sort of co-operative industry to prevent these people from going and catering to the needs of these men, women and children? No. The fact of the matter is that these capitalists are absolutely incompetent; they are not able to inspire sufficient confidence among our own people, the ordinary middle class for whom my Honourable friend wishes to plead, the lower middle as well

as the upper middle classes who have a very small hoards of sums of money who do not know where to put this money and who are not putting it in the banks or other things. These capitalists are not able to inspire sufficient confidence in these people and gain all that money and bring it again into these banks and their various industrial concerns and capitalist concerns and invest it in these various industrial enterprises that are so badly needed. Therefore, Sir, it is no good for these friends to come and say with all their greed that there should be no nationalisation. Let me tell you, Sir, that I am all for nationalisation of all the basic and key industries. I am not alone in this; I have been saying this for the last 15 years in this House. But in those days my people were not in Government. Today, however, my people are supposed to be in Government, though unfortunately my Honourable friend the Finance Minister who comes here on behalf of my own Government speaks, I am afraid, out of tune with the general trend and sentiment of the great majority of Congress people in this country as well as—if I am not mistaken—in this House also. We are in favour of nationalisation; and why? We have no desire to hold forth on the virtues of nationalism at this time because we thought it was taken for granted. Plenty of books from Rhys David and others have been written about this nationalisation; and being a good reader and scholar himself, my Honourable friend the Finance Minister must have read all these books. I will tell him one thing. Take the railways, for instance. Some time ago the railways were under fire, and so many people began to say, "Look at the railways and their inefficiency; even in the face of that do you want nationalisation?" I wish to tell them that there is very much more inefficiency, very much more corruption and much more black marketing and all the rest of it in the various privately managed industries. But are we able to criticise them? Do we know the facts at all? Are their annual reports placed before us for scrutiny? Are their management and proceedings under fire in this House at all. On the other hand I have got the railways here under my daily scrutiny. I have got the right and privilege and opportunity to take them to task for any sign or suspicion of inefficiency or corruption or mismanagement.

Shri Ramnath Goenka (Madras: General): And with what results?

Prof. N. G. Ranga: With the result that my Honourable friend is able to be here all the way from Madras, and similarly so many other people also. With the result that 5½ million people have been able to come away from West Punjab, and 5½ million people were able to go away from here to other places. If you read books about China you will see how many thousands of people have had to die on the roads without any food, without even slippers or without any shelter at all, merely because their railways would not work or there were no railways to work. But here my railways have made a creditable job of it and I am proud of the fact that these railways belong to my State.

Shri Bikramlal Sondhi (East Punjab: General): What is their percentage as compared to the total population evacuated?

Mr. Speaker: Order, order; that is not relevant.

Prof. N. G. Ranga: My Honourable friend is such a big capitalist that he does not want nationalisation; and there are some people who are clever enough to pick the brains of all capitalists themselves and capitalise it.

Sir, I am glad a Bill has been introduced here for the imposition of an estate duty. I only wish that my Honourable friend while introducing the budget had given us an indication of this: it would have gained for him a better reception for his budget.

An Honourable Member: He did.

Prof. N. G. Ranga: Anyhow he put it in the Bill.

Then so far as his own taxation policy is concerned, leaving aside his present proposals I wish to make him a suggestion. He should not be satisfied with a sort of indirect approach to a three-year plan. He should make a bold approach to a five years plan and he should try to budget for a surplus budget, so that while these days last, it will be possible to have enough money which he can use later on when bad days come.

Next, I am glad that he lays stress on the capital budget. But my complaint is that he has not made the fullest possible use of it. He ought to have come forward with a very fine and big loan programme and raised the money. There is plenty of it in the country, provided you take the help of the co-operative organisations in the country. In the past all these organisations were not willing to co-operate with the Government. To-day they are willing to help intensify such activities in the country. They are prepared to invest small sums in State loans with which it will be possible to launch a number of projects here at the Centre and in the provinces. Therefore, I would like him to appoint, if necessary, a Commission in this country. If a Commission is found to be a delaying thing, then let him take any other measure by which it will be possible to review the whole of the taxation structure and the loan structure and then to make necessary recommendations to him, so that it will be possible the next time when he comes with his budget that he will be able to come back with better and fuller proposals.

Then there was this suggestion which I thought was rather attractive—the conscription of capital. Prof. K. T. Shah was also suggesting it. I do not know how far it will be a practical thing. Certainly we can approach this conscription of capital if only all our public organizations and the State would go hand in hand and go to the people and induce them to invest their funds with the Government's saving certificates and various other loans.

I wish to warn my friend about one thing. He seems to be under the impression that this present National Government is so entirely dependent on the capital market that he should try to sell his Government as effectively and as efficiently as is possible. I congratulate him on that. He is a very good salesman and he has sold our Government very well indeed in this country and abroad. But what I do find is that why should he be at such great pains? Why should he be such an *ad efatist*? If he were to depend on public co-operation he should be able to raise more funds than what these share markets can possibly be expected to supply him.

There is no mention in his speeches about the steps that he proposes to take in order to establish the Agricultural Finance Corporation, the cottage industries finance corporation, and the civil service that has to be created for industrial administration. These are the three suggestions that the House has made more than once.

I need say one word more in regard to the Cottage Industries Finance Corporation. Cottage industries ought not to be taken as the concern of the provinces alone. The Central Government should take an interest in the matter and it is proper that the Central Government should establish it with the necessary provincial branches connected therewith, so that it will be possible for the Provincial Governments to have sufficient funds with which they will be able to develop all these things. Only yesterday the Honourable the Prime Minister was advising the capitalists in this country that if we were to supply our people with the necessary consumer's goods at all, we should rely more and more on cottage industries. Evidently it was something like an advice to them to go and put their money in these cottage industries. I hope it will be possible for this Governments to come forward with this proposal for this Corporation that I have suggested so that it will be possible for the Provincial Governments to start a number of co-operative cottage industrial

enterprises and help those people to help themselves instead of being left to the mercy of these capitalists who might be starting their own concerns. I know that one of the great leaders of these industrialists had been talking of organising the cottage industry on a fairly scientific basis and a fairly advanced basis. For the last three years he has been trying to invoke my assistance but unfortunately I have not been able to co-operate with him, for I know that once you allow the capitalist to come into the field in any sort of way, he will be following the dog in the manger policy. He will neither develop that field nor allow it to be developed in a more advanced manner.

Is it not necessary that we should relate our taxation to the ascertainable national resources estimates? Is it enough that the Central Government should be framing its own budget almost by itself, in a haphazard manner, without any relation to the provincial budgets? I would like to know whether the Honourable the Finance Minister has taken action to call for a conference of the Provincial Finance Ministers and ascertain how they were going to develop their budget policies and public debt policies also? And whether in the light of those conditions he had formulated his budget? I do not know whether he has done it or not. In future it is most necessary that before the Central budget is formulated, the Central Finance Minister should be able to have a clear idea as to how the whole of the public finances of the Provincial Governments are likely to be developed and how their policies are formulated in their budgets. It is also necessary for him to tell us how much money is being contributed by indirect taxation in this country. He thinks he has told us that through his statement, when that statement is a partial one. It is a piecemeal statement. He told us that direct and indirect taxations were almost equal to each other. That is so far as the Central Government is concerned, but what about the incidence of the whole of the Local Board taxation and the Provincial Government's taxation? Is not it a fact that the Taxation Committee report had itself stated quite clearly that the incidence of the Provincial taxation was indirect mostly and was also regressive; and if you were to take this tax burden into account along with the Central tax burden, it will be found that the contribution from direct taxation cannot be more than 30 per cent in the overall picture. Is that a satisfactory state of things? My Honourable friend wanted us to compare our own tax burden—rather the respective relations between direct and indirect tax burdens with those imposed in America and England. But England is a unitary State. There you have one budget. Here we have the provincial budgets, the local body budgets and the Central Budget. Therefore these figures cannot be relied upon entirely. For this reason, I very strongly deplore these new tax proposals that he has made: one on coffee; he has given us some satisfaction in the Select Committee. The other is on tea; the third is on sugar; the fourth is on matches; and the fifth on vegetable seeds and vegetable oil which have to be exported. I am of course not referring to Dalda as I am not in favour of it. So far as these new tax proposals are concerned I can only tell him that I am not at all in agreement with him, not because I want the lower middle classes, the proletariat, the workers and the peasants, not to pay any tax; I want them to pay taxes, and they have been paying all along through their nose, as it were, to the Provincial Governments; to the Central Government also they have been paying right up to the beginning of the war; it is only during the war that direct taxation burdens have been raised to some extent satisfactorily. Even now, as my Honourable friend Professor Shah has put this morning, I do not think there was any need for him to be so very squeamish to have given so many concessions, to the rich people. My Honourable friend would plead that he has not given very much after all—1½ crores on the balance. But he has created a very bad impression that he has been catering only to his people and not caring for other people. He has balanced the budget and advertised it so well that he has sold it rather too well. He had on the second day to give an apology "why do you think I am a capitalist man?" That is

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a wrong way. If you do not want to appear a capitalist man, very well. But not only in appearance but in substance also you have to appear that you are not a Capitalist man. Not only in substance but in appearance also he is in favour of the rich people, especially if you consider all the intricate impositions that he has proposed and he has been able to sustain even in the Select Committee. It is true I was a member of the Select Committee. But as a member of the Select Committee I had one particular duty, and that was not to upset his budget so entirely that the Finance Minister would withdraw it, resign and leave the country in the lurch. It was because I did not want such a crisis that I agreed to put my signature to the Report and not because I was satisfied with my Honourable friend's performance. I do not want to be misunderstood. When I use the word 'performance' I do not mean that I think my Honourable friend is not good enough to be the Finance Minister. My regret is that he does not hold the opinions that I hold, that he is not able to feel in a spontaneous manner just as strongly in regard to the ordinary people, the poor people, as we do in the Congress. It is true he makes an effort; but unfortunately he belongs to the capitalistic school and with all his great abilities he is not able to make that approach to these various problems that we would like.

Then there is the other question about grants. My friend Mr. Shiva Rao was suggesting this morning that the Central Government should keep some sort of control over the Provincial Governments as to the manner in which they would be spending the various grants that the Central Government is making to them. I agree with him. But at the same time I want to sound a note of warning that the Provincial Government's autonomy ought not to be trespassed. The Provincial Government's sense of responsibility also ought not to be weakened in any way. They should be welcomed to develop their own independent heads of revenues, their own budgets almost independently of the Central budget so far as their own incomes and expenditure are concerned, but at the same time sufficiently and properly related to the Central budget as I have already stated.

There is the question of loan policy. I want the Provincial Governments to be free to raise their loans whenever they want, for productive purposes. It is only when they want help to make good their budget deficits or any of these things that they will have to seek the prior consent or advice of the Central Government. Even then I want the Central Government and the Provincial Governments to co-operate with one another in regard to their public loan policy so that there would not be unnecessary competition and unnecessary frittering away of the total overall capital credit of the Provincial and Central Governments.

The question of sales tax was also raised by my Honourable friend Mr. Shiva Rao. I am not able to agree with his point of view. I do not want that the Central Government should have complete control over this. I want the Provincial Governments to be free to go on as they are going on today. At the same time I do want my Honourable friend Mr. Chetty, the Finance Minister of the Central Government, to keep some watch over these things, and here and there and now and then, whenever needed, to give them some advice, help them with his sage advice as well as counsel and experience. To that extent alone I am prepared to countenance any sort of interest on the part of the Central Government in regard to these sales taxes.

There is the question of development. I find that my Honourable friend has not dealt quite so fairly with my people, the peasants. I know he would be able to turn my attention to one or two items about the Grow More Food campaign and so on. That is not enough. I want him to develop, in consultation with his other colleagues in this Government, a regular national campaign for the development not only of the Grow More Food campaign but

also campaigns of housing, public health and sanitation all over the villages. If this Government were to come to the people with the support of all the Congress Committee and the Kisan and Workers' organisations and develop a really national campaign, it would be possible to make our villagers contribute 50 per cent or even 75 per cent of the money that has got to be spent on village developmental works. All that the Government has got to do is to advance about 50 per cent, and not more than 50 per cent, say 12½ to 50 per cent, as grants-in-aid. It would be possible in all our villages within any one year to get Rs. 100 crores worth of constructive work achieved all over the country. Such a policy has got to be inaugurated. It can best be done from the Centre. If the Provinces were to be left to their own resources it will not do. I know in Madras a year and six months ago they had a scheme costing Rs. 1 crore for Harijan uplift. Bombay followed this. It could not go very far. But if from the Centre a similar effort had been made—if the Centre had given Rs. 10 crores and had asked the Provincial Governments to put another Rs. 10 crores, it would have made Rs. 20 crores, and with this Rs. 20 crores if the Provincial Governments had gone to the people and told them "you should put at least another Rs. 30 crores"—there would have been Rs. 50 crores worth achieved all over the country in all the villages. In regard to housing we know that Harijans have not got houses worth speaking about. We know that ordinary trench latrines do not exist in our villages; protected water supply we do not have. It is easy for anybody to say "all these things are provincialised." In the other dispensation all these subjects which mattered money were provincialised so that the Centre could have a very easy time. But we could not plead that now. When Pandit Jawaharlal Nehru goes through the villages and the towns in the country our people do not know the difference between the Central Government and the Provincial Government and the local administration and they simply hold him responsible for their homelessness and for their various other difficulties and disabilities. It is therefore the duty of my Honourable friend the Finance Minister to help our Prime Minister as well as the Congress, now that he has taken the responsibility of serving the Congress through this Government, to prepare the necessary financial schemes so that it will be possible for us to inaugurate a scheme and carry on the reconstruction of our own rural areas.

I have got two small things to ask him. Some years ago on my suggestion Sir James Grigg agreed to set apart Rs. 5 lakhs—I have to come to figures in lakhs after speaking of hundreds of crores—for the improvement of marketing conditions, for sugarcane growers, because I took exception to the increase in the excise duty and drew his attention to the fact that the increase in the excise duty was not going to be paid by the millowners, that it was not even going to be paid by the consumers but only by the producers, the growers, because of their weaker bargaining capacity. We do not know what has happened to that Rs. 5 lakhs. After one or two years that grant also was stopped.

Similarly, last year Sir Archibald Rowlands made a similar grant for the improved marketing of arecanut. We do not know what has happened to that again. They are small sums, but they have to be taken care of to help our growers. Not sufficient attention has been paid to that aspect.

This year my Honourable friend has proposed to put an export duty on all oilseeds and also oils. I want him to spare at least Rs. 10 lakhs. As per the resolution of the Oilseeds Committee, which was established in accordance with a law of this Assembly, at least Rs. 10 lakhs would be required in order to enable these people to organise themselves into co-operative marketing societies and develop their own marketing facilities, so that the incidence of these duties need not be passed on to the growers themselves. Today it is a fact that the growers themselves are obliged to accept lower prices merely because the middlemen are so strong. Instead of taking the trouble of passing on the

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incidence of these duties to foreigners they have passed on the incidence of the proposed tax to our growers. Therefore, in order to help our people I want my Honourable friend to come forward with at least Rs. 10 lakhs for these people for the development of co-operative marketing.

Lastly, I want him to develop this as a matter of policy. Whenever he thinks of these export duties and excises he should make it his special task and responsibility to see that the marketing or rather the bargaining capacity of our growers is developed through co-operative development and for that purpose sufficient funds are being placed every year at the disposal of the concerned Committees of the Government themselves catering to the welfare of these people.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shrimati Ammu Swaminadhan (one of the Panel of Chairmen).]

Kazi Syed Karimuddin (C. P. and Berar: Muslim): Sir, I am very much bewildered after listening to the speech of the Honourable Prof. Ranga. According to him, the Budget proposals of the Finance Minister are against Gandhian philosophy. According to him, the Budget proposals are not acceptable to the majority of the members of this House and the Finance Minister is capitalistic in outlook and the proposals are based on the capitalist economy. If these proposals are against Gandhian philosophy, if the majority of the members of this House are opposed to it, I do not know.....

Prof. N. G. Ranga: I did not say "the majority of the members are opposed to it".

Kazi Syed Karimuddin:.....I do not know how the Honourable Prof. Ranga has signed the Report.

Prof. N. G. Ranga: For that I have given you the reasons.

Kazi Syed Karimuddin: I am sure Prof. Ranga will make a bad witness if his report is put to him in the witness box. Sir, it is an admitted fact now that the Government, or the Finance Minister, is unmindful of the criticism. There is criticism from every corner of the House that these financial proposals are not acceptable. What is the result? The result is the continuance of the same system of economy. The result is the passing of the same proposals. I begin to doubt what attitude I should take because this is the first time I am a member of this House. I find members criticising the Budget, naming it by any name and then passing it. I do not know if this is the tradition in this House. Is it collusive criticism that the members of this House are carrying on?

Prof. N. G. Ranga: Constructive criticism, my dear friend.

Kazi Syed Karimuddin: Sir, my submission is that, if it is a fact that the financial proposals do not suit the conditions of this country, either they must be rejected or they must be modified. The Select Committee has done nothing of the kind. The only alternative to all this criticism is this, that the economy of the country should be changed. It should be a socialist economy. Then only the claims of labour and the capital can be reconciled. There is absolutely no other method by which we can increase the production in this country. As it has been stated by several members of this House, an appeal is made to the sense of patriotism of the labour to increase production and according to the Prime Minister, "Something has to be done". I am amazed that in spite of the fact that the Prime Minister has taken up an attitude that something to allay the fears of labour has to be done, there is no proposal in the Budget. I find the Budget proposals inconsistent with the policy of the Prime Minister. The Prime Minister said in his speech yesterday that why capital should be slow he could not understand. Production is falling because there is no incentive to labour. If this is the declared attitude of the Prime Minister,

incentive is being given to the capital and not to the labour. It is understandable. The whole policy is inconsistent. The Prime Minister is saying that incentive to the labour is to be given, the Finance Minister is giving incentive to the capital, and still the financial proposals are before the House and they are signed by the Select Committee. In my opinion, the entire attitude of the Government is inconsistent. There is a difference between the economic ideologies of the Finance Minister and the Prime Minister and the economic ideologies of the members of this House and the Finance Minister.

Sir, this is no beneficial policy. This is no policy for the amelioration of the poor people of this country. This country should have a realistic attitude and lay down a policy of social economy or change the economy of this country. Let us not have an unrealistic criticism of this policy. After the Bill was referred to the Select Committee, what has been done? There is a compromise between the middle classes and the capitalistic class. The limit of taxation has been raised from Rs. 2,500 to Rs. 3,000 and according to expert calculations, there is a loss of Rs. 60 lakhs and 60,000 people would gain. We are giving relief to people who do not want it or where it is not necessary to give. Several responsible members of this House cried hoarse that there should not have been taxation on tea, coffee, smoke and several things. But we give considerable relief to those who earn Rs. 3,000 and suppose they would have been taxed, what would have happened? Absolutely nothing would have happened. If Rs. 200 are taken away from them, from the income of people getting Rs. 3,000 it is nothing. But suppose from the income of a labourer, one anna on tea is taken away it would be a very considerable amount. The Finance Minister has given a long rope to the middle class or has won them over by increasing the limit from Rs. 2,500 to Rs. 3,000. In my opinion, this is very unwholesome.

Secondly, as Prof. Ranga said quite rightly, that taxation on the oil seeds and vegetable oils is very unhealthy. There is in the international trade a great scope for fat and oil and there is also a big scope for trade expansion in oil seed and in vegetable oil and ghee. In the opinion of the expert Committee that was held under the presidency of Prof. Ranga, a Resolution has been passed that the export duty on oils must be decreased. One of the members of the Select Committee who had written a minute of dissent says that taxation on push cycles should have been decreased and it did not matter if taxes on coffee and tea remained. He is the Honourable Mr. Sidhva. Everyone is pressing the claim of each class. But in the entire Report of the Select Committee there is nothing to show that any tangible thing has been done as regards the poor people. There is a reduction in taxation on tea and coffee to the extent of 50 per cent only. Now, Sir, suppose these Rs. 60 lakhs of loss on income-tax would have gone to the poor people by reduction of taxation on tea and coffee, that would have been far better. There is absolutely no reason why the limit in regard to taxable income has been increased from Rs. 2,500 to Rs. 3,000 except that there is a union between the middle class and the capitalists to the exclusion of the poor people. That limit should not have been increased. This particular amount should have been remitted in the case of the tax on coffee and tea.

There is another thing which I want to impress on the House. When this Bill was taken into consideration in the beginning I raised a point on the lines on which my Honourable friend Pandit Bhargava raised the issue, viz., the way in which taxation is levied on the Hindu undivided family. At the same time I had spoken that in the case of a Mohammedan family the income-tax taxation policy is the same. The case of a Mohammedan undivided family is stronger, because in law they live as tenants in common and there is no such joint Hindu family. Anyhow I find that the Finance Minister did not even make a reference to the point which I had raised at the time of the consideration of this Bill. Therefore the proposals as have emerged from the Select Committee are not satisfactory at all and I make an earnest appeal to the Finance Minister that

considering the intensive demand of the members of the House and the demand of the country that the economy of this country should be changed, he will become alive to the situation and try next time when he comes with his financial proposals to change the economy of the country.

Shrimati Dakshayani Velayudhan (Madras: General): Madam, the only salient item in the budget proposal was the abolition of the betelnut duty. I am very glad that the Honourable the Finance Minister took the first opportunity to abolish that duty. Whether it was necessary or not it was giving a lot of trouble to many people. Especially in some parts of Cochin State there are people whose only occupation is the cultivation of arecanut palm. The Honourable the Finance Minister knows about the Cochin State and on behalf of the people of Cochin I wish to thank him for abolishing the duty on betelnut.

Shri M. Ananthasayanam Ayyangar (Madras: General): He was their Dewan.

Shrimati Dakshayani Velayudhan: That is well known and so I did not mention it. I had also complained about the duty on coffee. I know that there were members in the Select Committee who are on the side of the Finance Minister supporting him for having that duty on coffee and tea. I think that is the reason that the duty was not abolished *in toto*.

In his reply to the budget debate the Finance Minister said that there was no allotment made in the budget for Harijans, because it is a subject that is to be dealt with by the provincial governments. We find this attitude of the Central Government in the award of scholarships for scheduled caste students. The Central Government had a scheme for sending scheduled caste candidates for higher studies abroad. The scheme was started in 1944-45 and altogether 35 students were sent for foreign studies from the scheduled caste. I know that only 11 students have returned after completing their studies. In answer to a question I asked I was told that the scheme was abolished in 1946, because in the words of the Education Minister who answered the question:

"The policy of sending scheduled caste students for higher studies abroad under the scheme was discontinued in 1946 by the Scheduled Caste Scholarships Board. In 1945, twenty-two students were sent for studies abroad but in later years in view of the rather unsatisfactory result achieved by this batch the Board decided not to send any further students for advanced training abroad under this scheme."

I wonder how the Board was able to come to a decision that the result was unsatisfactory so soon after sending the students abroad and all the students had not returned after completing their studies. My information is that there was a proposal to scrap that scheme even before sending all the students who were selected for the scholarships. Then again next year only one student was sent under the overseas scholarship scheme and the Government I am told is giving some preference to students of the scheduled caste and it is said that they are selected according to the communal ratio prescribed by the Ministry of Home Affairs for purposes of appointment to services, etc. But I wonder whether the ratio can be only one. In one year they sent only one and the next year nobody was sent. If the Government have any desire to see that Harijans should be educated and that they should be given all facilities for foreign studies, it is the duty of the Government to renew the scheme and give full facilities for them to go abroad so that they can secure degrees of foreign universities. I will have no quarrel if the Government have a scheme for educating all the poor people of this country but as far as the Government have they do proper justice to those unhappy brethren of this land. This year i.e. no such scheme, whatever scheme they may have it is their duty to see that in 1947-48 the Government received 1,225 applications from scheduled caste students for scholarships and the Government have granted 590 scholarships so far. I beg to submit that it is not a good policy. The Government have

got the funds and it is their duty to give scholarships to at least a maximum number of students. It is a known fact that the Harijans cannot go abroad for higher studies or even for college or school studies spending money from their own pockets. The Government should give more scholarships every year to scheduled caste candidates who apply for those scholarships. One Honourable Member here mentioned about the grant of a crore of rupees by some Provincial Government. My information is that that scheme is only on paper. I wish to point out that it is not a good scheme to be imitated by other Provincial Governments. Other Provincial Governments can imitate that scheme, but they should make it a point to put it into practice, otherwise there is no use of carrying on this kind of propaganda.

Then, Madam, I wish to refer to the policy of distributing radio stations throughout the Provinces of India. I know the Government have got a scheme—I think an eight-year scheme—for supplying radio stations for the different language units. There was a Malayalam programme from the All-India Radio, Delhi, for the Malayalis abroad, but that scheme was dropped in 1946. I must bring to the notice of the House that only ten minutes are given for Malayalam programme by the All-India Radio, Madras. If you take the other language units, the Andhras are getting, I am told, one more station at Bezawada. Then there are Telugu programmes . . .

Shri M. Ananthasayanam Ayyangar: Where is the other station for them?

Shrimati Dakshayani Velayudhan: It is from Madras whether major portion of the time is for Telugu programme.

Shri M. Ananthasayanam Ayyangar: It is as much Malayalam as Telugu!

Shrimati Dakshayani Velayudhan: But I have no complaint: let all the time be given for Andhra. The Telugu programmes come from Hyderabad, then from Mysore also. Then there is the other language unit, that is Kannada. There are Kannada programmes from Mysore, Hyderabad and from Bombay. Malayalam is the only language unit which gets only ten minutes a day.

In the Explanatory Memorandum provision is made for installing four radio stations in four places but I think the radio station that is proposed for Malabar will not be forthcoming soon. I wish to bring to the notice of the Honourable the Finance Minister that provision should be made to instal a radio station in the nearest future in Malabar.

I wish to make one suggestion and that is that till the Malayalam unit gets a separate radio station of its own, the Government may kindly make arrangements to broadcast a Malayalam programme from its central station and also from Madras. At least thirty minutes should be given for the Malayalam language because Malabar is the biggest district of the Madras Presidency having the largest population. So, it will be only doing justice to the people of Malabar if the time is increased from ten minutes to at least thirty minutes. I hope that the Honourable the Finance Minister will give a sympathetic consideration to the points that I have made.

Shri Krishna Chandra Sharma (U. P.: General): Sir, I sympathise with the Honourable the Finance Minister who has been subjected to very harsh criticism on a vast number of points. Well, it is the fate of every Finance Minister that he has to bear the brunt of the criticism. It is true, as Burke said.

"To tax and please, no more, than to love and be wise, is not given to man."

So, criticism apart, there is no gain saying the fact that so far as the present problem of inflation goes his balanced Budget will go a long way to minimise its effect. For, if we look to the rise in prices then as the deficit. Budgets rose from 1939 to 1942 so the inflation comes into play and prices of commodities rise. The main factors for inflation were the expenditure on

[Shri Krishna Chandra Sharma]

war, the large employment of people—2½ million in war and 70,000 in connection with other military duties—and then of shortage of manufactured goods. These were the main factors in bringing about inflation; but the most important of them was the deficit Budget. If we look to the rise in deficit Budgets then from 1939 to 1942-43 there is a steep rise and then in from 1943 and to the end of 1945 there is some stability in prices. Again, as the deficit rises in the Budget from 1944 to 1947 there is again a steep rise. So, comparing that we find that as the deficit in the Budget rises, so do the prices and so comes into play the inflationary tendency.

This balanced Budget, I hope, will go a long way to meet inflation. So far as inflation is concerned, he can take the credit of devising means to combat it. But to a certain extent inflation is not the result only of deficit Budgets but of shortage of manufactured goods as well. So the next problem after the deficit is that of production. The Honourable the Finance Minister has given relief to the capitalists in the hope that there would be increase in production. I think the problem has not been rightly appreciated. As Mr. Shastri said, it is not only the economic problem with regard to labour, that they are not willing to put in their best in the matter of production. The main problem is more of social nature rather than economic. Capitalists are not well-trained; they have no scientific training; their management is bad and unscientific. I have been an arbitrator in many labour troubles, and from my experience I find that a man who is not fit to be employed as a *patwari* is put in charge of thousands of persons; he has no method of tackling the labour problems, to meet their demands, to pacify them. And more often than not the trouble arises not on economic issues but on beating a worker, abusing him, kicking him or ill-treating him. This is a sort of thing which can be tackled very easily by having good management, by having trained men. A man who is not fit to work as a *patwari*, who cannot be entrusted with a *patwari's* work is put in charge of thousands of people. Their own relations, without any education, without any training, without any foresight, are managing or rather mis-managing the fate of the people.

To appreciate the situation you should go back to the rise of capitalists in this country. You cannot compare the capitalist of India with the capitalist in foreign countries.

Capitalists in foreign countries have some training; they have a tradition behind them; they have built up industries by years of hard work.

While it is true that they are making profits, they are proud of the fact that they in turn have given something to the community and their country as a whole. Look at the picture in India. Capitalists here have neither any tradition to look upon nor any training. They have no conception of human values. Their only aim in life is to accumulate wealth and more wealth. What that accumulation is intended to serve they do not know. Money for money's sake is their motive. It would therefore, be not a right course to put them in charge of the nation's industries. The labour feels that the capitalist in whose hands its fate rests is inhumanly unsympathetic. It thinks that the man who bosses over it is inferior to him. It is, therefore, impossible in the nature of things to expect the labourer to co-operate with the capitalist under these circumstances. Look for instance, the law reports of foreign countries. You will not find a single case that a man has not been marked present, that his over-time is not marked in the register. There they have trained men who are regularly put on one work, while in India there is no fixity of employment. Men are constantly kept changing, all with a view to deprive them of their legitimate wages. There are no regular hours of work and women are made to work without any shelter. In fact the provisions of the Factories Acts have become a dead

letter. How in the world can you expect the labourer to co-operate with such a capitalist?

Capital in the modern sense is a dynamic force. It cannot remain in a static state. Capital must come into the market. What is lacking in India is the training in the capitalist. He is an untrained man. He has money enough, he wants more money but to no end. In the majority of cases he has amassed this capital by black-marketing, profiteering and evasion of taxes. The best course, therefore, would be that the capitalist should be heavily taxed, and out of the money which thus flows into the Treasury, the Government should subsidise industries and exercise some effective control. The State should take charge of the major industries and run them on national lines, so that the labour may co-operate, the people may co-operate and trained men may come to manage the whole affair.

The last point I would like to mention is about the introduction of a sort of 'conscription'. In the course of the last war about 2½ million people were employed in military and about 70,000 people were employed in other works connected with the military. These people have saved a lot of money. There was no scope for spending this money as consumer goods were in short supply. That money could not be spent on house-building operations as building materials were in short supply. The peasant and worker too had enough of it. People are, therefore, reluctant to do any work, as they have some money to fall back upon. It is high time that the State takes recourse to some sort of legislative measure or an ordinance to 'conscript' people to do work. Without such a measure I do not see any means of marshalling the vast man-power in this country.

Prof. Shibban Lal Saksena (U.P.: General): Madam, I am very sorry to find that even though the world situation, is so threatening yet we do not seem to realise how critical and dangerous is the situation in which we stand. This budget may land us into a disaster—that is what I feel. It is a budget probably not at all different from the budgets of olden days. Only yesterday our Prime Minister said that war clouds are hanging over the horizon and we cannot be sure that we shall be able to work out any definite plan of development. If that is the position, then I do not know where we stand.

This budget does not show us any prospect that our country would become what it ought to be in a short period of time. I have read the Birla Plan; I have read the Roy's plan; I have read other plans also. The Birla plan envisaged our spending about 1500 crores of rupees in the course of the next fifteen years, which would raise our standard of living by three times. The Roy Plan envisaged our raising the standard of living fourfold in the course of the next ten years. It is now six months since we have come into power. This budget does not earmark any amount which can be said to be sufficient to carry out any of these plans; that means one year will pass without our doing anything. The other day the Finance Minister said that even next year we will not be able to provide anything for this purpose which means two and a half precious years will be wasted without our attempting to do anything to improve the standard of living of the masses.

Our Prime Minister has said that we shall follow an independent foreign policy and shall not join any of the two power blocs in the world today. Do you think we can maintain this policy unless we are able to stand on our own legs? And can we do so unless we put some plan into execution? I think this budget—which my Honourable friend Prof. Ranga called a capitalistic socialist budget—will not help us in the least. In fact this may spell a disaster and when war comes we will be unprepared and we cannot turn for help to any quarter. In fact I had hoped that in view of our present critical situation we would proceed in such a manner as if we were in the midst of

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[Prof. Shibban Lal Saksena]

war. I will quote some figures to show how Russia has progressed; you will find that they were able to multiply their key products sometimes by as much as 1600 per cent. In ten years—1929-38—their coal production went up by 566 per cent., electricity by 210 per cent., peat by 1600 per cent., iron ore by 300 per cent., manganese ore by 225 per cent., pig iron by 350 per cent., steel ingots by 450 per cent., rolled steel by 400 per cent., copper by 500 per cent., and gold by 300 per cent. That is how their production went up since they started their planning, and that is how they could stand up and face the great world war. Now look at our expenditure during the last ten years. In 1939-40 our total budget was for 121 crores of rupees, in 1940-41 it was for 125 crores, in 1941-42 for 186 crores, in 1942-43 for 347 crores, in 1943-44 for 493 crores, in 1944-45 for 560 crores, in 1945-46 for 485 crores, in 1946-47 for 381 crores, in 1947-48 for 185 crores, and in 1948-49 for 257 crores. Thus we find that at the peak of the war, our country could afford to incur an expenditure of 560 crores of rupees to meet an emergency. I think we are in a state which is even more dangerous than war, and this is just the time when all our resources should have been tapped to the very limit to be utilised to develop the country. Could not our Finance Minister find the same amount of money this year to finance our development plans? Some plan should have been taken in hand and money should have been set apart for it, so that our country may come in time with the great countries of the world within the next ten years. But nothing has been done in that direction so far. Therefore I say that everything is going on in a strange fashion: there is neither a development plan nor a rehabilitation plan nor an employment plan. We are turning out into the streets thousands of Government servants who have put in years of service, without providing any alternate job for them; and people are coming from the Punjab and other places whom also we cannot provide with work. This planless economy will lead us into disaster. Why should we not think that we are really living in war time and so arrange things that we are able to utilise the energy of every single man and all our resources to rise to our stature in a short period? According to Roy's Plan:

"It is estimated that at the end of ten years agricultural production will increase by 400 per cent. or more, and industrial production by 600 per cent. The standard of living of the masses will rise by 300 per cent. exclusive of the services such as health, education and housing which will be provided for them."

Today we are importing food from outside and that takes away all our resources. If we have a really good plan for agricultural development we can increase our food production by four times in ten years. There is nothing being done towards that, and the result will be that all this precious time will be wasted and we will be nowhere. I may warn you that if we go on in this manner we will not be here next time because the public will not stand our idleness and our way of handling things. They are watching us, they have high hopes from us. But if we betray them in this manner we will be nowhere. I wonder why no such plan is made when today the world is feverishly busy in preparing armies. The other day an Honourable Member pointed out that even with this expenditure of 187 crores on the army we can build up four times the present army. I looked at some figures and I found that there are staff colleges and other training centres, and the staff therein is fairly competent and fairly large. In fact in the Air Force there are 369 officers, 3214 airmen and 2307 others for training, but I doubt if the entire training capacity of the college is utilised; I think many more could be trained. Similarly in the Navy we have staff colleges but they are not producing all the trained personnel that they can produce. I therefore think that it is time we took up this matter and made the maximum use of our capacity. In fact I have been trying to compare the figures of the army in America and England; and I find that our army expenditure is 3 per cent. of the American expenditure and 11 per cent. of the expenditure in England, and they produce much

better equipment and much better soldiers per dollar than we do. I think we should now try to bring ourselves in line with these countries. This kind of conservative unplanned economy will not lead us to our salvation, and unless we try to improve I do not know where we shall be. Today I was sorry to hear the Prime Minister announce the Government's decision about the I.N.A. I am one of those who think that the I.N.A. deserved much better treatment from us. They were the finest treasure left for us by Netaji Subhas Chandra Bose, and we should have made the best use of them. During the elections they went about the country and turned the tide in our favour. But the way we have treated them is scandalous. To say that we shall not reinstate them in the Army is really to yield to those very people who betrayed us at that time. You will remember that when the I.N.A. trial was held, there was a great agitation in the army for their release. In fact a referendum was taken and 95 per cent. were in favour of releasing them. Today our Government says that they will not be reinstated, because the Army does not want to have them. I think it is a betrayal of the pledges given to the country during the elections. I think it is an issue on which a referendum should be taken. We have no right to say that these I.N.A. heroes shall not be reinstated in the face of the clear verdict of the electorate during the last elections demanding their reinstatement. It is a vital matter and I feel strongly about it. As my time is over, I cannot dilate upon the subject, but I warn our Government of the consequences of such betrayal of our solemn pledges repeatedly.

Shri Brajeshwar Prasad (Bihar: General): Sir, I rise to offer a few suggestions to our Minister for External Affairs. The international situation has undergone rapid changes during the last few weeks. A western union has been formed consisting of England, France, Holland, Belgium and Luxembourg; Italy and France have joined a customs union; Czechoslovakia has chosen to join the Soviet bloc; America has been placed on a semi-war footing. As a result of these changes, I think, our policy of neutrality requires re-orientation. In Europe only Switzerland could pursue a policy of neutrality, but she pursued that policy because that policy was guaranteed by almost all the big powers of Europe. If we want to pursue a policy of neutrality, we must see that our independence and neutrality are guaranteed by the three big powers of the world,—England, America and Russia. I think that all alone, standing in a state of splendid isolation, ploughing a lonely furrow we cannot pursue a policy of neutrality. We must enter into some sort of treaty or pact with our neighbouring countries if we are to pursue any policy of neutrality. The whole problem of a foreign policy is to be pursued from a Geo-political point of view. Let us not approach the problems confronting us from any communal angle of vision or with bitterness against those separated from us. It is Geo-politics which determines the foreign policy of each and every State. Unless we come to some sort of defence treaty with Malaya, Burma, Nepal, Ceylon and Pakistan, we cannot survive as a sovereign independent nation. With the naval base at Trincomelli, with Malaya having entered into a special form of treaty with Great Britain, with Pakistan always ready to come to terms with England and America, how far can we pursue a policy of neutrality? I do not know. I think that a more positive and forward policy has to be pursued. When England cannot pursue a policy of neutrality; when she has already allied herself in more definite terms with the American Commonwealth of Nations; when America has got herself interested in the internal domestic affairs of almost all the countries of the world; when Russia is trying to expand herself; how can India alone pursue a policy of neutrality? We require capital goods to maintain ourselves as a first-class strong power. If we are to get capital goods, the only country to supply them is America. America will never supply us capital goods if we say we are going to pursue a policy of neutrality. We must pay the price and the price is co-operation in

[Shri Brajeshwar Prasad]

the event of war. We can pursue a policy of neutrality to which we are wedded only if war does not break out for the next ten years. If war breaks out within that period, we will have to relinquish that policy. If there is no war for a period of ten years, then we would get capital goods from America. But if war breaks out, within two or three years, we would not be in a position to maintain our separate entity as a neutral power, unlike Turkey in the last war, because we are placed at the head of the Indian Ocean. It is too strategic an area. India can never be allowed by England and America to plough its lonely furrow. Russia will not spare us because we want to remain neutral. The fact has to be appreciated that we are in the Anglo-American Bloc. If we realise fully this fact, we must mould our actions and ideology. We must mould our policy according to the realities of the situation. We say that our foreign policy is based upon national interests, but in our minds there is confusion. The need of the hour is the establishment of an Institute for the study of Geo-politics. Geo-politics has been developed to perfection in Germany and America. I hope the Education Minister in co-operation with the Finance Minister will see to that within a short time an institute for the study of Geo-politics is established in the country. It will weaken the forces of communalism. It will democratise our foreign policy. Today our foreign policy is formulated by a handful of I.C.S. officers in the External Affairs Department. I think the best course for us is to assure those from whom we want capital goods that we will support them in the event of a war. Unless we do that, you will not get capital goods.

The American Ambassador in a recent speech in Delhi said that India will have to remain content with an agricultural economy and light industries. I know, in spite of the statement of the Finance Minister in this House, that if we become a member of the Anglo-American Commonwealth of Nations, the compulsion of events will impel the Anglo-American Governments to supply capital goods to us. Capital goods were supplied during the last war. We all know about the lease and lend arrangements and the vast supply of capital goods to Russia and to other countries of the world. I therefore fail to see why in the event of a war, America will not supply capital goods to us. If we clearly admit that we will join England and America in the event of war with the Soviet Union, we will get capital goods. It is also necessary that we come to some terms with the Government of Pakistan? I have my own feelings about the separation of this country. But what is past is past. We were opposed to the separation of this country on grounds more than one. We were opposed because we considered India to be one from the Himalayas to Cap Comorin. Even now I refuse to recognise the legal fact of partition. Before the British came into the country, India was divided up into a large number of different kingdoms, but in language, culture and thought India has always been one. We maintained that in the interests of the military defence of the country, we cannot allow Baluchistan, Sind, the Frontier, Western Punjab and Eastern Bengal to fall into alien hands. In spite of our protests and unwillingness, events have compelled us to agree to partition. As in the past, so even now, it is necessary that the defence of Pakistan and India must be co-ordinated. If they are not, there cannot be a proper defence of either Pakistan or India. I approach this problem only from a Geo-political point of view. I feel that the hand of fellowship and co-operation extended by Mr. Jinnah should be grasped. He has laid down certain conditions. I do not attach any importance to these conditions. The fundamental fact is that he wants a defence pact with India. The possibilities must be explored. Without such a defence pact, there cannot be peace and safety in this continent.

We should remain within the British Commonwealth of Nations. There is some sort of talk that there is a new Mounbatten Plan to integrate all the vari-

ous parts of the empire into a federation. If this is so, I think the Prime Minister should with due consideration to the interests of peace and safety of all lands in Asia, join this Federal Union.

Shri S. V. Krishnamurthy Rao (Mysore State): I want to confine my remarks to two items—tea and coffee. We expected that the Bill when it emerged from the Select Committee, would do away with the excise duty on tea and coffee. But we find that the excise duty has been only reduced. Of course in spite of the Finance proposals being known, the price of tea has not gone up because tea is a capitalist industry. The tea estates are mostly owned by the Europeans. They are more than 500 acres in extent and the tea that is exported is consumed by Europeans either in England, Australia or Canada. I do not see why the Indian consumer should be made to pay more for his coffee and tea than his compatriot in England, Australia or America whose average per capita income is at least a hundred times more than that of the Indian consumer.

The position in respect of coffee is entirely different. Out of 25,872 coffee plantations only 541 coffee estates are of more than 100 acres. Out of the remaining 24,335 acres they range between five and twentyfive acres. All the coffee estates are mostly owned by Indians. It is only coffee plantations more than 100 acres in extent that come under the benefit of the coffee pool under the Coffee Board. All the small planters are paid a fixed price when they deliver their coffee to the Coffee Board. As soon as these financial proposals were made known, the price of coffee shot up. If we only read the proceedings of the Madras Assembly it is a revelation by itself. The position of coffee has become very acute. Whether it is due to the policy of the Coffee Board or to the middlemen, the Indian consumer has to pay more and the planter is not benefited. In fact, the Indian coffee production is only 18,000 tons. Out of this the normal Indian consumption was about 6,000 tons a few years back. On account of the propaganda carried on by the Board, the Indian consumption has gone up to 12,000 tons. Tea is a cheaper drink than coffee. If the coffee drinkers only switch on to tea, it will be a hard job for the coffee planters to get them back to drink coffee. I am particularly interested in this because more than 50 per cent of the Indian coffee is grown in the Mysore State and the remaining 50 per cent is grown in Coorg and Wynad. Further, if once the people addicted to coffee switch on to tea it will be very hard for them to get back to coffee. Once a tax proposal is placed on the statute book it is also equally difficult to get it removed. The same argument was advanced when the betelnut tax was imposed, namely, that the grower will not have to pay it. We know how it affected the betelnut growers. Today the coffee planter has to pay nearly Rs. 320 per maund on ammonium sulphate to wit only Rs. 80 before the war. Groundnut cake before the war was Rs. 50 per ton. Today it is Rs. 130 according to the government rate and Rs. 200 in the black market. And cost of labour has gone from one to three. If this tax is imposed I am afraid both the consumer and the coffee grower will be put to very great difficulties and the coffee industry will be killed. We may see ere long that the coffee estates are denuded and instead tea estates growing under European planters.

The cup of cheer has become today a cup of taxes. One has to pay the tax on sugar, on coffee and perhaps on the foreign imported milk powder that he has to use. The price of milk has also gone up. In fact it is not only a cup of taxes it has become a cup of tears. There is no justification for imposing this excise tax on coffee. On behalf of the coffee growers and the consumers I plead with the Finance Minister that even now he may reconsider this proposal and remove this excise duty on coffee at least.

[Shri R. K. Shanmukham Chetty]

The Honourable Shri R. K. Shanmukham Chetty: Madam, the debate on the last stage of the Finance Bill has again covered a very wide range. Except the last speaker no one else made any reference to the actual proposals as they have emerged from the Select Committee. From that I draw the natural inference that the House on the whole is satisfied with the Finance Bill as it has been shaped by the Select Committee. That will make the task of the consideration of the clauses tomorrow comparatively more easy.

My Honourable friend Mr. Karimuddin has repeatedly mentioned on the floor of this House that my economic ideology and programme are in conflict with those of the Honourable the Prime Minister. He has repeated this charge on more than one occasion and I must therefore take this opportunity of entirely repudiating that suggestion. We are inclined to attach too much importance to mere ideologies—not that I minimise the need for a man having ideologies, but when a statesman puts his hand to the task of governing a country he must mould his ideology to the practical necessities of the situation and the time. If that is the task of those entrusted with the government of this country then I claim that as a loyal colleague of the Honourable the Prime Minister it will be my constant endeavour to translate into action all those ideologies for which he stands. (Hear, hear). If I had any objection to carry out my task in that spirit I would not be sitting on these benches. Let us not therefore hear any more criticism about this so-called difference in the ideologies amongst Members of the Cabinet.

Mr. Naziruddin Ahmad (West Bengal: Muslim): But the House criticized the Honourable Minister very severely.

The Honourable Shri R. K. Shanmukham Chetty: We in the Cabinet are working as one united team with a common, determined purpose to serve the country to the best of our ability.

I think it was my Honourable friend Mr. Karimuddin who on a previous occasion compared my budget proposals with the budget proposals of Mr. Liaquat Ali Khan in the 1947-48 budget and pointed out how I have gone back on the ideal of that budget which was supposed to be in the interests of the poor man. After August 1947 Mr. Liaquat Ali Khan and his colleagues had an unrestricted field to practise their ideology and I would invite Honourable Members to examine the latest budget of the Pakistan Government to find if the ideology that was forced down our throats in 1947 by Mr. Liaquat Ali Khan is being practised in their own state. (Hear, hear). In fact, my Honourable friend will be surprised to know, if he does not already know, that the Government of Pakistan have gone to the extent of proclaiming that for five years they will not tax any new industries that come into existence. It is all easy to try experiments at somebody's cost. There is a proverb, Madam, in Tamil which says that a woman wanted to find the depth of a well and she got hold of her neighbour's baby and dipped that baby into the well to find the depth of the well. I am not prepared to use my own baby to find the depth of the well, nor am I prepared to use my neighbour's baby for that purpose. If I wanted to find the depth of the well, I would find it out by more straightforward means. I made it perfectly plain on the previous occasion that I did not in the least attempt to translate in this Budget all those ideals for which many of us stand. I conceived my task primarily as one of clearing the ground, as it were, for the building up of our economic structure. In the very first year of our existence as an independent State when the credit of our country was likely to be shaken in the eyes of the world, it was the primary duty of the Finance Minister of the Indian Union so to regulate the national finances as to inspire confidence not merely amongst the people of India but amongst the people abroad, and I claim with some pardonable pride that the presentation

of our financial position that I have made in the last Budget has very considerably achieved that object. I have cleared the ground, as it were, on which we might construct the superstructure of the economy according to the pattern that Prof. Ranga and others have in mind.

I contend further that even with the limitations under which I was working, we have placed our taxation structure in such a manner that there can be no concentration of wealth in a few hands. If a man earns one lakh of rupees earned income, we will take away from him by way of tax Rs. 48,344. If a man earns Rs. 10 lakhs, we will take away from him 8 lakhs and 99 thousand by way of tax, and if a man is unfortunate enough to earn an income of Rs. 30 lakhs per year, we will take away from him Rs. 28 lakhs and 37 thousand by way of tax.

Mr. Naziruddin Ahmad: But there is tax-evasion.

The Honourable Shri R. K. Shanmukham Chetty: Under our tax-system, therefore, no honest man who pays his tax can become a millionaire. People in our country can become millionaires and multi-millionaires only by dishonest means, but that is a different problem altogether and it is a problem in the solution of which we must all put our heads together and in that task you will not find any member of Government, whether he is a capitalist or a socialist, lagging behind even the most arduous socialist in this House.

I welcome the offer made by my Honourable friend Prof. Ranga that the middle classes would now be prepared to help their own National Government to raise the public loan necessary for our developmental schemes. That is exactly the psychology that I want to create. Unfortunately, all these years we have depended far too much on a few rich people and a few banks for finding all the money that we want by way of loans. We must now broadbase that structure. After all, in our country, we have not got many rich men. Here are some interesting statistics. The total number of assesses who have got an income of Rs. 2 lakhs and over per year is only 415 in the whole country in a population of 320 millions,—I am of course excluding the Companies. I am talking of individuals and firms—and the total number of Hindu undivided families in this category is only 68. Now these 415 people have got together an annual income of 19 crores of rupees and out of that we take away Rs. 11 crores and 66 lakhs by way of taxes. Now, why should we depend upon these 400 people for the hundreds of crores of public loan that we want? Analyse the picture from a different point of view. Take the number of people whose annual income is between Rs. 3,000 and Rs. 10,000—what I might call the middle classes. They are 1,75,436. Their total income is Rs. 95 crores and we take away from them by way of tax only Rs. 5 crores and 86 lakhs per year. Therefore, we are leaving with this class which is the backbone of society a considerable margin of saving which we must tap to meet our requirements of public expenditure by way of loans. I do hope that the next loan programme that the Government will be launching in the near future will be marked by this special feature that the response will come from this large volume of the middle classes who are really the backbone of the country, and if only we can bring about that change in the psychology of the people, then we would have laid the foundations of the sound economic structure of the future.

My Honourable friend Prof. Ranga spoke about the tenets of Gandhian socialism. I will not attempt a detailed answer to him as to how far I am a believer in those tenets and principles, but the hard fact remains that—whether you like it or not—the economic and political circumstances in the world force us to adopt some at least of the Gandhian tenets of socialism. Take, for example, the emphasis on cottage industries and small scale industries. In spite of all our ambition for the large scale economic and industrial

[Shri R. K. Shanmukham Chetty]

planning of our country, the condition in the world today is such that with all the efforts in the world that we can put forth, there are very considerable limitations to the realisation of this large scale industrial programme. The force of necessity therefore drives us today to look to industrial development on the cottage and the small scale. In fact, development of our industrial system on this basis is necessary if we are to save our country from the disastrous effects of the inflationary tendency.

Now, what is happening today? Prices are mounting up. With every increase in price level, there is a legitimate demand for increase in wages and salaries and if in such a situation we launch upon a large scale programme of public expenditure in building roads or dams or manufacture of capital goods, you are aggravating the situation by pumping more purchasing power into the hands of people without at the same time creating the consumer goods which will absorb that purchasing power. It therefore our programme of large scale public expenditure is not to land us in disastrous consequences, it becomes necessary as a measure of sheer self-protection that we must develop our cottage and small scale industries for the production of the consumer goods to meet at least part of the demand for these goods.

Now, in this line, Madam, I would earnestly appeal to Honourable Members to apply their mind and to co-operate with the Government in doing something concrete in starting the Industrial Co-operatives, as they did in China. Co-operative enterprises, as Prof. Ranga said, are one of the pillars of the Gandhian socialism. So far as that is concerned, I am wholeheartedly in support of that measure. In fact, it is an intermediary stage between complete private enterprise and complete State enterprise, because in the industrial co-operatives you take away profits that go into the hands of a few people. You create all those motives of private enterprise and initiative associated with individual enterprise and produce a system of economy which avoids the evils of government enterprise and the dangers of mere state socialism. I certainly would support any scheme for promoting industrial co-operatives in the country and if any finances are needed for this purpose I certainly will find the finances. In fact, I would appeal to Honourable Members to look at our whole economic future in a more realistic attitude. India, after all, has been a crucible of ideals, ideas and cultures. It was in this great crucible that many cultures, many religions, many philosophies have been melted to produce an integrated unity. India is a land of synthesis of cultures and may we not hope that even in the field of economic development, instead of creating a conflict between private enterprise and state enterprise, we may evolve a synthesis of the two, so that we would create a new economy, in which we will keep up all the grand ideals of state socialism and all the great qualities associated with private enterprise and initiative. I personally think that looked at from that point of view there is a great future for the industrial development of India on a pattern peculiarly suited to our national genius.

My Honourable friend Mr. Harihar Nath Shastri asked me for a categorical answer whether I stood by the promise that I gave the Industries Conference that the Government of India will assume a considerable share of the responsibility for the housing of industrial workers. I stand by that pledge. Not only do I stand by that pledge but I may tell my Honourable friend that I have told my Honourable colleague the Minister of Labour that if he produced a scheme I will find the finances for it. The housing scheme therefore is not being held up for want of funds or for want of inclination on the part of the Ministers of the Government.

There was a suggestion that a special cess or a special excise duty should be levied, the proceeds of which should be ear-marked for the housing scheme. I am certainly opposed to that because I consider

that the earmarking of any taxes specially for a particular purpose is a very vicious system in any financial structure. If it is the duty of the State to build houses for its workers it is the duty of the State to find the money for it and not say that unless we raise a special tax for it we cannot find the money. In fact, my Honourable friend Mr. Shastri will be glad to know that I have had discussions with my Honourable colleague the Labour Minister on this point and a scheme is being worked out. I do not know what the ultimate scheme would be but in broad outlines it will be something like this. There will be a Housing Board which the Central Government will set up and the Central Government will advance to this Housing Board all the money that is required for the entire housing scheme of the industrial workers in the form of a loan.

Mr. R. K. Sidhva (C. P. and Berar: General): Only industrial workers?

The Honourable Shri R. K. Shanmukham Chetty: It must include agricultural workers also afterwards: why not? This loan is to be financed by an elaborate system of the sharing of financial responsibility between the Central Government, the provincial governments, the employers and the workers. The annual amount required for meeting the interest charges, the depreciation, maintenance of the building and the funding of the debt will be found by a sharing of those charges between these parties. The industrial worker would be asked to pay an economic rent suited to the wage that he earns: it will not be an undue burden. The industrialist will be asked to make a contribution also and the balance will be shared between the Central Government and the provincial government. I have got in my own mind the rough outlines of a scheme of this nature which I have expounded to my Honourable colleague the Minister for Labour and I am hoping that within a very short time he will come out with a concrete scheme in this respect.

After all the problem of housing our workers cannot be solved in a day: it will take some time. Even the Labour Minister's scheme of a million houses in the course of ten years is considered by some people as a very ambitious scheme. I do not think it is an ambitious scheme: rightly tackled it is a practical scheme. Here again we must change our castiron ideas in these matters.

When we talk of industrial housing we immediately visualise in our mind huge ugly structures rising in the midst of big industrial towns. That is not my conception. In so far as certain industries are already located in thickly populated towns like Bombay, well they are there. That problem should be met and solved. But in planning our industries for the future we must so plan the location that instead of taking thousands of workers from their homes into a crowded town we must take the factory to where the worker is. That is the modern tendency in the United States also and that tendency is in evidence in some of the areas in India itself. Take, for example, my own town of Coimbatore. In the midst of the city itself there are only 3 or 4 old mills and all the other 28 mills that came into existence since 1929 have been built on the outskirts of the Coimbatore town right in the midst of villages. In fact, in my own mill more than 50 per cent of the workers come from their homes in the villages and they have to walk not more than a mile or two. I would rather plan my housing scheme in such a manner that instead of simply pulling the workers out of their own homes and environments and putting them in unhealthy surroundings and slums we must do something to improve the conditions of their own homes, so that these workers might live in their own natural and healthy environments. If the housing problem is tackled in this manner I have not the slightest doubt in my mind that in the very near future the Government will evolve a scheme which will certainly satisfy my Honourable friend Mr. Shastri.

[Shri R. K. Shanmukham Chetty]

Various other special points were mentioned. My Honourable friend Mr. Shiva Rao laid emphasis on the need for the appointment of an economy committee to look into the Defence budget. He himself pointed out the difficulties of an economy committee relating to Defence working under the present conditions. But in spite of these difficulties I certainly agree with him that there is a great deal of scope for economy in our defence budget and I shall certainly discuss with my Honourable colleague the Defence Minister the advisability of setting up an economy committee for this purpose.

My Honourable friend Prof. Shah of course criticised my budget proposals from the point of view of the conceptions of the new economy which he has been preaching in this House. I myself must confess that my own ideas of economics were very largely moulded in my student days by the wonderful books that Prof. Shah himself wrote. If therefore he finds that there is something wrong in me today I do not know whether he has changed or whether I have been a bad student! In any case, as I started by saying when you really scratch the surface you will find all these differences in ideologies but when you go deeper and apply your mind to the solution of the practical problems which face us there are more points of contact and agreement amongst us than points of difference and the more we emphasise these points of agreement the better it would be for the future of the country.

Shri Bikramlal Sondhi: What about trunk telephone rates?

The Honourable Shri R. K. Shanmukham Chetty: Madam, my Honourable friend Mr. Sondhi wants me to make an announcement to which I made a commitment to the Select Committee. We have increased the trunk telephone rate by 20 per cent. Now, I have agreed that so far as Press trunk telephone rates are concerned, there will be a rebate to the extent of this 20 per cent.

Mr. Chairman: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Tuesday the 30th March, 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Tuesday, 30th March, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

ABSORPTION OF REFUGEES BY PROVINCIAL GOVERNMENTS AND PUNJABI AND SINDHI REFUGEES IN BOMBAY

1925. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to refer to the answer given to part (b) of my S. Q. No. 459 asked on 25th February, 1948 regarding the absorption of refugees by the various Provincial Governments and state what is the population of Sindhi and Punjabi refugees in Bombay?

(b) How many refugees have been absorbed by the Government of Bombay in pursuance of the instructions received from the Government of India?

The Honourable Shri K. C. Neogy: (a) About 3½ lakhs.

(b) About 500.

Mr. R. K. Sidhva: May I know, in reference to answer to part (b), whether these 500 people who have been employed are refugees from Punjab and Sind?

The Honourable Shri K. C. Neogy: Yes.

Mr. R. K. Sidhva: How many from Punjab and how many from Sind?

The Honourable Shri K. C. Neogy: The figures have not been supplied to me separately, nor have they been asked for separately.

Mr. R. K. Sidhva: Is it not a fact that in reply to my question on the 25th, a list was placed on the table which indicates that the Province of Bombay did not employ any from Punjab or Sind?

The Honourable Shri K. C. Neogy: That may not relate to a period which is covered by my answer.

Mr. R. K. Sidhva: May I know whether they have been engaged after this question was answered?

The Honourable Shri K. C. Neogy: I do not think so. As a matter of fact, the information that the Government of Bombay supplied is to the effect that they have issued orders waiving domicile and other requirements for appointment to Government service in the case of refugees. They are also issuing orders to enable the recruitment of refugees to be made up to 25 per cent. of the total number of vacancies.

Mr. R. K. Sidhva: The statement which was placed on the table states as follows:

Number of refugees employed by Provincial Governments—

Madras Province, 8

Delhi Province, 2149.

Central Provinces, 810.

West Bengal, 2.

United Provinces, 214

Ajmer-Merwara, 75

East Punjab, 13590

May I know why Bombay is excluded from this list?

The Honourable Shri K. C. Neogy: Because at that time Bombay did not report as having employed any one.

Dr. P. S. Deshmukh: Is the Honourable Minister aware that the ex-employees of the Karachi Port Trust have come to Bombay?

The Honourable Shri K. C. Neogy: Yes.

Dr. P. S. Deshmukh: Are any arrangements being made for them?

The Honourable Shri K. C. Neogy: In what manner?

Dr. P. S. Deshmukh: In the manner of employment as well as looking after their comforts and their stay.

The Honourable Shri K. C. Neogy: I am sure all possible efforts are being made.

Shri Ramnarayan Singh: How many refugees have hitherto been permanently rehabilitated?

The Honourable Shri K. C. Neogy: This is a very wide question and I am not expected to answer it with reference to the original question under reply.

Shri Ramnarayan Singh: I do not want the exact number. Approximate number will do.

The Honourable Shri K. C. Neogy: I have to obtain information from all over India, and I should not like to depend upon my memory for the purpose of giving even an approximate figure.

Prof. N. G. Ranga: Have the Government of India asked the Provincial Governments to send them periodical reports in regard to the housing conditions of these people and to what extent and how many of them have come to be given houses, either specially built ones or in other places?

The Honourable Shri K. C. Neogy: We are always in touch with the Provincial Governments about the progress in this matter.

Dr. P. S. Deshmukh: Would the Honourable Minister be pleased to look into the cases of these ex-employees of the Karachi Port Trust if I convince him that nothing has been done for them?

The Honourable Shri K. C. Neogy: I should like to have notice of that question. I have gone into the matter, but I do not just now recollect anything as regards the steps that may have actually been taken.

Shri V. C. Kesava Rao: I want to know the number of refugees employed by the Madras Government.

The Honourable Shri K. C. Neogy: The question specifically related to Bombay. I have not got the figures for Madras.

Mr. R. K. Sidhva: Is it not a fact that the Government have stated that the Karachi Port Trust employees, because they form part of the local bodies, therefore they will have no place in the Government service?

The Honourable Shri K. C. Neogy: If that statement has been made, I should like to check that up. However, I think it correctly represents the position, because the Port Trust employees are employees of a local body.

Shri Ramnarayan Singh: Is it in the contemplation of the Government to construct sufficient number of new houses and buildings here at Delhi as soon as possible without cement and steel.

The Honourable Shri K. C. Neogy: I am afraid we are dealing with Bombay, and with reference to a strictly limited issue.

Dr. P. S. Deshmukh: Is it a fact that these ex-employees of the Karachi Port Trust were asked to choose whether they wished to stay in Pakistan or come back here, and is it not a fact that they were intended to be treated on the same basis as other Government servants?

The Honourable Shri K. C. Neogy: I am afraid I am not in a position to make a statement on that point.

QUOTA OF CARS AND IMPORT LICENCES FOR 1948-49.

+1026. *Shri H. V. Kamath: Will the Honourable Minister of Commerce be pleased to state:

(a) the total value of the import quota of motor cars sanctioned by the Government of India for the year 1948-49;

(b) the names of applicant firms or agents who applied for licences to import motor cars during the aforesaid year; and

(c) the names of applicant firms or agents to whom import licences have been granted and the total value of the quota allotted to each?

The Honourable Mr. C. H. Bhabha: (a) Monetary ceilings for the issue of import licences are fixed for half-yearly periods; accordingly ceilings have so far been fixed for licensing of motor car imports only during January-June, 1948. I am afraid it will not be in the interest of trade to disclose the exact figure of the ceiling.

(b) and (c). The attention of Honourable Member is invited to my answer on the 22nd March, 1948 to part (g) of the starred question No. 916 by Shri Jaspat Roy Kapoor.

HOISTING OF INDIAN UNION FLAG ON INDIA'S HIGH COMMISSIONER'S OFFICE IN PAKISTAN

+1027. *Shri H. V. Kamath: Will the Honourable the Prime Minister be pleased to state:

(a) whether the flag of the Indian Union is daily hoisted over the office of the High Commissioner for India (in Pakistan) in Karachi;

(b) whether it is a fact that during the disturbances in Karachi in January last, the flag was lowered;

(c) if the answer to part (b) above be in the affirmative, why it was lowered and under whose orders; and

(d) when the flag was re-hoisted on the office of our High Commissioner in Pakistan?

The Honourable Pandit Jawaharlal Nehru: (a) The flag of the Indian Union is daily hoisted over the Office of the High Commissioner for India and according to the prevailing practice is lowered each evening.

(b), (c) and (d). There was considerable confusion in Karachi after the riots on 8th January and large crowds of refugees were continually coming to the High Commissioner's Office. The office staff was somewhat overwhelmed by this influx of people who required constant attention. The High Commissioner spent much of his time in touring the affected areas in the city. In these circumstances by an oversight the flag was not hoisted on the morning of the 7th and 8th. No orders to this effect were issued. The flag was rehoisted on the morning of the 9th January.

+ Answer to this question laid on the table, the questioner being absent.

SHORTAGE OF DIESEL OIL IN INDIA.

1028. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether the attention of Government has been drawn to the News item regarding shortage of diesel Oil, published in the *Hindustan Times* dated the 19th February 1948?

- (b) If so, what are the reasons for such a shortage?
 (c) How many oil producing concerns in India have been stopped?
 (d) What are the percentages of oil imports from various countries into India?
 (e) What steps do Government propose to take to get proper supplies of diesel oil for the use of various concerns in India?
 (f) Is it a fact that the United States of America has cut down India's supply of petrol by 50 per cent.?

Shri Satyanarayan Sinha: (a) Yes.

(b) The reasons are world-wide scarcity of Petroleum Products and insufficient number of tankers to carry whatever supplies are available.

(c) None to my knowledge.

(d) The percentages of Oil imports from various countries into India during 1947 were:

Iran, 85.8 per cent.

Bahrein, 8.2 per cent.

U.S.A., 5.0 per cent.

Singapore, 1.0 per cent.

(e) In order to secure increased allocations of Oil for this country, Government have already taken steps to approach the overseas suppliers of Oil and also those in authority who control the distribution of oil to various countries.

(f) No.

Shri Deshbandhu Gupta: May I know, with reference to the reply given to part (f), what is the cut that the United States have effected in the supply of petrol to India?

Shri Satyanarayan Sinha: I want notice.

Shri Deshbandhu Gupta: May I know whether there has been any cut at all and if so, whether there has been any political reason behind it?

Shri Satyanarayan Sinha: No political reason, but because of the increased world demand for petroleum products the non-producing countries have had to go under restrictions.

GROWING PRACTICE OF JOINT STOCK COMPANIES IN ISSUING BONUS SHARES.

1029. * { Shri T. T. Krishnamachari: Will the Honourable Minister of Commerce be pleased to state:

(a) whether the attention of Government has been drawn to the growing practice of Joint Stock Companies issuing Bonus shares;

(b) whether, Government, in the course of their administration of the Indian Companies Act, have kept a record of the various issues of such shares;

(c) whether Government are in a position to give the total value of such shares issued every year from 1944 onwards; and

(d) whether Government have examined the question of discouraging this practice by suitably amending the provisions of the Indian Companies Act?

The Honourable Mr. C. H. Bhabha: (a) I am doubtful if the practice is really so general.

(b) No; but the information is required to be furnished in returns of allotments of shares submitted to the Registrars of Joint Stock Companies under the Indian Companies Act, 1913.

(c) The information is not readily available, but can be collected from the various Registrars. Government do not however consider that the time and labour involved are commensurate with the results to be achieved.

(d) No, Sir.

Shri T. T. Krishnamachari: May I ask the Honourable Minister in view of the fact that he is himself doubtful whether he does not think it desirable to collect this information in order to impress the public generally?

The Honourable Mr. C. H. Bhabha: Well, for the Department's guidance information is being collected from the Registrars.

Prof. N. G. Ranga: Is it not a fact that Government generally publish either annually or biennially reports of the state of conditions in regard to the Joint Stock Companies in this country?

The Honourable Mr. C. H. Bhabha: The Commerce Ministry does not publish those reports but the Registrars publish them.

Prof. N. G. Ranga: But is it not a fact that some years back, there used to be an all-India Report being published?

The Honourable Mr. C. H. Bhabha: I am not aware of that.

Pandit Lakshmi Kanta Maitra: Is there no General Statistical Section attached to the Commerce Ministry which collects this information?

The Honourable Mr. C. H. Bhabha: As I said, there is a Statistical Section attached to the Commerce Ministry where these figures are being collected, but they are available from the various Registrars of the Joint Stock Companies in the various parts of the country from whom these returns are received every six months.

Shri T. T. Krishnamachari: May I ask the Honourable the Commerce Minister if he realizes that if the reserve funds of these companies are being diverted into bonus shares and to that extent the stability of these concerns is at stake, is it not the responsibility of the Government to enquire into this matter more carefully?

The Honourable Mr. C. H. Bhabha: I do not agree with the Honourable Member's suggestion. The reserve fund is built up from the shareholders' profit and it rightly belongs to them, Sir.

Shri Deshbandhu Gupta: May I ask the Honourable the Commerce Minister whether it is a fact that all publications of the Commerce Department are behind time.

Mr. Speaker: Order, order. The question need not be answered.

GEOLOGICAL SURVEY OF ORISSA.

1030. *Shri Biswanath Das: Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) whether it is a fact that the Geological Survey of Orissa was sanctioned and undertaken by the Government of India in the year 1939 on a specified programme;

(b) why the same was given up; and

(c) whether Government propose to consider the need of again undertaking the work started in 1939?

Shri Satyanarayan Sinha: (a) Yes; a geological survey of Orissa to be completed in 7 years was sanctioned. A †Statement showing the work done during the field seasons 1939-40 to 1946-47 and that proposed to be carried out in 1947-48 is laid on the table.

(b) and (c). Due to the War the regular survey could not be proceeded with as originally planned, as attention had to be directed mainly to the search for minerals of economic importance, with reference to the War effort. But systematic Geological Survey of Orissa has again been taken up since the field season 1946-47, in pursuance of the 5-year plan of the Geological Survey, a copy of which is placed on the table.

Shri Biswanath Das: May I know, Sir, whether the Geological survey of Orissa Province includes also the Orissa States?

Shri Satyanarayan Sinha: I want notice.

GOVERNMENT CONTROLLED REFUGEE CAMPS AND CAMPS FOR REFUGEES
FROM HYDERABAD STATE.

1031. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state the total number of refugee camps run by the Government of India and directly controlled by the Ministry of Food?

(b) Is there any proposal by the Government to start refugee camps in the border districts of Hyderabad, for feeding and giving facilities to those refugees coming from the Hyderabad State?

(c) If the answer to part (b) above be in the negative, do Government propose to consider the question of opening such camps in those districts?

The Honourable Shri K. C. Neogy: (a) The number of refugee camps run by the Government of India is 33. They are directly controlled by the Ministry of Relief and Rehabilitation.

(b) No.

(c) No.

Shri V. C. Kesava Rao: May I know, Sir, whether the refugees coming out from Hyderabad are permitted to come here?

The Honourable Shri K. C. Neogy: I have no information.

Prof. N. G. Ranga: Have Government put any sort of time limit, even provisional, for their own guidance, for which these refugee camps are to be run and till that time these poor refugees have got to be huddled up in these refugee camps instead of being absorbed in the normal life of the country?

The Honourable Shri K. C. Neogy: No definite time limit is possible to be thought of at present.

Shri V. C. Kesava Rao: May I ask if Government is aware that the refugees are coming from Hyderabad?

The Honourable Shri K. C. Neogy: From newspaper reports, I think that is the position.

Shri Biswanath Das: The Honourable Minister in charge of the Department just now stated that he does not know anything about the refugees from Hyderabad. May I know the reasons for this ignorance?

The Honourable Shri K. C. Neogy: Well; so far as the Ministry for which I am responsible is concerned, we are dealing with refugees from Pakistan.

Shri Biswanath Das: May I know whether a separate Ministry is necessary for this purpose?

†Not printed in the day's Debate. A copy has been placed in the Library of the House.—Ed. of D.

Mr. Speaker: Order, order. That is an argument.

Shri Deshbandhu Gupta: May I ask whether the Governments of Madras and C. P. have made no references to the Government on that subject?

The Honourable Shri K. C. Neogy: Not to my knowledge.

Dr. P. S. Deshmukh: Does Government consider it very creditable to know less than the press?

Mr. Speaker: Order, order.

Shri B. N. Munavalli: Is it the policy of Government not to render any aid to the refugees that are coming from the Hyderabad State?

The Honourable Shri K. C. Neogy: As I have already said, this question does not concern the Ministry of which I am in charge. The question could be dealt with by the Government of India on a reference from the provincial Government concerned.

Shri Deshbandhu Gupta: May I request the Honourable the Prime Minister to throw some light on the subject to say whether it is or it is not a fact that the Provinces of Madras and C. P. have made representations to the Government of India to make some arrangements for the refugees who have been coming from the State of Hyderabad?

The Honourable Pandit Jawaharlal Nehru: I do not think that this is a very well-known fact; some odd mention might be made, but no particular emphasis has been laid so far as I know.

Shri M. Ananthasayanam Ayyangar: Is the Government aware, Sir, that there are non-official agencies doing relief work for the refugees from Hyderabad who are flying in large numbers at Bezwada?

The Honourable Pandit Jawaharlal Nehru: Yes; I suppose so.

Prof. N. G. Ranga: Is it not the duty of the Government to watch the cases of all refugees from wherever they might have come, and is it not the duty of the Government to watch the cases of refugees who flew from Hyderabad and afford due facilities for them?

Mr. Speaker: Order, order. It is either an opinion or a suggestion.

Prof. N. G. Ranga: May I know how is it, Sir, that the Central Government has not taken any steps nor enquired into this matter and taken the relief measures themselves in their own hands?

The Honourable Pandit Jawaharlal Nehru: I do not understand this question, Sir. 'Government' is not the Central Government only; it is also the Provincial Governments. On the one hand there is a great deal rightly said about Provincial Autonomy, but whenever a question of relief comes, it is said that it is the job only of the Central Government and not of the Provincial Government. I do not appreciate that point at all.

Pandit Balkrishna Sharma: May I know if the Central Government have kept a watch through the Governments of these Provinces, Central Provinces and Madras regarding the influx of refugees in their respective territories?

The Honourable Pandit Jawaharlal Nehru: We are in continuous touch. As a matter of fact, my own impression is that after the first influx there was a slight flow back. Again there was an influx, they come and go, but considering the huge emigration that we have seen, it is very small.

Mr. Speaker: Order, order. I am afraid the Honourable Members are arguing the point.

Prof. N. G. Ranga: Has the Government of India, Sir, taken any care to see that the Provincial Governments as well as themselves do take some steps in order to relieve the distress of these refugees who are coming away from Hyderabad? They have not taken any steps till now.

The Honourable Pandit Jawaharlal Nehru: The Government of India deals with these problems through the Provincial Governments; we are in constant touch with them. When the Provincial Governments ask us for help, we try to give to the best of our capacity.

Prof. N. G. Ranga: Is it not a fact, Sir, that the Andhra Provincial Congress Committee has particularly drawn the attention of the Central Government to the seriousness of this problem and to the need for giving relief to these people?

Mr. Speaker: Order, order.

REFUSAL OF CORRESPONDING POSTS TO OFFICIALS OF GOVERNMENT PRINTING PRESS, SIND

1032. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that Sind Government officials who were compelled to leave Sind, were accorded by the Government of India the same concessions as officials from West Punjab for appointments in equivalent posts in India?

(b) Have there been any instances where officials of the Government Printing Press of Sind, who had applied for posts in the Government of India Printing Press, were refused corresponding posts? If so, why?

Shri Satyanarayan Sinha: (a) Excepting the case of I.S.E. officers who exercise their option in favour of India, Sind Government officials as well as those from Baluchistan and N.-W.F.P. have been accorded priority of employment over West Punjab officers under the rules laid down by the Ministry of Home Affairs (Transfer Bureau). A copy of these rules is laid on the table.

(b) Two officers who were lately Superintendent and Assistant Superintendent of the Printing and Stationery Department of the Government of Sind applied for posts in the Government of India Presses. The former has already been appointed as an Assistant Manager and the latter will be appointed as an Overseer. These officers could not be offered higher posts on administrative grounds.

Copy of office Memo. No. 7C/47-Ests(R), dated 27th December 1947 from the Ministry of Home Affairs to all Ministries of the Government of India.

SUBJECT:—Resettlement of refugees from Pakistan.

The undersigned is directed to refer to this Ministry's Office Memo. No. 70/8/47-Ests(R), dated the 14th September 1947 and to say that the question of the priority to be given to various categories of persons for employment in the Central Services has been further examined and the following decisions have been reached:—

(1) Employees of the Central Government who were serving in Pakistan Areas and have opted for India and cannot be absorbed within the Department in which they were originally employed and employees of the Central Government whose appointments were abolished consequent on the constitutional changes, e.g., employees of the office of the Governor-General's Secretariat and the Political Department including the Residencies, will have the first claim on vacancies available in the Central Services. Such persons are registered by the Transfer Bureau in the Ministry of Home Affairs and nominated against vacancies reported to the Bureau by the various Ministries.

(2) After nominating persons belonging to category (1) the Transfer Bureau will nominate employees of the Provincial Governments of the North-West Frontier Province, Baluchistan and Sind, who are also registered in the Bureau.

(3) Where the Transfer Bureau is not able to nominate or recommend candidates of either of these categories, the vacancies should be reported to the nearest Employment Exchange, in accordance with the instructions contained in the Home Department Office Memorandum No. 70/69/45-Ests(R), dated the 24th November 1945. Refugees other than Government servants who have come over to the Dominion of India from Pakistan are also eligible for registration at the Employment Exchanges and in recommending candidates for employment, the Employment Exchange will give preference to refugees from Pakistan

including employees of Indian States in the geographical limits of Pakistan who are refugees in India. Whenever the Transfer Bureau is unable to nominate suitable candidates and agrees to recruitment being made otherwise than through its agency it will notify the Director-General Resettlement and Employment of the fact so that he may satisfy himself that the vacancies are duly reported to the Employment Exchanges and candidates recommended by the Employment Exchanges are considered for the appointment.

(4) The responsibility to resettle employees of the Government of Bengal, Punjab and Assam who on partition opted for service with West Bengal, East Punjab and Assam respectively and are surplus to the needs of these Governments is primarily that of the Governments of West Bengal, East Punjab and Assam. It is unlikely that the Central Government will be able to absorb any surplus staff of this category except to a limited extent in the case of technical personnel. The provincial Governments concerned are being asked to forward details of qualifications, record of service, etc., of such technical personnel so that the Ministries here may be notified and their prospect of being absorbed by the Central Government examined.

(5) The above preferences will not apply to recruitment made on the result of competitive examination or by selection by interview by the Federal Public Service Commission. The Federal Public Service Commission is being asked in cases of selections by interview where the candidates are of equal merit, to give reference in the order set in paragraph 1.

Mr. R. K. Sidhva: May I know who is the 'latter'?

Shri Satyanarayan Sinha: He is the Assistant Superintendent of the Printing and Stationery Department in Sind Government.

Mr. R. K. Sidhva: May I know if even the Superintendent of the Government Press in Sind could not be offered a higher post?

Shri Satyanarayan Sinha: As I have already said a higher post could not be offered to him on administrative grounds.

ABDUCTED WOMEN RESCUED AND STATE NURSING HOMES.

1033. ***Shri Brajeshwar Prasad:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state the total number of abducted women rescued upto 15th March, 1948?

(b) Do Government propose to establish State Nursing Homes, where the children born to these abducted women, will be maintained by the State from the day of their birth till they attain the age of majority?

The Honourable Shri K. C. Neogy: (a) No reliable figures are available upto the 15th December, 1947. The number of women and children rescued since then is as follows:

From 16th December 1947 to 25th January 1948—1218 from Western Pakistan and 1576 from East Punjab.

From 26th January 1948 to 11th March, 1948—1733 from Western Pakistan and 2236 from East Punjab.

This makes a total of 2951 from Western Pakistan and 3812 from East Punjab. This does not include 974 abducted Kashmiri women from the Kunja Camp.

(b) The whole question of children born to abducted women is under consideration. It is not improbable that many such children will be absorbed in families to which the women concerned belong. The idea of establishing State Nursing Homes is also being examined.

Shrimati G. Durgabai: May I know whether Government have addressed the Kasturba National Trust making a request to them about maintaining these women and taking care of the children?

The Honourable Shri K. C. Neogy: As far as my recollection goes, no such request has been addressed, but I shall certainly consider the Honourable Lady's suggestion.

Mr. Frank R. Anthony: Has the attention of Government been drawn to a statement in the press that although persons have been caught red-handed in the matter of these abductions no prosecutions have been launched?

The Honourable Shri K. C. Neogy: I am afraid I am not in possession of facts on this particular point.

Dr. B. Pattabhi Sitaramayya: Are Government in a position to state the number of abducted women from the States who have been rescued?

The Honourable Shri K. C. Neogy: I have not got the figures here, but I can assure my Honourable friend that the number is fairly considerable.

Dr. B. Pattabhi Sitaramayya: Is the Honourable Minister aware that many of the abducted women are with high military officials and the soldiery in some of the States? Will efforts be made to recover them?

The Honourable Shri K. C. Neogy: That kind of statement has been made with reference to the situation that prevails on both sides of the border.

JOINT DEFENCE PACT BETWEEN INDIA AND PAKISTAN

1034. *Shri Brajeshwar Prasad: (a) Will the Honourable the Prime Minister be pleased to state whether the attention of Government has been drawn to the news published in the *Free Press Journal* dated the 12th March, 1948, regarding Mr. Jinnah's offer for a Joint Defence Pact between India and Pakistan?

(b) Have the Government of India been approached either officially or non-officially by the Government of Pakistan for the conclusion of a Joint Defence Pact?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) Government have received no such offer either officially or otherwise. The Question of joint defence, however, is important from the point of view of both India and Pakistan and Government will gladly consider this when the time is ripe for it.

IMMOVABLE PROPERTIES LEFT BY EVACUEES IN SIND

1035. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether a Custodian of Properties has been appointed by the Sind Government to look after the properties of Sind refugees?

(b) What is the total value of immovable properties left by evacuees in Sind?

The Honourable Shri K. C. Neogy: (a) No. The Government of Sind have passed an Act known as the Sind Economic Rehabilitation Act, 1948, under which they can take possession or control of any property abandoned by Evacuees and use it for the purpose of rehabilitating refugees. The Act makes no provision for the management of the property in the absence of the evacuee and for protecting his rights and interests in the property and maintaining an account of the income and expenditure in regard to it. Representations have been made to the Pakistan authorities to appoint a Custodian of Evacuee Property in Sind on the same lines as in East and West Punjab.

(b) Until registration of claims of evacuees from Sind is completed no estimate is possible. Negotiations for an Inter-Dominion Property Settlement, which will include Sind, are in progress. If, as is expected, a settlement is reached all claims will be registered and scrutinized for valuation.

Mr. R. K. Sidhva: Was this subject discussed at the last interview that the Honourable Minister had with the Pakistan Ministry? If so, with what result?

The Honourable Shri K. C. Neogy: This specific question was not discussed by me while I was at Lahore, because it formed one of the specific points for discussion between the officers of the two Dominions who were constituted into a special committee. That committee has gone into this, as also very many other important questions relating to this subject, and their report is under consideration. I may add that an inter-Dominion Conference of the Ministers is likely to be held to finalise the scheme within a few weeks.

COAL AND MANGANESE MINES WORKING IN CENTRAL PROVINCES

1036. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state how many coal and manganese mines are working in the Central Provinces and where they are located?

(b) What was their monthly out-put in the years 1938, 1945 and 1947?

(c) What are the names of the firms which are working them?

(d) When will each of these leases and contracts terminate?

(e) What is the number of labourers employed in each mine?

(f) Is there any proposal for opening new mines?

Shri Satyanarayan Sinha: Three statements† are placed on the table of the House. Statement I gives the information in respect of parts (a), (c) and (e), of the question, Statement II in respect of part (b) and Statement III in respect of part (d).

(f) No definite information regarding the opening of new mines is available, but it is understood that the Government of C. P. and Berar propose to open some new mines in the recently discovered coal-field at Kamptee. The matter primarily concerns the Provincial Government of C. P. and Berar.

Dr. P. S. Deshmukh: Is the Honourable Minister aware of any proposals with regard to exploiting the mineral resources of the Bastar State?

Shri Satyanarayan Sinha: I shall require notice of that.

Shri Deshbandhu Gupta: Is it a fact that due to transport difficulties the accumulations of coal is increasing and the output is going down every day?

Shri Satyanarayan Sinha: That may be so.

Seth Govinddas: Then what steps are Government going to take about the transport of coal from the C. P.?

Shri Satyanarayan Sinha: That is a question for the Transport Minister.

INDIAN CHAMBER OF COMMERCE, NISBET ROAD, LAHORE AND OTHERS FROM PUNJAB RECOGNISED BY GOVERNMENT

1037. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Commerce be pleased to state the number and names of Chambers of Commerce recognised by the Government of India from the Punjab?

(b) Was the Indian Chamber of Commerce (Desi Beopar Mandal), Nisbet Road, Lahore, recognised by the Government of India?

(c) If the reply to part (b) above be in the affirmative, were any requests received by the Ministry of Commerce intimating the change of address of the said Chamber, how many letters were received in this connection and what is the action taken by Government on these requests?

(d) If the reply to part (b) above be in the negative, what are the circumstances under which the recognition was withdrawn?

(e) Were other Chambers, if any, in other provinces removed from the list of recognised Chambers, and if so, what are their names?

†Not printed in the day's Debate. A copy has been placed in the Library of the House.—Ed. of D.

The Honourable Mr. C. H. Bhabha: (a) Two associations have been recognised from Eastern Punjab. They are (1) The Simla Trade Association, Simla, and (2) The Punjab Federation of Industries, Amritsar.

(b), (d) and (e). The Chamber was recognised before partition, but this recognition was withdrawn after partition on the ground that Lahore had been included in the Dominion of Pakistan. I may add for the Honourable Member's information that 'recognition' was automatically withdrawn from all Chambers and Associations which had their headquarters in the Dominion of Pakistan. In pursuance of this decision, the following Chambers of Commerce belonging to Eastern Bengal were also removed from our list after Partition, viz.:

- (i) The Chittagong Chamber of Commerce, Chittagong, (ii) The Muslim Chamber of Commerce, Chittagong, and (iii) The Narayanganj Chamber of Commerce, Narayanganj, Dacca.

(c) Six references for re-recognition of the Chamber were received by the Ministry and referred to the Chief Commissioner, Delhi, and the Government of the East Punjab for report as is the practice in such cases. A reference to the latter Government was necessitated because the Chamber originally proposed to have its headquarters in Delhi and subsequently expressed its intention of setting it up in Ambala. The reply of the East Punjab Government is still awaited.

The request made is not of a routine nature as it is not known what interests the Chamber represents in its present form. I would add for the Honourable Member's information that in all cases where recognition is sought from Government, the Provincial Governments are asked to report upon the status, importance and the representative character of the bodies. It is only after a favourable reply has been received that recognition is granted in such cases. The Government of the East Punjab I may add in this connection has been asked to expedite its reply.

Prof. N. G. Ranga: What are the privileges that are accorded to such Chambers as are recognised by the Commerce Ministry of Government?

The Honourable Mr. C. H. Bhabha: Recognition simply means the supply of official Gazettes and other commercial and relevant information which may be useful to these bodies.

IMPORT OF LUXURY CARS FROM BRITAIN

1038. *Shri Kishori Mehan Tripathi: (a) Will the Honourable Minister of Commerce be pleased to state whether any orders have been placed in Britain for the import of luxury cars into India?

(b) If so, for how many such cars have orders been placed?

(c) What will be the price of the cars in Indian currency?

The Honourable Mr. C. H. Bhabha: (a) No licences are being issued during January-June 1948 for import of motor cars whose c.i.f. value exceeds Rs. 5,000 per unit, if imported in component parts for assembly in India and Rs. 6,250 if imported assembled. It follows therefore that no orders can be placed for motor cars costing above these price limits.

(b) Does not arise.

(c) The internal sale prices of the cars are fixed by the distributors and no control is exercised now by the Central Government.

DISPERSAL OF REFUGEES IN KURUKSHETRA CAMP TO OTHER PERMANENT HABITATIONS.

1039. *Shri S. V. Krishnamurthy Rao: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that there are nearly 1,75,000 refugees in the Kurukshetra Camp and that all of them are living in tents?

(b) Is it a fact that most of them are without work?

(c) Is it a fact that thefts and other anti-social offences are on the increase there?

(d) Is it a fact that the Camp will be under water in the rainy season?

(e) If so, what arrangements do Government propose to make to disperse the refugees in the Kurukshetra Camp to other permanent habitations?

The Honourable Shri K. C. Neogy: (a) Yes.

(b) Yes. The Camp can provide work for only a few thousands, among the Refugees.

(c) No.

(d) Most of the area is low-lying and is liable to flooding.

(e) It is not possible to provide permanent habitation for large number of refugees in a short time. Removal of refugees to other relief camps is actively under consideration.

Prof. N. G. Ranga: Are we to understand that no effort is being made to provide constructive and productive work more and more to these refugees in this particular camp in order that the burden on the State itself could be minimised?

The Honourable Shri K. C. Neogy: Every effort is being made in that direction. If I might make a suggestion to my Honourable friend, he could perhaps take a trip down to Kurukshetra, and I am sure he would be perfectly satisfied with the arrangements, limited as they are at the moment, that have been made for the training of these people in various gainful occupations.

Shri S. V. Krishnamurthy Rao: Is it not a fact, Sir, that nearly 50 per cent. of the refugees in the Kurukshetra Camp are agriculturists?

The Honourable Shri K. C. Neogy: I should not like to say that, but there is a good proportion of agriculturists among them.

Shri S. V. Krishnamurthy Rao: What arrangements are being made to resettle them on land?

The Honourable Shri K. C. Neogy: Most of them are normally entitled to rehabilitation in the East Punjab province and also the East Punjab States?

Seth Govinddas: Is it not a fact, Sir, that there are vast tracts of barren land round about Kurukshetra and are Government thinking of bringing this land under cultivation?

The Honourable Shri K. C. Neogy: I should not like to say that there are vast tracts of land in or round about Kurukshetra itself, but the fact remains that there is a large acreage of what is called culturable waste land in the Karnal district of which Kurukshetra is a part.

Shri Deshbandhu Gupta: Is it not a fact, Sir, that a large percentage of the refugees who belong to the Frontier Province are not allotted any and by the East Punjab Government?

The Honourable Shri K. C. Neogy: I do not think that there is a very large proportion of the Frontier people constituting the population of the camp; but there is certainly a good number of refugees who belong to the Frontier and other non-Punjab areas. As a matter of fact, under the revised policy of the Government of East Punjab, people from Baluchistan, Sind and N.-W.F.P.

would be entitled to be rehabilitated on land in East Punjab and the East Punjab States, provided they or their ancestors had migrated from any of the districts of the Punjab to those areas. Therefore, it is not quite correct to say that these people are not entitled to rehabilitation benefits in East Punjab.

Shri S. V. Krishnamurthy Rao: May I know, Sir, who is responsible for the security arrangements in the Kurukshetra camp—the Central Government or the East Punjab Government?

The Honourable Shri K. C. Neogy: Well, Kurukshetra is a part of the district of Karnal. So far as Police measures are concerned, certainly it is the responsibility of the East Punjab Government. But in addition to the Police, we have a small force of the Army.

Shri S. V. Krishnamurthy Rao: Is it a fact that there are not more than one hundred army men in the Camp?

The Honourable Shri K. C. Neogy: Well, it may be so.

Shri S. V. Krishnamurthy Rao: Do Government think that it is sufficient for a camp of 1,70,000 persons.

The Honourable Shri K. C. Neogy: It is not the usual practice to have a large section of the Army to guard a camp. The actual security measures depend upon the strength of the police.

DELAY IN GOVERNMENT PRINTING WORK DUE TO CONGESTION OF WORK IN GOVERNMENT PRESS.

1040. ***Shri S. V. Krishnamurthy Rao:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that there is heavy congestion of work in the Government Press causing delay and errors in Government printing work?

(b) Are Government aware that there is what is known as the "Weber Printing Offset" with two printing machines with complete equipment and with a capacity of printing 16,000 copies an hour lying idle in the Administrative Intelligence room of the Commerce Department?

(c) Is it not a fact that the printing in this machine is done by litho typing and obviates all errors in printing?

(d) Do Government propose to utilise this machine for Government printing work?

Shri Satyanarayan Sinha: (a) Yes.

(b) Yes. The machinery for the Press was purchased last year but the Press could not start working for want of suitable accommodation. Accommodation is now being allotted for its installation.

(c) The originals are photographed. In actual printing no errors can occur, but if there are any errors in manuscript, they are reproduced.

(d) Yes.

SURVEY RESEARCH INSTITUTE AND THE MANAGER.

1041. ***Shri S. V. Krishnamurthy Rao:** Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) when the Survey Research Institute was started;

(b) what its pay bill is;

(c) the different branches in which it is carrying on Research Work;

(d) when the present President of the Research Institute took charge;

(e) what his salary is; and

(f) how many research papers have been published and on what subjects: (i) before he took charge of his present office; and (ii) after he took charge?

Shri Satyanarayan Sinha: The question should have been addressed to the Honourable Minister for Agriculture who has agreed to answer it on the day allotted to his Ministry.

RESTRICTING OF APPLICATIONS FOR LOANS TO REFUGEES REGISTERED IN DELHI BEFORE NOVEMBER, 1947.

1042. ***Shri Lakshminarayan Sahu:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state the intention of the Government in restricting the applications for loans to the refugees who have been registered in Delhi before the 30th November 1947?

The Honourable Shri K. C. Neogy: The scope of the Loans scheme for rehabilitation is not confined to Delhi. But the capacity of Delhi to absorb refugees into its economy is limited. The Standing Advisory Committee of this House have advised the Ministry that Delhi cannot absorb more than 2½ lakhs of refugees and that only those who registered by the 10th December, 1947, should be eligible for rehabilitation Loans in Delhi. This does not imply that Government undertakes to rehabilitate the entire number registered in the Delhi Province before that date. The exception to this dead line has been made in the case of refugees from Sind, N.-W.F.P., Baluchistan and Bahawalpur as evacuation from these areas started late and in some cases still continuing. In their case the corresponding date is the 29th February, 1948.

Shri Deshbandhu Gupta: Is it not a fact that registration of refugees sometimes takes weeks. Will Government take that fact into consideration and if they are satisfied that in actual fact people had come on or before the due date in Delhi, entitle them to the benefit of the loans?

The Honourable Shri K. C. Neogy: That, I am afraid, is a different issue. We are concerned with people who have registered themselves before a specified date that I have mentioned. Now, with regard to the first date, namely, the 10th December 1947, I have a statement showing that approximately 2,69,000 and odd persons had been registered by that date and, as I have already stated, according to the opinion of the Advisory Committee of this House attached to my Ministry, the maximum capacity of Delhi to absorb refugees is about two and a half lakhs.

Shri Deshbandhu Gupta: Has any representation been received by the Honourable Minister from refugees who had come to Delhi before that date and had applied for registration, but were not registered?

The Honourable Shri K. C. Neogy: Is the Honourable Member referring to registration of claims?

Shri Deshbandhu Gupta: I am referring to registration of refugees.

The Honourable Shri K. C. Neogy: Registration of refugees which was undertaken by the students of the Tata Institute of Social Sciences was gone through, as far as I am aware, with commendable expedition, and if any such cases which the Honourable Member has mentioned have occurred, I do not think that they would represent the general position.

IMPLEMENTATION OF RESOLUTION ON INDUSTRIAL TRUCE.

1043. ***Shri C. Subramaniam:** (a) Will the Honourable Minister of Labour be pleased to state whether all the labour organisations in the country have accepted the Resolution on Industrial Truce passed in the Industries Conference held in December 1947?

(b) If so, what steps have been taken to implement the terms of the Resolution?

The Honourable Shri Jagjivan Ram: (a) So far the Indian National Trade Union Congress has accepted the resolution. The Socialist party has also

accepted it. The matter is still under correspondence with other all-India organisations. I may add that the Industrial Truce resolution is included in the agenda of the Indian Labour Conference which opens in New Delhi on the 19th April 1948 and which will be attended by representatives of all-India organisations of workers as well as employers. Their reactions to this resolution will no doubt be made fully known to Government at the Conference.

(b) Government hope shortly to make an announcement in regard to the implementation of the Industrial Truce resolution.

Shri C. Subramaniam: Are individual trade unions consulted, or only the all-India organisations are consulted, in the matter?

The Honourable Shri Jagjivan Ram: In all these matters the all-India organisations are consulted and not individual unions.

Shri C. Subramaniam: In a case where the all-India organisation is a communist body controlled unwilling to co-operate has the Honourable Minister taken any steps to consult individual trade unions?

The Honourable Shri Jagjivan Ram: Those trade unions which do not agree with the policy of the All-India Trade Union Congress are free to disaffiliate themselves and join other organisations.

Shri Deshbandhu Gupta: Has the attention of the Honourable the Labour Minister been drawn to the remarks made by the President of the Federation of Indian Chambers of Commerce and Industry the other day in which he stated that this resolution has not so far been observed by the trade unions and that since then there have been many strikes?

The Honourable Shri Jagjivan Ram: I have read that statement in the Press, but I do not agree with that view.

Prof. N. G. Ranga: Is it not a fact, Sir, that some trade unions which agree with Truce Resolution and have accepted it are not able to give effect to it, because they have to approach Government only through the all-India organisations which are not prepared to accept the terms of the Truce Resolution?

The Honourable Shri Jagjivan Ram: As I have made it clear, if any Union feels that it is not in a position to agree with the policy and programme of any All-India organization, it is free to get itself disaffiliated and function alone or join any other All-India organization.

Shrimati Renuka Ray: Would the Honourable the Minister kindly inform the House as to what response the industrialists have given in regard to keeping to the resolution of industrial truce? And will the Honourable Minister also say if he is satisfied that the industrialists' response is satisfactory?

The Honourable Shri Jagjivan Ram: I am afraid it is too early to express any opinion on that matter.

Prof. N. G. Ranga: Have Government got any information as to any sort of effort being made by any set of these employers to set up those work committees and various other machinery suggested by this truce resolution?

The Honourable Shri Jagjivan Ram: In some of the concerns work committees have been set up and efforts are being made by Government themselves to set up the necessary machinery for getting the establishment of these work committees expedited.

STOPPAGE OF WORK IN VARIOUS INDUSTRIES AFTER PASSING OF RESOLUTION ON INDUSTRIAL TRUCE

1044. *Shri C. Subramaniam: (a) Will the Honourable Minister of Labour be pleased to state the number of industrial disputes in the various industries, resulting in stoppage of work since the passing of the Resolution on Industrial Truce in December 1947?

(b) What is the total number of workers involved in each class of industry and the total number of man days lost?

(c) Were any enquiries made regarding the causes which led to the stoppage of work?

(d) If so, what were the results of the enquiries?

The Honourable Shri Jagjivan Ram: (a) and (b). I lay on the table a statement containing information for the period 20th to the 31st December 1947 and for the month of January 1948. Information for the succeeding months is not yet available.

(c) and (d). So far as the undertakings in the Central sphere, viz., Central Government's own undertakings, Federal Railways, major ports, mines and coalfields, are concerned, inquiries and conciliation proceedings were held in most of the cases. A large number of them were settled amicably. Precise information relating to industrial disputes in undertakings in the Provincial sphere is not available. Almost all Provincial Governments have their own independent industrial relations machinery whose primary function is to enquire into industrial disputes and to do all that is practicable for prompt settlement by conciliation.

Industrial disputes during December 1947 which started on or after the 20th December 1947

Industries	No. of disputes	No of workers involved	No of man-days lost
Cotton	3	2,213	2,479
Jute	3	22,000	144,000
Docks and Ports	1	6,520	39,120
Engineering	5	1,203	2,095
Plantation	1	...	..
Municipalities	1	2,000	16,000
Miscellaneous	7	1,976	2,716
Total	** 21	35,912	206,410

N. B.—11 disputes were in progress.

*Particulars about the workers involved and man-days lost in one dispute are not known.

**Particulars about workers involved and the man-days lost in 2 disputes are not known.

Industrial disputes during January 1948

Industry	No. of disputes	No. of workers involved	No. of mandays lost
<i>Textiles.</i>			
Cotton	40	53,068	118,311
Jute	5	34,471	60,200
Others	6	779	8,712
Engineering	15	6,249	96,407
Food, Drink and Tobacco	7	2,790	4,633
<i>Mines.</i>			
Coal	5	6,234	92,567
<i>Transport.</i>			
Railways	1	742	186
Others	1	61	183
Docks and Ports	2	7,568	177,586
Plantations	4	1,787	14,004
Municipalities	4	379	1,477
Miscellaneous	38	8,431	79,252
Total	128	122,55	653,518

Shri C. Subramaniam: Will the Central Government call for the enquiries made by the Provincial Governments regarding the working of the industrial truce to find out whether the truce have the effects contemplated originally by the Honourable Minister?

The Honourable Shri Jagjivan Ram: We periodically hold conferences with the Provincial Labour Ministers, and in the first week of May we are going to have a conference of the Provincial Labour Ministers and there we will discuss these matters.

Shri C. Subramaniam: Is there any improvement in the industrial relations between labour and employers after the truce?

The Honourable Shri Jagjivan Ram: I will not say that it has deteriorated.

Shri Harihar Nath Shastri: Has the Government any knowledge that two of the main causes of these strikes are: firstly the refusal of the employers to implement the awards given from time to time in industrial courts or adjudicators; and secondly the introduction of changes in working conditions adversely affecting the interests of labour?

The Honourable Shri Jagjivan Ram: I will not say that these are the only two causes. There are other causes as well.

Shri C. Subramaniam: Are the Government aware that there is an industrial dispute in the town of Coimbatore and that dispute is being prolonged for the last two months and more because labour has refused to accept an award given by an arbitrator?

The Honourable Shri Jagjivan Ram: That report I have seen in the press. But that is the Provincial Government's responsibility and not of the Central Government.

Prof. N. G. Ranga: What does the Central Government do when a labour dispute like that is prolonged for a long period of two, three to four months affecting the total overall production?

The Honourable Shri Jagjivan Ram: Get into touch with the Provincial Governments and request them to expedite a settlement.

Prof. N. G. Ranga: Is not it possible for the Central Government to try and supplement the efforts of the local Government in co-operation with the latter and thus bring about a settlement of such disputes much earlier than is the case at present?

The Honourable Shri Jagjivan Ram: As my friend is aware, in view of Provincial autonomy, we can only do that at the request of the Provincial Government concerned.

Several Honourable Members: rose—

Mr. Speaker: I think we ought to go to the next question. We are arguing the point now.

HARDSHIPS TO EMPLOYEES OF CERTAIN MINISTRIES IN SECURING ALLOTMENT OF GOVERNMENT QUARTERS IN DELHI

1045. ***Shri Damodar Swarup Seth:** Will the Honourable Minister of Works, Mines and Power please state:

(a) whether it is a fact that the seniority for purpose of allotment of Government quarters to Government employees is reckoned from the date of their continuous posting to Delhi and Simla in case of Delhi quarters; and

(b) whether Government are aware that these orders cause hardship to the employees of the Ministries pooled for purpose of allotment, where transfers to and from Delhi are made, as and when necessary, in the interest of public service?

Shri Satyanarayan Sinha: (a) Yes.

(b) Government are aware that allotment rules do involve hardship in certain cases and the question of revision of these rules is under consideration. But no revision of allotment rules can remove the possibility of hardship in individual cases, so long as the accommodation available is utterly inadequate to the demand for accommodation in Delhi.

ISSUE OF LICENCES FOR IMPORT OF ELECTRICAL GOODS FOR 1947-48

1046. ***Shri Satis Chandra Samanta:** Will the Honourable Minister of Commerce be pleased to state:

(a) the number of licences granted during the period from 1st January, 1947 to 29th February 1948 for the import of electrical goods which are not manufactured in India;

(b) the names of firms holding licences at present;

(c) the names of firms which were importing those goods in pre-war time but have been refused licence; and

(d) the causes for such refusal?

The Honourable Mr. C. H. Bhabha: (a) 5129 licences were granted during the year 1947. For the current January-June 1948 period 350 licences have been granted for electrical goods which are licensed freely. For the other category of these goods applications are under examination and no licences have yet been issued.

(b) and (c). The time and labour involved in the collection of this information is hardly commensurate with the results which are likely to be achieved.

(d) Does not arise.

Prof. N. G. Ranga: Is it a fact that licences are issued to a number of people within the same family?

The Honourable Mr. C. H. Bhabha: That is not correct. But if my Honourable friend will bring specific instances to my notice I shall enquire into them and take necessary action.

SCHOOL FOR PRE-CADET TRAINING FOR JOINING INDIAN MERCANTILE MARINE

1047. ***Shri V. C. Kesava Rao:** Will the Honourable Minister of Commerce be pleased to state:

(a) whether it is proposed to establish a school to give pre-cadet training to candidates desirous of entering the Indian Mercantile Marine; and

(b) if the answer to part (a) above be in the affirmative, where the proposed school will be located and when it will start functioning?

The Honourable Mr. C. H. Bhabha: (a) Such a proposal is under consideration.

(b) An Expert Committee is examining this matter and Government will take a decision after considering the Committee's recommendations.

INDIAN BUILDING INDUSTRY AND EXPORT OF ROSE-WOOD AND SOFT-WOOD

1048. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Commerce be pleased to state the quantity of rose-wood and soft-wood for which export permits were granted in the last financial year and the countries to which they were exported?

(b) Are Government aware that the Indian building industry is suffering owing to such unrestricted exports?

(c) Is there any committee to advise Government on these questions?

(d) If not, do Government propose to consider the appointment of an advisory body to examine the whole question of export of such commodities?

The Honourable Mr. C. H. Bhabha: The question should have been addressed to the Honourable Minister of Industry and Supply. It has accordingly been transferred to his list.

QUALIFICATIONS FOR AND POSTS OF FACTORY INSPECTORS

1049. ***Shri V. C. Kesava Rao:** Will the Honourable Minister of Labour be pleased to state:

(a) the qualifications prescribed for the post of Factory Inspector;

(b) the number of persons in employment under this category; and

(c) whether it is a fact that personnel having high engineering qualifications are working as Factory Inspectors and if so, whether Government propose to consider the question of releasing such officers for other work requiring technical efficiency and knowledge?

The Honourable Shri Jagjivan Ram: (a) Under the Factories Act, 1934, the power to appoint Inspectors rests with Provincial Governments and necessary qualifications required for the post are prescribed by them.

(b) So far as information is available, there are 93 Factory Inspectors including Chief Inspectors of Factories, employed under the Provincial Governments.

(c) Many of the Inspectors possess engineering qualifications but these are necessary for the proper administration of the Factories Act, particularly the provisions relating to safety. In any case, this is a matter for the Provincial Governments to consider.

Shrimati Dakshayani Velayudhan: May I know whether there are any factory Inspectresses?

The Honourable Shri Jagjivan Ram: There is none, and I do not think there is any necessity for them?

Shrimati Dakshayani Velayudhan: In view of the fact that there are large numbers of women working in factories, how can the Government say that it is not necessary?

Mr. Speaker: The Honourable Member should not argue.

CONTROL OF RENTS FOR BUILDINGS IN DELHI PROVINCE

1050. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether rents for buildings in the Province of Delhi is controlled and if so, what are the steps being taken to enforce this control?

(b) Are Government servants allowed to sub-let their premises and if so, on what basis is the rent of the sub-let portion fixed?

(c) Have there been any prosecutions for charging exorbitant rents during the last financial year?

Shri Satyanarayan Sinha: (a) Yes; the rents for buildings in the Province of Delhi are controlled under the Delhi and Ajmer-Merwara Rent, Control Act, 1947 (Act No. XIX of 1947), section 13 of which provides adequate penalty for the infringement of different provisions of the said Act.

(b) Government servants are allowed to sub-let their premises with the approval of the Estate Officer. They are at present being actively encouraged to share accommodation with other Government servant or with refugees on a proportionate share of the rent.

(c) Statistics of prosecutions under Section 13 of the Delhi and Ajmer-Merwara Rent Control Act (Act No. XIX of 1947) are not available. This Act does not apply to any premises belonging to Government or taken on lease or requisitioned by Government. Unauthorised sub-letting of Government accommodation is suitably dealt with by Executive action.

Prof. N. G. Ranga: In view of the fact that some of these Government servants are taking advantage of this permission to sub-let and at the same time evict those people who have been taken in as sub-tenants merely because they do not agree to pay much higher rents than have been paid till now, will Government consider the advisability of taking suitable steps to protect the interests of the sub-tenants?

Shri Satyanarayan Sinha: I think if the Honourable Member brings a specific instance to the notice of the Department action will be taken after the proper enquiry.

Shri Deshbandhu Gupta: Is not it a fact that there have been no prosecutions at all?

Shri Satyanarayan Sinha: I am not in a position to answer that. No statistics are available and I cannot say whether any prosecution at all has been launched so far.

Shri Deshbandhu Gupta: Will the Honourable Minister make enquiries and lay a statement on the table of the House?

Shri Satyanarayan Sinha: Certainly we can make enquiries in the matter.

1051. *Shri Jaspat Roy Kapoor: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the estimated number of non-Muslim women abducted in Bahawalpur State;

(b) how many of such women have been recovered so far; and

(c) whether any organisation has been set up in the State or any specific steps have been taken for the recovery of such women?

The Honourable Shri K. C. Neogy: (a) No reliable figures are available.

(b) About 200 such women have been recovered so far.

(c) The Liaison organization for the evacuation of non-Muslims from Bahawalpur has a section working for the recovery of the abducted non-Muslim women in the state. Miss Amtus Salam is in special charge of it.

EVACUATION OF NON-MUSLIMS LEFT IN BAHAWALPUR STATE

1052. *Shri Jaspat Roy Kapoor: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the number of non-Muslims still awaiting evacuation from Bahawalpur State;

(b) by what time they are expected to be evacuated;

(c) whether it is a fact that the Nawab of Bahawalpur had promised to provide facilities to those who wanted to migrate to India, and, if so, what facilities have been provided therefor;

(d) whether it is a fact that on or about the 7th March 1948, the Government of India had arranged for carriages and wagons for their evacuation, but the Bahawalpur Railway authorities charged from the evacuees heavy fare, excess luggage fare, engine and coal charges, and various other charges;

(e) if so, whether Government have taken up or propose to take up this matter with the Nawab of Bahawalpur.

(f) whether Government are aware that the evacuees were not allowed to bring with them their necessary articles, and that the Railway Police searched their luggage and removed their ornaments and other valuables;

(g) if so, whether Government have taken up or propose to take up with the Nawab of Bahawalpur the question of the restoration of these articles to their owners; and

(h) what steps Government propose to take to prevent such treatment being meted out to the evacuees in future?

The Honourable Shri K. C. Neogy: (a) Accurate figures are not available but the best estimate is about 60,000 excluding converted and abducted persons.

(b) By the end of April, 1948.

(c) Yes. A programme for laying refugee specials has been agreed to and four trains have actually run.

(d) and (e). An Indian Railway rake was already available in Bahawalpur and was used. Complaints of irregular charging of fares have been received, and our Liaison officer in Bahawalpur has been instructed to take up the matter with the appropriate authorities.

(f) Reports have been received that certain restrictions have been imposed by the Bahawalpur authorities in the matter of evacuees bringing out their personal effects.

(g) and (h). The matter is at present being investigated and on the result of the investigations necessary action will be taken.

Shri Deshbandhu Gupta: May I know whether it is not a fact that there is no regular camp for these 60,000 and odd refugees who are awaiting evacuation from Bahawalpur and that there are no proper arrangements to look after them?

The Honourable Shri K. C. Neogy: These refugees are expected to be brought to the Kurukshetra Camp, where there is special accommodation reserved for them.

Shri Deshbandhu Gupta: My Honourable friend has not understood my question. My question is whether at present there is any camp in Bahawalpur where these refugees are being looked after and whether the Bahawalpur authorities have made any arrangements to look after them.

The Honourable Shri K. C. Neogy: As far as I recollect no regular camp exists, and some of these people perhaps live in their private residences. I have not received any complaint as regards the non-existence of camps which may have led to any inconvenience; but I shall look into the matter.

Shri Deshbandhu Gupta: Is it not a fact that when Dr. Sushila Nayar and Miss Amtus Salam went there, representations were made to them that these people were not at all being looked after so much so that they were not getting rations even at their own cost?

The Honourable Shri K. C. Neogy: I have not received any such representations so far, but I feel sure that our Liaison Officer is in touch with the refugees there and is doing all that is necessary and possible in the matter.

Shri Deshbandhu Gupta: Will the Honourable Minister make enquiries into the matter?

The Honourable Shri K. C. Neogy: Oh, yes.

Shri B. Das: Did the Honourable Minister receive any statement from the International Red Cross Officer (Mr. Cross) who also visited Bahawalpur?

The Honourable Shri K. C. Neogy: He is really our Liaison Officer there.

STATEMENT BY SHRI SNEHA KUMAR CHAKMA re SITUATION PREVAILING IN CHITTAGONG HILL TRACTS

†1053. *Shri Arun Chandra Guha: Will the Honourable the Prime Minister be pleased to state:

(a) whether the attention of Government has been drawn to the statement issued by Shri Sneha Kumar Chakma, General Secretary of the Chittagong Hill Tracts People's Association regarding the general situation prevailing in that area as published in the *Amrita Bazar Patrika* dated the 11th March, 1948;

(b) whether it is a fact that the Chakma and the Mong Chiefs and the leaders of the people have intimated to the Government concerned that the Radcliffe Commission had no jurisdiction over this area;

(c) whether it is a fact that the people have set up an Emergency Committee and that the Chakma and the Mong Chiefs have formed their own Councils by way of setting up their own Government;

(d) whether it is a fact that there is a general round up of leaders of the people and that a sort of reign of terror is now going on there; and

(e) whether Government have considered the question of the Chakma and Mong Chiefs' claim to be treated as ruling chiefs?

†Answer to this question laid on the table, the questioner being absent.

The Honourable Pandit Jawaharlal Nehru: (a) Government have seen the press report in question.

(b) An intimation to this effect was received by the Government at the time of the Radcliffe Award.

(c) and (d). Government have no official information about the situation in the Chittagong Hill Tracts.

(e) No. The question does not arise in this context or in the present circumstances.

HARASSMENT OF HINDU IMMIGRANTS FROM EASTERN PAKISTAN AT KHULNA STATION

†1054. *Shri Arun Chandra Guha: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether the attention of Government has been drawn to the statement issued by the Secretary, Bengal Provincial Congress Committee as published in the *Amrita Bazar Patrika* dated the 11th March, 1948, regarding the situation in the Khulna Station;

(b) whether Government are aware of the fact that almost every Hindu passenger coming from Barisal, Faridpur etc., is subjected to harassment and indignities;

(c) whether it is a fact that the migrating Hindus are not allowed to bring with them even their articles of daily use such as trunks, clothes, sewing machines, radios, ornaments etc.; and

(d) if so, whether Government have taken up the case with the Government of Pakistan?

The Honourable Shri K. C. Neogy: (a) Yes.

(b) and (c). Yes, a number of cases have come to the notice of Government.

(d) It is hoped to hold discussions with Pakistan Government on these and allied matters at an early date. Meanwhile these incidents have been brought to the notice of the Pakistan Dominion Government.

CONDITIONS AND QUALIFICATIONS FOR CONTRACTORS OF C. P. W. D.

1055. *Shri Ramnarayan Singh: Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) the conditions and qualifications prescribed for being enrolled as contractors in the Central Public Works Department; and

(b) the authority makes the enrolment?

Shri Satyanarayan Sinha: (a) and (b). The Chief Engineer used to enlist contractors after taking into consideration the financial status, experience and capacity to execute work. The registration of contractors under Classes I-A and I-B is now the responsibility of the Central Works Advisory Board, which was constituted by Government under Resolution No. Ag-117(3), dated the 15th May 1947, of which a copy is placed on the table. It is now proposed to formulate detailed rules regarding enlistment of contractors in the Central Public Works Department under various categories:

I-A. Work without limit of cost.	} Enrolment by the Central Works Advisory Board.
I-B. Work costing upto Rs. 15 lakhs.	
II. Work costing upto Rs. 5 lakhs.	} Enrolment by the Chief Engineer
III. Work costing upto Rs. 1 lakh.	
IV. Work costing upto Rs. 50,000.	
V. Work costing upto Rs. 10,000	} Enrolment by the Superintending Engineer.

The draft rules are still under examination.

†Answer to this question laid on the table, the questioner being absent.

DEPARTMENT OF WORKS, MINES AND POWER

RESOLUTION

New Delhi, the 15th May 1947

No. Ag-117(3).—The Government of India have decided to constitute a Central Works Advisory Board. This Board will act as an Advisory Body to the Central Public Works Department in regard to the registration of contractors of Class I-A and I-B categories and award of contracts for works.

2. Composition of the Board.—The Board when constituted, will consist of a Chairman and two members. The Chief Engineer, Central P.W.D., will be the Chairman with a view to ensuring that the recommendations made by the Board are technically feasible. Of the two Members, one will be an officer of the Works, Mines and Power Department, and the other an officer of the Finance Department to watch the financial interests of the Government of India.

The Board will have the authority to co-opt as members, non-official experts or representatives of the administrative Departments of the Government of India, when so required, for advice on such matters as the execution of specialised projects, e.g., aviation works, factory works, bridges, etc.

The ministerial work of the Board will be carried on by the staff of Works, Mines and Power Department.

3. Functions of the Board.—I. The Board will be charged with the responsibility of selecting persons or firms for the purpose of registration as Class I-A and Class I-B contractors in the Central Public Works Department. The Board will also undertake such other responsibilities in the matter of Central Works as the Central Government may entrust to it from time to time.

II. In discharging the above responsibility, it will be the function of the Board—

(i) to call upon the Central P.W.D. to invite applications for registration as contractors,

(ii) to examine periodically the list of approved contractors with a view to recommending the weeding out of contractors guilty of malpractices or otherwise unsuitable,

(iii) to recommend to the Government of India any procedure, that it may consider desirable for ensuring competitive tenders for works.

(iv) to recommend the splitting up of big projects into component parts for the purpose of obtaining economic rates for execution of projects,

(v) to recommend the execution of works otherwise than on the basis of tenders, in cases where tendered rates are high or where the works are of highly specialised nature,

(vi) to recommend the form on which tenders should be called for, i.e., whether tenders for a particular job should be called for on percentage rate, item rate or lump sum basis, and

(vii) to advise the Government of India in regard to any other matter that may be referred to it in connection with the award of works to contractors and their registration in the approved list of contractors.

ORDER.—ORDERED that the Resolution be published in the *Gazette of India* for general information.

D. L. MAZUMDAR, Secy.

Prof. N. G. Ranga: Who selected the personnel of this Advisory Board?

Shri Satyanarayan Sinha: The Government.

Prof. N. G. Ranga: Out of the various wheels of the Government, which particular wheel was responsible? Was it the Chief Engineer?

Shri Satyanarayan Sinha: I want notice

Shri Ramnarayan Singh: Is the Honourable Minister aware that for the registration of a new man as contractor a great amount of money is demanded by the staff?

Mr. Speaker: Order, order.

DATE OF ARRIVAL OF NON-MUSLIM PRISONERS FROM PAKISTAN

†1056. ***Lala Achint Ram**: Will the Honourable Minister of Relief and Rehabilitation be pleased to state when the non-Muslim prisoners will be reaching the Indian Union from Western Pakistan?

The Honourable Shri K. C. Neogy: No precise date has been fixed as yet for the exchange of prisoners. The process will be spread over a period which it is hoped will be very short. The exchange is expected to start next month.

DEVELOPMENT BOARD AND SCHEMES FOR REHABILITATION OF REFUGEES

1057. ***Giani Gurmukh Singh Musafar**: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether the Rehabilitation and Development Board has drawn up any schemes for the rehabilitation of the refugees;

(b) if so, what the schemes are and when they are likely to be put into operation by the Board; and

(c) how many Branches of the Rehabilitation and Development Board have so far been opened in the Provinces and States?

The Honourable Shri K. C. Neogy: (a) Yes.

(b) The Board has drawn up a scheme for the construction in Delhi of temporary structures to house about 6,000 families. The houses are expected to be ready within 6 months of receipt of building materials. The Board is also pursuing the question of setting up three townships around Delhi and steps are being taken to acquire the land.

The Board is also examining development schemes already drawn up by provinces and is preparing other schemes for promoting rehabilitation. Various house building and industrial schemes have been submitted to the Board by societies and individuals and these are being examined from the technical and financial aspects. The Board is further considering the development of cottage and small scale industries and, where possible, their integration to major industries.

(c) None so far. The question of appointment of liaison officers is under consideration. West Bengal and East Punjab Governments have been invited to set up provincial boards of rehabilitation and development to work in collaboration with the Board at the Centre.

Shri Deshbandhu Gupta: May I know whether it is a fact that Government have now issued orders to the Delhi Improvement Trust not to lease out any more plots of land and that the other plots of land which had been leased out so far be also, used for the building of cottages for refugees?

The Honourable Shri K. C. Neogy: Yes, that is so.

Shri B. Das: How much of the work of the Ministry of Relief and Rehabilitation has been taken over by the Rehabilitation and Development Board and may I know if the Honourable Minister has considered the retrenchment of the department gradually?

The Honourable Shri K. C. Neogy: I am afraid my Honourable friend is under a misapprehension as regards the character of the work that is to be done by this Board. The Board is concerned with the practical planning and execution of projects; and the setting up of this Board does not necessarily take away from the volume of work of the Ministry. As a matter of fact there is so much new work that is being thrown upon the Ministry, that it is difficult to cope with that increasing volume of work with the existing staff.

†Answer to this question laid on the table, the questioner being absent.

Shri B. Das: Can the Honourable Minister forecast when his Ministry will cease to work?

The Honourable Shri K. C. Neogy: I am hoping that that day would come very soon, but I do not know when.

Shri Deshbandhu Gupta: Have Government considered the desirability of asking all private owners of developed lands to build for refugees at controlled prices?

The Honourable Shri K. C. Neogy: Yes, some such proposal is also being actively considered.

Shri Deshbandhu Gupta: Have Government considered the desirability of asking private companies, house building and co-operative societies also to help the Government in this building programme by allotting some areas to them and giving them facilities regarding building materials?

The Honourable Shri K. C. Neogy: Some such proposal is also under consideration.

Shri Upendra Nath Barman: In view of the fact that there are many refugees who have come from the North West Frontier districts, is the Government aware that they are extremely anxious to be removed as early as possible to a cooler place?

The Honourable Shri K. C. Neogy: I have received such suggestions, but I should like to tell my Honourable friend that requests have come from the refugees of the particular districts that he has mentioned that they should be rehabilitated in Delhi, which is not always a very cool place.

ATTACHED AND SUBORDINATE OFFICES UNDER RELIEF AND REHABILITATION MINISTRY

1058. ***Giani Gurmukh Singh Musafar**: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the names of the attached and subordinate offices under the Ministry and where they are located; and

(b) the total number of staff, Gazetted and Non-Gazetted, employed in these organisations?

The Honourable Shri K. C. Neogy: (a) and (b). A statement giving the required information is laid on the table.

Names of the Attached and Subordinate Offices under the Ministry of Relief and Rehabilitation and the details of the Gazetted and Non-Gazetted staff employed in them

Offices	Gazetted Officers	Non-Gazetted Staff
1. Director General, Evacuation, New Delhi	9	22
2. Custodian of Evacuees' Property, New Delhi	31	342
3. Registrar of Claims, New Delhi	8	47
4. Information Bureau, New Delhi	3	44
5. Rehabilitation and Development Board, New Delhi.	15	94

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Offices	Gazetted Officers	Non-Gazetted Staff
6. Fact Finding Office, New Delhi	2	28
7. Missing Persons Enquiry and Search Services, New Delhi.	2	38
8. Registration of Refugees, New Delhi	...	24
9. Advisory Committee, New Delhi	2 (1 Hony.)	14
10. Special Employment Bureau, New Delhi	3	18
11. Director, Harijan Section, New Delhi	1 (1 Hony.)	14
12. Director, Women's Section, New Delhi	5 (Hony.)	13
13. Custodian of Evacuees, Property, Ajmer	1	3
14. Director, Evacuation, Rajkot	1	7
15. Director, Evacuation, Bombay	8	53
16. Director, Evacuation, Rajputana	8	47
17. Director, Evacuation, Central Provinces	5	28
18. Facts Finding Office, Bombay	Information has been called for and will be laid on the table.	

(b) WRITTEN ANSWERS

ORDERS TO INDIA HOUSE OFFICIALS, LONDON, TO SEVER CONNECTIONS WITH HINDU COMMUNAL ORGANISATIONS

1059. *Dr. P. S. Deshmukh: (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that the High Commissioner for India in London ordered all the India House officials to sever all connections immediately with Hindu communal organizations?

(b) Has the attention of Government been drawn to a news item published in the *Free Press Journal*, Bombay dated London the 1st March 1948 to this effect?

(c) Is it a fact that this order has not been made applicable to officials joining non-Hindu communal bodies?

The Honourable Pandit Jawaharlal Nehru: (a) No Sir. No such order was issued by the High Commissioner.

(b) Yes, but the report is incorrect.

(c) Does not arise.

EXHIBITION BRANCH OF MINISTRY OF COMMERCE

1060. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Commerce be pleased to state whether the Ministry of Commerce maintains a special branch called the "Exhibition" branch?

(b) What is the monthly expenditure incurred on the Exhibition branch of the Commerce Ministry?

The Honourable Mr. C. H. Bhabha: (a) Yes, Sir.

(b) About Rupees four thousand and five hundred.

PARTICIPATION BY COMMERCE MINISTRY INTO MILAN FAIR, ITALY

1061. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Commerce be pleased to state when the Ministry of Commerce came to know of the Milan Fair to be held in Milan (Italy) from 12th to 27th April 1948?

(b) On what date was the decision to participate in this Fair taken?

(c) On what date were circulars issued from Delhi containing proposals to collect outstanding specimens?

(d) What was the last date by which exhibits were to be received by Messrs. Thomas Cook and Sons Limited, Bombay?

(e) What were the considerations upon which Messrs. Thomas Cook and Sons were chosen by the Ministry?

The Honourable Mr. C. H. Bhabha: (a) The invitation from the Italian Consulate, Bombay to the Government of India for participation in the Milan Fair was received in this Ministry in the beginning of November, 1947.

(b) The final decision to participate in this Fair was reached on the 30th December, 1947.

(c) Circulars to firms, Chambers of Commerce and Associations etc., were issued on the 23rd January, 1948.

(d) The last date for receiving exhibits was the 20th February, 1948. In view of further suitable sailings for Italian ports being available later, the date was extended to the 14th March, 1948.

(e) Messrs. Thos. Cook's is an old established firm of forwarding and shipping agents. They have acted in this capacity for this Ministry on the last four exhibitions on which the Government of India participated in exhibitions abroad and have done so to the entire satisfaction of this Ministry.

CLASS I, CLASS II AND NON-GAZETTED APPOINTMENTS IN CENTRAL WATER-POWER, IRRIGATION AND NAVIGATION COMMISSION

1062. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Works, Mines and Power be pleased to lay on table of the House a statement containing the following particulars:

(i) the number of class I, class II and non-gazetted posts in the Central Water-power, Irrigation and Navigation Commission in 1940 and 1945 and at present; and

(ii) the names of holders of class I, class II and non-gazetted posts in the Central Water-power, Irrigation and Navigation Commission with their dates of first appointment, salaries drawn by each in the years 1940 and 1945 and at present?

(b) How many of the above officers were recruited through the Federal Public Service Commission?

Shri Satyanarayan Sinha: (a) (i) Central Water-power, Irrigation and Navigation Commission was not in existence in the year 1940 and was set up only in April, 1945.

No. of posts sanctioned

	Class I	Class II	Class III
On 31-12-45	9	7	50
Today	43	29	133

(ii) and (iii). Two statements†—one in respect of Class I and Class II Officers and the other for the non-gazetted staff—showing the required information are laid on the table of the House.

(b) Out of 49 Class I and II Officers so far appointed 17 have been recruited through the Federal Public Service Commission. The remaining 32 have been recruited from the following sources:

- | | |
|--|----|
| (i) I.S.E. and I.F.S. Officers on deputation from Provinces. | 14 |
| (ii) Class I and II Officers on deputation from Provinces and Government of India. | 8 |
| (iii) Officers recruited on contract basis | 4 |
| (iv) Recruited direct on purely temporary basis pending selection by F.P.S.C. | 6 |

BURMA GOVERNMENT'S BAN ON SALE OF IMMOVABLE PROPERTY BY NON-BURMESE

1063. *Master Nand Lal: (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that the Government of Burma have placed a ban on non-Burmese selling their immovable property?

(b) If so, have the Government of India protested against this ban so far as it affected Indian nationals? If not, why not?

The Honourable Pandit Jawaharlal Nehru: (a) The Honourable Member is presumably referring to the Transfer of Immovable Property (Restriction) Act, 1947, as amended by the Notification issued in the Burma Gazette Extraordinary of January 20, 1948. This Act, prohibits transfer of immovable property or lease of immovable property for any term exceeding one year in favour of a foreigner, or any person on his behalf by way of sale, gift, mortgage or otherwise.

(b) Our Ambassador has made suitable representations to the Government of Burma in respect of this legislation.

UNSTARRED QUESTION AND ANSWER

MIGRATION FROM INDIA TO PAKISTAN AND *vice versa* AND EVACUEES PROPERTY

7. Shri Biswanath Das: Will the Honourable Minister of Relief and Rehabilitation be pleased to lay on the table of the House a statement showing the following particulars:

(i) the estimated number of persons who had left Pakistan East and West including the States; each separately, from August 1947 and who were evacuated into India and also are in the process of evacuation giving figures for each separately;

(ii) the number of persons who have left India, including Indian States for Pakistan during the same period;

(iii) the estimated acreage of land and other agricultural holdings vacated by persons in case of parts (i) and (ii) above giving separate figures for each; and

(iv) the number of buildings and huts vacated in each of the cases of parts (i) and (ii) separately?

The Honourable Shri K. O. Neogy: (i) The number of non-Muslims evacuated from Western Pakistan to India is about 48 lakhs, and from Pakistan States (Bahawalpur) is about 89,000. The number of non-Muslims evacuated from Eastern Pakistan to India was estimated about a fortnight ago by the West Bengal Government to be about 10 lakhs.

†Not printed in the day's Debate. A copy has been placed in the Library of the House.—Ed. of D.

(ii) The number of Muslims who have migrated from Indian Provinces and States to Pakistan is about 55 lakhs.

(iii) and (iv). The information collected so far is laid on the table. Information from the remaining provinces has been called for and will be laid on the table in due course.

Statement

(a) Details of land, houses, etc., left by non-Muslims in Pakistan.—It has been possible to collect only rough estimates for Sind. Non-Muslims there own 30 per cent. agricultural land of which half is being abandoned. More may be abandoned later on. 75 per cent. of buildings, huts and other immovable property are being abandoned in the interior. Only a small proportion of immovable property is being abandoned in Karachi.

(b) Details of agricultural land, houses, etc., left by Muslims in India on migration to Pakistan.

Name of Provinces	Area of Agricultural land left	No. of houses and huts left
Assam	...	...
West Bengal	...	...
Central Provinces.	A G 6553—35	687 Buildings
East Punjab	4,01,439 Acres (Cultivated area 31,48,667 Acres.)	1,19,359 Houses 15,336 Shops 76 Registered factories. 962 Unregistered factories.
Ajmer-Merwara	7,000 Acres	7,600 houses.
Nabha State	53,045 Acres	13,603 Buildings. (Out of this number 4,608 Buildings are completely dilapidated)
Bharatpur State	1,17,000 Acres	(About 1,600 Buildings.) (About 14,000 huts.)
Jind State	36,060 Acres	6,784 Houses.
Alwar State	4,19,000 Acres (Cultivated area 2,82,000 Acres.)	5,000 Houses. 25,000 Huts. (Mostly damaged.)
Kapurthala	1,94,000 Acres	4,452 Houses and huts (in municipal towns in the state).

SHORT NOTICE QUESTIONS AND ANSWERS

DISTURBANCES AND IMPOSITION OF CURFEW IN KURUKSHETRA REFUGEE CAMP

Shri Deshbandhu Gupta: Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether the attention of Government has been drawn to a news item published in the *Hindustan Times* dated the 13th March 1948, saying that 24 hour curfew has been imposed in Kurukshetra and that police and military opened fire on refugees? If so, what are the true facts?

The Honourable Shri K. C. Neogy: A press note issued by Government is placed on the table. The matter is now *sub judice*.

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

PRESS NOTE

Kurukshetra Camp Incident

The following account of the incident in Kurukshetra on Monday, March 8, 1948, has been received by the Ministry of Relief and Rehabilitation:

It is reported that some refugees put up provision shops at a site not intended for the purpose. On their refusal to remove the shops, the Supervisor on duty is alleged to have kicked their baskets and used abusive language. This incident led to an altercation between the Supervisor and the refugees and a large crowd collected on the spot at about 4 P.M. The Town Commandant apprehending trouble called in the Military who fired a few shots in the air with a view to disperse the crowd which had, in the meantime, assumed a menacing attitude. At some distance from the scene of occurrence a police officer on duty also fired a shot in self-defence wounding two persons.

With a view to prevent the trouble from spreading to other parts of the Camp, 24 hour curfew was imposed in Town No. 4 of the Camp. Both the persons who had received minor gunshot wounds were admitted into the hospital. The constable who had also received some injuries on his head at the hands of the refugees has also been admitted into the hospital.

The situation is now well under control and the injured persons are progressing satisfactorily. They are expected to be discharged from the hospital in a few days.

The services of the Supervisor and the Town Commandant have been terminated.

Ministry of Relief and Rehabilitation.

New Delhi, March 18, 1948

Shri Deshbandhu Gupta: May I know if there had been any casualties, if so, and the number of casualties due to the firing?

The Honourable Shri K. C. Neogy: Casualties in the sense of injury, yes.

Shri Deshbandhu Gupta: May I know the number of such casualties?

The Honourable Shri K. C. Neogy: All these facts are set out in the Press Communique which was widely published. Three received injuries and they have all been discharged from the hospital.

STATEMENT ISSUED BY THE RULER OF KALAT *re* ACCESSION OF KALAT STATE TO INDIA

Pandit Balkrishna Sharma: (a) Will the Honourable the Prime Minister be pleased to state whether the attention of the Government has been drawn to the statement issued by the Ruler of Kalat which appeared in *Hindustan Times* dated the 29th March 1948, in regard to the accession of Kalat State to India?

(b) If so, will he be pleased to make a statement on the subject?

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SHORT NOTICE QUESTIONS AND ANSWERS

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The Honourable Pandit Jawaharlal Nehru: I am glad to have this opportunity of clearing up a misapprehension that has unfortunately arisen. I greatly regret that owing to an error in reporting the All India Radio announced on the night of the 27th March that His Highness the Khan of Kalat had approached the Government of India about two months ago through his agents to seek permission to accede to India but the Government of India did not agree. This statement is incorrect. No mention has been made at any time either by the representatives of the Ruler of Kalat or by the Government of India to the accession of Kalat State to India. In view of the geographical position of the Kalat State, the question did not arise at all.

I might also add that certain reports which have appeared in the foreign press about political negotiations between the Government of India and Kalat State are also completely without foundation. The statement that any sum of money has been paid to Kalat State on behalf of the Government and that the Government have sought air bases in Kalat are also wholly without foundation.

The facts are as follows: In August last, soon after the declaration of independence in India, the Government of Kalat drew the attention of the Government of India, to a press communique in which it was said that the Government of Pakistan had recognised Kalat as an independent sovereign State, in treaty relations with the British Government, with a status different from that of the Indian States. They invited the Government of India to make a similar declaration. Some time later a request was made on behalf of the Kalat State for permission to establish a trade agency of the State in Delhi. No formal reply was sent to either of these requests. Informally the representative of the Kalat State was informed that these requests could not be considered then. No further communication of any kind has passed between the Government of India and the Government of Kalat.

Pandit Balkrishna Sharma: 1086—

Mr. Speaker: I am afraid, according to the usual practice we have been following, the Honourable Member's request was for making a statement. That statement has been made.

Pandit Balkrishna Sharma: I wanted to ask the source of the error which crept into the A.I.R.

Mr. Speaker: That may be done on some other occasion.

Mr. Nazruddin Ahmad: May I submit that the statement was made in answer to a question; and it is permissible, if you so rule, to ask supplementary questions on that. The basis of the statement is a question.

Mr. Speaker: It has been consistently followed in this House that whenever there is a request for a statement, there is a long and elaborate statement on which there would be no further questions. Questions, if at all they are deemed necessary, may be framed on what has been stated in the statement, and they may be dealt with later on.

REPORTED DECISION *re* A MASS HUNGER STRIKE BY CENTRAL GOVERNMENT EMPLOYEES IN CALCUTTA

Shri T. T. Krishnamachari: (a) Will the Honourable Minister of Home Affairs be pleased to state whether the attention of Government has been drawn to the report which recently appeared in the Press of a decision by Central Government employees in Calcutta to launch a mass hunger-strike on the 2nd April, 1948.

(b) If so, what action do the Government of India propose to take in the matter?

The Honourable Pandit Jawaharlal Nehru: May I answer this question, Sir, on behalf of my colleague?

[Pandit Jawaharlal Nehru.]

Government have heard with regret that active preparations are being made to start a strike of the employees of the Central Government in the Calcutta offices. From the reports that have reached Government the proposed strike is not a normal strike, but has certain special and very undesirable features. It has been stated that the strike will take the form of staying in the offices, coupled with a hunger strike. Further, incitements to violence have been made and the organisers evidently think in terms of achieving their objective by violent methods. It is clear that those who are organising the strike are moved by other than purely economic motives of bettering the condition of the employees. There is a strong political objective which has nothing to do with the economic aspect, although many of those who may be induced to cooperate with the organisers of the strike may be moved by economic considerations. The proposed strike is thus a challenge to Government on the political plane and it raises a variety of issues of considerable importance.

Though the proposed strike is for the present confined to Calcutta, it is evidently a part of a larger movement, essentially political and violent, which is taking shape in some parts of India. It is in this context that I should like the House to consider this matter, as this affects the democratic structure of our Government and our public life. There can be no democratic functioning if violent means are adopted to attack Government and to enforce the will of a small minority on the great majority. Because of the importance of this matter in its various aspects, I am venturing to make a somewhat lengthy statement in reply to the Short Notice Question.

Government are naturally anxious to do everything in their power to help their employees. Government have also a duty to the people generally of this country. With the best will in the world they cannot change the face of India overnight and produce suitable employment for every man and woman in the country. That indeed is the objective which any government must aim at. But in order to reach it for all the people living in this vast country, vast schemes have to be undertaken. There is no other way of doing it.

The proposed strike in Calcutta, which has been fixed for the 2nd April, was to have commenced on the 17th March, but it was postponed. The strike is being called by an organisation, which is described as the Federation of Central Government Employees Unions. I should like to make it clear that this is a Calcutta organisation and has nothing to do with another organisation, which has a similar name and whose members held a conference recently in Delhi. I understand from certain office-bearers of this Delhi organisation, who met me a few days ago, that they dissociate themselves from, and disapprove of, the activities of the Calcutta organisation.

A few weeks ago a representation was received from the Calcutta organisation by the Finance Minister. This contained a plea for substantial increases in the pay-scales of Central Government employees. As the House is aware, the whole subject of pay-scales and service conditions was considered very recently by the Central Pay Commission, an independent non-official body, which examined a large number of witnesses, obtained evidence from recognised as well as unrecognised associations, and consulted experts who could speak with authority about labour conditions. The Commission recommended substantial increases in the pay-scales of almost all classes of employees. Government have accepted and are implementing these recommendations which, in the aggregate are estimated to cost over thirty crores of rupees per annum. They were therefore not prepared to reopen a subject recently decided after very careful consideration and make changes involving a radical departure from the general structure of pay-scales envisaged in the Commission's report.

When this position was made clear to the Federation, it found another reason for launching a strike. About this time it had become necessary to carry

out certain discharges of surplus personnel in the Military Accounts Department as well as in the Disposals Organisation of the Ministry of Industry and Supply. The Federation has seized upon these discharges as the occasion for resorting to direct action involving all government employees in Calcutta and not merely those of offices affected by retrenchment.

The main demands of the Federation, as now put forward, relate to retrenchment and are couched in the following terms: (1) There should be no retrenchment without provision for suitable alternative jobs and continuity and security of service should be assured; (2) Those who have completed one year's service should be confirmed with effect from the date on which they completed one year's service. Government have carefully considered these demands and come to the conclusion that they cannot possibly be accepted. The second World War led to a very great increase in the Army and in many establishments connected with the work of the Army. As is well-known, our Army had a war-time peak of 2½ million persons. This vast army led to the rapid growth of a large number of temporary offices connected with the army. Thus the Military Accounts Department expanded during war-time from a peace-time strength of about 3,600 to over 20,000. At the conclusion of the war demobilisation began and during the last two years nearly two million soldiers have been demobilised. That was inevitable and as a consequence retrenchment had to take place in various other departments which had grown with the Army and were now no longer required or could not be kept up at war-time strength.

Similar considerations apply to other temporary establishments recruited for special purposes connected with the war, and also to a certain extent for the administration of controls, which have ceased to be necessary. It is obvious that posts which have ceased to be necessary in the public interest cannot continue to be filled merely in order to provide employment for temporary government servants. If it is the business of Government to keep these posts filled, whether they are wanted or not, then the Government should not demobilise the war-time army, and indeed should provide governmental employment to all the unemployed in the country.

Nor is it possible to guarantee that a sufficient number of posts, particularly permanent posts, shall always be available under Government for providing alternative employment to the large numbers of temporary employees recruited for these special purposes. Again, appointment on a permanent basis cannot be made without reference to the basic minimum qualifications required. Many of the employees who were recruited urgently for temporary purposes do not possess such qualifications.

Government, however, fully realise the hardship involved in retrenchment, and further considered it their duty to do everything in their power to mitigate such hardships and to find alternative employment, wherever available. They have proceeded very slowly with retrenchment and have in fact kept on many employees, although they were surplus, in order to lessen these hardships. Discharged temporary employees have been made eligible for gratuity. The position of those who did not get any benefit in the form of gratuity will be further considered. Temporary service is recognised in many cases as a war service. The names of such employees are registered at the Employment Exchanges, thereby enabling their cases to be brought to the notice of intending employers, whether government or private, for consideration. Facilities have also been provided by relaxation of age limits to temporary employees to sit for examination and qualify themselves for permanent absorption in government employment, wherever this is possible. These terms compare favourably with those on which considerable numbers of surplus personnel have already been discharged.

Government are, however, anxious to bring about conditions in which every one who is willing to work is enabled to find some employment, private or public, suited to his or her capacity and qualifications. The various development

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) [30TH MARCH 1948]

[Pandit Jawaharlal Nehru.]

schemes, which are undertaken by the Central and Provincial Governments, will, as they develop, gradually bring about such conditions. This necessarily takes time.

Government are also exploring temporary methods of employment. A Committee is now checking up the categories of stores in various depots with a view to collect together enough general purpose tools to start the manufacture of some of the common users' stores. Government would aid and encourage the formation of cooperatives of artisans and the like, among those who are to be retrenched, for this purpose. Another possible avenue of temporary employment may be the preparation of electoral rolls on the basis of adult franchise for the general elections under the new Constitution. This will be a big undertaking, involving a vast population of adults who will be entitled to vote. The responsibility for the preparation of these electoral rolls will be largely that of the Provincial Governments, and Government propose to recommend to the Provincial Governments to utilise, as far as possible, government employees who who have been retrenched. I am mentioning two possible methods of temporary employment. Other methods will no doubt suggest themselves to the Honourable Members and we shall welcome their suggestions.

I need hardly remind the House of the events which have shaken this country during the last seven months and more. These tragic events have led to the complete impoverishment of millions of our countrymen, in addition to great physical suffering and mental anguish. These people have not only lost their employment or profession, but have lost almost every single thing that they possessed. It is the duty of Government and the Country as a whole to succour them and rehabilitate them. This is a colossal problem for any Government. Those who undoubtedly suffer because of retrenchment should remember the fate of these vast numbers of our countrymen whom a cruel destiny has hit so hard. The resources of the Government are being utilised to the utmost to give relief to these people, but these resources have certain obvious limits, and if too great and unbearable a burden is cast upon them, then the whole structure of our economy might be shattered, resulting in little or no relief and far greater unemployment.

In these circumstances, while Government will continue to do their best to assist their temporary employees, they cannot accept the position that retrenchment should be postponed indefinitely until employment can be guaranteed to everybody, nor can we agree to confirm all those who may have completed one year's service.

The House is aware not only of the vast problems and difficulties which this country has to face in its internal economy, but also of the grave international situation which faces the world. Again we stand on the edge of a precipice and no man knows what the future may hold. It would almost appear that the organised efforts, that are being made to shatter the country's economy, are deliberately meant to be related to these larger issues. For any Indian today to attempt to break down the productive and administrative apparatus of the country is the height of irresponsibility and unpatriotic behaviour. Government have repeatedly made appeal to the people to co-operate together to add to the wealth of the country and to avoid strikes and conflicts at this time of trial for all of us. They are glad to note that such appeals have not been in vain and that the great majority of the people of this country, and more specially the working classes on whom lies so much the responsibility for production, have responded to them. But there are certain groups who think and act differently and who, for reasons of their own, appear to be bent on creating trouble. That trouble will do harm to the country as a whole, but it will injure most the interests of labour.

If every Indian has a duty in these critical times, much more so is that duty incumbent on employees of Government, who by virtue of their position must be true servants of the public and must always keep the public good before them. It is deplorable in the extreme that public servants should indulge in threats of direct action, which may be directed against Government, but which must inevitably do injury to the public. That is a gross dereliction of duty and Government must take a very serious view of any course of action calculated to challenge the foundations of democratic Government, dislocate public work, and cause a breakdown of discipline among the public services. I must therefore make it clear that any public servant, who, in the circumstances which I have described to this House, joins any strike or other form of direct action, will be considered as guilty of dereliction of duty and serious misconduct entailing dismissal from service. Instructions to this effect are being issued to all heads of offices in Calcutta. I trust that Government employees of all ranks will realise their obligations and will set an example of discipline and conduct and devotion to duty, and desist from participation in any shape or form in the threatened strike. Rights and obligations go together. It is from an obligation duly discharged that rights flow. Where there is no obligation there can be no right.

Shri B. Das: I want to put a supplementary question. Is it permissible?

Mr. Speaker: The character of this particular question differs from the character of the previous question which contained request for statement. I should be inclined to treat this as answer for which, technically speaking, supplementaries could be put, but I would not like to permit supplementaries in view of the situation and the desirability of not entering into further discussions.

EXODUS OF HINDUS FROM EAST BENGAL

Pandit Thakur Das Bhargava: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state what steps Government have taken or propose to take to stop the haphazard exodus of Hindus from East Bengal?

(b) Has any correspondence passed between the Governments of India and Pakistan in regard to this exodus?

(c) Do Government propose to take steps to organise peaceful exchange of population between West Bengal and East Bengal?

(d) What steps are Government taking to protect, conserve and bring into India the properties of East Bengal Hindu evacuees?

(e) What is the value of properties left behind in East Bengal by the Hindu Evacuees, who, according to the estimates, number at least one million?

The Honourable Shri K. C. Neogy: (a) It is hoped to hold discussions with Pakistan Government on these and allied matters at an early date.

(b) Yes.

(c) No.

(d) It is expected that this question will also be discussed at the forthcoming discussions.

(e) No estimates are available.

GOVERNOR GENERAL'S ASSENT TO BILLS

Secretary of the Assembly: Sir, I lay on the table a statement showing the Bills which were passed by the Dominion Legislature (Constituent Assembly of India—Legislative) during the Autumn Session, 1947, and which have been assented to by His Excellency the Governor General.

+Answer to this question laid on the table, the questioner being absent.

Statement

- 1) The Indian Patents and Designs (Extension of Time) Amendment Act, 1947.
- (2) The Foreigners (Amendment) Act, 1947.
- (3) The Press (Special Powers) Act, 1947.
- (4) The Foreign Exchange Regulation (Amendment) Act, 1947.
- (5) The Indian Merchant Shipping (Amendment) Act, 1947.
- (6) The Indian Finance (Supplementary) Act, 1947.
- (7) The United Nations (Security Council) Act, 1947.
- (8) The Income-tax and Business Profits Tax (Amendment) Act, 1947.
- (9) The Indian Trade Unions (Amendment) Act, 1947.
- (10) The United Nations (Privileges and Immunities) Act, 1947.
- (11) The Extra-Provincial Jurisdiction Act, 1947.
- (12) The Indian Nursing Council Act, 1947.
- (13) The Delhi Premises (Requisition and Eviction) Act, 1947.
- (14) The Delhi and Ajmer-Merwara Rent Control (Amendment) Act, 1947.
- (15) The Indian Cotton Cess (Amendment) Act, 1947.
- (16) The Ajmer-Merwara (Extension of Laws) Act, 1947.
- (17) The Salaries of Ministers Act, 1947.
- (18) The Federal Court (Enlargement of Jurisdiction) Act, 1948.
- (19) The Repealing and Amending Act, 1948.
- (20) The Armed Forces (Special Powers) Act, 1948.
- (21) The Armed Forces (Emergency Duties) Act, 1948.
- (22) The Indian Tariff (Second Amendment) Act, 1948.

(INDIAN FINANCE BILL)

Mr. Speaker: The House will now proceed with the further consideration of the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1948, as reported by the Select Committee.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Mr. Mohd. Tahir (Bihar: Muslim): Before moving my amendments, Sir, I beg to submit that nearly all the amendments which I have tabled are of the same nature. Therefore, with your permission I would like to make a single speech by moving one amendment so that the purpose may be served and I need not make other speeches on other amendments.

Mr. Speaker: He may move all the amendments at one time.

Mr. Mohd. Tahir: All right, Sir. I do not propose to move amendments Nos. 1 and 3 but will move amendments Nos. 2 and 4.

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, on a point of order. These two amendments seek to raise the level of duty as it has been proposed in the Finance Bill, and it is not in order for private members to move amendments which will result in an enhancement of taxation.

Mr. Speaker: Except perhaps with the consent of the Governor-General. Has the Honourable Member obtained that consent?

(2750)

Mr. Mohd. Tahir: No, Sir.

Mr. Speaker: Then, the amendments fail. If the Honourable Member wants to say anything on the clause, he may address himself now.

Mr. Mohd. Tahir: Sir, I want to say a few words on clause 4. In other clauses we find that the taxes have been raised on those articles which are generally used by the poor people, but I find that in clause 4 the taxes proposed to be enhanced, for instance on cars, are very little. I also find that there is one standard tax and then a preferential tax as mentioned in column 5 of the Indian Tariff Act. I must say that in realising the taxes, after the 15th of August 1947 since India has become independent, there is no reason that we should make any difference in the realisation of taxes in the case of any country. Whether it is a country like the United Kingdom or one of its Dominion, or the U.S.A. or Russia or any other country, we should realise taxes in a uniform manner and I do not think there is any reason that we should show any sort of sympathy to one country and not show that sympathy to another country. Therefore, Sir, I submit that the preference that has been given in clause 4 with regard to column 5 of the Indian Tariff Act, is not at all desirable and not fair and just.

The Honourable Shri R. K. Shanmukham Chetty: I have only to inform the Honourable Member that this preferential rate in favour of the United Kingdom has been retained not because we wanted to show any particular favour. We are bound under the Indo-British Trade Agreement to give this preference and until that Trade Agreement is changed we have no option in this matter, and it is in pursuance of the fulfilment of the undertaking contained in that agreement that this difference has been retained.

Shri M. Ananthasayanam Ayyangar (Madras: General): May I ask the Honourable Minister as to when the Trade Agreement was entered into and how long it is going to be in force? Is the Government reconsidering the position as to whether that Agreement ought to be continued or notice of termination will be given, and if so when? With reference to the context of the Finance Bill it is no good going into the matter further, but inasmuch as the matter has been raised and the Honourable Minister made a statement that it is an obligation I would like to have elucidation on that point.

The Honourable Shri R. K. Shanmukham Chetty: It is really a matter on which my Honourable Colleague the Minister for Commerce will be more competent to speak. I do not remember exactly the date on which this Indo-British Trade Agreement came into operation but I think my Honourable friend has been sufficiently long in the Central Legislature to have recollections about the genesis of this Agreement. It is now certainly a matter for consideration whether the time has now come for us to reconsider our trade relationship with the United Kingdom. I have no doubt that matter will be taken up for consideration in due course.

Mr. Speaker: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Shri M. Ananthasayanam Ayyangar: Sir, Clause 5 provides for a surcharge, an additional duty, on the customs duty that is already imposed—a sum equal to one-half of such amount in the case of goods and a sum equal to one-fifth in the case of other goods. I have been repeatedly urging that with a view to increasing the output of various consumer goods in this country and to enable capital goods to come into this country, some preference or exemption from duty ought to be made in favour of capital goods. Repeated applications and representations have been made to the Honourable the Finance

Minister, but no indication has been given in the Finance Bill regarding any preference. Already there is a shortage of dollars and we are not getting any large volume of capital goods. If this preference is given, it would be an inducement to the trade. This may have been done in the Act, but it has not been done so far. I would therefore ask the Honourable the Finance Minister whether he would by administrative action, if it is possible, even today, within the limits that are permissible in the law, take steps to encourage the inflow of capital goods and give some exemption in favour of capital goods by way of exemption from customs duty.

The Honourable Shri R. K. Shanmukham Chetty: Sir, my Honourable friend knows that personally I have got a great deal of sympathy with the point of view that he has urged that the machinery imported, i.e. the capital goods, should be exempted from any import duty. As a matter of fact, in my capacity as the President of the Tariff Board I invariably made such recommendation to Government in practically every one of the cases which came up for examination by the Tariff Board. But from the point of view of the general revenue position of the Government, the matter requires more careful investigation. There is, however, one factor which ought to be remembered in the consideration of this question of the abolition of the import duty on capital goods. Under our income-tax we have given a special additional depreciation allowance amounting to 20 per cent in the case of machinery newly imported. Now, this more than offsets the 10 per cent that they pay on machinery. As a matter of fact, therefore, the importers of capital goods do not suffer today. If we are to abolish the 10 per cent import duty on machinery, then we have to take into consideration seriously the question whether the exemption regarding the special depreciation should be continued, and if that is taken away, then in fact the position of the importers and the industrialists will be even worse. Therefore, these are all matters which require very detailed examination and these are constantly in my mind and I may assure the Honourable Member that I shall certainly examine this question and see what can be done at the earliest possible time.

Mr. Speaker: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Kazi Syed Karimuddin (C. P. and Berar: Muslim): The two amendments, items 8 and 9 to clause 6 which I want to move are in support of the Resolution which has been passed by the Oilseeds Committee, of which I am a member. It has been the view of the Oilseeds Committee that there is a very great scope for expansion of oilseeds and vegetable oils in the world market, as there is a shortage of fat and oil, and in the opinion of the Committee for the expansion of this trade the taxation on oilseeds and vegetable oils ought to be decreased. If the Honourable Minister is willing to accept my amendments, I shall formally move them.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I am afraid I cannot accept my Honourable friend's amendments today. There is a great deal of demand for oilseeds and oil in the international markets of the world and we are in a peculiarly strong position regarding the supply of oilseeds and oil. Honourable members know of the almost fantastic prices we pay for the importation of our foodstuffs. We are at the mercy of these foodgrowing countries. In the conditions prevailing in the world markets today which are really the sellers' markets, I do not see why we should not take advantage of any position that we have got to get better prices for our products or to make some revenue out of our capacity to export these essential goods. So long as the

sellers' market continues in the matter of oilseeds and oil, I am satisfied on an examination of international prices that these duties can be safely borne by these commodities that are exported and that these duties will be paid by the importing countries. So long as that position continues, I think we are perfectly justified in imposing these export duties. The moment we find that we have lost this position of advantage, certainly in our own interest—in the interest of our export trade and in the interest of our growers—we will either reduce the duty or remove the duty and in actually devising the rates of duty applicable to oilseeds and oil, I have taken care to see that as far as possible encouragement is given for the crushing of the oilseeds in the country itself, so that we might create the oil crushing industry and also get the benefit of the oil cakes for various purposes. The duty has therefore been so adjusted that for an exporter, it will be worth while to crush the oilseeds and export the oil. In fact, it is with a view to emphasise this particular aspect of the problem that the Select Committee reduced the export duty on oilseeds from Rs. 200 as was proposed in the original Bill to Rs. 100 per ton. I have no doubt that in view of these considerations, my Honourable friend would not like to move his amendments.

Kazi Syed Karimuddin: Yes, Sir. I do not move them.

Shri M. Ananthasayanam Ayyangar: Sir, may I say a few words on this matter? The whole matter was considered in the Select Committee as the Finance Minister has stated, and I would like to give certain figures to convince my Honourable friend and the persons who produce groundnut as a sole oil producer that the duty will not stand in the way of our articles commanding the market in the outside world.

Sir, before the war in 1939 India was contributing to the world market 60 per cent of the total consumption in the world of groundnut seeds and groundnut oil. After the war, no doubt the output has gone down. Originally, it was 15 lakhs tons. It has now gone down. The main producers of groundnut in the world, barring India which is the foremost, are the United States which produces about 10 per cent, West Africa, Nigeria, Senegal and Argentina, which produces only linseed and does not produce groundnut oil or groundnut seeds. Now, all the output of Senegal goes to France. The output in West Africa and Nigeria is consumed by the U. K. Thus the entire continent of Europe has to depend on the produce from India. That is a market in which I am sure in the years to come when under the Marshall Plan the whole of Europe should be rehabilitated, there will be greater and greater demand both for our groundnuts and groundnut oil.

Now, as regards the prices, in our country groundnut seed is selling at Rs. 660 per ton and groundnut oil at Rs. 1400 per ton. In the outside market groundnut seeds are selling at Rs. 800 to 895 per ton. Therefore, if a duty of Rs. 80 is imposed on seeds, the price of a ton of groundnut seeds will come to Rs. 740, leaving still a margin of Rs. 100 or so per ton.

As regards oil, the price of oil outside India is about Rs. 2,000 per ton and in India it is Rs. 1,400 and there is a margin of Rs. 600 as a matter of fact. Under a mistake in calculation in the Select Committee we thought that the Rs. 200 which was originally imposed on the groundnut oil was too much and there would be a tendency to export seeds as against oil. I find barring the figures of the ruling prices of groundnut oil in the world, I do not think that the original proposal itself would have been wrong. Anyhow the mistake is not to the advantage of the Government, but to the advantage of the industry. If amendments have been moved, they are in the direction of the object of the mover of the amendment. He wants to reduce it from Rs. 80 to 40 in the case of oilseeds and likewise from Rs. 200 to 80 and so on. We have reduced

[Shri M. Ananthasayanam Ayyangar]

it from Rs. 200 to 160 in so far as oil is concerned; there is an encouragement to produce and to send oil and they will make a lot of profit. As against seeds, there is also another encouragement. It is better to send the oil by reason of bulk supply. If you have only tanks, it is more easy to take oil to various foreign countries. All these matters were considered including the ruling prices in the world and I hope for at least two years to come the prices will rule. Thereafter, it is time enough for us to readjust ourselves. The same thing does not bear the consideration that prevail in the case of ground-nut and ground-nut oil, and linseed and linseed oil to some extent do not seem to weigh with castor-seeds.

In the Finance Bill there is no discrimination between one kind of oil and another kind of oil. Oil-seeds of all varieties are taxed with an export duty of Rs. 80 per ton and vegetable oils, whatever their nature might be, ground-nut oil, linseed oil, castor oils for these the export duty is uniformly Rs. 160 per ton. If my information is correct we are exporting about 8,000 tons of castor oil per year. That is a commodity which is wanted largely for lubricating and other purposes. We must be able to encourage the export of castor oil as far as possible.

So far as ground-nut oil is concerned, we do not know when the present tendency of the United Kingdom to grow larger quantities of ground-nut seeds in South Africa may mature. They have started already a corporation and are putting a large number of acres under cultivation of ground-nut. We may not be able to stand world competition. Therefore that source of income is likely to shrink.

As regards castor, our position in the world seems to be better, though we have not started with as much export as we have been able to do in the case of ground-nut. Therefore, it appears from the world conditions and the practical monopoly that we have for castor seed in the world, barring Argentina, that is a commodity which it is worth while pursuing. We are hard up for various kinds of hard currencies. Therefore, Sir, the Finance Minister must keep constantly in touch with the Commerce Ministry to find out what particular commodities that we produce (I mean raw products) and which are in surplus in this country may be usefully exported, so that we may earn hard currency. Had I known this difference, I would have laid it before the Honourable the Finance Minister and would have impressed upon him. I am sure he will be watching this from time to time and as early as possible, at any rate, not later than the next year and if he should think of continuing the export duties in other kinds of oil, he may not continue the export duty on castor oil and castor seeds.

I am in favour of the retention of the clause as it is and it does not call for any amendments either with respect to ground-nut or ground-nut oil and so far as these are concerned, they may be allowed to stand for a year.

Mr. Speaker: The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Mr. Mohd. Tahir: To this clause, Sir, there are three amendments, i.e., Nos. 2 and 3 of List No. 8 and No. 7 in List No. 2.

The Honourable Shri R. K. Shanmukham Chetty: So far as amendment No. 7 is concerned, that raises the duty again. I suppose it is out of order.

Mr. Speaker: The same rule will apply. The Honourable Member knows that he is raising the duties by his amendment, which he cannot do. So that goes off being out of order. So then items Nos. 2 and 3 of list No. 3, remain.

Mr. Mohd. Tahir: Sir, I beg to move:—

- (1) "That in part (b) (ii) of sub-clause (1) of clause 7 of the Bill,—
 - (i) after the figures and brackets '1(3)' the letter, brackets and figures '(a) (ii)' be inserted;
 - (ii) the words 'at both places where they occur' be omitted; and
 - (iii) the words beginning with the words 'and for' to the end, be omitted."
- (2) "That in part (b) (iii) of sub-clause (1) of clause 7 of the Bill, in the proposed sub-item 11(2) in item No. 9, in the First Schedule to the Central Excises and Salt Act, 1944,—
 - (i) for the entry in the third column against part (i), the entry 'Twenty rupees and eight annas' be substituted;
 - (ii) for the entry in the third column against part (ii), the entry 'Fifteen rupees' be substituted;
 - (iii) for the entry in the third column against part (iii), the entry 'Ten rupees' be substituted; and
 - (iv) the parts (iv) to (viii) be omitted."

Now, Sir, in moving these amendments, I submit that the only principle that I have followed is that those articles which are mainly used by the poor people and which are already under taxation should not be taxed further. This is the first principle and the second is that the articles which are generally used by the higher class of people, they can carry on at increased rates of taxation and there should be no objection. Thirdly, Sir, one man should not be taxed for the same article more than once, no matter whether that article changes its shape or form at different times and at different stages. In submitting this, I will remind the House that during the general discussion on the Finance Bill, objection was raised against the proposed taxation on coffee and tea.

These articles are generally used by handsome people, i.e., those who are handsome in health and wealth, beauty and what not. As soon as that voice was raised here the Finance Minister reduced the taxation. But up till now no voice has been raised regarding *biri* which is used by the poorest class of people in the country, and the Finance Minister has raised the tax on *biri* and *hooka* tobacco by as much as 33 per cent. But the tax was not raised in the case of cigars and cheroots which are used by wealthy people. I gave notice of an amendment on this but it unfortunately could not be moved. I submit that if the tax on cigars and cheroots which are used by rich people is not to be raised, there is no reason to increase the tax on *biri* and *hooka* tobacco which are used by the poor people who really are the backbone of Government. These things are consumed by the cultivators and factory workers and labourers and I do not see why they should be taxed further.

Then take the tobacco growers. When they grow tobacco they gladly pay a tax on it; but when they go and purchase cigarettes, which is the same thing in a different form, they are taxed again. I see no justification in taxing a person twice for the same article. Therefore I have suggested that the low class of cigarettes which are used by the poorer classes, the tobacco growers and the labourers should not be taxed; I have no objection to the tax on the higher class cigarettes which are Rs. 35 or Rs. 40 per thousand. So I submit that the case of poor class people who use *biris* and cheap cigarettes and *hooka* tobacco should be favourably considered and Finance Minister will be pleased not to make any further taxation on these articles.

Mr. Speaker: Amendments moved:

- (1) "That in part (b) (ii) of sub-clause (1) of clause 7 of the Bill,—
 - (i) after the figures and brackets '1(3)' the letter, brackets and figures '(a) (ii)' be inserted;
 - (ii) the words 'at both places where they occur' be omitted; and

(iii) the words beginning with the words 'and for' to the end, be omitted."

(2) "That in part (b) (iii) of sub-clause (1) of clause 7 of the Bill, in the proposed sub-item II(2) in item No. 9, in the First Schedule to the Central Excises and Salt Act, 1944,—

- (i) for the entry in the third column against part (i), the entry 'Twenty rupees and eight annas' be substituted;
- (ii) for the entry in the third column against part (ii), the entry 'Fifteen rupees' be substituted;
- (iii) for the entry in the third column against part (iii), the entry 'Ten rupees' be substituted; and
- (iv) the parts (iv) to (viii) be omitted."

Mr. R. K. Sidhva (C. P. and Berar: General): Sir, this clause relates to the levy of an excise duty on tobacco, tea, matches and coffee. With regard to the duty on tobacco I entirely agree with the proposals of the Select Committee. I also agree about the other two items, although I have appended a dissenting note on those items. Regarding matches I feel that the Honourable Minister should have been more liberal towards the poorer class of people for whom they are a great necessity. Ten years ago we used to get a box of matches for one pice, and I can remember a time when we used to get a dozen for an anna. I do not want the Finance Minister to give a dozen for an anna, but in giving relief I submit that the poorer classes have been forgotten. He has taken care to remove the loophole about 60's and 70's which was mischievous, and the manufacturers took advantage of that arrangement. This arrangement was made by the previous Government.

To that extent I certainly agree with his views. At the same time there is no relief in that matter. Matches should have been brought down to one pice. I could have mentioned many other articles relating to the poor man, but as they are not germane to the present Bill I have not mentioned them.

There is an item which we opposed and it relates to tyres for push-bicycles. To a very large extent the lower middle-class of people and the clerical staff use the bicycle particularly in urban areas. In rural areas the villager uses it as a cheap transport and communication.

In 1946 we imported cycles to the cost of Rs. 1,99,00,000. From this you can understand what is the number of cycles used in this country by all classes of people. I would have expected the Honourable Minister to give some relief by reducing the import duty on cycles but he has on the contrary brought in a proposal for an increased duty on tyres. It may be argued that tyres are changed once in six months or once in a year. I do not agree with that because in my earlier days I have used cycles myself and I know that they can wear out in three months and sometimes tyres can go on for four or five months. This increased duty hits all the low middle-class people who have a small income. It would have been better if he increased the duty on tea instead of on push-cycles. I could have even understood it if he increased the duty on motor-cycles and motor cars. But he was not good enough to give any relief on the ground that the amount involved was very small, though he was pleased to agree to the reduction of duty on tea and coffee. Well, as I stand for the reduction of duties I welcome even this. I know that tea is generally consumed in urban areas and by very few people in the rural parts of the country. But if the question of revenue was paramount, the Honourable Minister should have given greater preference to the persons whose need was greater than that class of people who could have afforded to pay two annas more per pound on tea.

You can very well see from my dissenting note that I do not share the views of those who believe that tea is used by every man and if tea is used by every villager, then it is not a question of tea alone but the tea which is not in

any way palatable unless we use milk and sugar. If you therefore add milk and sugar to tea it becomes prohibitive as far as its cost is concerned for a poor man. City people take tea twice a day, could you expect a villager to take it even once a day, leave aside taking it twice a day? If they did their standard of living would be considered to be much higher! I know that tea and coffee is used in South India but not in the U. P., Bihar and Orissa, the C. P., the Punjab, I have no knowledge of Bengal and Assam. In Bombay it is used but that also not in all villages. Originally the Finance Minister's proposals were to bring in a revenue of Rs. 2 crores but the Honourable Minister has brought down that revenue to Rs. 1 crore. My contention that those who advocated a reduction in the duty on tea and coffee should have been good enough to have taken up the cause of the poor class of people as well. Many of my friends are champions of the peasants and the small man and I would have thought well of them if they had offered the increased duty on tyres for push-cycles and advocated reduction in matches. On the contrary, they were not prepared to go that length but they were prepared to reduce the duty on tea and coffee. Who is affected by this small increase. It is the lower middle class of people. Men like Ranga and myself are really affected. Surely he could afford to pay two annas a pound more! I know that one pound of tea can make 500 cups of tea. 500 cups of tea in a family of five, twice a day, will mean a pound of tea. And if we must need consume two pounds of tea, cannot we pay the four annas. But the Honourable Minister was very kind enough, very liberal and generous enough, to forego the whole amount but somehow due to some one's credit, one crore has been saved. I do not want to take credit for myself but I do say that if the Finance Minister had remained firm than he did, we could have given him one crore more. When we want to give him more money, he does not want it. That is the condition under which this Bill is presented to the House. I really feel, Sir, that relief to the poor man for matches and tyres should have been given.

I wish that the Honourable Minister could do something at this juncture. But I know his limitations and I know mine. He has of course greater limitations than I have, and I also know that he can go to any length even at the last stage. Even at 5 o'clock he can change any proposals if he, so desires. But if anything is not possible this year, I would request him not to wait till 1949: he must consider this matter of relief to poor people and bring in a proposal for reduction during the intermediate period. He has been stating that Central Government cannot give relief to masses, it is the province which is responsible. Technically this may be correct under the present Act. But when the question for giving relief did come before this house he was not prepared to do so. In my previous speech I stated that some relief should be given or some amount be set aside for the villages, the local bodies and notified area and sanitary committees, because the provinces take away a large share of the tax and do not give anything to the local bodies who without adequate funds cannot do anything for the betterment of the people under their jurisdiction. The Honourable Minister stated that we should not expect anything for ameliorating the condition of the villagers from this Government. He said that we must go to the provinces if we want to improve their conditions. He is right to the extent so far the present Act is concerned. But my submission is that he has missed the opportunity for giving relief to the poor class of people. Under these circumstances how can I say that he stands for the poorest of the poor? When an instance came he was not ready to accede to the most insignificant item of a few thousands of rupees on the exemption of the duty on tyres. It is argued that the reduction of duty on coffee and tea has a psychological effect. But may I say that it would have had a greater psychological effect on the poor man who uses matches and cycles.

[Mr. B. K. Sidhva.]

From this point of view I do feel that I must raise my voice in this matter. We were advocating and we have been advocating and yesterday during the discussion I did not hear any Honourable Member who spoke for the interest of the capitalist; every one spoke for the betterment of the poor people, the peasant and the labourer. It is not that there are no capitalists in this House. They are on my right and on my left but they have no courage to bring forward their case here, because their case is very weak. I was however very glad that such a kind of atmosphere prevailed in the House and many stand for advocating the cause of the poor people. But I am sorry when the matter really came to brass tacks I find that they were not prepared to give relief to that class of people, whereas they were prepared to see that the duty on tea and coffee is relaxed, because they felt it would have a psychological effect...

Shri M.-Ananthasayanam Ayyangar: How many cyclists are there in India?

Mr. B. K. Sidhva: Rs. 1 crore and 99 lakhs worth of cycles were imported according to the statistics in the library in the year 1946 and my friend can see from this that there are lakhs of cyclists. I am sure that the number of people who use cycles are much more than the number of people who take tea or coffee.

Sir, I shall not be irrelevant by mentioning other items but I will stick to the points which are germane to the present Bill. I have mentioned these few points and if the Honourable Minister is not able to do anything, will he let us know as to what his conception is of supporting the man for whom he feels that it is necessary that we must provide all kinds of facilities and concessions.....

An Honourable Member: Wait till next year.

Mr. B. K. Sidhva: I will not wait till then. He must tell us something in between. If some oversight has been made in this Bill he can rectify it. The psychological effect would be proved if he brings at any intermediate stage something really tangible. If he does it not only his prestige will be raised but through him the prestige of the whole House and the country will be raised. Barring my dissenting note I wholeheartedly support the Bill. I would have gone much farther in giving money to the Minister than he wanted. He has brought in this session the Estate Duties Bill. I have not studied it but when it comes before the House I will study it. In England there are Death Duties and Estate Duties; what is the difference between.....

Mr. Speaker: That discussion would be irrelevant at this stage.

Mr. B. K. Sidhva: Well, Sir, then with these words I support the Bill and I hope the Honourable Minister will not forget the points I have submitted for his consideration.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Dr. P. S. Deshmukh (C. P. and Berar: General): Mr. Speaker, Sir, the Honourable the Finance Minister is undoubtedly lucky in having in this House people who complain against his generosity. My Honourable friend Mr. Sidhva seems to be an opponent of tea and coffee drinkers and he grudges very much the concession which the generous-hearted Finance Minister is pleased to give them. The second point which my Honourable friend Mr. Sidhva harped upon tirelessly was bicycle tyres. I fully agree with him that this is a tax which is not calculated to bring in very much revenue while it does place an additional burden on agriculturists and the labouring population of the country. The point that struck me most was, however, the fact that the poor

smokers have been absolutely left in the lurch and there is not only no sympathiser for them in this House but everybody seems to be antagonistic to him. In the case of the smokers I would have been quite happy had the whole class of smokers been chastised. That however is not the case. My Honourable friend the Finance Minister has chosen only the cigarette smokers.

The Honourable Shri R. K. Shanmukham Chetty: No, Cigarettes, cigars, everything.

Dr. P. S. Deshmukh: I am glad that there is no caste system so far as smokers are concerned. In any case I do not know on what considerations the rise in the tax is based. While speaking about bicycle tyres my friend Mr. Sidhva waxed eloquent both on psychological and bicycological considerations. I do not know whether in increasing the taxation on smoking—the cigarettes and the cigars—my Honourable friend is trying to bring about social reform or wants that there should be a sort of prohibition introduced in India so far as smoking is concerned. Because from the point of view of getting additional revenue I fear very much that this will be a case of diminishing returns. If we compare, for instance, the present price of a tin of cigarettes which is already very high, almost a medium priced cigarette like Gold Flake will be costing us, with the sales tax, Rs. 3-3-6, which comes to more than one anna per cigarette. I have already met lot of people who have decided not to smoke cigarettes any more. I am certain, looking to the condition of our people, that cigarette-smoking will diminish a very great deal. I do not regret this fact nor do I of course want that cigarette-smoking should be encouraged. At the same time it very often happens that the diminution of one vice leads to another. I hope a similar experience does not come upon us so far as decrease in cigarette-smoking is concerned. My friend from the South (Prof. Ranga) suggests that they will probably take to snuff-taking. Probably it pleases my friends from the South that there should be more persons who would be taking to snuff because they are a large-scale tobacco growers and they probably expect larger custom for their tobacco by encouraging snuffing. I have mainly one point in view, namely: the abolition or at least reduction in the taxation on cycle tyres as well as—if it is possible for the Honourable Minister to consider—lesser tax on cigarettes. It is not very much of a luxury and the very high-class cigarettes are generally smoked only by the very rich. But since all cigarettes and cigars are going to be taxed I would plead whether it would not be possible for the Honourable Minister to reduce the tax.

Shri Upendra Nath Barman (West Bengal: General): Mr. Speaker, Sir, I rise to speak generally on clause 7 and particularly on sub-clauses (f) and (g), namely the raising of the tax by 50 per cent, according to the Report of the Select Committee, on coffee and tea. There seems to be in the minds of a few Honourable Members of this House a notion—and some of the members have already observed in this House that way—that tea is not used by the poorer section of the people. I like to tell the House that that is not the case. I come from a Province, namely West Bengal, the northern part of which grows tea. I have some knowledge about the Province of Assam too. So far as I know, these are the two Provinces that mainly grow tea. I have got intimate knowledge about the agriculturists and the labour population there and I can say in this House that it is the poorer section of the agriculturists and the labourers that use tea—not occasionally but use it as their daily drink. These people before they go to their fields, and the labourers before they go to the factory, drink tea in sufficient quantity—not a cup or two just as the townspeople do as my Honourable friend Mr. Sidhva said, or the handsome people as another Honourable Member, Mr. Tahir, has observed in this House. In fact they take fried rice or fried paddy along with tea, and that is their

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[Shri Upendra Nath Barman]

breakfast and sometimes their lunch also. If this House proceeds with the notion that it is the middle class people or the handsome people that are going to be taxed by this rise in the excise on tea, I have the duty to disabuse their minds on this point. Another member, Mr. Krishnamoorthy Rao from Mysore spoke yesterday on behalf of the coffee users. He has certainly pleaded not for the big people or the handsome people but for the poorer section of the public in that part of the country.

It is a fact that these people have very little extra income. In fact they somehow eke out their existence day to day from what little they grow or earn, and a little burden over their already taxed income is certainly heavy in those conditions. Had it been the case that only the well-to-do people use these beverages, certainly we would have urged this House not to reduce the tax as has been proposed by the Select Committee, but the fact is quite otherwise.

My next submission to this House and to the Honourable Minister is that, as I know all the members of this House will agree, the Cabinet at such a critical time has to proceed very cautiously. There are unforeseen embarrassments which are taxing them to the utmost capacity and money is needed for the purpose of running the administration and also for the other ameliorative measures that the Government have just undertaken. But yet, Sir, these financial proposals do really indicate which way our state is proceeding. To my mind Government ought to take such measures which indicate clearly that they really stand for the poor and that they are not really taxing each and every man whether he is rich or poor. The main policy should be laid down here and how, and it should be applied as far as practicable under the existing circumstances. We have principally two sources of income—first from customs duty on import and export; and secondly our excise income, which is practically taxation of our own people. My submission is that we should try our utmost to tax our export to its maximum limit. Then as regards import, we should also raise the taxes as much as possible, keeping other circumstances in view because that is a tax which again falls upon our own people. After having exhausted those two sources, if we again need money, then we shall certainly have to take recourse to excise tax, but there should be some clear cut distinctions in the application of the excise tax method. My submission is that first of all we should tax those articles which are not really required for our existence or for the improvement of our mind or body—I mean liquor, wines, etc. They should be taxed to the utmost limit, and made almost prohibitive for a person to use them. Of course the labour population, at least in my part of the country, use simple liquors, but this also ought to be prohibited as much as possible. In my humble submission, tea-drinking is not comparable to that. These people who live in a cold climate do require some sort of stimulant. Tea certainly substitutes liquor to a great extent. Having exhausted our resources there, then we should tax the luxury goods which are not necessarily used by ordinary people and which are used mainly by people who can afford to pay for them. But we should do our utmost not to tax poor man's consumer goods. In my opinion this coffee and tea comes within the last category as I have enumerated. My second submission is that, as the Government is embarrassed and they always say that at such a time they have not as yet launched upon any definite new policy, we should be content with the taxes that these two commodities are already paying to the public exchequer. If we do not raise this tax further and drop our proposal, at least we should show to the country that really we are wedded to a policy not to tax those commodities which are used by the poorer section of our brethren, and when the time will come, we shall certainly exempt them altogether: but when we go on taxing both the rich man's articles and the poor man's com-

modities, then certainly we do not show any indication whatsoever that we are really concerned about the welfare of the poor. That is my humble submission. As regards tea, so far as my knowledge goes—the Honourable the Finance Minister certainly knows it—there are about 800 gardens in Assam and in West Bengal which are run by sterling companies. In fact they produce tea which is at least double the quantity that our Indian growers grow. Now, so far as my knowledge goes, these companies are absolutely free from any sort of taxation whatsoever under the Indian Income-tax Act. If that source can be tapped after we have attained independence, then the loss of a paltry sum of Rs. 80 lakhs or Rs. 90 lakhs on the excise income is nothing comparable to the huge loss that the country is undergoing, and at the same time the Indian companies are being put to great disadvantage in their competition with the sterling companies. There are innumerable other sources for the Centre to explore for the purpose of raising revenue. Their resources are practically unlimited. Having such unlimited resources, I think that it is not fit for us to tax the poor man's commodities more and more. My humble submission to the Honourable Minister is that if he can drop this proposal of raising the excise income on tea and coffee that would give a clear indication to the country at large and to the poorer section of our nation that we stand for them. That is my humble submission.

Mr. Speaker: I think before the Honourable the Finance Minister replies, we should take up the remaining amendment which also deals with the same subject, so that there may be a general reply. There is the amendment by Mr. Krishnamurthy Rao, if he proposes to move it, about the deletion of part (f) of sub-clause (1).

Shri S. V. Krishnamurthy Rao (Mysore State): It is not likely to be accepted; so I am not moving it.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I regret I cannot accept the amendments moved by my Honourable friend Mr. Tahir. The duty on unmanufactured tobacco used for *biris* is now nine annas and the proposal is to increase it to twelve annas. The duty on unmanufactured tobacco used for *hookah*, etc., is now three annas and the proposal is to increase it to four annas. By his two amendments, my Honourable friend seeks to omit these increases in these duties. The increase is necessary as a consequence of the heavy excise duty that we have proposed on cigarettes. Honourable Members must remember that tobacco is used for a variety of purposes and any excise duty on tobacco has to be very carefully thought out so that a proper balance may be maintained between the various categories according to use so that there might not be a diversion or evasion of the taxes.

Tobacco excise is likely to remain one of the most important sources of the Central revenues and we must do everything in our power to levy the tax at the maximum rate possible so that the law of diminishing returns does not begin to operate. I am not very much satisfied with the pattern of the excise duty on tobacco which we have got on our Statute Book. Take for example the duty to be paid on unmanufactured tobacco used in the manufacture of cigarettes. The duty varies according to the kind of cigarette for the manufacture of which the tobacco goes and the levy of the duty is dependent upon the content of the foreign tobacco in the manufacture of cigarettes. We cannot be sure whether this differential duty that we have imposed is not really being abused by the users. It is possible, and I think it is very likely, that a number of manufacturers might take from the bond tobacco by paying a lower rate of duty and using it in the manufacture of cigarette which must really mean a higher duty on that tobacco. Even in the case of the difference in duty between the *biri* tobacco and the *hookah* tobacco, there is already a great deal of abuse that has been brought to my notice.

[Shri R. K. Shanmukham Chetty]

If my proposals are accepted, the duty on the *ori* tobacco will be twelve annas per pound and that on *hookah* tobacco four annas per pound. I am told that a great many people buy the tobacco by paying only four annas by declaring that it is intended for *hookah*, and then sell it to people who manufacture *biris*; there is therefore considerable loss of revenue already. In fact, if our duty on tobacco is levied on a scientific basis, the yield must be very much greater than what it is today. This is one of the points that I have taken up for detailed and expert examination. My own idea is that we must devise our excise on tobacco in such a manner that there would be a fairly low and a fairly uniform rate of duty on all classes of unmanufactured tobacco, and heavy excises on the manufactured article, so that there may be no loophole in the matter of revenue. I wanted to introduce that system in this very Budget but on an examination I found that the whole question was so complicated that it required very careful and expert investigation before we proceeded further. My intention is to have such an investigation made during the course of the coming year so that at least for the next Budget we might rationalize our excise duty on tobacco.

After all, when you come to consider the incidence of this additional duty on the smokers of *biri* and the users of the *hookah*, you will find that the additional burden is almost negligible. I am told that a *hookah* smoker will consume about 24 lbs. of manufactured tobacco in a year. Now, to get 24 lbs. of manufactured tobacco for *hookah*, you require 12 lbs. of unmanufactured tobacco. The additional burden that I am imposing upon him is twelve annas per year or one anna per month. I am sure *hookah* smokers will not grumble this extra burden. Take again the incidence on *biris*. On a packet of 25 *biris*, the additional duty is 9/10ths of a pie. Take it roundly as one pie, and even if a person smokes one packet of *biris* a day the burden upon him will be less than two annas per month. I think that also is a burden which cannot be considered to be too great. For these reasons, I am afraid I cannot accept the amendments of my Honourable friend.

When I was listening to my Honourable friend Mr. Sidhva, I almost felt ashamed that I have lost a splendid opportunity of translating my sympathies for the poor man into practice. He pleaded very eloquently for the removal of the additional duty on cycle tyres. Well, if only he had given me at an earlier stage the statistical information that he gave to this House, namely that those who use cycle tyres are infinitely greater in number than those who use tea or coffee, I would surely have changed my mind. But now that he has given this statistical information, Sir, I will ponder over it and if these statistics are correct I will certainly change my view.

My Honourable friend Mr. Sidhva also spoke about the proposed enhancement of the excise duty on match boxes. As I explained at an earlier stage, what I have done is only to restore the duty on match-boxes of 50 sticks to Rs. 2-8 per gross which it was originally. As it is today, there is an anomaly. The excise duty on match-boxes containing 40 sticks each is Rs. 2 per gross, whereas the duty on match-boxes containing 50 sticks each is Rs. 1-12. The idea of Sir Archibald Rowlands in perpetuating this anomaly was his hope that this attractive rate of duty on the 50's boxes will divert the manufacture of match-boxes to 50's size to enable the manufacturers to sell them at half an anna per box. Now, that hope has not materialised at all; as a result of reduction of duty from Rs. 2-8 to Rs. 1-12 the price of the 50's match-box has not gone down, the result being that the exchequer lost revenue, the consumer did not get the benefit but the manufacturer got an additional gain.

With regard to these match-boxes again, my own view is that our whole scheme of excise duty is not based on rational grounds. The excise on match-

es again is another fruitful source of revenue in all modern States and we cannot afford to give it up. We must therefore rationalize the whole basis of that duty so that the exchequer gets the maximum possible duty and the consumer gets the maximum possible advantage. Today there are four different categories of match-boxes made: match-boxes containing 40 sticks, match-boxes containing 50 sticks, 60 and 80. In fact, as I showed to some of my Honourable friends the other day, match-boxes containing 50 sticks are in size smaller than the match-boxes containing 40 sticks.

The match boxes that contain 50 and 60 are both of the same size. So an ordinary purchaser who purchases a match box will not at all know what exactly is the kind of match box that he is buying, with the result that the consumers are being cheated. My intention is to standardize the manufacture of match boxes either as boxes containing 50 or as boxes containing 60 matches. If it is possible, my intention is to standardize the match boxes at 50 sticks and make them available at half an anna per box. I propose to insist on that standard. But if I find that it is not possible to get a match box of 50 sticks at half an anna, then my aim would be to standardize all match boxes at 60 sticks each and make them available to the consumer at 9 pies. This, again, is a matter which I am taking up for detailed examination during the course of the year and it is my intention that the Central Board of Revenue should be asked to give notice to all the manufacturers that after a certain specified date, only match boxes of a standard size would be permitted to be sold in the market. That is a very much needed reform.

There is one other plan that I have got in my mind to give the benefit of a cheap match box to the rural population without any difficulty. Some portion at least of the ultimate cost to the consumer of match boxes is taken away through commissions to various middlemen. I do not see why we should not minimise this. We have got in our Post Offices a wonderful mechanism and an organisation which is spread throughout the country in almost every village. Now, I want to examine the possibility of using the Post Offices for the sale of match boxes. Just as the Post Offices sell quinine to the common man, even so it should be possible to make some arrangement with our Post Offices so that even in the rural areas match boxes are available easily, either to the small retailer in the village or direct to the consumer at our specified prices.

Shri Mihir Lal Chattopadhyay (West Bengal: General): Are the Post Masters likely to get any commission?

The Honourable Shri R. K. Shanmukham Chetty: The Postal Department will get a commission, not the Post Masters. I am hoping that that arrangement would enable the ordinary consumer to get match boxes at a reasonable rate.

I do not think, Sir, there is any other point that arises out of this Clause and I am sorry I cannot accept any of the amendments.

Mr. Speaker: First I am putting the amendments to the House.

The question is:

"That in part (b) (ii) of sub-clause (1) of clause 7 of the Bill,—

(i) after the figures and brackets 'I(3)' the letter, brackets and figures '(a) (ii)' be inserted;

(ii) the words 'at both places where they occur' be omitted; and

(iii) the words beginning with the words 'and for' to the end, be omitted."

The motion was negatived.

Mr. Speaker: I am putting the next amendment.

The question is:

"That in part (b)(iii) of sub-clause (1) of clause 7 of the Bill, in the proposed sub-item II(2) in item No. 9, in the First Schedule to the Central Excises and Salt Act, 1944,—

- (i) for the entry in the third column against part (i), the entry 'Twenty rupees and eight annas' be substituted;
- (ii) for the entry in the third column against part (ii), the entry 'Fifteen rupees' be substituted;
- (iii) for the entry in the third column against part (iii), the entry 'Ten rupees' be substituted; and
- (iv) the parts (iv) to (viii) be omitted."

The motion was negatived.

Mr. Speaker: The question is:

"That clause 7 stand part of the Bill."

The motion was adopted.

Clause 7 was added to the Bill.

Shri B. P. Jhunjhunwala (Bihar: General): I do not want to move the amendments on clause 8 which stand in my name, but I would like to speak on the clause.

Mr. Speaker: That he can do after we dispose of all the amendments. What about Mr. Biswanath Das?

Shri Biswanath Das (Orissa: General): I do not also propose to move my amendments but would like to speak.

Mr. Speaker: Now, there are no other amendments to this Clause. **Mr. Jhunjhunwala** may now speak.

Shri B. P. Jhunjhunwala: Sir, I had tabled amendments for the omission of sub-clauses (1), (2), (9) and (10) of clause 8 of the Finance Bill, now sub-clauses (1), (2), (8) and (9) of the Bill as it has emerged from the Select Committee. Sir, in regard to these sub-clauses I have to say that by making the amendment as has been proposed by the Honourable the Finance Minister, we are giving up the valuable right which we have got against the shareholders of the dollar and sterling companies. Under the present Act, we have got the same right of realising the super-tax from the shareholders of the dollar and sterling companies in the same way as we have got against the shareholders of Indian companies and against the resident shareholders of the Indian companies. The minimum income which the sterling and dollar companies—I mean the profit—get in a year is about Rs. 50 crores. Out of this, we get 5 annas income-tax and formerly we used to get 2 annas corporation tax and now this has been increased to 3 annas in the rupee. In the case of Indian companies, in certain circumstances this one anna additional corporation tax is refundable but to dollar and sterling companies this one anna is not refundable, though under the double taxation of income under Section 49 both half of this income-tax and this corporation tax is refundable to the sterling and dollar companies. Now, Sir, as I said before, we get Rs. 25 crores from these dollar and sterling companies by way of tax if, say, there is a profit of Rs. 50 crores. Out of this 25 crores of rupees which we get as income-tax from these companies 12½ crores is refunded. Now 25 crores of rupees remains with the shareholders. We could realise under the present law from persons whose income is more than 25,000 rupees and this rate of super-tax varies from 4 annas to 10½ annas. Sir, if I take the average figure, I might take it that we can realise at least at the rate of 6 annas as super-tax from those shareholders and out of 26 crores this will amount to about 9 crores of rupees and if it is taken at maximum rate it would come to about 15½ crores. If the present law of income-tax is amended as has been proposed by the Honourable the Finance Minister, we lose 9 crores of rupees and if taken at maximum

rate 15½ crores. This I have taken on the basis that the whole profit of the dollar and sterling companies is 50 crores of rupees. But this is only my guess work. I have heard that the income and the profit is much more. Now, Sir, it is a question before us as to why of all persons our cool-headed Finance Minister should go out of his way to give away 9 crores of rupees from our exchequer to the pockets of the foreigners. Sir, he has brought these amendments on four presumptions as is clear from the answers which he gave in the Assembly. First presumption is that the present law as it stands is absolutely ineffective. The second presumption is that it is impossible to bring any amendment in the present existing law whereby we could catch hold of these tax-evaders. The third is that even if we can get a complete list of the shareholders from the principal officer of the foreign company, in the words of the Finance Minister "the recovery of super-tax from those shareholders who may be living in the United Kingdom or the United States is an impossibility". Fourthly, he says that he is bringing another amendment whereby he wants to meet this deficit and without any difficulty. For that he has proposed one anna additional corporation tax which will not be refundable to the foreign companies and the other thing he has proposed in this amendment is that under the present law if the income of the foreign shareholder is not a taxable income, that shareholder is entitled to a refund, which according to the amendment proposed by the Honourable the Finance Minister, he is not entitled to any such refund.

Now, Sir, we have to examine all these presumptions as to whether these are based on facts or not. If these presumptions are all right, then there is nothing much to be said against the amendments which have been proposed and which are going to be incorporated in our Income-tax save and except that it will be giving a premium to big shareholders of the foreign companies whose capital will flow more freely in our country than the capital of our nationals as the tax which Indians will have to pay under the present Income-tax will be much more than the foreign big shareholders will have to pay. Of course, Sir, I have nothing to say if it is necessary for our country to bring in foreign capital and if the needs of our country so require it if we want to give any concession to the foreign capitalists we should do it, but for that, I would suggest, Sir, we can make special provision and a special arrangement with them. But this valuable right which we have got under the present Income-tax Act and under the present law, which was introduced not by our Government, but by the British Government, we should not give away without proper consideration.

Regarding the first presumption which the Honourable Minister said that it is absolutely ineffective, Sir, when he gave this reply, I had not gone through the Income-tax Act thoroughly, but after that, I read each and every section along with an Income-tax expert and we came to the conclusion that it is not only not ineffective, but it is fully effective. The only thing is that the Department has not enforced the law properly. It may be said, Sir, the companies being foreign companies, who is the man whom we can catch hold of here in India? They after all have got their branch offices here. On page 8 in definition clause 12, section 2 of the Income-tax Act it has been defined:

"Principal Officer used with reference to a local authority or a company or any other public body or any association means the Secretary, treasurer, manager or agent of the authority, company, body or association or any person connected with the authority, company, body or association on whom the Income-tax Officer has served a notice of his intention of treating him as a Principal officer thereof."

So, Sir, this is the man who is an officer in the Branch Office of every sterling and dollar and other foreign companies and the notice for submitting returns is served on this officer by the Income-tax officer. Now, Sir, under

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clause 19 (a) the Principal Officer is bound to submit a return and if he does not submit any return, then action can be taken against him under section 51. Sir, I would request the Honourable the Finance Minister to inquire whether during all these years any action against any Principal Officer was taken under section 51 of I.T.A.

Then the Finance Minister says that even if the list of shareholders is given it is an absolute impossibility to realise any money from them. When he files a return we know how much tax is due from any of the shareholders. If they do not willingly give the money a very simple amendment of our existing income-tax law or company law will be sufficient to compel these people to give us our dues; and that would be to this effect that no proceeds of the company will be allowed to go out of India unless full income-tax is realised from them. I had a discussion with my Honourable friend Mr. Ayyangar and others; I am not a lawyer and so I cannot say where this amendment should come in but the amendment in the income-tax law or company law is not impossible and can be easily introduced whereby we can catch these tax-evaders.

The fourth point made by the Finance Minister is that we shall be able to make up this deficit by an imposition of additional one anna Corporation tax. Sir, I cannot understand it unless this one anna is increased to three or four annas. As if we realise at the rate of one anna it comes to only about 3 crores out of which we have to return half. That of course is the general law as it stands. Another point is that we have not to give a refund to the small shareholders. I tried to get the figure of what is refundable to these shareholders. But that is not available and I do not think we have to refund any substantial amount and so it is not possible to know whether the presumption on which the Finance Minister is working is right or not. My request to him as well as to the House is that we should not accept these amendments for the time being; we should have all the figures before us as to how we stand and then only we can accept these amendments. I do not know the parliamentary procedure but I would like to suggest that we might postpone it, if possible. We should have all the figures examined and if we find that we are not losing thereby, I would have no objection save and except that the foreign big shareholders will have a premium over the Indian capitalist who will be investing money here. But so far as income is concerned, there will not be much objection. But if it is found that the income is less certainly these amendments should not be accepted. Further, Sir, once we have passed these amendments there will be a change in the Income-Tax Act and it will be very difficult for us to introduce and bring about this law again which had been introduced by the British Government. If we shall afterwards bring in such law it might be offending the foreigners with whom we should like to be more and more friendly now than before. So I submit that before passing these amendments introduced by the Honourable the Finance Minister the House should think over the matter and have all the facts before it. If we cannot do it in this session, we will have our constitution making session in May and we can have then a session of the legislature for a day. That will not inconvenience any one, but the change we are going to bring about in income-tax is very serious and it should not be passed without full facts and figures before us.

Shri Biswanath Das: Sir, you have seen that I have followed the discussions on the Finance Bill in this House, and being a member of the Select Committee I also had the privilege of discussing it, within the limited scope, of the Select Committee meeting. I have stated my objections clearly in the minute of dissent that I appended to the report of the Select Committee; and I have explained how at the mail train speed at which the Chairman was prepared to

take us. As such, it was not possible for members to place their views in a limited manner, let alone to the fullest extent. These being the limitations, I had necessarily thought that such an important question will be discussed on the floor of the legislature. But even here joint wisdom had to give way to individual decision. However that may be, I want the House to realise the implications of the step that is being taken in providing inducements for charities in a legalised manner. Serious as the implications are, I am afraid you are treading on very dangerous ground in an age where scientists and men of thought and learning have sold themselves to politicians. We inherited a culture and belong to a country which spurned material benefits, of whatever worth they might be. Read the Mahabharata, the Srimatbhagabat or the Puranas or any other sacred book, and you will not find an instance of intellect or intelligence or a cultural institution being sold for a mess of pottage. Acceptance of this principle gives the go-by to all our traditions. While we Congressmen agitated and took to direct action to free India and made the utmost sacrifices that human beings are capable of, Mahatma Gandhi wanted to build up a society on a higher and better and nobler plan. He has gone but his teachings are there to guide us and they will continue to guide us for generations to come, not only in this country but throughout the world. What is it that we are doing in the name of that great man and in the name of the freedom that this country secured from the unwilling hands of Britain? In this atomic age intelligence and intellect are running after politicians. This Bill leaves our institutions of science and culture to run after the rich and the well-to-do.

Sir, I thought that after the 15th of August, at least, a better state of things to come in and people would stop running after the favours of the rich. I must here confess, and sadly confess, that the noble traditions that we have inherited are given a go-by by our own acts, collective as well as individual. It is from that point of view that I want to place my protest on record to serve as a pointer to the Honourable the Finance Minister either now or in his next budget or in the budget of the years to come and I wish him to continue as our Finance Minister for many years, but with a changed outlook.

Sir, the ideal that he has placed before us will smash all notions of charity. Charity in this country has existed for the sake of charity alone; charity has its own benefits; charity has its own consolation and happiness; people are charitable, simply because they want to be charitable, because it gives them pleasure, because the sense of charity sustains them. To such people you offer inducements. Thereby you wipe off the very sense of charity. Charitably minded people have never thought of these inducements. I do not know how my respected friend, Dr. Vikram Dev Varma, the Maharaja of Jaipur and the Pro-Chancellor of the Andhra University will think about this proposal; probably he will shudder at the idea that he is being induced to make a donation of his next instalment of one lakh of rupees a year. I, therefore, appeal to the Honourable the Finance Minister to think in a calm and dispassionate manner the implications of the step that he is taking and the implications of the step that the Cabinet is taking. Sir, I for myself would not have accepted the budget as it is; I do feel that it is capable of much improvement even within our present limitations. But I have accepted it and I will continue to accept it so long as he occupies the seat of the Honourable the Finance Minister in our Cabinet.

Shri M. Ananthasayanam Ayyangar: Is it as an obligation to the Finance Minister.

Shri Biswanath Das: It is not a personal obligation, it is an obligation to the country and loyalty to the party that makes me do so. For myself I cannot find any distinction between the Ministry and the party, one is the mouthpiece of the other. That being the position, I would appeal to the

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Finance Minister to think twice before he decides upon this course. I would beg of him to consult his old mother whether she would not shudder to think of inducements for making charity. Sir, charity flows from the heart. I would shun any material inducements for charity and particularly that charity which goes to support scientific, cultural and technological institutions.

Sir, the greatest misfortune about the whole affair is that hereafter the sense of anonymity will disappear absolutely. I well remember of my father, uncle and grandfather, how they would not disclose even to their nearest and dearest ones the charity they were proposing to make. Charity is anonymous; charitable persons remained unknown. Now my friend wants to put two limitations on this charity. The first is the inducement. He induces people to offer charity. Secondly he has prescribed the conditions for the purposes for which donations are to be made. I would plead and argue with him that it is not a desirable measure and I would beg of him to consider hundred times before he makes up his mind finally.

Sir, the alternative suggestion that I have placed before him in my resolution will suit his purpose admirably in securing the money required for financing our cultural and scientific institutions and at the same time would keep the donors anonymous. It would also enable money to flow into a separate fund. Mahatma Gandhi was the biggest beggar that a man ever came across. Under my proposal the money would come into a pool from where it could be diverted into different charitable institutions.

Shri Ramnarayan Singh (Bihar: General): You want Government to be a beggar?

Shri Biswanath Das: There is nothing wrong in it, provided that money is utilised for advancing culture and science. Of whom does it beg? It begs of its own people and the citizens who constitute the State. Therefore, there is no harm if Government decides to beg. In these circumstances I claim, though I submit to the Honourable the Finance Minister's superior wisdom, that there is force in the suggestions that I have placed in the shape of an amendment and I would appeal to him to consider the same.

Sir, let me state it here that some Honourable Members stated that we have accepted the budget with full approval. It must be realised that the Select Committee of this House has no power, under the existing law, to bring new provisions not contained in the Finance Bill. Speaking for myself I could have suggested a number of other items for taxation. In fact my constituents from Orissa and Calcutta have indicated to me various other alternative suggestions which would have brought us enough money. But as I state that we are placed under limitations accepting those limitations and within those limitations we have to work. I therefore appeal to him to consider the suggestions that have emanated from various sections of the House in the light of the experience gained and the decisions that he and his colleagues would reach.

With these words, I appeal to him again to reconsider his position.

Shri Upendra Nath Barman: The first speaker on this point mentioned that we can have three annas Corporation tax on companies and also give a rebate on Indian companies. I do not really follow how the sterling companies can come under it. Apart from that, so far as I know, there are sterling companies which do not pay any income-tax whatsoever. I hope that the Honourable the Finance Minister would correct me if I am wrong. There are sterling tea companies in our part of the province who directly ship their products to London. They do not sell their tea in any province in India and under the existing Income-tax Act, unless the income accrues, or is received within some province of India it does not come within the purview of the Income-tax Act.

When my Honourable friend mentions that out of Rs. 50 crores of income made by the sterling and dollar companies, Rs. 25 crores come to our coffers. I verily doubt whether he includes these tea companies who make their shipments to London and do not sell any quantity of their produce in India. I would like to be informed on this point by the Honourable the Finance Minister.

Dr. B. Pattabhi Sitaramayya (Madras: General): I am just tempted to say a word after hearing Shri Biswanath Das on charity. He has been trying to recall the ancient ideals of charity in which the left hand does not know what the right hand doeth. But recently those ideals have been changed altogether. During the 150 years of British rule, charity has been the means of securing titles and now titles have been reduced to money value in our Government. Titles have been abolished by our Government and therefore in their place, those who give charity must get something and they get a rebate on income-tax. That is how I look at the problem in rupees, annas and pies. A most extraordinary idea! I cannot conceive how it has got into the brains of any financier that money given in charity should be exempt from taxation, and whether it is meant to induce charity or to put a premium on charity, I cannot understand it. I would rather interpret it as an award for charity, an appreciation of charity, and not an inducement to charity.

Now, Sir, charity covers a multitude of sins. That is the old adage and my real apprehension is that under the cover of this clause a lot of iniquity is likely to incubate, and one day we shall reap the reward of our possibly good intentions but bad plans. I am afraid, Sir, that one day this charity might canalise itself along party channels and might replenish party funds. Well, as a man who belongs to the party that has an overwhelming majority, perhaps I should have liked it. But a little bit of conscience still remains in us, and even if honesty is the best policy, apart from its being a virtue, we must visualise those days also when a particular party may not be in power. Then we shall rue the results of what we have done now.

Altogether, this seems to be a new line of procedure, not likely to bear good results. But apart from that, perhaps on this the last occasion on which it is open to any member to speak in regard to the budget—and we have been speaking so long and so often and at so many stages—I find that we have been trying to swim in a network of waters—in a network of creepers spread upon waters which have been left behind by the British people. This kind of budget formation appears to baffle all examination of principles on which it may be based. It is the growth of centuries in England, and whether we shall be wise in copying this method in framing our budgets is more than I can tell.

But I see ultimately that there is a Legislature consisting of 320 to 330 members or thereabouts, the quorum of which is 33. Yesterday I counted a strength of 24. I wanted to rise to a "point of quorum" but I thought I should not embarrass the speaker or the Finance Minister, or the budget, or the House or our reputation as a new Government; and therefore I waited and counted later and it rose to 33 with great difficulty. What is this Legislature? Is this the way in which we conduct our business in which crores of money is being disposed of and not one-tenth or one-twelfth of the total members is present and there are 120 members drawing their allowances! (*An Honourable Member:* "We follow the House of Commons".) Therefore, whether you follow the House of Commons or the House of Lords—better to follow the House of Lords because its quorum is only three: the House of Commons has a quorum of 40—let us follow some commonsense and good business principles and not do things in this perfunctory manner. The speeches when reported appear sound and solemn and serious, but when one sits here and follows the proceedings, one is filled with an overwhelming sense of sorrow and regret at the levity with which we transact our business, especially in money matters.

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After all, the Government of a country relates to money: nothing else. I am rather particular in exacting an account for the sixteen annas in the rupee and the twelve pies in the anna, and have been severely criticised by my comrades and fellow-workers in the Congress for being meticulous to the point of being self-righteous! The point is this. This is all money and nothing else and so I would like that better attention was given, that we should sit together and evolve a new system of framing the budget. What does the present system come to? In the last analysis it comes to the unbridled, unrestrained will and pleasure of a single member who happens to sit in the financial chair. I mean no disrespect to our respected Minister. I quite like him. I like his sobriety, his reasonableness, the nonchalance with which he meets criticism and the very telling manner of his repartee and rejoinder, his light banter and persiflage, his occasional diatribe and vehement attack. All this is a matter of personal regard. But the way in which we are framing the budget appears ultimately to be the will and pleasure of one individual. What happens? Here we have a legislature in which one party carries the biggest majority, so unchallengeable and so comfortable that the members need not be present at the meetings. Secondly they conduct their transactions by subjecting all questions to a party pre-examination but as budgets cannot be examined beforehand, they are left to the executive. When the executive does the job things are talked about only after they have been duly framed. Once they have been framed the Finance Minister naturally feels that his increases and decreases should not be materially interfered with. We might cut off an anna here or raise an anna there but we have got to keep the framework of the budget as it is. I wish some endeavour would be made to reorganise our budget. It is not for me just now to hazard a new scheme but I dare say that the House would address itself to a more simplified and a more effective and more practical way of dealing with the budget.

Shri M. Ananthasayanam Ayyangar: Sir, with all respect to our friend Dr. Pattabhi I have to say that a departure has been made in the manner in which the budget was presented to the House and the Finance Bill has been treated. It is true that two years ago when Sir Archibald Rowlands was here for the first time in the annals of the Finance Bill in the Budget Session he accepted certain amendments on the floor of the House. Last year Mr. Liaquat Ali Khan who presented the budget and the Finance Bill agreed to certain amendments. But this year you would see a notable departure and it is a very wholesome departure, viz., that the entire House has been taken into confidence. The Honourable Finance Minister himself came forward with a reference of the Bill to the Select Committee. That is a landmark in the history of the Parliament and it is a very useful landmark.

Shri Ramnarayan Singh: It is not a revolution.

Shri M. Ananthasayanam Ayyangar: We cannot sit and revolve nor revolve and sit. Revolving and sitting cannot go together. After all revolutions the pot has to come down. After all revolution is not an end in itself. It has a purpose.

I have not risen here to support all the various proposals that have been placed by the Honourable the Finance Minister. As my Honourable friend Dr. Pattabhi Sitaramayya said crores are disposed of and the welfare of the whole country, rich and poor, young and old, industrialists and professionals alike, their fate is hanging in the balance in the coming year. As the Finance Minister said, last year the budget of Mr. Liaquat Ali Khan practically destroyed our industries wittingly or unwittingly. Therefore it is open to a

Finance Minister to destroy the balance economy of any particular country. In the light of this I agree with the remarks which fell from the lips of Dr. Sitaramayya. A larger number of members must have been present here. On other occasions you may or may not be present. It is unfortunate when on this Bill where we can speak and address ourselves to all departments of the State except one solitary Minister, the Finance Minister, who cannot even leave his seat, the other Ministers are not here. Naturally any person is entitled to expect that the Ministers would be in their seats. We are 300 and odd millions in the country who are represented by 300 members in this House. Out of them 16 Ministers are there and 16 and odd on this side and between them they represent 300 millions! It is disgraceful. We cannot deliver the goods. Collective wisdom is the safeguard of any democracy. Healthy criticism is necessary and it is open to any particular party to overthrow the party in power. We have lost that safeguard. The Finance Minister is answerable not to the benches here but to the larger public that stand outside. I entirely agree with Dr. Sitaramayya that unfortunately we are not realising the responsibility that has been thrown on our shoulders. All the same we have tried our best. Though the members present here are 125 according to the register, not more than 30 or 40 are here. It is rather unfortunate but I would say that in spite of this sufficient thought and attention have been bestowed upon the financial proposals.

It is true that the Finance Minister was obsessed with the idea that the financial proposals of the previous year destroyed the economic stability of this country and so he might have wanted to swing the pendulum a little to the other side. I think all his proposals have been motivated by that one desire. It cannot be denied that we must industrialise our country. For 150 years our British rulers wanted to keep us merely as hewers of wood and drawers of water, mere producers of the raw materials for their factories and also to provide the markets for their finished goods. We want to change over from this agricultural economy to an industrial economy. Some of the proposals are well conceived. I do not challenge the *bona fides* with which they have been conceived. Here and there he might have leant unduly to one side but it is up to us to differ from him. It is in that spirit that I view the Finance Bill that has been placed before us.

The Honourable Minister has said that this will give a fillip to the industry.....

Shri B. Das (Orissa: General): A very small fillip.

Shri M. Ananthasayanam Ayyangar: Inasmuch as I have been provoked by my capitalist friend without capital I shall tell him that whatever we might do, even if the Finance Minister had gone to the extent of giving not 1/10 or 1/20 but cent. per cent. exemption from income-tax my friend on the other side would not be satisfied. That is the attitude which I found in the Federation of Chambers of Commerce.

These are all various inducements. During the period of the war the E. P. T. was imposed. After the war the business profits tax was brought into existence in the place of the E. P. T. Even in the U. K. the E. P. T. was reduced by 50 per cent. and in the next year it was allowed to disappear from the statute book. Our friend Mr. Liaquat Ali Khan brought into existence the business profits tax and made it a permanent feature. That destroyed the economic equilibrium. Industrialists somehow either took advantage of it or really they found it stood in their way. It is but right that we should encourage the industries and we should say that the business profits tax has been reduced from 16 to 10 per cent. and they should go ahead. My friend from the Chamber of Commerce will say that the business profits tax ought to be completely removed, it ought not to be put on the statute book, it should not be imposed at all, otherwise we are not going to produce. They cannot

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go on in this strain. It is their good luck that they have as Finance Minister one who wants to change the agricultural economy of this country. A revolution will come in. My friend Mr. Ramnarayan Singh was a little premature when he wanted a revolution. The Honourable Minister has provided in various ways and forms persuasions to the industry to go on and produce more and more. If they relax their efforts or do not exert as much as possible, surely a revolution will come in the form of their being displaced in the industries. We are quite competent to take charge of the industries.

4 P. M. The persons whom we have to serve are the mute public—the three hundred and odd millions. All of us are servants in some capacity or the other, and each one is bound to serve for the cause of the three hundred and odd millions. If it is a question of taxing all the three hundred and odd millions for the purpose of benefiting the rich man let us get rid of the rich man. There is no harm in that.

[At this stage Mr. Speaker vacated the Chair which was then occupied by Shrimati Ammu Swaminadhan (one of the Panel of Chairmen).]

I shall show what other inducements have been given to them. They have earned and unearned income. Even before I go to that, so far as companies are concerned, smaller companies have been given a kind of concession which hitherto they have not had. This concession unfortunately falls not upon the Centre but upon the Provinces. My Honourable friend the Finance Minister was very liberal with another's money. Income-tax has to be shared between the Centre and the Provinces. Corporation tax cannot be divided under the existing law; it belongs exclusively to the Centre. When a company pays super-tax, you may call it super-tax but it is really the corporation tax. The corporation tax over a company was hitherto two annas. Now it is three annas with a rebate in favour of an Indian company. Income-tax itself is five annas in the rupee at the maximum rate which every company is bound to pay. In his budget proposals the Finance Minister has divided the companies into small companies and big companies. A small company is one whose profit is Rs. 25,000 and below in a particular year; the other company is one which has got something more. The bigger company is to pay the tax at the maximum rate of five annas in the rupee. The smaller company is asked to pay at the rate of $2\frac{1}{2}$ annas, that is, 50 per cent. of the tax. He wants a number of small companies to come into being. During the war the big companies were developed. But today in the capital market money is not available. The Finance Minister knows that it is difficult even for treasury bills to sell and much has to be under-written by the Reserve Bank. And this kind of inducement has been given. I do not agree that this inducement is necessary if he takes over all the banks and nationalise them. They know where the shoe pinches. Even before the scorpion stings they raise a cry. The mother will come and kill the scorpion. But the industrialists are crying in advance. They are not stung at all. All the same he has said let them have the benefit. The smaller companies are asked to pay $2\frac{1}{2}$ annas in the rupee instead of the five annas which all companies had hitherto to pay irrespective of the fact that they were big or small companies. And the five annas was to be shared between the Provinces and the Centre. Now the $2\frac{1}{2}$ annas is to be shared between the Provinces and the Centre. I am sure the Finance Minister with his large experience of parliamentary work and in this House—I believe every seat may have its own anecdotes about the Honourable the Finance Minister—would have consulted the Provinces and induced them to give their consent. I do not take the side of the Provinces and quarrel on that subject. I am referring to this only to show that the Finance Minister has scraped sufficient money even from the nation-building services, starving the Provinces, and throwing it on the heads

of the small or big companies. Still our friends having a conference in the Imperial Hotel are not satisfied. They perhaps want him to give them something more. Is he to give it from his pocket?

If my Honourable friend Mr. B. Das wants something more, another inducement has been given. The companies have been divided into small and big companies. Who are all the small companies? Is there any chance of their increasing production? They are the many small companies—mushroom companies—that have come into existence who will come and ask for export quotas and who will put my Honourable friend Mr. Bhabha into trouble. There has been so much talk of corruption and bribery in respect of export quotas as if my Honourable friend Mr. Bhabha himself looks into the ten thousand applications that come to his Department. A man starts a company with a capital of Rs. 10,000 and asks for a permit for the export of jute and never in all his life would he have seen jute or hemp. My Honourable friend wants to encourage small companies and for that $2\frac{1}{2}$ annas in the tax has been reduced. That is his intention. But I would like to say that he should safeguard the interests of the country and see to it that these companies start new industries and provide us with those commodities of which we are in short supply. Then I do not grudge it.

There is one other concession that he has given. That is in regard to charity. So far as charity is concerned we have not given remission retrospectively. It is only an inducement for charity hereafter, that is, on and after 1st April 1948. If somebody starts an enterprise for charitable purposes it will be given remission. The small company never dreamt of this kind of remission. All the same he has given it. But there is no good promising something in advance; he may or may not be there next year. So he has now conferred another boon: he has reduced the tax on the smaller companies. But my friend Mr. B. Das wants more. For living he must give a concession; for charity he must give some concession; for his industry he must give some concession; and for his younger brother he must show another concession! The Honourable the Finance Minister provided another concession in his Finance Bill. Do you know, Madam, what it was? It was exemption for even taxes paid on buildings in municipalities. This is one other source of drawing off money for the purpose of buildings. He does not understand. In his anxiety to help them in a righteous cause so that they may put up plant and machinery and produce more goods, he wanted to do that. If there is this exemption they will embark upon drawing off money so that they may get exemption from taxation. Fortunately, since he accepted an amendment in the Select Committee he has given it up. If they prove this is true it is possible he may revive it. He even threatened once, but I am glad.....

Shri T. T. Krishnamachari (Madras: General): It can be done in an Amending Bill!

Shri M. Ananthasayanam Ayyangar: This itself is an Amending Bill. Madam, I am halloing before I am out of the woods. This is the fourth concession, that is, regarding profits deterrent. What about the consumer? People refer to my size and say if I represent the consumers they are all well off. I wish all of them are like me. I would say there must be further inducement to plough-back the profits. There has been a repeated complaint that these industrialists have been declaring enormous dividends out of their profits. Some declared 22 per cent. dividend. There are the Tata Deferred shares. The original share value of Rs. 30 has been raised up to Rs. 2,250. It depends largely upon the dividends declared. Today it has gone down to Rs. 1,600 and odd. With a view to discourage the declaration of enormous dividends which has got the effect of making some people rich by drawing off capital instead of the profits being ploughed back to the industry, the previous Government—the predecessor of the Finance Minister—imposed a penalty.

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He said "If you declare a dividend beyond a particular amount, for all the excess dividend you declare, you will have to pay a particular penalty". That was a sufficient deterrent. Nobody paid the penalty and it had its effect. The Finance Minister thought that there ought not to be merely a deterrent but there must be a positive inducement. He has given a rebate of one anna for all the ploughed-back profits. I have not the time or the secretariat with me to work it out. If I had, I would have shown that these gentlemen whom he is anxious to please, so that he may get still more goods and industries for the country, are walking away with Rs. 58 crores. Possibly it is an exaggerated amount. I already find my Honourable friend the Finance Minister winking at me. Madam, these are the concessions that have been given to these people. The purpose of the inducement may not after all be served. Three or four years later it may come back in the form of a bonus, in which case all the efforts and the sacrifice of the poor man would have been lost. Let me not be a pessimist. I hope within the year the industrialists will find advantage. I find so much of enthusiasm. Let that enthusiasm be translated into action.

Now, Sir, he has not only been charitable to our people here, but has been charitable to our erstwhile rulers also. My friend Mr. Jhunjhunwala very ably referred to a matter which no doubt is somewhat obtruse. The matter is this. There is a foreign company registered in England which carries on business here. It makes profits. Any person who makes profits at our expense here is bound to pay income-tax to this country. Now we shall take a company which is registered in England and makes profits here and the shareholders are in England and other countries. So far as income-tax is concerned, income-tax is deducted at the source by way of companies tax at 5 annas in the rupee, the maximum rate. Those shareholders, if their income is above Rs. 25,000 a year, may have to pay super-tax also. That depends upon their world income. On the basis of their world income they have to pay super-tax on their income here. That has been done away with. The reason that has been given is that in spite of our best efforts we have not been able to get the names of foreign shareholders. There is one other provision, which has been taken advantage of both by the government and also by the shareholder. A shareholder who has not got taxable income can ask for a refund of 5 annas in the rupee that is deducted at the source. Government also can recover super-tax from those persons who are liable to pay super-tax. Till now in spite of the provisions that we have in the Statute Book and the Income-tax Act, we people have not been able to collect super-tax, but all the same they have been obliged to pay off refunds to those other shareholders in foreign countries. I understood from a very reliable authority, who was himself in charge of this administration in Bombay which deals with the payments to foreign shareholders, deductions or refunds, and also with the collection of super-tax, that more often you have to pay refunds than you are able to collect. No doubt by taking stringent measures we may be able to withhold all the profits in this country and refuse to allow them to take a pie until they give a list of all their shareholders and their income—not only the dividend that is distributed, but also the real income. We can coerce, but at very great cost we may not be able to succeed. Already I learn that the High Commissioner for the United Kingdom in this country is protesting against a change to this effect in the Income-tax Act. Having regard to the fact that the refunds may in some cases amount to a larger figure than the super-tax that we may be able to realise. I am not prepared straightaway to condemn the measure adopted by the Finance Minister. We shall give him a fair chance this year: but the unfortunate thing is that even his own office is not able to furnish him with particulars, nor furnish me and any other member in this House with particulars as to what is the incidence

of this taxation: If we accept this amendment, what is it that we lose: or if we do not accept this amendment, what is it that we gain: what is the amount of refunds that we were paying hitherto to foreign shareholders which by this amendment we will retain, and if we do not have this amendment, what is the extra super-tax we will collect? Balancing one against the other, we will then be in a position to find out whether this amendment is justified in the circumstances or not. Statistics are wanting. If there was only a white man sponsoring this Bill, we would not have given trouble to you, Madam, to sit even this afternoon. We would have thrown away the Finance Bill even at the first sitting. Our Leader would have made a speech but torn the Finance Bill and thrown it at the face of the Finance Minister. But a dark man has taken the seat of the white man and we are keeping quiet. We do want that he and his office must be more alert, and place all the records before us. I am sure he does not want to embrace the white man and that we should give him our money for that. We are here to scrutinize calculations. He will certainly admit that the members of the Select Committee were very useful to him. We may or may not have agreed with him on all points, but every member contributed his mite to the discussions. He was also good enough to accept some of the amendments. There was a spirit of friendliness and cordiality. We felt we were one trying to help matters except in some cases where he tried to get the rich man come out and give more money. We will give him a year and see if these gentlemen satisfy his expectations. Mr. Jhunjhunwala took a lot of pains to study this matter, prepare memoranda and he went through section after section. He is right, but I requested him and I requested also on behalf of the administration. The Honourable the Finance Minister said it may be more useful to us and therefore we are obliged to Mr. Jhunjhunwala for not having pressed his amendment to the vote for which he has got every justification. We will wait and see. If this amendment that has been introduced this year is not satisfactory, we will go back, scratch this amendment from the statute book and go back to the original position.

As regards charity, I would like to say one or two words. If a husband and wife, after ten years of married life, do not have a child, they will say 'I will dig a well: I will feed so many children: I will give education.' If a child is born dumb, the father says 'Oh God, give the tongue to the small child, I will have a school constructed.' Now we have imbibed much the materialistic civilization of the West and what is the good of blaming the Honourable the Finance Minister? The sun shines. Before the sun rises, the rays are already there. Likewise, possibly it is a change-over from the spirit of service and sacrifice for which the East has always stood. It is said in Ramayana that Kalidasa said the ancient kings acquired wealth for the purpose of *tyaga*. The *athithi* who comes to my door is God himself. Am I to say 'I am expecting a remission from income-tax from my Honourable friend Mr. Chettiar, wait till then: I will give you a morsel of food.'? I do not accuse him. The big men get hold of him and importunate before him, and ultimately they get their concession. Of what avail is it? We do not do charity for its own sake. But there are a host of other people who put one more cup of coffee into the mouth of the Finance Minister and not give a morsel of food to the hungry mouth. That is the unfortunate thing. We have given up real values. False values have come to this country. The man who has given every pie to charity and has become a recluse today has lost his place in this country. I would say to those persons who have made wealth and not given money to charity, let them go to the Reserve Bank of India and in front of the iron safe prostrate and say 'Govinda, Govinda'. We have lost real values. That is not the civilization we want in this country. I do want a spirit of sacrifice in this country. If I obtain some wealth, it is for the

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purpose of distributing it. I shall not be satisfied until every other mouth is fed. That is the kind of culture that we want.

That is the kind of culture that my Honourable friend should inculcate in the minds of the others who are there. I am pleased with the looks of those richmen—I am not sorry; but at the same time I would request them not to use this concession on their part. My Honourable friend the Finance Minister has shown a sympathetic hand to them; he is prepared to give them this concession—it is up to them not to receive that concession. (An Honourable Member: "They will not"). If they do not, it is all right. But if the consideration is that the man who has not got children may have children, if he receives this money he will not have children; if he has dumb children and he wants them to speak, if he receives the money the children may not speak. But in spite of that let them speak. Why should it go forth from me as a curse?

I entirely agree with my Honourable friend Dr. Pattabhi and with others who spoke, that this charity exemption ought not to have been given, and least of all from this country. My Honourable friend the Finance Minister, if we have the patience to hear him, will certainly quote the instance of Australia, the United States of America and other countries where for charitable purposes remissions have been given. But we have a different culture. Here, though it is a rich man's house it is the poor man's photograph that is kept. In my house, upstairs and downstairs we have all his photographs. We have always worshipped that man who has always sacrificed—the poorest of the poor. But there, the man who lives in the sky-scraper, that man is worshipped in that country. I do not want, with all respect to my Honourable friend, to bring in that kind of materialistic culture into my country. I would sacrifice my life for preserving the ancient tradition. But this measure after all is only for one year and it is still up to him to change it next year.

Then, on the unearned income, Madam, you will see a very wholesome principle was introduced: if I earn through my own labour some money, the tax that I have to pay must be naturally less than the tax that I have to pay on property for which I get interest which I do not earn—I invest and some other man toils and pays with interest—that is the difference between earned and unearned income. Why should you remove that difference? My Honourable friend will certainly be up against me and say, "After all what is it? I merely said, it is something like a child which goes on weeping and you show a plantain. There is really no difference." And if there is really no difference, why should he put himself to this trouble? Anyhow he has done so; any criticism will only be a cry in the wilderness.

I am taking the opportunity of accusing my Honourable friend the Finance Minister only to show him that this Finance Ministership has put him to all this inconvenience for the purpose of enabling those other magnates, those important men in this country, in whose hands—unfortunately he is under the impression—the entire country has to be dedicated, for the purpose of improving the economic life of this country. I am sure he will get converted next year; he will become the socialist of all socialists. "Spare the rod and spoil the child" will apply to them; whatever concession you may give they are not going to produce more. I am sure we will claim my Honourable friend as the first Socialist Finance Minister of India. Let him have, therefore, whatever he wants this year; let him exhaust all his remedies to pull this country up by encouraging the industrialists.

Shri Ramnarayan Singh: Is it not that the present proposals are only for one year?

Shri M. Ananthasayanam Ayyangar: Yes, unless we make him a dictator, a Hitler, naturally at the end of the year he has to come before us.

I have already taken up your time, Madam, and will therefore take another opportunity for further remarks. Clause 8 refers to certain amendments of the Income-Tax Act. One portion refers to the taxing of the profits, the dividends paid to foreign shareholders. Another portion refers to exemption from income-tax of donations that have been given. A third portion continues the same arrangement so far as the earlier one is concerned. I have much pleasure in supporting the clause as it is. The Honourable the Finance Minister must be allowed freedom to bring in a mixed economy as he thinks, and according to him *bona fide*, which he believes will pay. We are doubters. Anyhow let him succeed; I surely will be too glad; but if he does not, I hope he will be the first to join the ranks of my Honourable friend Professor Ranga.

Shri C. Subramaniam (Madras: General): Madam, I had no intention of intervening in today's debate, but my Honourable friend Mr. Ayyangar referred to a subject which has been agitating my mind for some time. He mentioned with a certain amount of satisfaction that it was Sir Archibald Rowlands who for the first time agreed to certain amendments on the floor of the House, and later on Mr. Liaquat Ali Khan also agreed to certain amendments moved on the floor of the House, and that we have moved a step further and a revolutionary step has been taken in the Finance Minister agreeing to refer the Finance Bill to a Select Committee. I do not know, Madam, whether we are progressing in the right direction—I have got my own doubts. In approaching this problem we are faced with the present set up of the Legislature and also the Ministry. In the Legislature the Congress Party has got a majority which is over-whelming, and in the Ministry not all are Congressmen, there are outsiders also and the Finance Minister happens to be such an outsider. Naturally, we Congressmen view with a certain amount of suspicion whether after all he would carry out our policy, whether he would carry out our programme in framing the Budget. Therefore, naturally we feel glad when we are given an opportunity, by the formation of a Select Committee, to introduce amendments to change the proposals made by the Honourable the Finance Minister in his Budget, so that it might conform to our policy and to our ideals.

Madam, this problem should be viewed not in the present set-up, but how this system would work in the future also. These budgetary proposals, especially the financial proposals, are kept a dead secret in every country. We know, Madam, how in Great Britain a Finance Minister had to quit office because he disclosed the budgetary proposals just a few minutes prior to his speech. Secrecy, Madam, is necessary because these taxation proposals affect so many vested interests and if they come to know of these proposals beforehand very many consequences are likely to follow; they might take advantage of those disclosures and they might manipulate and adjust things according to the proposals which are to come later on. It is only in that view that the budgetary proposals are kept a close secret. Till the Budget is disclosed on the floor of this House, there is a lot of speculation going on as to the nature of the budgetary proposals, and according to the guess-work the market also is affected.

So there is a certain amount of uncertainty and speculation before the Budgetary proposals are placed before this House and when it has come out we see the reaction in the market. We found the reaction this year also. Share markets were going up in the expectation that certain proposals would be made by the Finance Minister. When they found that those expectations were not fulfilled, there was a reaction. Shares went down. Thus, there is one period of uncertainty till the Budget is disclosed on the floor of this House. We introduce another period of uncertainty again, when we agree to have a Select Com-

mittee. Once a Select Committee is formed, certainly the Select Committee is bound to make some changes. In the meanwhile, another period of speculation goes on as to what changes the Select Committee are likely to make. In that way, there is a chain of uncertainty and speculation.

Apart from this, Madam, there is another thing also which we have to bear in mind. It is all right this year. The Select Committee have made very good changes. I agree. But suppose next year a Select Committee is formed and some vested interests begin to work. Suppose some outside influence is brought to bear upon the Select Committee. How will it work then? I do not know.

Prof. N. G. Ranga (Madras: General): Influence can be brought inside the House also.

Shri C. Subramaniam: I will come to that.

There will be a certain amount of lobbying when you have appointed a Select Committee. I am only thinking aloud. I am not saying what is done is absolutely wrong, or what was done before was absolutely right. It is for experienced legislators, after taking into consideration the pros and cons, to come to a decision later on. After all, this year we have adopted this procedure and we have passed through the Select Committee stage. In my opinion, a certain amount of lobbying and the canvassing by vested interests is inevitable.

Mr. R. K. Sidhva: They are already busy. It is not going to influence any honest member.

Shri C. Subramaniam: I hope so. This time it has not happened. I hope it will not happen next time. But we should look to the future. After all, we have to set up good traditions. We are building for the future. So what would be the effect on the future is also a point which we should bear in mind. Honourable Members need not think unnecessarily that I am criticising one or the other, or that I am casting aspersions on any particular member of the House.

Then, Madam, it was mentioned by an Honourable friend that after all, influence might be brought in here, inside this House, also to bring in amendments and change the tax structure. Now, that matter is not so serious as that; unless we are prepared to throw out the Budget; unless the Finance Minister is prepared to accept the proposals made here, that would mean the throwing out of the Budget and throwing out of the Ministry. Whether any party would be prepared to do that or not will depend upon the circumstances then existing, and that would be a very difficult matter.

There is another difficulty also. The Finance Minister, when making the Budgetary proposals, if he has in mind that later on a Select Committee is going to be formed and when a Select Committee is formed, just to please them, they should be allowed to make certain changes, then in framing his proposals he would be induced to pitch his rates a little higher so that later on he may please the Select Committee. As a matter of fact, the Honourable the Finance Minister when he was replying to the debate, the other day said about the maximum limit of taxable income: "I wanted something at least to be left to the House". This is also a point which has to be borne in mind.

After all, when the Budget is framed, it is not the Budget of one person alone. It is the Budget of the entire Cabinet and the Cabinet represents the majority party of the House. The majority party gives certain indications of the taxation policy. Under these circumstances, the Cabinet and the Finance Minister are expected to frame the Budget according to the policy of the majority party which they represent, and if the party or the House feels dissatisfied with the Budget and think that they have not adhered to our policy, then the only alternative is to throw out the Budget and have another Finance

Minister and another Cabinet. That would be the proper thing, in my humble opinion. I might be wrong.

Prof. N. G. Ranga: Quite wrong.

Shri C. Subramaniam: But I feel it my duty to place before the house what I feel. These are the things, Madam, which have been agitating my mind. I do not say whether this thing is absolutely correct or the other thing is absolutely correct. No human system is perfect. There are faults in any system. But we have got to decide before next year and expert legislators like Mr. Ananthasayanam Ayyangar I hope would begin to think about this problem right from now and come to a final conclusion as to whether it is in the interests of the country; as to whether it is in the interests of the House, that the Budgetary proposals should undergo a change during the Select Committee stage; whether any Select Committee is at all necessary.

Then, Madam, I wish to say only one thing regarding Clause 8. In this you would find that the charities for which donations might be given have got to be approved by the Central Government. In my opinion, that is going to be a big headache to the Central Government. I wish they frame some rules by which they would be guided. Instead of taking individual institutions by themselves and then deciding whether they should be taken in or not, they should frame certain rigid rules and if only the conditions laid down in those rules are satisfied, any institution should be approved for the purpose of these donations. One other thing should also be borne in mind. I think no institution should be recognised unless it is a registered body. Otherwise, it will lead to a lot of abuse of this Section and some people might take advantage of this and give charity to all sorts of institutions. I hope therefore that the Finance Minister, while he approves the institutions for which the donations would be given under this Section, will bear these points in mind and approve only those charities against whom there could be no objection on any ground whatsoever.

These, Madam, are the only remarks that I have to make.

Shri B. Das: Madam, I would not have intervened in this debate, but I learned so many theories from my Honourable friend Mr. Ananthasayanam Ayyangar which he so nicely passed over to the Honourable the Finance Minister that I thought I might also say something in regard to the theories and principles for which I stand. Madam, I am neither a socialist-minded nor a capitalist-minded person; but I am an industrially-minded person. I believe in the prosperity of the country. I do not believe in the socialistic ideology to which my Honourable friends Mr. Ananthasayanam Ayyangar and Professor Ranga have given vent to, so often here, but I believe in evolutionary growth of the prosperity of the people.

People talk of nationalisation. People talk of socialisation. What next? My Honourable friend Mr. Ananthasayanam Ayyangar passed several tall orders to my Honourable friend Mr. Shanmukham Chetty. I sympathise with him. He asked him to do this and to do that. Suppose we accept his ideologies. Suppose we have nationalisation. Suppose you take over all industries. Where will the revenues come from? The State has taken over the Railways. Do the Railways pay income-tax? I will give you another instance, which will probably be more striking.

The Bombay Electric Supply Tramway Company Limited which used to make profit to the tune of one crore of rupees per annum for the shareholders is now managed by the nationalised Municipality of Bombay Corporation. I am told that it had only a profit of Rs. 76,000 in the last year of its working. That's your nationalisation! So I want my Honourable friends, Prof. Ranga and Mr. Ananthasayanam Ayyangar and those others who think in that way to write a book or to speak on the floor of this House or outside as to how their policy of nationalisation will work. My friend while speaking on clause 8 of the Finance Bill covered the whole policy of taxation of Govern-

[Shri B. Das]

ment. What will happen to the income-tax? There will be no super-tax; there will be no corporation tax after nationalisation of industries. So after two years I accept my friend Prof. Ranga's principles and theories of industrialisation and nationalisation, where is the corporation tax and where is the super-tax accruing to the treasury? The result will be either capital levy or taxing turnovers of all industries owned by the State. I am not familiar with the Russian method of taxation. Those in this House who are familiar with the Russian method of taxation will tell us how Russia is taxing production so that it meets its huge expenditure. Sir, my Honourable friend talked of the Imperial and imperious capitalists, the remnants of British Imperialism. The capitalist federation was meeting at the Imperial Hotel. I wish this Government passes an order that there should be no hotel, no organization with a prefix 'Imperial' before their names. My friend Mr. Ananthasayanam Ayyangar has always a smile ready for everybody, but I must admit that I and he were there and profited by the speech which the Honourable the Prime Minister delivered there.

I was a student of practical economics, but I cannot visualize what is in the minds of my Honourable friends about the structure of taxation they would envisage. It will have to be solved and unless we get somebody who can fathom what is in the minds of my Honourable friends, who want to nationalise the industries, nobody can evolve a structure of taxation which will meet the day to day expenditure of 220 to 250 crores of rupees of my Honourable friend, the Finance Minister and the Ministry. They have to run the administration of the ship of State and at the same time develop the prosperity of the country. How that prosperity will be developed after nationalisation, I cannot visualise. I do hope that when Prof. Ranga returns from Burma, we will get an opportunity on the 7th or 8th of next month when he will tell us how he will industrialise the nation, nationalise the industry, develop industries under State-management and yet meet all the obligations of the State, unless he has paper currency minted at Nasir and let the country go pell-mell, as Russia did at one time.

Sir, it is nice and easy to attack private enterprise. My friend, Mr. Ananthasayanam Ayyangar, I call him a conservative; he gives quotations from *shastras* about the old method of charity and I believe even his charity is dried up in these days as is mine.

Sir, the Finance Minister may smile on as one coming from South India and enjoy the speeches of my friends from South but to me it is alarming when I see all imaginary principles are trotted on the floor of this House for acceptance. Sir, my Honourable friend was very happy that the Expert Committee on taxation will be reporting next year; let it come. They try to level up either way or lend down. If the savings are to be analysed—I do not know who is going to be our Economic Adviser; Dr. Gregory has gone and I was very glad over it. The fiscal Commission is coming. What are your suggestions? Give them here or simultaneously in a public platform. Let us see if you have any policy of taxation, to raise the prosperity and standard of living of the people. The unfortunate thing in socialism is that I do not know where is the difference between socialism and communism. It is very unfortunate and this morning the Prime Minister gave out how the communists are trying to upset the loyalty of the Government officials in Calcutta. It may creep into Delhi, but the Prime Minister told us that those who are organising the All India Government officials Conference here have assured that they will not be influenced by communists. Well, Sir, at least one knows what the Communists want. One does not know what the Socialists would require. One objects to the passing of such tall orders and if I were to speak in sympathy with the Honourable the Finance Minister, I do not want him to produce something of

a budget which will have no meaning next year. He must understand what Socialism wants and what nationalisation, and socialisation would require in regard to policies of taxation. I have no apology to offer for the capitalists; I do not represent them, but I do hope before my friends destroy private enterprise, let them show by means of statistics how their policy of socialisation and Government industrialisation and finance will work for the benefit of the people and will not make the State bankrupt.

The Honourable Shri R. K. Shanmukham Chetty: Sir, so far as this clause is concerned, the main criticism has come from my friend Shri Jhunjhunwala. I may tell him that theoretically his arguments are perfectly correct. So far as the objective regarding the taxation of foreign companies is concerned, there is no difference of opinion between him and me. In fact there can be no difference of opinion in India at all amongst Indians. We do not want that foreign investors who make profits in India should escape our taxes, much less have any of us any desire to show them any preferential treatment in this matter.

It was only some time back, after I came into my present office, that my attention was really drawn to these provisions in the Income-tax Act regarding the procedure for collecting super-tax from investors who live abroad and who hold shares in companies which make at least part of their profits in India. In fact I was amazed to find such a provision in the Income-Tax Act. It is no wonder, considering the impossibility of putting these provisions into practice, that the previous regime so readily accepted these amendments to be incorporated in the Income-Tax Act.

An Honourable Member: They themselves brought them forward.

The Honourable Shri R. K. Shanmukham Chetty: They brought them forward because they knew that on paper it would appear that every step is being taken to collect the tax due from foreign investors and that in practice not a pie would be collected. And so they were generous; they thought they would satisfy Indian sentiments by readily bringing forward these amendments. In fact some time back I had a visit from one of the Ambassadors with us; he mentioned to me the instance of a new company that wanted to establish a branch in India, and he told me that this company had over three thousand shareholders on its list; and that if it was our intention that we are going to adhere to the letter of the law and demand from this company a list of shareholders and other details, that company was not going to open a branch in this country. This Ambassador need not have taken the trouble of bringing this matter to my notice because in practice practically none of these companies have been giving these returns, and it has not been possible for our administrative machinery to enforce the observance of these clauses in our Income-Tax Act by these companies. I had therefore to look at this problem from a practical point of view. Theoretically a great many things are possible, but from the practical and administrative point of view if there is any remedy open to us to collect the tax we are perforce compelled to look to other remedies so that we might have the satisfaction of recovering some portion at least of our dues. And it was when I applied my mind in this direction that I finally in consultation with my advisers evolved this proposal of increasing the companies tax by one anna and giving it as a rebate to the Indian companies which operated and declared and paid their dividends in India. I have estimated in my budget the proceeds from this as about two crores of rupees; if the figures of income made in India by these foreign companies as given by Mr. Jhunjhunwala are correct, the proceeds of this tax will be about three crores of rupees. So what we get by this amendment is a positive income of three crores of rupees plus a saving in the refund that we are giving. There is no question of any balance of loss at all, because as against this positive advantage that we would get hereafter we have not collected any tax at all from

[Shri R. K. Shanmukham Chetty].
these companies. There is no use blaming the Central Board of Revenue over these affairs because if you want the Central Board to apply the provisions of the income-tax law in that strict sense in which Mr. Jhunhunwala wants us to apply it, it will be a practical impossibility for them to do so. I am prepared to ask the Central Board of Revenue to give all the facts and figures connected with this affair to any committee of the House that might like to discuss this matter with the Central Board of Revenue, because if as a result of our joint discussions we can devise some better means of getting a little more of our dues from these foreign companies I certainly will be very glad. I am therefore happy to know that on further consideration my Honourable friend Mr. Jhunhunwala has kindly agreed not to move his amendments. But my offer is open that I would welcome Mr. Jhunhunwala or any other Honourable friend who is interested in the matter to go and have a thorough discussion with my advisers in the Central Board of Revenue whom I will instruct to place all the facts and materials relating to this matter before these gentlemen.

There was only one other reference pertaining to this clause, that relating to the exemption from taxation of charities. I was very much moved by the appeal made by my old friend Shri Biswanath Das about this matter; but I must confess that even after listening to his moving appeal I remain unconvinced,—an unconvinced heretic in this matter, if I may say so. I am not so well versed in the *Shastras* relating to the practice of charity as practised by our ancestors, but I have been told that one can produce quotations from the *shastras* to support even the telling of lies or the committing of a crime to persuade a man to make a charity for a worthy cause.

(At this stage Mr. Speaker resumed the Chair.)

I think, Sir, that in our country when—as my Honourable friend Mr. Ayyangar remarked—our sense of values has changed, we must really do something positive to encourage contributions to really good and charitable causes. In a system of high taxation it will be difficult for men—honest taxpayers at any rate—to find any surplus from which they could make contributions to charitable endowments. Take even the provision that we have made here. We have imposed a maximum limit of 2½ lakhs of rupees for any individual charity to claim this exemption. But in practice nobody would be in a position to make this contribution of 2½ lakhs and yet get all the benefits of this exemption. Really to pay 2½ lakhs of rupees as charity a man must have an income of 25 lakhs of rupees; but if any gentleman had an income of 25 lakhs, the amount of tax that we would take away from him will not leave with him enough money to contribute even this 2½ lakhs, leave alone his expenses. So in a system of stiff taxation of that kind I think it is only fair that men who wish to contribute to charitable institutions must at least be exempted from the operation of the tax. I quite realise that without proper safeguards this provision is likely to be abused. It is to safeguard against such contingencies that we have made it clear that the contributions must be to institutions approved by the Central Government. I have already sent round circulars to the provincial Governments inviting them to give us a list of charitable institutions in their respective provinces which might be included in the list; and I have told them in my circular that they should specially recommend those institutions which are engaged in medical relief and education. In fact after these lists come it is our intention to apply very strict and rigid standards to each institutions to ensure that these are not bogus institutions, that accounts are properly maintained, that provision has been made for audit and that in every respect the affairs of the institution are above suspicion.

Shri Ramnarayan Singh: What about *dharamsalas* and temples?

The Honourable Shri R. K. Shanmukham Chetty: No, I do not think I

will agree at all in the case of contributions to *dharamsalas* and temples; it will predominantly be for educational institutions and hospitals.
5 P. M. And as regards the needy poor, if there is an institution which deserves to be included it will certainly be done. So with this assurance I hope the House will not have objection to accept the clause as it stands.

Mr. Speaker: I shall now put the remaining clauses to the House one by one.

The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Shri M. Ananthasayanam Ayyangar: Sir, on a point of order, how can there be a guillotine on a Finance Bill?

Mr. Speaker: I would invite the attention of the Honourable Member to Rule 20B. I had told the House before we started with the allotment of time made by me that the consideration motion would be discussed for the whole of yesterday and the question would be put at 5 o'clock. With regard to all the clauses, I had allotted time up to 5 P.M. today.

Shri M. Ananthasayanam Ayyangar: If the rule surprises me, it will then have to be modified. As it is we are bound by it. This is a very important matter. After all we have spent only two days.

Mr. Speaker: Comment is unnecessary. This morning, when I found that Honourable Members were speaking without any idea of the time limit, I wanted to remind them that they would miss the discussion of certain other questions, unless they curtailed their speeches. But I thought, having given them the programme yesterday it was better that I should not interfere and allow them to adjust their own matters in such way as they liked.

The Rule 20B reads as follows:

"At any time after the introduction in the Assembly of a Finance Bill, the President may allot a day or days, jointly or severally, for the completion of all or any of the stages involved in the passage of the Bill by the Assembly, and when such allotment has been made the President shall at 5 o'clock on the allotted day or, as the case may be, the last of the allotted days forthwith put every question necessary to dispose of all the outstanding matters in connection with the stage or stages for which the day or days have been allotted."

This allotment has been stated to the House a long time before. When the motion for Select Committee was made, I had stated that I would allow two days for the Select Committee motion to be discussed and two further days for purposes of the passage of the Bill in all stages.

Shri M. Ananthasayanam Ayyangar: I thought normally we expected to finish with a slide over of sometime. After all we may not take time. I never thought that the guillotine would come. All that I can say is that it is an unwholesome rule and it would be good if you can get rid of it.

Mr. Speaker: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clauses 10 and 11 were added to the Bill.

The first and second Schedules were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 31st March, 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Wednesday, 31st March, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

OBLIGATIONS AND RIGHTS OF OCCUPANTS OF OLD GRANT LANDS IN CANTONMENTS

1064. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Defence be pleased to state what are the rights of the occupants of old grant lands in Cantonments and the obligations attached to such grants?

(b) Has the position of old grantees been examined by Government? If so, with what result?

(c) Do Government propose to lay on the table of the House a copy of the standing instructions given to the Deputy Director of Cantonments regarding these old grants?

The Honourable Sardar Baldev Singh: (a) Grants of lands under the old Regulations are subject to the following conditions:

(i) No proprietary rights are conferred on the grantee and the land is the property of the Government. The land is however held rent free.

(ii) The Government retains the power of resumption at any time on giving one month's notice. If they give that notice they are required to pay the value of such buildings as may have been authorised to be erected. The land remains the property of the Government but the houses built thereon may be transferred with the prior sanction of Government. The property can be inherited.

(b) The question is not clear. The position of old grantees has been fully clarified by various High Courts in India and by the Privy Council.

(c) A copy of the †Standing Instructions contained in the Military Lands Manual (pages 253-257) is laid on the table of the House.

Mr. R. K. Sidhva: Are there any grant lands which are due for 25 and 50 years' leases? Under those circumstances can Government take possession by one month's notice as stated by the Honourable Minister?

The Honourable Sardar Baldev Singh: I am not sure about that. If the Honourable Member will read the instructions, I think he will find out the true position.

Mr. R. K. Sidhva: Is it a fact that there are certain leases for 25 years?

The Honourable Sardar Baldev Singh: May be. I cannot say off-hand.

Mr. R. K. Sidhva: How can then Government take possession with one month's notice?

The Honourable Sardar Baldev Singh: All these instructions are contained in the statement that I am laying on the table.

†Not printed in the day's Debate. A copy has been placed in the Library of the House.—
Ed. of D.

MILITARY ESTATES DEPARTMENT'S CONTROL OVER CAMPING GROUNDS ON MAIN ROADS IN INDIA.

1065. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether the Military Estates Department is having control over certain camping grounds on the main roads in India?

(b) How many of such grounds have been handed over to the Public Works Department in areas in the East Punjab and the United Provinces and how many remain with the Military authorities?

(c) Are these camping grounds used for their original purposes?

(d) How many of them have been leased out for agricultural purposes?

(e) If any have been leased out what are the terms and conditions of the lease?

The Honourable Sardar Baldev Singh: (a) Yes, Sir.

(b) 14 Camping grounds have been placed under the control of the C.P.W.D. and 109 have been retained by the Military Authorities.

(c) Such Camping Grounds as are not in the active use of the Army, but may be required for such use, have been leased out for cultivation in pursuance of the "Grow More Food" policy.

(d) Approximately 50.

(e) Leases are for agricultural purposes and their term does not exceed 4 years. Suitable rent is charged for each lease.

Mr. R. K. Sidhva: What is the minimum suitable rent charged for each lease?

The Honourable Sardar Baldev Singh: The rent varies and if the Honourable Member is anxious to know the rents charged in different cases, I will get this information for him.

Mr. R. K. Sidhva: Arising out of (c) of the question, may I know whether land leased out for agricultural purposes are put to *bona fide* uses for such purposes, or are they again let out by the people to some others for the purpose of earning rents?

The Honourable Sardar Baldev Singh: As I have stated, they are leased out for agricultural purposes and to the best of information available I think that is the procedure that has been followed. But if the Honourable Member has information to the contrary, I will be prepared to look into it.

Mr. R. K. Sidhva: Have they not passed hands from one to the other?

Mr. Speaker: For which, I think notice will be necessary. It is not possible to say off-hand.

Mr. R. K. Sidhva: I want to know whether Government is aware of this because it has systematically changed hands.

Mr. Speaker: He says he will enquire into it.

Shri Biswanath Das: In view of the fact that neither the Central Government nor the Defence Department have any experience in matters relating to land will the Honourable the Minister be pleased to consider the need of handing over the administration as long as is necessary to Provincial Governments and request them to look after these and credit the amounts?

The Honourable Sardar Baldev Singh: No, Sir.

Shri Biswanath Das: May I know the reason?

The Honourable Sardar Baldev Singh: The reason is that the lands are required for military purposes.

Prof. N. G. Ranga: For how long are they required? Are they to be kept indefinitely at the disposal of the Defence Department or cannot they be handed over to the Provincial Governments on condition that they may be returned to the Central Government whenever the military want them.

Mr. Speaker: There is a misunderstanding about the question. It does not relate to requisitioned lands but to lands which are camping grounds in the occupation of the military.

Prof. N. G. Ranga: Even then my suggestion is that instead of giving these lands to some so-called agriculturist on their own initiative, will the Defence Department consider the advisability of handing over these lands to the Provincial Governments on condition that they should be returned to them whenever wanted for defence purposes.

The Honourable Sardar Baldev Singh: This is exactly the condition on which these lands are leased out. They remain the property of the Defence Department and they are leased out to certain people for agricultural purposes. I do not see any definite advantage in handing them over to Provincial Governments.

Shri Biswanath Das: May I know the establishment required for the purpose of maintaining these activities?

The Honourable Sardar Baldev Singh: I could not say off-hand?

TECHNICIANS AND OTHER OFFICERS IN SERVICE OF GOVERNMENT OF INDIA DRAWING HIGH SALARIES

1066. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Home Affairs be pleased to state the total number of officers in the service of the Government of India, (Civil and Military) (i) drawing Rs. 2,500 and under Rs. 3,000; (ii) Rs. 3,001 and under Rs. 3,500; (iii) above Rs. 3,500 and under Rs. 4,000; and (iv) above Rs. 4,000 each separately?

(b) How many out of them are technicians?

(c) Are any of the above officers above the age limit of retirement?

The Honourable Pandit Jawaharlal Nehru: (a) (i) 217 including those drawing Rs. 3,000.

(ii) 52 including those drawing Rs. 3,500.

(iii) 31 including those drawing Rs. 4,000.

(iv) 9.

(b) 121, including 65 officers of the Defence Services.

(c) Yes; 26.

Mr. R. K. Sidhva: May I know whether Government intend to dispense with the services of these 26 to enable the youngsters to get appointments so as not to mar their promotion?

The Honourable Pandit Jawaharlal Nehru: No, Sir. These 26 were taken for technical reasons. They will be dispensed with of course as soon as any other technically qualified persons come in. They are not merely taken because of long experience but because they were considered technically qualified and obviously there were no other suitable persons in view.

Prof. N. G. Ranga: Is any effort being made to get another set of people trained to achieve equally great efficiency so that it will be possible for Government to dispense with these over-aged people, and at the same time not suffer in technical efficiency?

The Honourable Pandit Jawaharlal Nehru: Of course! All our training courses are for that purpose—technical and otherwise, unless one goes into particular matters.

Prof. N. G. Ranga: At the senior level!

The Honourable Pandit Jawaharlal Nehru: We are talking about technicians and efforts are of course being made to train technical personnel.

Shri V. C. Kesava Rao: Are there any non-Indians among these officers?

Mr. Speaker: Which officers? All the officers or the 26?

Shri V. C. Kesava Rao: All the officers.

The Honourable Pandit Jawaharlal Nehru: I really could not say. Of course there are a few, but I could not say straight off.

Mr. R. K. Sidhva: Are all these 26 technicians?

The Honourable Pandit Jawaharlal Nehru: My information is that they are experienced and technical personnel. I cannot guarantee about every one.

DISAPPEARANCE OF IMPORTANT C. I. D. FILES re MAHATMA GANDHI'S ASSASSINATION.

1067. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that certain important C.I.D. files relating to the assassination of Mahatma Gandhi have disappeared while they were being carried by a Police Head Constable.

(b) If so, what are the circumstances under which they were lost?

(c) What efforts have been made to recover these files?

The Honourable Pandit Jawaharlal Nehru: (a) No.

(b) and (c). Do not arise.

Mr. R. K. Sidhva: Is the Honourable Minister personally satisfied that no file was lost?

Mr. Speaker: That is not a question asking for information.

Mr. R. K. Sidhva: Does he rely upon the information supplied by his officers, or is he satisfied?

Mr. Speaker: The answer to the question is obvious.

SERVICE BOOKS OF CUSTOMS DEPARTMENT EMPLOYEES FROM PAKISTAN NOW SERVING IN INDIA.

1068. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Finance be pleased to state whether the service books of various employees of the Customs Department who have opted out from Pakistan and are now employed in India, have been received from the Government of Pakistan?

(b) If not, have Government written to the Government of Pakistan to accelerate their despatch?

(c) Is it a fact that due to the non-availability of Service Books, several employees have not received their increments and have also suffered regarding their promotions?

The Honourable Shri R. K. Shanmukham Chetty: (a) No, Sir. Service Books have not been received in a large number of cases.

(b) Yes.

(c) Increments, promotions etc. are at present regulated on the basis of certified statements or other available evidence and every attempt is made to avoid hardship to the staff.

POST-WAR SCHEME OF EDUCATION ON ALL-INDIA BASIS.

1069. ***Shri Kishori Mohan Tripathi:** (a) Will the Honourable Minister of Education be pleased to state whether any post-war scheme of education on an all-India basis has been drawn up either by the Government of India or by the Government of India and the Governments of the different Provinces jointly?

(b) If so, what are the salient features of the scheme?

(c) If not, do Government propose to draw up such a scheme?

(a) ہاں سنٹرل ایڈوائزری بورڈ آف ایجوکیشن نے ۱۹۴۴ء میں ایک اسکیم پوسٹ وار ایجوکیشن کے لئے آل انڈیا بیسیس پر تیار کی تھی۔ اسکی بنیادی سفارشاتیں اس کی رپورٹ میں دیکھی جا سکتی ہیں، جو عام طور پر سارجنٹ رپورٹ کے نام سے پکاری جاتی ہے اس سفارشوں کو سنٹرل گورنمنٹ اور پروانشل گورنمنٹیں عام طور پر منظور کر چکی ہیں۔

(b) آنریبل ممبر مہربانی کر کے اس رپورٹ پر ایک نظر ثانی ڈالیں اسمبلی کی لائبریری میں موجود ہے۔

(c) یہ سوال پیدا ہی نہیں ہوتا۔

The Honourable Maulana Abul Kalam Azad: (a) Yes. A scheme on post-war education on an all-India basis was drawn up by the Central Advisory Board of Education in January, 1944, main recommendations of which are contained in their Report on Post-war Educational Development in India, popularly known as Sargent Report. These recommendations have been generally accepted by the Government of India and the Provincial Governments.

(b) The Honourable Member may please refer to a copy of the Sargent Report which is available in the Library of the Assembly.

(c) Does not arise.

Shri Kishori Mohan Tripathi: Will the Honourable Minister be pleased to state what steps Government have taken by now to implement that scheme?

آنریبل مولانا ابوالکلام آزاد: پچھلی جنوری میں سنٹرل ایڈوائزری بورڈ کی میٹنگ ہوئی۔ اور ایک آل انڈیا ایجوکیشنل کانفرنس بھی اسی فرض سے بلائی گئی۔ بہت سی تجویزیں اس بارے میں سوچی گئی ہیں۔ کمیٹیاں بتھائی گئی ہیں۔ اور گورنمنٹ بہت تیزی کے ساتھ معاملے کو آگے بڑھانے کی کوشش کر رہی ہے۔

The Honourable Maulana Abul Kalam Azad: A meeting of the Central Advisory Board was held in January last, and an all India Conference was also convened for this very purpose. Many schemes were considered in this connection and committees have been set up. The Government is trying to push forward the matter with great speed.

مولانا حسرت موہانی: کیا منسٹر صاحب تعلیم اس بات سے آگاہ ہیں کہ اکثر صوبائی گورنمنٹیں ایڈوائزری بورڈ نے جو قواعد مقرر کئے ہیں ان کے بالکل خلاف عمل کر رہی ہیں۔ مثلاً یو۔ پی گورنمنٹ اس بات کا لحاظ نہیں کرتی کہ ہر شخص کو حق حاصل ہے کہ وہ اپنی مادری زبان میں تعلیم حاصل کرے۔

Maulana Hasrat Mohani: Is the Honourable Minister for Education aware of the fact that most of the Provincial Governments are acting quite contrary to the rules framed by the Central Advisory Board? For example, the U.P. Government are not respecting the right of every person to obtain his education in his mother tongue.

Mr. Speaker: What is it that the Honourable Member wants to know?

Maulana Hasrat Mohani: I want to know whether it is a fact that some of the Provincial Governments altogether ignore the directions given by the Advisory Council.

آنریبل مولانا ابوالکلام آزاد : اس سوال سے اسکا کوئی تعلق نہیں -

The Honourable Maulana Abul Kalam Azad: The question does not arise.

Mr. Speaker: It is not necessary to answer this question. It is only the opinion of the Honourable Member.

Shri S. V. Krishnamurthy Rao: May I know whether these films will be prepared and supplied to the principal linguistic areas in India?

Mr. Speaker: This question does not relate to films. It refers to the Sargent Report.

An Honourable Member: That question comes later on.

Shri S. V. Krishnamurthy Rao: I am sorry, Sir.

HELP TO REFUGEE STUDENTS IN RESPECT OF EXAMINATIONS.

1070. *Shri Kishori Mohan Tripathi: Will the Honourable Minister of Education be pleased to state as to how Government propose to help the refugee students in regard to their examinations in view of the fact that those who have come over to India from Pakistan area may not be in a position to appear at their prescribed examinations ensuing shortly?

آنریبل مولانا ابوالکلام آزاد : گورنمنٹ آف انڈیا تمام پرائنٹوں کی گورنمنٹوں سے اور یونیورسٹیوں سے درخواست کرچکی ہے کہ ویسٹرن پاکستان سے آئے ہوئے ویدیاتھیوں کو ان کے امتحان کے بارے میں ہر طرح کی آسانیاں اور رعایتیں دی جائیں اس بارے میں جو کارروائی کی جا چکی ہے اور جو رعایتیں دی گئی ہیں ان کا اندازہ اس اسٹیٹمنٹ سے کیا جا سکتا جو میں ہاؤس کی ٹیبل پر رکھ دیتا ہوں -

The Honourable Maulana Abul Kalam Azad: The Government of India requested all the Provincial Governments and the Indian Universities to afford all facilities to students migrating from the Western Pakistan in connection with their examinations. Statements indicating the concessions given by the Universities of the East Punjab and Bombay, which are the main Universities concerned, are laid on the table of the House.

Statement I

Indicating the concessions given by the East Punjab University to students migrating from the Western Pakistan.

The following concessions were extended to refugee students who had to appear in various University examinations to be held in 1947, but who could not take their examinations as a whole or in part owing to the communal disturbances.

(1) They were given the option to put in 'ten weeks' approved social service at the completion of which they would be eligible for the certificates or degree for which they were studying.

(2) In case any student could not or did not put in social service, he could join the next higher class by taking a qualifying test held by every college in the East Punjab including the Camp College in New Delhi.

Note.—While concession 1 above applied to Matriculation, Intermediate (Arts and Science), Degree (Arts and Science) students, concessions 2 applied to Matriculation, Intermediate (Arts and Science) students only. Failing 1 and 2 above, students could take the East Punjab University Emergency Examination which was held according to the following schedule:

Matriculation	...	...	...	February, 1948.
Intermediate	...	...	...	January, 1948.
Degree	...	...	...	February, 1948.
M.A.	...	...	...	Commencing on 5th April.
M.L.	...	...	...	19th March, 1948.
B.T.	...	...	...	29th March, 1948.
O.T.	...	...	...	1st April, 1948.

(These examinations in normal course would have been held during the period August to September, 1947 by the Old Punjab University). The East Punjab University came into existence on the 1st October, 1947 by an Ordinance and this University announced that the above examinations would be held in December, 1947, but later on changed its decision in view of the difficulties of students.

(4) Concessions to students appearing in examination scheduled to be held in September-October, 1948:

Matriculation, F.A. and B.A. students were given the option to put in ten weeks' approved social service and thus secure exemption in any one subject only. Besides, on production of evidence that a candidate had passed in one or more papers in any examination held by the Punjab University in Lahore in 1947, he was exempted from appearing in those papers and was allowed to complete the examination by appearing in the remaining papers.

Statement II

Indicating the concessions given by the Bombay University to students migrating from the Western Pakistan.

* Copy of University of Bombay Circular No/ MI of 1948.

With a view to clarifying the position arising out of the decision of the University (vide Circular No. M-13315/1947) to grant facilities to students who have migrated from Sind (the Punjab and other provinces) on account of disturbances, panic or fear and who are eligible to appear at the Matriculation Examination in the ordinary course, it is hereby brought to the notice of the Heads of recognised schools and the general public that the procedure for admission to the examination will be as under:

- Students or ex-students who have migrated from Sind to the Province of Bombay, and have joined a recognised school will be treated as regular students of the school concerned, and will be admitted as such to the examination.
- Students or ex-students who have migrated from Sind to the Province of Bombay, but have not joined any school, will be required to forward their applications, with the accompaniments mentioned in (iii) below, for admission to the examination through the Head of a recognised school. The Head of the recognised school whom the student approaches with a request to forward the application shall be entitled to charge the fee of Re. 1.
- Students or ex-students who have migrated from Sind to other places outside the territorial jurisdiction of the University, will be admitted to the examination direct, if found eligible, on production of the Leaving Certificate of the last recognised school attended by them or in its absence an affidavit made by the student, if major, i.e., over 18 years, the guardian of the student (if below 18) or before a magistrate or a J.P. giving particulars regarding the name of the school last attended, the number of days of attendance in the Matriculation class and the date of birth. The Leaving Certificate or the

affidavit shall be attached to the application. It will not be returned under any circumstances. The form of application for admission to the examination and also the fee receipt should preferably be signed in the presence of the person before whom the affidavit is made.

- (iv) Ex-students who have joined a school in Sind subsequent to their failure at the last Matriculation Examination and have migrated subsequently will also be admitted to the examination as ex-students falling under categories (ii) or (iii) above, despite the fact that they have lost all the rights of an ex-student since joining a recognised school after their failure under O-156H. Similarly, students who were not sent up last year, but were otherwise eligible, will be admitted to the examination as specified above whether they have joined or not joined a school in Sind during the current academic year.
- (v) Students migrating from places other than Sind on account of disturbances, panic or fear will be admitted to the examination as regular students only; such students will not be admitted direct to the examination, though in their cases also the condition regarding minimum attendance for a period of 100 days as laid down in S-202 will be waived, and they will be admitted if they keep an attendance of 50 days in a school recognised by this University.
- (vi) Students studying in schools recognised by the University of Sind will not be generally considered eligible for admission to the Matriculation examination of this University, except that those who had left the schools in Sind and have not been able to migrate will be admitted to the examination as laid down in (iii) above.

2. All students who are not eligible for admission to the examination as regular students or ex-students, will be classified as Private candidates. Further, the cases of those regular students who have not been able to keep the attendance prescribed by S-202 will be governed by the foot-note to S-202 in the matter of the condonation of deficiency in attendance and Headmasters are requested to forward cases, if any, to the University for consideration without delay. Headmasters of recognised schools are further requested to insist on a student producing the Leaving Certificate of the recognised school last attended by him or in its absence an affidavit as indicated in clause (iii) above and satisfy themselves that the student is eligible for admission to the examination as laid down and that he has (i) attended a recognised school in Sind for at least 50 days prior to migration; and (ii) has migrated owing to disturbances, panic or fear.

3. Students who apply direct are advised to send the application forms duly filled in with accompaniments as in (iii) above by Registered Post (with acknowledgement due if a receipt is desired). The amount of the fee of Rs. 15 should be sent by Money Order and the necessary particulars regarding the name, the address and the name of the examination, the languages offered under O-158 and the centre must be supplied in the Money Order coupon. Otherwise the Money Order is likely to be refused. The Money Orders and the letters must be addressed to the Registrar, University Bombay, Matriculation Department, Bombay 1, to avoid delay. Applications in person will not be accepted, nor will any correspondence in the matter of receipt of applications be attended to.

4. In every case where the admission is granted on the strength of evidence other than the Leaving Certificate of the recognised school last attended, the admission will be deemed provisional and is liable to be cancelled unless confirmed later on by the production of the requisite Leaving Certificate of the recognised school last attended. In all such cases no claim for refund of fees will be admissible, and the candidate concerned will not be entitled to receive the pass certificate if he passes the examination or to any right to appear after failure at any subsequent examination of the University on the mere strength of his name being included in the list of candidates appearing at the examination till the confirmation of his admission to the examination.

5. The last date of receipt of applications is Monday, the 19th January, 1948 and the examination is due to commence on Monday, the 15th March, 1948 according to the programme that will be notified in the Bombay Government Gazette in due course. The Seat Numbers of candidates appearing at the examination will be exhibited at the centres concerned one week before the commencement of the examination and candidates are advised to make their own arrangements for ascertaining their seat numbers and the detailed programme of the examination. Queries on these subjects from candidates will not be attended to.

6. Those candidates who offer Sindhi as one of the languages under O-158 as also those who require the passage in Sindhi for translation into English in the paper in General English will be required to appear at Bombay or Dadar centres only, as it is not possible to offer them these facilities at other centres. Candidates at any centre will be at liberty to answer questions in Sindhi in papers where the option to answer in the candidate's mother-language is allowed.

7. The examination will be held at the centres shown in Circular No. M-29, dated 16th December 1947. Students offering a particular language will be allowed to appear only at the centres mentioned against that language in Appendix F (Blue Booklet) and at no other centre.

(Sd.) S. R. DONGERKERY,
University Registrar.

Bombay, 7th January, 1948.

श्री किशोरी मोहन त्रिपाठी : क्या यह रियायतें सिर्फ वेस्टर्न पाकिस्तान तक के लोगों के लिए सीमित हैं या ईस्टर्न पाकिस्तान के लोग भी इस से फायदा उठा सकते हैं ?

Shri Kishori Mohan Tripathi: Is it that the scope of these concessions is limited to people coming from Western Pakistan only or those coming from Eastern Pakistan can also avail themselves of these concessions?

آنریبل مولانا ابوالکلام آزاد : یہ سوال زیادہ تر ویسٹرن پاکستان سے آئے ہوئے طلبہ کے لئے پیدا ہوا ہے۔ اور اس کے لئے ایسٹ پنجاب گورنمنٹ اور بمبئی گورنمنٹ نے انتظام کیا ہے۔

The Honourable Maulana Abul Kalam Azad: This question arose mainly in connection with students coming from Western Pakistan. The Governments of the East Punjab and Bombay have made arrangements in this connection.

सेठ गोविन्द दास : क्या माननीय मन्त्री जी को यह यह मालूम है कि वेस्टर्न पाकिस्तान के अलावा ईस्टर्न पाकिस्तान से भी कुछ विद्यार्थी आये हैं तो उनक इम्तहान के निस्वत क्या किया जा रहा है ?

Seth Govinddas: Is it within the knowledge of the Honourable Minister that students have not only come from Western Pakistan but from Eastern Pakistan also? What is being done about their examinations?

آنریبل مولانا ابوالکلام آزاد : جہان تک میرے علم میں آیا ہے ویسٹ بنگال گورنمنٹ اس سلسلے میں کچھ ضروری کارروائیاں کر چکی ہے۔ اور کر رہی ہے۔

The Honourable Maulana Abul Kalam Azad: So far as I know West Bengal Government have made necessary arrangements in this connection, and they are still doing so.

SECRETARIES, JOINT SECRETARIES, ASSISTANT SECRETARIES ETC., AND OTHER OFFICERS IN VARIOUS MINISTRIES.

1071. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Home Affairs be pleased to state:

(i) the number of Secretaries, Assistant Secretaries, Joint Secretaries, Deputy and Under Secretaries who are now serving in the various Ministries of the Government of India; and

(ii) the number of officers and officials (other than Secretaries) in the various Ministries who are drawing a monthly salary of Rs. 200 or above, exclusive of allowances?

(b) Do Government propose to consider the desirability of adopting a policy of giving representation in the above services to the different provinces either

in proportion to their population or in proportion to their contribution to Central revenues, whichever be more just?

The Honourable Pandit Jawaharlal Nehru: (a) (i) Secretaries, 21.

Additional Secretaries, 7.

Joint Secretaries, 36.

Deputy Secretaries, 98.

Under Secretaries and Assistant Secretaries, 248.

(ii) The information is not readily available and its collection would involve time and labour incommensurate with the results obtained.

(b) Government consider that merit should be the primary consideration in recruiting candidates to Government service; except where they have already agreed to reservations in favour of particular communities. They regret they do not consider it desirable to introduce any other factors such as have been mentioned by the Honourable Member as that would lower the standard of candidates and efficiency of the services.

Prof. N. G. Ranga: Is it not a fact that till now it has been the policy of the Government not to make the Central Secretariat too predominantly representative of any one or two Provinces?

The Honourable Pandit Jawaharlal Nehru: Yes, Sir.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable the Prime Minister whether there is a proposal to reconsider the allocation according to communities with a view to bring about harmony among the communities and do away with these communal considerations?

The Honourable Pandit Jawaharlal Nehru: That certainly is a matter for consideration. I informed the House of the practice that has been going on thus far.

PRISONERS CONVICTED DURING 'QUIT INDIA' STRUGGLE STILL IN SIND JAILS

†1072. ***Shri H. V. Kamath:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) the number of political prisoners who, as the result of conviction for offences committed during the "Quit India" struggle of 1942, are still serving their sentences in Sind Jails;

(b) whether Government will take up their cases with the Government of Pakistan;

(c) whether Government are aware that arrest warrants issued by the Government of Sind in 1942 against some persons who absconded from Sind have not yet been withdrawn; and

(d) whether Government will consider the question of giving such persons immunity from arrest or extradition in the event of their discovering themselves within the territory of the Indian Union?

The Honourable Pandit Jawaharlal Nehru: Inquiry is being made by the External Affairs Ministry and the question will be answered on 7th April.

COMMISSION FOR INVESTIGATION OF INCOME-TAX EVASIONS

†1073. ***Pandit Thakur Das Bhargava:** (a) Will the Honourable Minister of Finance be pleased to state if any commission was appointed by Government for investigation of Income-Tax evasions?

(b) If so, who were the members thereof?

(c) Has any amount of money been recovered as a result of the labours of the Commission?

†Answer to this question laid on the table, the questioner being absent.

(d) How many cases are pending for investigation before the Commission and at what stage are they?

(e) Has the Commission sent any reports so far regarding tax evasion cases?

(f) How much money has so far been spent by Government on the Commission?

(g) How many officers were deputed by the Commission to see documents and examine books of account etc., and what were the pay and other emoluments of these officers?

(h) Has the Commission made any reports in respect of improving the law and the methods of detection of evasions of tax; and

(i) If so, do Government propose to lay a copy of the report on the table of the House and state what action has been taken by Government on these reports?

The Honourable Shri R. K. Shanmukham Chetty: (a) Yes.

(b) Sir S. Varadachariar, Chairman, Mr. Justice G. S. Rajadhayaksha and Rai Bahadur V. D. Mazumdar, members.

(c) No. The labours of the Commission have not yet proceeded far. The Bill more fully to define the powers of the Commission has only been passed recently in the Legislature.

(d) It is not in public interest either to disclose the number of cases or the stages at which they are.

(e) No.

(f) Rs. 53,964.

(g) None.

(h) A preliminary report recommending changes in two or three sections of the Income-tax Act which seemed to the Commission to be urgently called for has been made.

(i) A copy of the report† is placed on the table. The necessary legislation to effect the changes suggested by the commission was introduced in the House on the 29th March 1948.

PERSONS CRIMINALLY PROCEEDED AGAINST UNDER INCOME-TAX ACT.

†1074. ***Pandit Thakur Das Bhargava:** Will the Honourable Minister of Finance be pleased to state:

(a) how many persons were criminally proceeded against during the last three years under Section 51 of the Income Tax Act and in how many cases conviction took place;

(b) in how many cases assesseees were penalised for infraction of provisions of the Income Tax Act, during the last three years; and

(c) how many of these cases were compounded?

The Honourable Shri R. K. Shanmukham Chetty: I lay on the table a statement showing the required information.

Statement			
Part (a) —	1944-45	1945-46	1946-47*
Number of prosecutions instituted under section 51 of the Income Tax Act.	6	2	7
Number disposed of.	4	—	6
Number in which conviction took place.	1	—	1

†Not printed in the day's Debate. A copy has been placed in the Library of the House.—
Ed. of D.

‡Answer to this question laid on the table, the questioner being absent.

Part (b)—	1944-45	1945-46	1946-47
Number penalised for infraction of Provisions of the Income-tax Act.	6,389	6,751	8,328
Part (c)—			
Number of cases compounded	127	107	78

*Figures for Assam and Coorg are not available.

PERSONS BELONGING TO RASHTRIYA SWAYAM SEWAK SANGH AND HINDU MAHASABHA UNDER DETENTION IN DELHI

†1075. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Home Affairs be pleased to state the number of persons belonging to Rashtriya Swayam Sewak Sangh and Hindu Mahasabha arrested and detained in Delhi since the Sangh was declared an unlawful association?

(b) How many of them have expressed regret and given an assurance in writing that they will have nothing to do with the Rashtriya Swayam Sewak Sangh or any other similar organisation in future?

(c) How many of these have been released on giving such undertakings?

(d) How many of the remaining ones are given special Class treatment and how many are placed in "C" class?

The Honourable Pandit Jawaharlal Nehru: (a) 512.

(b) About 200.

(c) 150.

(d) 20 persons have been treated as class I prisoners and the remainder as class II. The previous category of A, B and C does not exist in Delhi—Class II corresponds to C but without labour.

GROWING PRACTICE BY JOINT STOCK COMPANIES OF ISSUING BONUS SHARES

1076. * { Shri T. T. Krishnamachari: Will the Honourable Minister of
Shri K. Santhanam: Finance be pleased to state:

(a) whether the attention of Government has been drawn to the growing practice of Joint Stock Companies issuing Bonus Shares;

(b) whether Government have examined this new tendency from the point of view of its being a method of overcoming the provisions of the Income Tax Act which tend to limit the rate of dividends paid to shareholders; and

(c) whether Government propose to treat the issue of Bonus Shares as deferred payments of dividends and tax the persons to whom such bonus shares have been issued by including the value of such shares in their total income?

The Honourable Shri R. K. Shanmukham Chetty: (a) Government are aware that certain Joint Stock Companies have issued bonus shares.

(b) and (c). When a company issues bonus shares from its undistributed profits such profits continue to remain in the hands of the company, as capital, and what the shareholder gets is only a paper certificate as evidence of his interest in the additional capital of the Company. The transaction takes nothing out of the company's coffers and puts nothing in the pockets of the shareholders. The question of the avoidance of tax on any income does not therefore arise in such a case. It may be added that just as the value of bonus shares is not treated as income for purposes of Super tax it is not treated as income for purposes of refund either. Government do not propose to legislate for the value of bonus shares being treated as income for either purpose.

†Answer to this question laid on the table, the questioner being absent.

Shri T. T. Krishnamachari: In view of the fact that the capital structure gets widened, the rate of dividend will automatically get less. May I know whether this does not defeat the purpose of the provisions of the Income Tax Act which tend to limit the rate of dividends?

The Honourable Shri R. K. Shanmukham Chetty: The Honourable Member may remember that we have done away with the provision regarding limitation of dividends. If it is found necessary to reintroduce a provision of that kind in future we will take care to relate the dividend to the capital employed and not merely to the nominal paid up capital.

Prof. N. G. Ranga: Is the bonus share issued only to a section of the shareholders or to all shareholders?

The Honourable Shri R. K. Shanmukham Chetty: It is issued *pro rata* among all the shareholders.

Shri M. Ananthasayanam Ayyangar: The Honourable the Finance Minister in his Finance Bill wanted to give a rebate; will he take care to see that the ploughed-back profits, instead of building up reserves, are not given away in the form of bonuses resulting in loss of income to the Government by these people walking away with all the money.

The Honourable Shri R. K. Shanmukham Chetty: It won't in any instance result in loss of income, whether the company treats it as a separate reserve fund or transfers it to the paid up capital. If my Honourable friend would look at the left-hand side of a balance sheet he will find that the amount shown as reserve fund is shifted to the column above shown as paid out of the paid up capital. It does not make any difference so far as our taxation is concerned.

ENQUIRIES AGAINST OFFICIALS UNDER ANTI CORRUPTION IN CENTRAL SERVICES.

1077. *Prof. N. G. Ranga: Will the Honourable Minister of Home Affairs be pleased to state:

(a) in how many cases, since the Act against corruption in the central services was passed, were enquiries ordered against officials against whom complaints and reports were received, and

(b) against how many officers were proceedings taken and with what results?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Since the passing of the Prevention of Corruption Act on the 11th March 1947 and upto the 10th March 1948, 198 cases involving officials of the Central Services were registered by the Delhi Special Police Establishment. Of these, 13 cases involving 19 Government Servants fell to the jurisdiction of the Pakistan Government and their results are not known. In the remaining cases, 63 officials have been prosecuted in courts and the prosecution of another twenty is under consideration. In the cases so far put in courts, 2 Government Servants have been convicted and two acquitted and the remaining cases are pending trial. Cases of 200 officials are still under investigation.

Prof. N. G. Ranga: This applies to the Central Government servants. What happens to the Provinces? Does not this Act extend its operations to all the government servants all over India?

The Honourable Pandit Jawaharlal Nehru: I suppose so. But presumably the Provincial Governments will take action. So far as the special organisation is concerned, it extends throughout India. It has staff in various Provincial centres also.

Shri M. Ananthasayanam Ayyangar: Besides prosecuting certain individual officers for corruption wherever facts come to light, have Government taken steps to collect information from these officers regarding the property they had before 1939 and what they have today? Every government servant is bound

to give that information. I want to know whether any attempts have since been made to find out what accumulations have been made by them since 1939 which will give enormous clue in the matter of detection of these things.

The Honourable Pandit Jawaharlal Nehru: This seems to be a very relevant course of enquiry, but I cannot say what questions have been put to them.

Mr. Frank R. Anthony: Is the fact that there has been comparatively few enquiries concerning senior officials due to their greater immunity because of their seniority?

The Honourable Pandit Jawaharlal Nehru: I do not think I have mentioned any senior officials. Where did the Honourable Member get hold of senior officials?

Mr. Frank R. Anthony: Is there not a general feeling that these senior officials do not enjoy any greater degree of honesty and there are comparatively very few prosecutions against them?

The Honourable Pandit Jawaharlal Nehru: I do not know how many senior officials are concerned in this matter.

Shri V. C. Kesava Rao: May I know whether there is any non-official committee appointed to detect cases of corruption?

The Honourable Pandit Jawaharlal Nehru: Not that I am aware of. Non-officials can always draw the attention of officials to such cases.

Shri Ramnarayan Singh: What are the special and active measures that Government are taking to root out corruption from the public services in the country?

Mr. Speaker: The question is too wide.

The Honourable Pandit Jawaharlal Nehru: The first measure is to have a vigilant House here which can draw attention to these cases.

Shri Ramnarayan Singh: I could not follow the answer.

Mr. Speaker: A vigilant House is the first measure.

Prof. N. G. Ranga: Have Government, Sir, any Complaints Section either in the Home Department or under the Prime Minister himself, or if they have not got it, will they consider the advisability of establishing a thing like that in order to enable the public to send their complaints with the proper assurance of immunity from all consequences of making such complaints?

The Honourable Pandit Jawaharlal Nehru: I do not know if there is a regular Complaints Section, but even if there is no such thing, the complaints that come in are in large numbers. No Government, I take it, can give immunity to every person who brings in a complaint. That would simply mean that all manner of irresponsible complaints can be made under the protection of that immunity and that would be very unfair to the people concerned.

Dr. B. V. Keskar: Will Government consider the desirability of establishing a tribunal for dealing with cases of corruption which will enable cases to be disposed of expeditiously? Sometimes cases are such that in courts it would be very difficult to get convictions?

The Honourable Pandit Jawaharlal Nehru: I suppose each province would have to consider the matter for its own area; the Central Government for its own particular areas as well as Central Government employees. It is a matter which can be considered, but I am not quite sure whether that would make it more feasible or more easy to get things done than the present course.

Shri Ramnarayan Singh: Is the Honourable the Prime Minister aware that corruptions have increased in the public services after the Britishers have left the land since the 15th of August last?

The Honourable Pandit Jawaharlal Nehru: I am not aware of the fact that it has increased, but there is no doubt about it that during the last war more especially, corruption increased at a tremendous pace and we are suffering from the effects of that even now.

Shri Khurshed Lal: Have Government any proposal under consideration for the appointment of an administrative tribunal as has been done in the United Provinces?

The Honourable Pandit Jawaharlal Nehru: You mean to say a tribunal for the administrative services?

Shri Khurshed Lal: For enquiry into the cases of officials. The United Provinces Government have appointed one.

The Honourable Pandit Jawaharlal Nehru: That is exactly the question that Dr. Keskar put to me and I have just answered it.

PROPOSALS FOR CHANGE OF CAPITAL OF INDIA FROM DELHI TO BETUL OR AMLA

1078. *Prof. N. G. Ranga: Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether Government have given any consideration to the suggestion made by Sri T. A. Ramalingam Chettiar in his speeches in the last and present sessions of the Assembly that the capital of India should be changed from Delhi to a more central place like Betul or Amla; and

(b) whether Government propose to stop creating any more central institutes, research stations, museums or laboratories in Delhi?

The Honourable Pandit Jawaharlal Nehru: (a) The position still is as stated in Sardar Patel's reply to Shri T. A. Ramalingam Chettiar's question on the 2nd February 1948.

(b) Each proposal to locate a new office in Delhi or to transfer an existing office from any outlying place to Delhi is carefully considered by the Accommodation Advisory Committee and ultimately by Government, bearing in mind the paucity of accommodation in Delhi and other relevant considerations.

Prof. N. G. Ranga: Is it not a fact that Government is deciding to locate more and more offices in Delhi even now more and more scientific institutes, even educational institutions and various mushrooms—in spite of the obvious housing shortage in Delhi?

The Honourable Pandit Jawaharlal Nehru: Personally I entirely agree with the Honourable Member that we should avoid locating any more institutes in Delhi. In fact I have been trying my best, not with too great a success, to prevent this. Of course this is done by each individual department. It is not a matter for Government as a whole to consider. Till the scheme is finalized. I think it is very undesirable to locate these in Delhi. There is obvious advantage of course in having these Central institutions in places where there are other Central institutions. You get certain co-operation with other institutions, delay is avoided, and a certain scientific or research atmosphere is created. Nevertheless I do agree that this tendency to bring these institutes here should be resisted in future.

Dr. B. Pattabhi Sitaramayya: I did not hear the earlier portion of the answer, nor have several members around me.

The Honourable Pandit Jawaharlal Nehru: About the change of capital? The answer simply was that I referred to Sardar Patel's reply previously. If the House wants me to add to it, Government is not paying the slightest attention to this matter.

Mr. Tajamul Hosain: In view of the fact that many empires have had their downfall in Delhi and in view of the fact that Delhi is very near another foreign country and there is the danger of invasion at any time, and in view also of the fact that the climate of this place is very extreme both in the summer and in the winter, do Government propose to change the Capital of Delhi to a central place such as in Bihar or U. P.? I am talking of a central place without suggesting any particular place.

The Honourable Pandit Jawaharlal Nehru: That was, Sir, the main question which I have answered, that is at the present moment Government do not think it necessary or desirable to devote any time or energy to thinking over this question.

Shri M. Ananthasayanam Ayyangar: Apart from the question of shortage of accommodation which may necessitate certain of these Central institutions being shifted to another place, may I know whether, in view of Delhi being so near the border, Government has considered the possibility of establishing a central place so that in case of emergency these central institutions can be shifted?

The Honourable Pandit Jawaharlal Nehru: If the Honourable Member is referring to scientific and technical institutes, as I have said we should like them spread out all over the country and not to be located in one place at all, or if you like, to have numerous central places.

PRODUCTION OF EDUCATION FILMS IN INDIA.

1079. *Prof. N. G. Ranga: Will the Honourable Minister of Information and Broadcasting be pleased to state:

- (a) how many education films were produced during the last year;
- (b) how many are proposed to be produced during this year;
- (c) whether these are produced in consultation with the Ministry of Education;
- (d) whether any efforts will be made to present some of the historical events in contemporary and ancient Indian history; and
- (e) whether the lives of our great religious, social, and political leaders are proposed to be presented in a dramatised manner?

The Honourable Pandit Jawaharlal Nehru: (a) to (e). So far no educational film in the strict sense of the term has been produced and the existing units of production are not adequate for the purpose but the subject is deserving of further investigation which will be made.

The object of the revived Film organisation of the Government of India, which will begin to function within the next 2-3 months, is to produce films of general and cultural interest.

The activities of the new organisation will be two-fold, viz., the production of News reels of topical events of general and national interest and the production of documentary films. The purpose of the documentaries will be to film the various cultural activities of the country including great historical events in contemporary as well as ancient History.

Purely biographical films fall generally within the purview of commercial organisations.

Seth Govinddas: Have the Government received any applications from private parties who are willing to produce these educational films with the help of the Government?

The Honourable Pandit Jawaharlal Nehru: I am afraid without enquiry I cannot answer that question.

Shri M. Ananthasayanam Ayyangar: Have the Government considered the desirability of asking film producers who get licences from the Central Government for the production of three or four films that every one of the three or four films must be an educational film?

The Honourable Pandit Jawaharlal Nehru: That might be done, but the type of educational film that these film producers might produce may give a wrong type of education.

Shri M. Ananthasayanam Ayyangar: But could not the theme or the thesis be set by the Central Government and the manufacturers asked to produce the films in accordance with that?

The Honourable Pandit Jawaharlal Nehru: It is not a question of setting out a particular theme or thesis; a great deal in this matter depends on the mentality of the producers. Of course, what the Honourable Member suggests may be done. The producers may be asked to make films in accordance with a particular theme, but it is just possible that these films may or may not be of the kind we require.

Begum Aizaz Rasul: Have Government considered the desirability of making arrangements for more educational films to be shown in rural areas?

The Honourable Pandit Jawaharlal Nehru: For the moment we are considering the feasibility of producing films; once they are produced we will send them out to rural areas.

Begum Aizaz Rasul: But there are quite a number of existing educational films which would serve a useful purpose if they are shown in rural areas.

The Honourable Pandit Jawaharlal Nehru: I have no doubt that it is a very good policy to adopt.

Shri S. V. Krishnamurthy Rao: Will arrangements be made to make sufficient number of copies and distribute them in different linguistic areas?

The Honourable Pandit Jawaharlal Nehru: I do not know how many copies are at present made, but an endeavour will be made to have enough copies for distribution.

Shri S. V. Krishnamurthy Rao: My question is are sufficient number of copies made to cover all the principal linguistic areas so that they may reach every nook and corner of the country?

The Honourable Pandit Jawaharlal Nehru: As I said an attempt is being made to cover the principal linguistic areas. It is always a question of balancing—whether it is worthwhile spending a lot of money over a particular area at a particular time.

Shri S. V. Krishnamurthy Rao: What I mean to say is, Sir, that even copies in Hindi and English can be distributed to different linguistic areas and they may be exhibited in those areas.

DECISION re TRANSFER OF CONTROL OF EXTERNAL PUBLICITY TO EXTERNAL AFFAIRS MINISTRY.

1080. *Prof. N. G. Ranga: Will the Honourable Minister of Information and Broadcasting be pleased to state:

- (a) whether any decision has been reached upon the recent discussions between his Ministry and the Ministry of External Affairs, regarding the question of placing external publicity under the latter's control and direction: and

(b) how many of their officers of this section are Indians and how many are non-Indians?

The Honourable Pandit Jawaharlal Nehru: (a) No; not yet.

(b) Non-Indians, Nil, Indians, sixteen.

MILITARY TRAINING FOR UNIVERSITY STUDENTS AND UNIVERSITY CORPS:

1081. ***Prof. N. G. Ranga:** Will the Honourable Minister of Defence be pleased to state:

(a) what steps are being taken to provide military training for University students and in how many Universities such steps are being taken.

(b) whether any new University Corps has been opened since the advent of National Government; and

(c) what are the Universities in which such Corps are not yet organised?

The Honourable Sardar Baldev Singh: (a) and (c). I would invite the Honourable Member's attention to the Report of the National Cadet Corps Committee and to my statement on this subject made in this House on the 13th March 1948. The senior division of the National Cadet Corps which it is proposed to form will cater for all universities and colleges, including Intermediate colleges and Technical Institutions of collegiate status.

(b) No.

Prof. N. G. Ranga: Will the colleges be free to organise or not to organise the Cadet Corps?

The Honourable Sardar Baldev Singh: All the Colleges will be expected to organise Corps.

Prof. N. G. Ranga: Will any financial grants be made to them, Sir?

The Honourable Sardar Baldev Singh: That is clear from the statement I made on the 13th—everything is contained in that statement.

Seth Govinddas: Are Government aware of the fact that there are many universities which want a greater number than has been provided for those universities by the Honourable Minister?

The Honourable Sardar Baldev Singh: As I pointed out in my statement this is only a beginning. As soon as this quota is completed by the universities this matter will be given further consideration.

Pandit Lakshmi Kanta Maitra: Is the Honourable Minister aware that in most of the university training corps there is a shortage of armaments and the armaments that are available are outmoded and out of date?

The Honourable Sardar Baldev Singh: It will be the duty of the Government of India to provide armaments and we have taken the responsibility. If the Honourable Member will refer to my statement, he will see that I have made the position clear there.

Pandit Lakshmi Kanta Maitra: I have, of course, read his statement. What I want to know is whether the Honourable the Defence Minister is aware of the fact that the armaments at present in the possession of U. T. C.'s are entirely out of date and outmoded?

The Honourable Sardar Baldev Singh: The only equipment of the U.T.C.'s is the rifle.

Pandit Lakshmi Kanta Maitra: But they are mostly broken.

The Honourable Sardar Baldev Singh: The broken ones are replaced periodically.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister whether with a view to increase the number of trained men, he will introduce an element of compulsion among the college students to undergo military training?

The Honourable Sardar Baldev Singh: It is not the intention of Government to introduce compulsion at this stage, but if the response is not satisfactory, this matter will be reconsidered later.

Begum Aizaz Rasul: May I know what will happen to the women students of the universities?

The Honourable Sardar Baldev Singh: They are also provided for.

ABOLITION OF CAMBRIDGE CERTIFICATE OF EXAMINATION FOR STUDENTS IN INDIAN SCHOOLS

1082. ***Seth Govinddas:** (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that the examination of certain schools in this country is held under foreign Universities, such as Cambridge University?

(b) If so, do Government propose to abolish such examinations, and how much time will it take to do so?

آنریبل مولانا ابولکلام آزاد : (a) ہاں -

(b) آنریبل ممبر نے کیمریج سارٹیفکیٹ اکیڈمیوں کا جو حوالہ دیا ہے - اس

سے زیادہ تر اینگلو انڈین اسکول فائدہ اٹھاتے تھے - اب اُنلڈہ کیا ہونا چاہئے اس پر گورنمنٹ غور کر رہی ہے -

The Honourable Maulana Abul Kalam Azad: (a) Yes.

(b) The Cambridge Certificate Examinations*referred to by the Honourable Member are mostly taken advantage of by Anglo-Indian Schools. Their future is at present under consideration.

سٹھ گوویند داس : کیا گورنمنٹ اس بات کو جانتی ہے کہ ان سکولوں میں جو تالیف دی جاتی ہے وہ تالیف بیرونی زبان میں دی جاتی ہے اور ہم انگریزی انڈین بیاہریں جو یہاں کی زبان ہے اسے نہیں جانتے۔ ایسی حالت میں گورنمنٹ اس معاملے میں کیا کر رہی ہے کہ یہاں کی زبان سیکھائی جائے؟

Seth Govinddas: Are the Government aware that the medium of instruction in our schools is English in these days, and that the Anglo-Indian students do not know Indian languages. What are the steps the Government propose to take to impart education to the Anglo-Indians in the Indian languages?

آنریبل مولانا ابولکلام آزاد : گورنمنٹ اس بارے میں فیصلہ کر چکی ہے - اُنلڈہ

زبان کے بارے میں جو فیصلہ اختیار کیا جائیگا - ضروری ہوگا کہ تمام کمیونٹیوں کے اسکول اس پر عمل کریں -

The Honourable Maulana Abul Kalam Azad: In this connection Government have decided that the line of policy to be adopted in future will have to be followed by the schools of all communities.

GLIDING CLUBS FOR PREMIER EDUCATIONAL INSTITUTIONS IN INDIA

1083. *Shri V. O. Kesava Rao: (a) Will the Honourable Minister of Defence be pleased to state what steps are being taken to make the younger generation of students Air-minded?

(b) Have Government considered the possibilities of instituting Gliding Clubs in the premier educational institutions of the country?

The Honourable Sardar Baldev Singh: The question should have been addressed to the Honourable Minister of Communications. It has accordingly been transferred to the list of questions for 6th April, 1948, when the Honourable Minister of Communications will answer it.

PERSONS NOMINATED TO I. C. S. OR INDIAN ADMINISTRATIVE SERVICE FROM CERTAIN SERVICES AND PROFESSIONS

1084. *Shri V. O. Kesava Rao: Will the Honourable Minister of Home Affairs be pleased to state the number of persons who have been nominated to the Indian Civil Service or to the Indian Administrative Service after the war from the following categories: (i) War service, (ii) Provincial service, (iii) Mercantile community, and (iv) Bar?

The Honourable Pandit Jawaharlal Nehru: (i) 60.

(ii) Information has been called for from the Provincial Governments and will be placed on the table when available.

(iii) and (iv). Nil.

ELIGIBILITY OF TEMPORARY GOVERNMENT SERVANTS FOR PROVIDENT FUND, POSTAL INSURANCE ETC.

1085. *Shri V. O. Kesava Rao: (a) Will the Honourable Minister of Finance be pleased to state whether temporary Government servants are eligible for leave under the rules which are applicable to permanent Government servants?

(b) Is it a fact that the Central Pay Commission had recommended the same privileges that are given to permanent servants to temporary servants also?

(c) Are the temporary Government servants eligible to contribute to General Provident Fund and Postal Insurance?

The Honourable Shri R. K. Shanmukham Chetty: (a) The leave rules applicable to temporary Government servants are not identical with those applicable to permanent employees under the Government.

(b) The Commission have recommended that temporary Government servants employed for indefinite periods should be allowed after one year's service earned leave as admissible to permanent Government servants.

(c) Temporary Government servants are eligible to join the General Provident Fund if the Head of the Office concerned can certify that they are likely to be made permanent. They can also cover their lives by Postal Insurance if they have been entertained to supplement regular establishments and the duration of their appointment is likely to be continuous.

Shri M. Ananthasayanam Ayyangar: May I know, Sir, if Government has accepted the recommendation of the Central Pay Commission that after one year's service earned leave as admissible to permanent Government servants should be allowed to temporary servants?

The Honourable Shri R. K. Shanmukham Chetty: That is what I have stated—that the Commission have recommended it.

Shri M. Ananthasayanam Ayyangar: The Honourable Minister, I understood, said that the Pay Commission has recommended that. What is the attitude of Government and what is their decision? Has the Government accepted the recommendation that temporary servants after a period of one year should also be entitled to the same privileges as are given to permanent servants?

The Honourable Shri R. K. Shanmukham Chetty: No decision has yet been taken by Government. The matter is under examination and I am not in a position to say exactly what will be the ultimate decision of Government.

TAKING OVER OF ADMINISTRATION OF LADY HARDINGE MEDICAL COLLEGE BY GOVERNMENT

†1086. *Shri B. N. Munavalli: (a) Will the Honourable Minister of Health be pleased to state whether it is a fact that Government propose to take over the administration of the Lady Hardinge Medical College? If so, when?

(b) Among the staff of the Lady Hardinge College, how many are British?

(c) Do Government propose to Indianise the whole staff and if so, when?

The Honourable Rajkumari Amrit Kaur: (a) The question is under consideration.

(b) and (c). There are two British officers, on the staff of the College, both of whom have tendered their resignation which will take effect from the 14th April, 1948.

INDIAN ARMY LABORATORY UNDER DIRECTOR OF TECHNICAL DEVELOPMENT

1087. *Shri Biswanath Das: Will the Honourable Minister of Defence be pleased to state:

(a) whether the Indian Army has its own laboratory with its necessary scientific personnel under the Director of Technical Developments;

(b) the number of scientists employed under him;

(c) the sort of co-ordination that is being maintained between these scientists and those working under scientific, technical or technological institutions under the various universities and institutions in India;

(d) whether Government have considered the question of seeking the advice and co-operation of eminent Indian Scientists in the field of Research of Scientific and Chemical Warfare and co-ordinating their activities with those of the Scientists attached to the Defence departments;

(e) whether it is a fact that a few Scientists were recruited between now and August 1947; and

(f) the number and academic qualifications of each of these gentlemen referred to in part (e) above without giving names?

The Honourable Sardar Baldev Singh: (a) Yes, Sir.

(b) 29 (Gazetted rank).

(c) and (d). Close contact is maintained with outside institutions engaged on similar work by means of liaison visits by senior officers of the Establishment, in addition to direct correspondence on various scientific, technical and technological problems. To secure more effective and efficient co-ordination, it is proposed to appoint a distinguished Indian Scientist as Scientific Adviser to the Ministry of Defence and to associate with him a body of Advisers composed of eminent scientists.

(e) No person was recruited to any gazetted scientist's post after August 1947.

(f) Does not arise in view of the answer to (e) above.

Shri Biswanath Das: May I know, Sir, whether any research work is undertaken in these laboratories, and if so with what result?

The Honourable Sardar Baldev Singh: I could not say off-hand, but if the Honourable Member is interested to know the details, I will be able to get them for him.

†Answer to this question laid on the table, the questioner being absent.

Shri Biswanath Das: Sir, I am exceedingly interested; not only I but the whole House will be anxious to know whether it is a fact that these Laboratories and the Scientists there were only carrying out the directions and instructions that emanated from England and from the British War Office or doing research work themselves?

The Honourable Sardar Baldev Singh: Obviously, Sir, researches are carried on in the Laboratories but I could not give the details; and it is not possible for me to give also details as to the results of the different researches that have been carried on in these Laboratories.

Shri Biswanath Das: May I know, Sir, whether it is a fact that the Mission that had been to England has studied the research organisations in England and whether they propose to follow anything in that direction in reforming our organisation?

The Honourable Sardar Baldev Singh: Which Mission is the Honourable Member referring to? The recent one?

Shri Biswanath Das: Repeat, Sir.

The Honourable Sardar Baldev Singh: The recent one had nothing to do with these Research Laboratories.

Shri Biswanath Das: May I know whether they have studied the organisation of such institutions in different States like England, America and France?

The Honourable Sardar Baldev Singh: Not the Mission which recently visited the U. K.

Shri Biswanath Das: May I know whether Government have taken any steps to ascertain from such Foreign State organisations that are in existence the work that is being carried on in such organisations in those States to have our Laboratories of the Defence Department modernized and re-shaped in the said same manner?

The Honourable Sardar Baldev Singh: Yes, Sir. As far as our Mission was concerned it was not entrusted with this job, but we have taken advantage of the visit of a prominent Scientist to this country and he has suggested methods of improvement.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if it is a fact that in some of the Laboratories and research institutions, Indians who are M.Sc.'s and D.Sc.'s are placed under European non-matriculates merely because they are Captains and Majors?

The Honourable Sardar Baldev Singh: As I have stated, we have decided to appoint eminent Scientists to be in charge of this scientific organisation.

Shri M. Ananthasayanam Ayyangar: Will the Honourable Minister consider the desirability of removing these superimposed Army personnel who are not scientific men, who are now in charge of administration?

The Honourable Sardar Baldev Singh: Our intention is to employ the best possible men.

Shri M. Ananthasayanam Ayyangar: What about the existing men?

The Honourable Sardar Baldev Singh: That is what I have stated: we do not desire to keep any useless persons in these Laboratories.

Shri M. Ananthasayanam Ayyangar: May I know, Sir, whether the Honourable Minister has considered the desirability of shifting the Laboratories like the Optical Research Laboratory at Dehra Dun, to so locate them that there may be collaboration between scientific research on one side and research carried on for war?

The Honourable Sardar Baldev Singh: I could not say, but that will depend on the Scientist who is going to be appointed shortly.

Pandit Lakshmi Kanta Maitra: May I know, Sir, if he is aware that towards the close of the War, a very vast body of up-to-date scientific machinery was imported into the Ordnance Factories and that they have not yet been unpacked and for want of technical personnel they have not been handled and opened?

The Honourable Sardar Baldev Singh: It is not possible for me to say what happened with those unpacked boxes.

Pandit Lakshmi Kanta Maitra: Is the Honourable Minister aware that even now in Calcutta—in Cossipore and Ishapore—huge boxes full of up-to-date machinery are lying idle and nobody knows how to use them or open them?

The Honourable Sardar Baldev Singh: I will take advantage of the information supplied by the Honourable Member and pass it on to the Scientific Adviser.

Pandit Lakshmi Kanta Maitra: I am prepared to give him full information.

Mr. Speaker: Let him give the information.

Pandit Lakshmi Kanta Maitra: I am not talking in a lighter vein; it is an important matter and I am prepared to furnish him with full information.

Mr. Speaker: He may do so, but it is not permissible in Question Hour.

Shri Biswanath Das: In view of the facts revealed in the course of this interpellation, will the Honourable Minister be pleased to state whether he would think of re-organising and re-modelling the Defence Department Laboratory and its work and the Research Section?

The Honourable Sardar Baldev Singh: That is the intention; I have already stated so.

Prof. N. G. Ranga: In view of the fact that in England as well as in Canada, Scientists have begun to take sides because of their political ideologies, and Government take care to see that those Scientists who will be put on this Advisory Committee and also who will be placed in charge of this very important and strategic work, will be completely loyal to the national and democratic and secular ideals of the State?

Mr. Speaker: I think this is a suggestion for consideration.

Shri S. V. Krishnamurthy Rao: May I ask, Sir, if any research is being carried on to utilise atomic energy for military or industrial purposes?

The Honourable Sardar Baldev Singh: The Honourable Member knows that it is quite a separate subject.

UTILISATION OF INDIA MY DURING PEACE TIMES

1088. ***Shri Biswanath Das:** Will the Honourable Minister of Defence be pleased to state:

(a) the programme of utilising the Army during peace times; and

(b) whether Government propose to consider the need of training them as skilled technicians, agriculturists or horticulturists or in dairy work and also in laying down roads and similar other village reconstruction work?

The Honourable Sardar Baldev Singh: (a) The role of the Army during peace-time is, firstly to train for war and, secondly, to render such aid as may be necessary to the civil power in maintaining law and order.

(b) No, Sir. If the Army were to be trained mostly in the vocations suggested by the Honourable Member, then it will not be in a position to fulfil its primary role which is to be ready at all times to defend the country against any possible foreign aggression.

Shri Biswanath Das: May I know, Sir, whether the Honourable Minister is aware of the fact that during the war in Germany the Army personnel were also attending to repairs of vehicles and other necessities and armaments of a lighter type, in the field, because they were given technical training before as soldiers?

The Honourable Sardar Baldev Singh: That technical training is a part of this Army's training, but what the Honourable Member refers to is training in agriculture and horticulture.

Shri Biswanath Das: Does the Honourable Minister know also that armies in other countries produce their own foodstuffs, say vegetables? So, could he take a lesson from such a course of action and think of utilising the Army for producing vegetables and the like?

Mr. Speaker: I am afraid this cannot be allowed.

PHYSICAL TRAINING FOR OFFICERS OF INDIAN ARMY ORDNANCE CORPS OR ROYAL INDIAN ARMY SERVICE CORPS

1089. ***Shri Biswanath Das:** Will the Honourable Minister of Defence be pleased to state:

(a) the number of officers employed in staff service, administration work and in such services as the Indian Army Ordnance Corps, or the Royal Indian Army Service Corps;

(b) whether compulsory physical training for all such officers is being insisted upon;

(c) whether there is any rule regarding such insistence and to what extent it is enforced; and

(d) whether Government propose to consider the desirability of giving a month's refresher course each year to all officers referred to in part (a) above in the interest of an efficient army?

The Honourable Sardar Baldev Singh: (a) I lay a statement on the table of the House.

(b), (c) and (d). It is not considered necessary to insist on compulsory physical training for all officers employed on the staff or in administrative appointments. Officers are responsible for keeping themselves physically fit but, where there is any doubt regarding officers doing so, it is within the powers of Commanders at all levels to order the officers under their command to attend and take part in physical training parades. Such action is, in fact, taken from time to time. Officers are medically examined each year and, in some cases, more often. The general standard of health is high and Government do not consider it necessary to institute yearly refresher courses in physical training for them.

Statement

The authorised numbers for the services in question, as on the 1st January, 1948 are as follows:

(i) Staffs at Army Headquarters Command, Division, Brigade, Area and Sub-Area, etc., Headquarters	...	...	...	...	1,504
(ii) Indian Army Ordnance Corps	...	...	...	...	865
(iii) Royal Indian Army Service Corps—					
Supply Branch	...	...	...	314	
A.T. Branch	...	...	...	61	
M.T. Branch	...	...	...	323	698
(iv) I.E.M.E.	...	...	...	...	497
(v) I.A.M.C.	...	...	...	...	659
(vi) I.R.V. & F.	...	...	...	...	46

Shri Biswanath Das: May I know, Sir, how long officers are kept in Ordnance work or how long in administrative work? Are they kept for short terms or for long terms like two years, three years, five years and the like?

The Honourable Sardar Baldev Singh: I am afraid, Sir, I have not got this information; but the officers work according to the duties assigned to them and the number of hours they have to work every day.

Mr. Speaker: The point is whether work is allotted to them by rotation.

Shri Biswanath Das: Rotation in the sense of a period of time—say, one or two years.

The Honourable Sardar Baldev Singh: I have not got that information.

Pandit Lakshmi Kanta Maitra: May I enquire of the Honourable Minister what has happened to the Committee which he proposed to appoint to go into the whole question of the working of the Ordnance Factories?

Mr. Speaker: This question does not refer to Ordnance Factories.

Shri M. Ananthasayanam Ayyangar: It refers to Ordnance Corps. But I think it includes both.

The Honourable Sardar Baldev Singh: Which Committee is the Honourable Member referring to?

Pandit Lakshmi Kanta Maitra: The Honourable Minister in a previous speech of his said that he had already appointed a Committee to go into the question of Ordnance Factories and that that Committee was examining the question of these personnel.

The Honourable Sardar Baldev Singh: As far as I remember, I referred to the Committee which was appointed to go into the working of these Ordnance Factories.

Pandit Lakshmi Kanta Maitra: And also dealing with the technical personnel.

The Honourable Sardar Baldev Singh: No. Not dealing with this particular question.

HYDERABAD GOVERNMENT'S PROTEST TO INDIA AGAINST NEW MADRAS-NAGPUR AIR SERVICE.

1090. ***Shri Brajeshwar Prasad:** Will the Honourable the Minister of States be pleased to state:

(a) whether it is a fact that the Nizam's Government has protested to the Indian Union authorities against the operation of a new air service from Madras to Nagpur via Bangalore and Hyderabad without previous consultation with and the consent of the Hyderabad Government; and

(b) if so, what steps the Government of India propose to take in this matter?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). A communication on this matter has been received from His Exalted Highness the Nizam's Government and is now under examination.

OLD GOVERNMENT OF INDIA OFFICIALS' ANXIETY TO RETURN TO INDIA FROM PAKISTAN.

1091. ***Shri Biswanath Das:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether it is a fact that eight thousand officials of different Ministries of the Government of India have expressed their anxiety to return to India from Pakistan;

(b) if so, which are the different Ministries to which such officials belong and what is the status of such officials;

(c) the reasons for their leaving Pakistan service, for which they had originally opted;

(d) the manner in which this anxiety to return to India was conveyed to Government as also the procedure followed; and

(e) what is the decision of the Government of India on this issue?

The Honourable Pandit Jawaharlal Nehru: (a) to (d). Information regarding the exact numbers and other particulars required have been called for from the Ministries concerned and will be placed on the table of the House when complete.

(e) Government will consider the matter after the necessary information has been collected. Honourable Members will doubtless appreciate that it would be unfair to decide this issue without full knowledge of the nature and dimensions of the problem.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if he would associate a Committee of this House to consider the desirability of taking back such of those persons who are anxious to return, to enquire into the grounds for their coming back here; whether they are really bona fide people and whether they are not likely to commit sabotage in the safety of India?

The Honourable Pandit Jawaharlal Nehru: Government is always glad to have the co-operation of members and Committees of the House. But it is not quite clear to me how a Committee of the House will go into this question. The present position, so far as the Government is concerned, is this, that all Central Government employees who opted for service in India finally in the first instance are given preference over other employees who opted for India later. Employees of the Central Government nominated by the Transfer Bureau of the Ministry of Home Affairs will have to be absorbed before any employee who first provisionally opted for Pakistan and later changed his option is taken in service. The employee's character and antecedents have to be verified before re-employment so that we may ensure that he is a safe person from the security point of view. Thus far, as a matter of fact, most of the cases dealt with have been cases of non-Muslim employees who had provisionally opted for Pakistan and subsequently changed their option.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if, for the elucidation of the House, he would place one or two of the standard Agreements on the table to enable the House to find out if these people who are trying to come back, if they are suitable to come back under all conditions or only under particular conditions?

The Honourable Pandit Jawaharlal Nehru: I do not know whether there is any "Standard Agreement". As the Honourable Member must be aware, the Partition Committee and Council used to meet and pass numerous Resolutions. One of the Resolutions was to the effect that Government employees could provisionally opt for six months and then change their option. There is nothing much more to be said about it.

Pandit Lakshmi Kanta Maitra: Is there any machinery established by this Government which scrutinises every single case of the optees to the Indian Union or are the Government taking them *en mass* simply because they have opted to the Indian Union?

The Honourable Pandit Jawaharlal Nehru: No, Sir. Each case is judged on the merits, normally by the respective Department, after various enquiries have been made. Thus far, the cases that have come up mostly are the cases of non-Muslims who opted provisionally to Pakistan and owing to various developments could not continue to remain or did not like to remain there. In fact, cases have also occurred where some non-Muslims had finally opted for Pakistan

who left Pakistan and came here. They do not, of course, come under any Agreement at all. But in view of the fact that conditions arose in Pakistan which they found difficult for them, they came here and we do not rule them out entirely, although, naturally, they have to take their turn at the bottom of the list, subject to security measures and enquiry.

Pandit Lakshmi Kanta Maitra: But do Government propose to establish an *ad hoc* machinery to go into all these questions?

The Honourable Pandit Jawaharlal Nehru: In respect of which questions?

Pandit Lakshmi Kanta Maitra: I want to know from the Government whether they have got a settled policy in this respect; whether they are going to establish an *ad hoc* Committee or machinery which will go into all these cases, instead of their being left to the individual caprices of a particular heads of Departments in the different Ministries?

The Honourable Pandit Jawaharlal Nehru: I have just read out to the House the settled policy of Government in regard to this matter. The question has not arisen in the way, possibly, Honourable Members seem to imagine by reading newspaper reports. Newspaper reports, may I add, are useful in their own way, but sometimes extraordinarily misinformed and they lead one to all manner of conclusions. The question has not arisen in this way. The cases that have arisen are yet largely of non-Muslims who have come here and also of a few individual Muslims, whom we have enquired into. I do not know how many have been taken back. The most that happens is that after enquiry the names are put at the tag end of a long list and nobody knows when that tag end will be reached in the list. But in view of the great interest that the House has taken in the matter, special care will be taken. As far as I know, it is not merely a question of each Department dealing with it; to some extent it is so; but the Home Ministry exercises a general supervision.

Shri Biswanath Das: May I know whether in coming to a decision on this question the Government have considered the question of promotions of the incumbents who are working in the places vacated by the people who opted for Pakistan in those difficult times, either Hindus, Muslims, Christians, or whoever they may be. That is number one. Secondly, this House has appointed a Retrenchment Committee. Whether the officers and the subordinates who will be retrenched, whether these people would have prior claims or those who opted from Pakistan to India. These are two questions which I want to know whether the Government have considered.

The Honourable Pandit Jawaharlal Nehru: I do not quite follow the Honourable Member when he refers to "promotion". I do not quite see where promotion comes in.

Shri Biswanath Das: It does.

The Honourable Pandit Jawaharlal Nehru: The whole point is that if a person opts for India, it does not necessarily follow that he must inevitably get some kind of employment here. If found suitable, he is put on the list from which employment will be given and if retrenchment takes place, naturally, if there is no room, the question of giving him employment does not arise.

Shri Biswanath Das: Sir, the question of promotion comes in in this way, namely,

Mr. Speaker: That will be going into an argument, and explanation.

Shri Biswanath Das: I have to explain my question, so that I will be able to obtain a satisfactory answer.

Mr. Speaker: There is hardly any time.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if it is not a rule that within six months people who want to come back should exercise their option and if so, is the Honourable Minister not in a position to

say how many of them are Muslims and how many are non-Muslims and whether they come for Transport service or any other key Service?

The Honourable Pandit Jawaharlal Nehru: I cannot give that exact information now, because the option may have been exercised within that period and the information would have been with our High Commissioners and the figures might not have been collected.

Pandit Lakshmi Kanta Maitra: Do Government propose to take a decision at the Cabinet level in regard to this problem?

The Honourable Pandit Jawaharlal Nehru: We have taken a decision. That I have already read out.

Pandit Lakshmi Kanta Maitra: I am asking the Honourable Minister for a different thing. We have been hearing from the Honourable Minister for Railways with respect to employees returning back to India that some decision has been taken by the Home Ministry. I want to know whether the Government would take up this matter at the Cabinet level and come to a decision on it one way or the other.

Prof. N. G. Ranga: Decision as to whether they may be allowed to come here or not.

The Honourable Pandit Jawaharlal Nehru: When the Cabinet is in agreement with the Home Ministry's circular, that question does not arise.

Pandit Lakshmi Kanta Maitra: Not tacit agreement. I want to know whether Government is going to discuss this matter at the Cabinet level and come to a decision.

The Honourable Pandit Jawaharlal Nehru: Government have no intention at present of doing so; when occasion arises, they will do it.

(b) WRITTEN ANSWERS.

COMPLAINTS AGAINST BOARD OF FILM CENSORS.

1092. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of information and Broadcasting be pleased to state whether there are any complaints against the present Film Censorship?

(b) Are Government aware that there is a demand for change in the personnel of the Board of Film Censors?

(c) Is so, have Government considered the question? If so, what is the result?

(d) Do Government propose to appoint a non-official as President of the Board of Film Censors?

(e) If so, when is the decision likely to be taken?

The Honourable Pandit Jawaharlal Nehru: (a) to (e). The Honourable Member is probably aware that there is no Central Censorship of films and that under Section 7 of the Cinematograph Act, 1918, the authority for certification of films rests with the Boards of Censors constituted by the Provincial Governments. There are at present three such Boards, one each at Bombay, Madras and Calcutta, with an official Chairman. A certificate given by a Board of Film Censors in any of the Provinces is valid throughout India.

There have been several representations about the need for uniformity and improved standard of censorship and the Government of India have now under consideration a proposal for Central Censorship of films, imported or indigenous, through a Central Board of Censors, which has been approved by the Standing Advisory Committee.

SCHOOL OF MILITARY ENGINEERING AT ROORKEE.

1093. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that Government started a school of Military Engineering at Roorkee in the year 1943 to train Overseers etc?

(b) If so, what was the expenditure incurred to train the first batch in the said institution?

(c) How many students were admitted in that batch?

(d) How many students of that batch completed their course successfully?

(e) Have Government recognised or do they propose to recognise the diploma of this institution as equivalent to the Diploma in Civil Engineering?

The Honourable Sardar Baldev Singh: (a) Yes, Sir. The School was started for training Engineer Officers and other ranks of the Army, and personnel of the Military Engineering Services, including overseers, in military methods and procedure.

(b) It is difficult to separate the expenditure incurred on any particular batch from the total cost of running the school. On a rough estimate, however, the expenditure on the first batch was approximately Rs. 10,000.

(c) 25.

(d) Students were at the end of the course graded into different categories; 19 secured grade fair and above, while 6 were graded poor.

(e) No, Sir, for the reason that the course at the school is not considered equivalent to a Diploma course in Civil Engineering.

ACCOMMODATION FOR LABORATORIES AND STAFF OF INDIAN INSTITUTE OF FRUIT TECHNOLOGY TRANSFERRED FROM LYALLPUR.

1094. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Education be pleased to state whether the Indian Institute of Fruit Technology was shifted from Lyallpur (West Punjab) during August, 1947?

(b) Have any arrangements for accommodating the laboratories and the staff of the institute been made so far? If not why not?

(c) Do Government propose to close down the institute now?

(d) If the answer to part (c) above be in the affirmative, how do Government intend to make good this deficiency to the fruit growing and preservation industry?

The Honourable Maulana Abul Kalam Azad: (a) to (d). The question should have been addressed to the Honourable Minister of Agriculture. It has accordingly been transferred to the list of questions for 6th April 1948, when the Honourable the Minister of Agriculture will answer it.

SALE OF ADULTERATED GHEE AS PURE GHEE IN DELHI MARKETS.

1095. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Health be pleased to state whether Government are aware of the fact that ghee in Delhi markets is adulterated and sold as pure ghee?

(b) Are the health authorities taking note of this fact?

(c) Will any restrictions be made that no commodity other than pure ghee must be called by the producers and merchants as ghee so that vegetable products will not be called as vegetable ghee?

The Honourable Rajkumari Amrit Kaur: (a) Yes. A proportion of samples of ghee has been found to be adulterated on examination.

(b) Yes.

(e) Presumably what the Honourable Member has in mind is the question of preventing Vanaspati being sold as ghee. The Government of India have already brought it to the notice of Provincial Governments and Local Administrations that the use of word 'Vegetable Ghee' should be discouraged and the article should be called 'Vegetable Product' or 'Vegetable Oil Product' or simply, 'Vanaspati'. In order to minimise adulteration and to make Vanaspati clearly distinguishable from ghee the Government of India have for the last three years taken wide powers to control Vanaspati. It is necessary, under the Vegetable Oil Products Control Order, 1947, to manufacture Vanaspati only to certain approved specifications. It is also incumbent on the producer to mark Vanaspati containers clearly to indicate the nature of the contents. It is an offence for the stockists of Vanaspati to stock or sell pure ghee on the same premises. It has been made obligatory on all Vanaspati manufacturers to incorporate a prescribed percentage of Sesame Oil in Vanaspati to render practicable the detection of ghee adulterated with Vanaspati by a simple chemical test.

STATISTICAL ORGANISATION OR BRANCH ATTACHED TO MINISTRY OF DEFENCE.

1096. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Defence be pleased to state whether there is any statistical organisation or branch attached to the Ministry of Defence?

(b) If so, when was this constituted and what are its functions?

(c) What is the strength of the officers of the organisation?

(d) Are all officers specially qualified in statistics?

(e) If not, what is the number of officers so qualified and what is the number of Ministerial personnel who hold posts in the branch requiring knowledge of statistics, but not possessing such knowledge?

(f) Do Government propose to consider the desirability of manning the branch wholly by persons who have acquired statistical qualifications?

The Honourable Sardar Baldev Singh: (a) There is a Statistical Section in each of the three Service Headquarters.

(b) and (c). I lay a statement on the table of the House.

(d) No, not all.

(e) Six officers are specially qualified in statistics. It is not normally necessary for the Ministerial staff employed in these Sections to be so qualified.

(f) No, Sir. Both professional statisticians and military officers are employed on these duties in order to provide a combination of statistical and military knowledge. These statistics have to be studied and considered against the particular background applicable to the Service concerned and it is necessary therefore that in addition to officers with purely statistical qualifications there should be others with military experience.

Statement

Section	When Constituted	Officer Strength
NAVAL Statistical Section	1942	2
INDIAN ARMY Statistical Section	1944	11
ROYAL INDIAN AIR FORCE Statistical Section	1946	2

Functions—

The functions of these Sections are similar. Broadly speaking they are:

(a) Collection, co-ordination, compilation and presentation of Statistical information of interest to the Service concerned.

(b) Analyse, deduce and interpret statistical data in order to work out rates and trends for future guidance.

(c) Supervise all statistical returns received by various Sections of the Service Headquarters to ensure that they contain no duplication and that they are mutually consistent and interlocking.

(d) Authorise the introduction, cancellation or modification of the returns.

(e) Provide guidance and advice to all Sections of the Service H.Q. on statistical technique and methods.

(f) Supply of such information in response to special enquiries as is readily available, or can reasonably be abstracted from the records kept.

(g) Act as a channel to the issue of statistical information to Government Departments.

(h) Maintain a library of statistical information.

DISCONTINUATION OF BROADCASTING OF CERTAIN RUSTIC SONGS FROM A. I. R., DELHI

1097. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Information and Broadcasting be pleased to state whether Government are aware that the Dehati Political Conference was held on the 14th March, 1948 in Liva Garhi village of Delhi Province?

(b) Are Government aware that the Conference passed a resolution, requesting the Honourable Minister to issue an order to discontinue the broadcasting of certain rustic songs, from Delhi Radio Station during Dehati programme?

(c) If so, do Government propose to consider the matter?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) No.

(c) Does not arise.

INCLUSION OF BHOPAL BANK AS SCHEDULED BANK BY PAKISTAN RESERVE BANK

1098. *Shri S. V. Krishnamurthy Rao: (a) Will the Honourable Minister of States be pleased to state whether the attention of Government has been drawn to news appearing in the *Hindustan Times* dated the 14th March, 1948, that the Pakistan Reserve Bank has included the Bhopal Bank as one of its Scheduled Banks?

(b) Have the Bhopal Government joined the Pakistan Reserve Bank with the consent of the Government of India?

(c) If not, is it not a breach of the terms of the Instrument of Accession?

(d) If so, what action do Government propose to take in this connection?

The Honourable Pandit Jawaharlal Nehru: (a) The Bhopal Bank has been declared a Pakistan Scheduled Bank by the Pakistan Government (not by the Reserve Bank of India) under Section 12(7) of the Pakistan (Monetary System and Reserve Bank) Order, 1947. There is no such institution as the Pakistan Reserve Bank; the Reserve Bank of India functions as Banker for the Pakistan Government.

(b) The Bank of Bhopal is not a State Bank but a shareholders' Bank.

(c) No, Sir.

(d) Does not arise.

PAKISTAN SOCIALIST PARTY SUPPORTING SO-CALLED AZAD KASHMIR GOVERNMENT AGAINST INDIA

1099. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Home Affairs be pleased to state whether the attention of Government has been drawn to an editorial note in the *Daily Hindi Milap*, New Delhi, dated the 5th March, 1948, inviting the attention of Government to a resolution recently passed by the Pakistan Socialist Party supporting the so-called Azad Kashmir

Government and opposing the Government of India's action in sending troops to Kashmir calling it an act of aggression, with a view to suppress the liberation movement of Kashmir?

(b) If so, what action did Government take, or propose to take now, against the persons in India supporting the so-called Azad Kashmir Government?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Government have seen the editorial comment in the *Hindi Milap* of the 5th March and also a summary of the resolution which is said to have been passed by the Pakistan Socialist Party at Karachi.

If any person indulges in activities which are illegal in India he will be dealt with according to the law.

ATTACK ON WAZIR-I-WAZARAT AND OTHER STATE OFFICIALS OF LADAKH AT SKARDU

1100. *Dr. Bakshi Tek Chand: Will the Honourable Minister of States be pleased to state:

(a) whether it is a fact that in February, 1948 the Wazir-i-Wazarat (District Magistrate) of Ladakh (in Kashmir State) and a number of other high State officials were attacked at Skardu, the headquarters of the Wazarat, and were killed;

(b) if so, what were the circumstances under which the attack was made and by whom;

(c) whether it is a fact that the State Treasury was also attacked and looted; and

(d) whether the culprits have been traced and arrested?

The Honourable Pandit Jawaharlal Nehru: (a) to (d). An enquiry has been made and the information obtained will be laid on the table of the House when received.

LATEST POSITION IN HYDERABAD NEGOTIATIONS

1101. *Seth Govinddas: Will the Honourable Minister of States be pleased to make a statement with respect to the latest position in the Hyderabad negotiations?

The Honourable Pandit Jawaharlal Nehru: For the present I have nothing to add to the statement made in the House by the Honourable Mr. Gadgil on the 15th March 1948 in reply to a cut motion to discuss the relationship with Hyderabad. Discussions between the Hyderabad Government and ourselves are still proceeding.

LOSS OF PAY TO PRE-1931 ENTRANTS IN FINANCE MINISTRY UNDER 1947 PAY SCALE

1102. *Shri Damodar Swarup Seth: Will the Honourable Minister of Finance be pleased to state whether it is proposed to issue orders to save the pre-1931 entrants to Government service of the departments under his Ministry from loss of pay under the 1947 scales of pay, as has been done by the Ministries of Railways and Communications?

The Honourable Shri R. K. Shanmukham Chetty: I would refer the Honourable Member to the Ministry of Finance Press Communique dated the 4th February, 1948. Formal orders on the subject have issued.

GOVERNMENT SERVANTS AND COMMUNAL ORGANISATIONS AND USE OF 'SHRI' BEFORE NAMES IN GOVERNMENT RECORDS

1103. *Shri Damodar Swarup Seth: Will the Honourable Minister of Home Affairs be pleased to state:

STARRED QUESTIONS AND ANSWERS

(a) whether it is a fact that, under the orders now in force, Government servants are permitted to join communal organisations?

(b) if so, whether Government propose to amend these orders suitably;

(c) whether it is forbidden to use "Shri" or other Indian equivalent before names in Government records; and

(d) whether the Grade IV Government servants are debarred from "Mr.", "Shri" or other Indian equivalents being used before their names in Government records?

The Honourable Pandit Jawaharlal Nehru: (a) Under the orders now in force Government servants are prohibited from joining any communal or for that matter any other organisation which has any political objective or programme or which indulges in any political activity whatsoever, or which tends directly or indirectly to promote feelings of hatred and enmity between different classes or to disturb public peace.

(b) Government consider that the Rules are quite adequate for the purpose.

(c) and (d). No, Sir.

CANTONMENT AREAS UNDER ARMY AUTHORITIES AND ABOLITION OF CANTONMENTS

1104. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Defence be pleased to state the Cantonment areas under the administration of the army authorities (Ministry of Defence)?

(b) What is the nature of the administration in these areas and what steps are being taken to associate the people with the administration?

(c) Is there any proposal before Government to abolish these Cantonments?

The Honourable Sardar Baldev Singh: (a) A list of Cantonments is placed on the table of the House.

(b) The administration of Cantonments is governed by the provisions of the Cantonments Act, 1924. Under this Act the Boards consist of an equal number of elected members and official members. The President of the Board is the Officer Commanding the Station and the Vice-President is elected by the elected members only from among their number. Except in the smallest Cantonments the civilian area is notified under Section 43A of the Cantonments Act and a committee consisting of elected members of the Board, the Health Officer and the Executive Engineer is set up for its administration and exercises powers delegated by the Board.

(c) There is no proposal before the Government to abolish Cantonments but it is possible that when the post-war numbers and locations of the Army have been settled some Cantonments may no longer be required.

List of Cantonments in India

- | | |
|---------------|----------------|
| 1. Ambala. | 6. Ahmedabad. |
| 2. Amritsar. | 7. Ahmednagar. |
| 3. Agra. | 8. Aurangabad. |
| 4. Allahabad. | 9. Bareilly. |
| 5. Almora. | 10. Benares. |

11. Barrackpore.	33. Kamptee.
12. Baroda.	34. Kirkee.
13. Belgaum.	35. Landour.
14. Cawnpore.	36. Lansdowne.
15. Clement Town.	37. Lebong.
16. Chakrata.	38. Lucknow.
17. Cannanore.	39. Meerut.
18. Dagshai.	40. Muttra.
19. Dehra Dun.	41. Mhow.
20. Delhi.	42. Nasirabad.
21. Dinapore.	43. Nainital.
22. Deolali.	44. Pachmahi.
23. Ferozepore.	45. Poona.
24. Fatehgarh.	46. Ramgarh.
25. Fyzabad.	47. Ranikhet.
26. Jullundur.	48. Roorkee.
27. Jutogh.	49. Subathu.
28. Jhansi.	50. Shahjahanpur.
29. Jalapahar.	51. Shillong.
30. Jubbu'pore.	52. Saugor.
31. Kasauli.	53. St. Thomas Mount cum Palavaram.
32. Khas Yol.	54. Wellington.

FACILITIES AND AMENITIES FOR INDIAN STUDENTS IN U. K. AND U. S. A.

1105. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Education be pleased to state the welfare facilities and amenities provided for Indian students in the United Kingdom and the United States of America?

(b) Is it a fact that it has not been possible to provide suitable accommodation for a large number of students?

(c) Are Indians admitted in the hostels attached to the major universities?

The Honourable Maulana Abul Kalam Azad: (a) The Educational Liaison Officer in the Embassy at Washington looks after the general welfare of Indian students in the United States of America and Canada.

There are two special officers attached to the Indian High Commissioner's office, London to look after the welfare of the students. The Education Department of that office is being reorganised and it is proposed to set up a separate Welfare Branch of the Department.

(b) As far as Government are aware, Indian students in the United States of America have not experienced any serious difficulty in regard to accommodation. Conditions in the United Kingdom have, however, been extremely difficult since the end of the war and are likely to remain so for a considerable time. In view of these abnormal circumstances, Government set up in 1946 two

hostels for Indian students, one in London and the other at Edinburgh and another hostel has now been started in London to serve as a Reception and Transit Camp. The High Commissioner's office also maintains a list of suitable private houses where Indian students can secure accommodation and every possible assistance is given by that office to Indian students to find suitable accommodation.

(c) Indian students are admitted to University hostels on the same basis as other students, and Government have received no reports to the contrary.

PERIODICALS PUBLISHED BY PUBLICATIONS DIVISION

1106. *Shri B. Shiva Rao: Will the Honourable Minister of Information and Broadcasting be pleased to lay on the table of the House a statement giving;

(i) a list of periodicals published by the Publications Division;

(ii) the total cost of such publications; and

(iii) the circulation of each periodical?

The Honourable Pandit Jawaharlal Nehru: (i), (ii) and (iii). A statement is laid on the table of the House.

Statement

S. No.	Name of Publication	Periodicity	Circulation	Cost of printing & paper	
				Per issue	Annual
				Rs.	Rs.
1.	Ajkal (Urdu)	Fortnightly	6,400	2,300	55,200
2.	Ajkal (Hindi)	Monthly	10,000	5,700	68,400
3.	Al Nafir (Arabic)	Two-Monthly	12,500	15,495	92,970
4.	Foreign Review (English)	Monthly	2,500	1,854	16,248
5.	Nau Nihal (Urdu)	Monthly	4,320	855	10,260
6.	New India (English and Chinese)	Quarterly	4,500	3,680	14,720
7.	March of India (English)	Quarterly	3,000	7,477	29,908
8.	Soviet Central Asian Republics Bulletin (English)	Two-Monthly	300	275	1,650
Total Cost: Rs.					2,89,358

NOTES.—1. It is proposed to bring out Hindi and Urdu editions of "Foreign Review" and Hindi edition of "Nau Nihal" from June, 1948.

2. It has been decided to publish "New India" and "March of India" (Nos. 6 and 7 above) once every two months instead of once a quarter from April 1948.

3. No. 3 is for official use only.

NUMBER AND COST OF AIR MAIL EDITION OF *London Times* SUBSCRIBED FOR
VARIOUS MINISTRIES

1107. *Shri B. Shiva Rao: Will the Honourable Minister of Information and Broadcasting be pleased to state:

(a) the number of copies of the air mail edition of the *London Times* subscribed for by the different Ministries of the Government of India; and

(b) the cost per issue of the paper, and the total cost incurred during the year?

The Honourable Pandit Jawaharlal Nehru: (a) 29.

(b) 49 pence per copy; total cost during 1947-48, £1,275 equivalent to Rs. 17,000.

PUBLICATION OF REPORT OF HEALTH MINISTRY

1108. *Shri B. Shiva Rao: Will the Honourable Minister of Health be pleased to state:

(a) when the last annual report of the Ministry of Health of the Government of India was published; and

(b) whether it is proposed to bring it out as an annual publication?

The Honourable Rajkumari Amrit Kaur: (a) No annual report of the Ministry of Health is published. The Honourable Member is presumably referring to the annual report of the Public Health Commissioner with the Government of India. This report for 1945 was published in 1947. The report for 1946 is being printed.

(b) Yes. Consequent on the abolition of the post of Public Health Commissioner with the Government of India, the report from 1947 onwards will be called the annual report of the Director General of Health Services.

AGENCIES IN BIHAR MAKING RECRUITMENT TO INDIAN ARMY

1109. *Shri Ramnarayan Singh: Will the Honourable Minister of Defence be pleased to state:

(a) what are the agencies in each province, chiefly in Bihar, for making recruitment to the Indian Army; and

(b) how the decisions of the Military authorities are conveyed to the masses of the country for their information and guidance?

The Honourable Sardar Baldev Singh: (a) The whole of the Indian Dominion is divided into five recruiting areas. The province of Bihar comes in the recruiting area of the Recruiting Officer, Calcutta. There is an Assistant Recruiting Officer for Bihar stationed at Patna who has under him a number of Extra Assistant Recruiting Officers and paid Recruiters.

(b) The decisions are conveyed to the masses through the agency of the recruiting organisation, and the Press and over the All-India Radio.

RAIDS FROM EAST PAKISTAN ON VILLAGE RISHYAMUKH IN TRIPURA STATE

1110. *Shri S. M. Ghosh: Will the Honourable Minister of States be pleased to state:

(a) whether there have been any raids on the village Rishyamukh within the State of Tripura by armed gangs from East Pakistan;

(b) if so, the nature of the damage done and the action the Government of India intend to take in the matter; and

(c) whether Government are aware of any other raids within the territory of the Tripura State?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) The exact details of damage done are not available but are being ascertained. On receipt of a detailed report the question of action to be taken will be examined.

(c) No Sir.

INTRODUCTION OF 'VISUAL EDUCATION' IN EDUCATIONAL SYSTEM OF INDIA

1111. *Prof. Yashwant Rai: Will the Honourable Minister of Education be pleased to state:

(a) whether Government are aware about "Visual education";

(b) if so, whether Government propose to consider the desirability of introducing "Visual education" into our educational system;

(c) whether it is a fact that some of the students sent abroad have come back to India after specializing themselves in "Visual education";

(d) if so, whether Government propose to consider the desirability of taking advantage of their knowledge; and

(e) whether Government propose to open a centre at New Delhi for "Visual education"?

The Honourable Maulana Abul Kalam Azad: (a), (b) and (e). The attention of the Honourable Member is invited to the reply given to Shri R. R. Diwakar's starred question No. 797 on the 16th March, 1948.

(c) No.

(d) Does not arise.

MERGER OF NIMRANA CHIEF-SHIP, RAJPUTANA WITH EAST PUNJAB PROVINCE

1112. *Ch. Ranbir Singh: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that the Chief of Nimrana Chief-ship (Rajputana) has declared his willingness to merge the chief-ship with East Punjab?

(b) Is it also a fact that the Praja Panchayat, the elected body of the chief-ship, has also declared its willingness to merge into East Punjab?

(c) Is it also a fact that the whole of the population of the chief-ship desire its merger with the East Punjab?

(d) Is it also a fact that the area of the chief-ship is contiguous to Gurgaon district?

(e) If the replies to parts (a), (b), (c) and (d) above are in the affirmative, are Government prepared to allow the chief-ship to be merged with the East Punjab? If not, why not?

The Honourable Pandit Jawaharlal Nehru: (a) to (c). The Government of India have no information.

(d) Yes.

(e) No Sir. The Chiefship of Nimrana forms an integral part of Alwar State which has joined the Matsya Union.

RENAMING OF ANDAMAN AND NICOBAR ISLANDS

1113. *Shri H. V. Kamath: Will the Honourable Minister of Home Affairs be pleased to state:

(a) how long the islands called Andaman and Nicobar have borne these names; and

(b) whether any change in their names is under consideration?

The Honourable Pandit Jawaharlal Nehru: (a) So far as can be ascertained from available records the Andaman and Nicobar Islands have borne these names since the 15th century.

(b) No Sir.

ARTICLES TO BE LEVIED UPON CUSTOMS DUTIES

1114. *Shri Basanta Kumar Das: Will the Honourable Minister of Finance be pleased to state:

(a) on what articles customs duties will be levied for movement to and from Pakistan;

(b) whether articles of food such as milk, fish, vegetables, fruits and ghee will be exempted from the customs duty;

(c) in what cases permits only will be necessary but no customs duty will have to be paid;

(d) whether any agreement has been reached between the two Dominion Governments in the matter of levying customs duty and if so, on what terms; and

(e) what arrangements have been made in the borders for the realisation of customs duty?

The Honourable Shri R. K. Shanmukham Chetty: (a) All the customs duties leviable under the Indian Customs Tariff (import as well as export) are applicable to goods imported from or exported to Pakistan, except where specially exempted.

(b) Certain perishable articles of food such as fish, eggs, milk and fresh milk products, fresh vegetables and fruits have already been exempted from customs duty when imported from Pakistan across the Land Customs Lines. The question of exempting from Customs duty other articles likely to be imported from Pakistan is under consideration.

(c) So far as the payment of Customs duty is concerned, the position is explained in the reply to parts (a) and (b) above. As regards permits, the Honourable Member is presumably referring to licences under the Import and Export Control regulations. No such licences are required in respect of imports from Pakistan, but they are required in respect of exports.

(d) No such agreement has so far been reached.

(e) Land Customs Stations, staffed by officers working under the respective Collectors of Central Excise who have been appointed as Collectors of Land Customs in the areas adjoining the frontiers of Pakistan, have been established, and routes have been prescribed through which alone goods can pass between India and Pakistan.

AGREEMENT WITH RULERS OF ORISSA STATES re CEDING OF RIGHTS TO GOVERNMENT OF INDIA

1115. *Shri Yudhisthir Misra: Will the Honourable Minister of States be pleased to lay on the table of the House a copy of the agreement entered into

by the Rulers of the Orissa States on the 14th and 15th of December, 1947 ceding their rights and jurisdiction over those States to the Government of India?

The Honourable Pandit Jawaharlal Nehru: I invite the attention of the Honourable Member to the documents placed on the table of the House in reply to Diwan Chaman Lal's starred question No. 18, dated January 29, 1948.

PAYMENTS TO EX-RULERS OF ORISSA STATES.

1116. *Yudhisthir Misra: Will the Honourable Minister of States be pleased to state:

(a) the amount to be paid to each of the Rulers of various Orissa States per year as allowances;

(b) the total amount to be paid to all the Rulers per year as allowances;

(c) whether the money on account of these allowances will be paid to the Rulers by the Government of Orissa or by the Government of India; and

(d) the rights and privileges which the Rulers have been allowed to enjoy after 1st January, 1948?

The Honourable Pandit Jawaharlal Nehru: (a) A statement containing the information is placed on the table of the House.

(b) Rupees sixteen lakhs, twenty nine thousand and three hundred (Rs. 16,29,300).

(c) By the Government of Orissa.

(d) All the personal rights and privileges which they enjoyed immediately before the fifteenth day of August 1947.

Statement

State	Amount of privy purse fixed Rs.
1. Athgarh.	36,100/-
2. Athmallik.	48,500/-
3. Bamra.	95,300/-
4. Baramba.	22,700/-
5. Baudh.	69,300/-
6. Bonai.	52,800/-
7. Daspalla.	33,500/-
8. Dhenkanal.	89,700/-
9. Gangpur.	1,35,100/-
10. Hindol.	32,000/-
11. Kalahandi.	1,14,000/-
12. Keonjhar.	1,41,500/-
13. Khandpara.	33,600/-
14. Kharsawan.	33,000/-
15. Narsinghpur.	28,100/-
16. Nayagarh.	62,800/-
17. Nilgiri.	40,000/-
18. Pal-Lahara.	25,000/-

State	Amount of privy purse fixed Rs.
19. Patna.	2,40,800/-
20. Rairakhol.	29,700/-
21. Ranpur.	25,000/-
22. Seraikella.	88,900/-
23. Sonapur.	76,700/-
24. Talcher.	62,500/-
25. Tigiria.	11,200/-
TOTAL	16,27,800/-

AMOUNT OF ASSETS OR LIABILITIES HANDED OVER BY ORISSA STATES TO GOVERNMENT OF ORISSA

1117. *Shri Yudhisthir Misra: (a) Will the Honourable Minister of States be pleased to state the amount of assets or liabilities handed over by the Governments of Orissa States to the Government of Orissa when the charge of the administration of these States was handed over on the 1st of January, 1948?

(b) Do Government propose to ask the Provincial Government to spend the amount of cash balances and reserves, handed over by Orissa States to the Province for the welfare of the people of the respective States?

The Honourable Pandit Jawaharlal Nehru: (a) Information has been called for from the Government of Orissa and will be laid on the table of the House.

(b) As far as possible, the accumulated reserves taken over from the States will be spent on the welfare of the people of the States concerned.

BRITISHERS RETURNING TO INDIA DUE TO HARDSHIP OF LIFE IN ENGLAND

1118. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Home Affairs be pleased to state the number of non-Indians who have come into India since 15th August, 1947 according to nationality?

(b) Are Government aware that a large number of Britishers are returning to India owing to hardships of life in the British Isles?

(c) Do Government maintain any register showing the names of all entrants into India?

(d) How many of the Britishers who have come to India since 15th August, 1947 were former residents of India?

(e) What are the purposes for which they have returned?

(f) How are these non-Indians employed?

(g) Are Government aware of the period for which each is going to stay?

(h) Have Government any agency to supervise their activities and know their whereabouts on any particular date?

(i) Are they required to make any reports to Government regarding extension of their stay, change of employment etc.?

(j) Do Government insist that they should secure employment only through the Government Employment Exchange?

The Honourable Pandit Jawaharlal Nehru: Under the Registration of Foreigners Rules all persons including British subjects entering India are required to give their names and nationalities to the Registration Officers. Foreigners are required to give *inter alia* the following additional particulars:

(a) Date and place of birth,

(b) Occupation or profession and purpose of visit to India,

(c) Proposed duration of stay in India, and

(d) Address or intended address in India.

Foreigners are also required to report their movements when they are absent from the District in which they are registered and also any change in the particulars contained in their registration certificates. This information is maintained in the local registration offices. There are no regulations restricting the employment of non-Indians in India except that in certain essential services (e.g. undertakings engaged on the supply to Government or to the public of light, petroleum, power or water) under the Foreigner's Order they have to take permission before they can be employed.

Foreigners are also required to take the previous permission of Government in case they wish to extend their stay beyond the period once authorised. Under the Visa Policy laid down by Government, though there is no control on the number of persons entering India, from any country, generally speaking adequate precaution is taken to satisfy ourselves about the *bona fides* of a Foreigner visiting India and as far as possible, care is taken that no foreigner comes to India to the replacement or exclusion of any Indian employee. I hope the Honourable Member will, in the light of this information, appreciate that Government are doing what they can, within the limits of international propriety and friendly relations with foreign countries, to safeguard India's interests.

Government regret they have no information readily available as regards clauses (a), (b), (d), (e), (f) and (g), either in respect of British subjects or of foreigners. The time and labour involved in collecting this information would not be commensurate with their utility. I might add that in regard to British subjects it would be impossible to collect the relevant information except by individual inquiries from all European British Subjects as no particulars are obtained from them except in regard to their names and nationalities when they enter India and there is no provision for their registration or report of their movements.

AUTHENTICATED SCHEDULE OF AUTHORISED EXPENDITURE (OTHER THAN RAILWAYS) FOR 1948-49—LAID ON THE TABLE

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, I lay on the table in pursuance of section 35 of the Government of India Act, 1935, as adapted, an authenticated schedule of authorised expenditure for the year 1948-49 in respect of expenditure other than Railways.

In pursuance of the provisions of sub-section (1) of Section 35 of the Govt. of India Act, 1935, as adapted by the India (Provisional Constitution) Order, 1947, I, Louis Francis Albert Victor Nicholas Earl Mountbatten of Burma, Governor-General of India, do hereby authenticate by my signature the following schedule of expenditure from the revenues of the Dominion for the year 1948-49:-

SCHEDULE

Service, Administration or Area to which Demand relates.	Amount (in thousands of rupees)		
	Voted	Charged	Total
A. Expenditure met from Revenue			
1. Customs.	1,28,97	..	1,28,97
2. Central Excise Duties	2,97,17	..	2,97,17
3. Taxes on Income including Corporation Tax.	1,72,86	..	1,72,86
4. Opium.	1,00,81	..	1,00,81

[Shri R. K. Shanmukham Chetty].

Service, Administration or Area to which Demand relates.	Amount (in thousands of rupees)		
	Voted.	Charged.	Total.
5. Provincial Excise.	4.32	..	4.32
6. Stamps.	1,08.36	1.79	1,10,15
7. Forest.	26.04	..	26.04
8. Irrigation (including working expenses), Navigation, Embankment and drainage Works met from Revenue.	13.34	95	14.29
9. Indian Posts and Telegraphs Department (including Working Expenses)	24,84.73	97.31	5,82,04
10. Cabinet	30.8	9.72	12.80
11. Constituent A mbly.	12.09	..	12.09
12. Constituent Assembly of India. (Legislative)	18.65	..	18.65
13. Ministry of Home Affairs.	34.75	..	34.75
14. Ministry of Information and Broadcasting.	1,02.69	..	1,02.69
15. Ministry of Law.	9.41	..	9.41
16. Ministry of Education.	29.33	..	29.33
17. Ministry of Agriculture.	29.42	..	29.42
18. Ministry of Health.	7.23	..	7.23
19. Ministry of External Affairs and Commonwealth Relations.	36.04	..	36.04
20. Ministry of Finance.	80.76	..	80.76
21. Ministry of Commerce.	45.82	..	45.82
22. Ministry of Labour.	22.19	..	22.19
23. Ministry of Works, Mines and Power.	17.95	..	17.95
24. Ministry of Communications.	5.29	..	5.29
25. Ministry of Transport.	21.06	..	21.06
26. Ministry of Food.	32.81	..	32.81
27. Ministry of States.	7.23	..	7.23
28. Ministry of Defence.	32.65	..	32.65
29. Ministry of Industry and Supply.	21.96	..	21.96
30. Ministry of Relief and Rehabilitation.	13.00	..	13.00
31. Ministry without Portfolio.	2.85	..	2.85
32. Payments to other Governments, Departments, etc. on account of the administration of Agency Subjects and management of Treasuries.	10.73	..	10.73
33. Audit.	1,88.92	66	1,89.58
34. Administration of Justice.	4.31	4.39	8.70
35. Jails and Convict Settlements.	2	..	2
36. Police.	23.96	..	23.96

Service, Administration or Area to which Demand relates.	Amount (in thousands of rupees)		
	Voted	Charged	Total
37. Ports and Pilotage	35.94	..	35.94
38. Lighthouses and Lightships	8.49	..	8.49
39. Ecclesiastical	2.53	..	2.53
40. Tribal Areas	62.57	..	62.57
41. External Affairs	2,08.81	..	2,08.81
42. Survey of India	60.67	..	60.67
43. Botanical Survey	1.66	..	1.66
44. Zoological Survey	3.33	..	3.33
45. Geological Survey	36.67	..	36.67
46. Mines	18.65	..	18.65
47. Archaeology	20.83	..	20.83
48. Meteorology	81.43	..	81.43
49. Other Scientific Departments	1,03.83	..	1,03.83
50. Education	86.31	..	86.31
51. Medical Services	40.15	..	40.15
52. Public Health	53.91	..	53.91
53. Agriculture	173.08	..	1,73.08
54. Civil Veterinary Services	25.47	..	25.47
55. Industries and Supplies	3,93.71	..	3,93.71
56. Salt	1,40.96	2.10	1,43.06
57. Overseas Communications Service	66.05	2.30	68.35
58. Aviation	2,13.98	..	2,13.98
59. Broadcasting	1,32.57	..	1,32.57
60. Commercial Intelligence and Statistics	42.10	..	42.10
61. Census	3.59	..	3.59
62. Joint Stock Companies	4.30	..	4.30
63. Indian Dairy Department.	6.56	..	6.56
64. Miscellaneous Departments	1,43.73	..	1,43.73
65. Currency	1,03.50	2.00	1,05.50
66. Mint	1,14.32	..	1,14.32
67. Civil Works	4,88.07	18.24	5,06.31
68. Central Road Fund	2,15.00	..	2,15.00
69. Territorial and Political Pensions	23.40	..	23.40
70. Superannuation Allowances and Pensions	2,41.24	5.56	2,46.80
71. Stationery and Printing	1,65.46	..	1,65.46
72. Miscellaneous	21,07.72	..	21,07.72
73. Expenditure on Refugees	10,03.50	..	10,03.50
74. Defence Services Effective—Army	66,42.30	..	66,42.30
75. Defence Services Effective—Royal Indian Navy	5,80.93	..	5,80.93
76. Defence Services Effective—Royal Indian Air Forces.	13,34.44	..	13,34.44
77. Defence Services Effective—Supplies and Stores.	32,75.77	..	32,75.77
78. Defence Services Non-effective Charges	11,24.67	..	11,24.67
79. Grants-in-aid to Provincial Governments	2,25.00	70.00	2,95.00
80. Miscellaneous Adjustments between the Central and Provincial Governments	82	..	82
81. Resettlement and Development	4,72.35	..	4,72.35
82. Civil Defence	1.20	..	1.20
83. Delhi	1,40.77	42	1,41.19

[Shri R. K. Shanmukham Chetty]

Service, Administration or Area to which Demand relates.	Amount (in thousands of rupees)		
	Voted	Charged	Total
84. Ajmer-Merwara	62.71	34	63,059
85. Panth Piploda	24	..	24
86. Andaman and Nicobar Islands	95.13	40	95.53
87. Relation with Indian States	71.48	..	71.48
Charged.—Interest on Debt and other obligations and Reduction or Avoidance of Debt	..	41,16.28	41,16.28
Staff, Household and Allowances of the Governor-General	..	16.00	16.00
Federal Public Service Commission	..	9.94	9.94
B.—Expenditure met from capital.			
88. Capital Outlay on Forests	29.26	..	29.26
89. Capital Outlay on India Security Press	42.09	..	42.09
90. Capital Outlay on Indian Posts and Telegraphs (Not met from Revenue)	3,60.96	..	3,60.96
91. Indian Posts and Telegraphs—Stores Suspense (Not met from Revenue)	1	..	1
92. Capital Outlay on Industrial Development	7,87.60	..	7,87.60
93. Capital Outlay on Civil Aviation	4,08.84	..	4,08.84
94. Capital Outlay on Broadcasting	69.71	..	69.71
95. Capital Outlay on Currency	7.50	..	7.50
96. Capital Outlay on Mints	65.45	..	65.45
97. Delhi Capital Outlay	3,23.12	1.16	3,24.28
98. Capital Outlay on Civil Works	2,75.12	..	2,75.12
99. Commuted value of Pensions	1	..	1
100. Payments to Retrenched Personnel	1	..	1
101. Defence Capital Outlay	14,98.76	..	14,98.76
102. Capital Outlay on Schemes of State Trading	25,97.88	..	25,97.88
103. Capital Outlay on Development	39,33.07	..	39,33.07
C.—Disbursements of Loans and advances			
104. Interest-free and Interest bearing advances	21,82.04	38,00.00	59,82.04

NEW DELHI;

The 21st March 1948.

Sd. MOUNTBATTEN OF BURMA,
Governor General of India.

ELECTION TO COMMITTEE ON PUBLIC ACCOUNTS

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance):

Sir, I move:

"That the members of the Assembly do proceed to elect in the manner required by sub-rule (2) of rule 51 of the Constituent Assembly (Legislative) Rules, eleven members from among their number to be members of the Committee on Public Accounts."

In making this motion, I have to give an explanation to the House about the actual position relating to the functions of this Committee if the House decides to accept my motion and proceed to elect a Committee. Ordinarily a Public Accounts Committee elected now will examine the Audit and Appropriation Accounts of the year 1946-47. On a previous occasion when I was speaking about this matter, I said that the Committee will deal with the accounts of 1945-46. That was an error; really it ought to be 1946-47.

Now with regard to the Audit and Appropriation accounts of the year 1946-47, it was decided.....

An Honourable Member: Were the accounts for 1945-46 subjected to the scrutiny of the Public Accounts Committee?

The Honourable Shri R. K. Shanmukham Chetty: Sir, I take it that the accounts for 1945-46 must have been subjected to the scrutiny of the Public Accounts Committee; that has probably ceased to exist now. But so far as the accounts for 1946-47 are concerned, a decision was taken in view of the partition of the country that only the accounts relating to the Defence Services expenditure for this year should be the subject matter of these Audit and appropriation reports, as the accounts have to be transmitted to the United Kingdom also for the purpose of sharing the Military expenditure, and it was decided that the Audit and Appropriation reports for the Civil Departments need not be compiled. Therefore if a Committee is elected, they will not have the report of the year 1946-47 dealing with the Civil Departments.

I have further been told by the Law Department, Sir, that constitutionally this House or any Committee elected by this House will not be competent to examine the accounts of 1946-47.

Prof. N. G. Ranga (Madras: General): Then who will be in charge?

The Honourable Shri R. K. Shanmukham Chetty: I am explaining the position. I am bound to move the motion under the statutory rules. That is why I am explaining to the House the implications of my motion.

From a practical point of view a number of officers connected with the accounts of 1946-47 would not be available today in the Indian Dominion and any examination by an Accounts Committee of the accounts of that year cannot, therefore, be very useful.

Prof. N. G. Ranga: Were they audited at all?

The Honourable Shri R. K. Shanmukham Chetty: The Auditor General takes the responsibility for auditing them, but the whole question is whether there is an audit and appropriation report on which the Public Accounts Committee constituted by this House can scrutinise the accounts and the position is as I have stated and probably my honourable friend, the Minister for Law will explain the legal position further. In view of this statement, it is entirely for the House to decide whether they will proceed with the election of that Committee.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Are there going to be attached a key statement as used to be done in the case of the appropriation accounts?

The Honourable Shri R. K. Shanmukham Chetty: It was decided that in respect of the Defence Services expenditure there would not be an audit report at all.

Prof. N. G. Ranga: This is a most extraordinary position!

Mr. Speaker: Motion moved:

"That the members of the Assembly do proceed to elect in the manner required by sub-rule (2) of rule 51 of the Constituent Assembly (Legislative) Rules, eleven members from among their number to be members of the Committee on Public Accounts."

Prof. N. G. Ranga: May I hear the Law Minister, Sir, first?

The Honourable Dr. B. R. Ambedkar (Minister for Law): I am afraid I have not had time to apply my mind to this subject. I got notice of this just as I came here, but it would seem really that apart from dealing with the question whether this House is legally entitled to examine the accounts of the year 1946-47 when the House came into existence on the 15th of August 1947, I

[Dr. B. R. Ambedkar]

think it is a question which has to be dealt with purely from the point of view of expediency. The Honourable the Finance Minister has said that under some decision taken by the Government of the day the report on the Civil Accounts has not been prepared. As Honourable Members will see that under rule 45 of the Assembly Rules, it is the report of the Auditor General which forms the basis of the consideration when the Committee devotes itself to the examination of the accounts. If the reports are not there, I fail to see what function the Committee can usefully perform when the basic material is not there. I therefore submit that as the Finance Minister has said, apart from being a question of law, it is merely a question of expediency whether any useful purpose would be served by forming this Committee.

Prof. N. G. Ranga: Mr. Speaker, Sir, whether any useful purpose will be served or not, one useful purpose has been served and that is to bring to light this particular fact that for that one year anyhow there was no Government. So far as these accounts were concerned, so far as this Auditor General was concerned, so far as the report was concerned, this is an extraordinary position. There were the accounts I suppose; there was an Accountant General, the whole of his office was maintained and was paid for from the Indian revenues. There was also the Auditor General. What he was doing, we do not know; We are told that his report would not be available. Even if his report is not available, are we to understand, Sir, that the Auditor General was not called in for assistance at all in order to audit the Government accounts? We would like to have some information about it if his assistance had been called in and if he had already submitted any report. It is wrong to say that all the officers have left for England and there was the responsibility of England in regard to the expenditure incurred in this country and also in respect of those employees and in respect of the administration which the Pakistan side has taken charge of. In any case we should have been presented with some accounts, at least some information. No information and no accounts have been submitted at all and in addition to that, I speak subject to correction—I remember having seen one of the Members of the Public Accounts Committee that sat in 1946 and we were then looking into the accounts of 1944-45. I think. As far as I can remember the accounts for 1945-46 had not been presented before the Public Accounts Committee. The Public Accounts Committee had never met last year.

The Honourable Shri R. K. Shanmukham Chetty: Was not a Public Accounts Committee elected last year corresponding to this?

Prof. N. G. Ranga: It was appointed, but it never met.

The Honourable Shri R. K. Shanmukham Chetty: I am not responsible for it.

Prof. N. G. Ranga: My point is only this. My Honourable friend has come in only now, but he is now the successor of the past members of this Finance Department. He is the Finance Minister here. It is his duty to render an account to this House and the whole of his Department cannot very well be absolved from its responsibility. Surely it cannot be maintained that these people have not been paid by the State, that they are not responsible to this House; they have been there and yet they have not discharged their responsibilities towards this House. What were the other two dignitaries doing, the Accountant General and the Auditor-General? They had also gone to sleep and they had been drawing their salaries from the Government of India and my Honourable friend comes here with all his sense of responsibility and says "I was not then present and, therefore, do not call me into question." The least I can possibly say is that this is a very unsatisfactory state of things for which certainly the Finance Minister cannot be very proud.

Then, Sir, we are told that according to the rules we are expected to appoint a committee but we are warned that the committee is not going to have any work at all; and so we are asked to decide whether we should have a committee or not. Sir, let me tell the Honourable the Finance Minister that at least this House should be scrupulous about its own rules and about its responsibilities as well as its duties. Even if the committee is not able to have this report from the Auditor-General it is the duty of this House to appoint this committee. Then there is one other thing. There is what is known as a running account to be rendered to the Public Accounts Committee, as and when any of the recommendations made previously come to be implemented by these various departments including the Finance Department which is expected to be the watch-dog. And even those accounts have not been submitted to the Public Accounts Committee throughout the last one year. It may be that there were constitutional upsets. Of course these upsets have taken place, but nevertheless the departments were there; they simply thought that they would become a law unto themselves, and they were going their own way. If all other departments had been misbehaving in this manner it would be excusable; but if the Finance Department behaves in that way it would be absolutely inexcusable. And the first duty of any Finance Minister who comes to be in charge of this department is to look into this and see whether his department is really performing its duty as the watch-dog of the finances of this Government.

Then we are told that so far as the Defence Services are concerned there will be a report.

The Honourable Shri R. K. Shanmukham Chetty: Yes, the report is to be sent to the United Kingdom Government on account of their share in the Defence expenditure.

Prof. N. G. Ranga: Very well. The report would have to be sent to England and so it comes to this. The Crown in England is much more powerful and more fortunate than this sovereign body. The Crown in England which has no longer any sort of sway over this House at all is entitled to have a report from the Auditor-General.

Shri T. T. Krishnamachari (Madras: General): That is in regard to past transactions.

Prof. N. G. Ranga: Yes, about past transactions there will be a report before the Public Accounts Committee which is the body to hold a *post-mortem* examination of these accounts. Anyhow I insist that so far as the Defence services are concerned a report must be rendered to this House and also to this Committee.

Secondly, even in regard to the civil accounts I suggest to the Finance Minister in all seriousness that whatever possible accounts he may get at, whatever possible reports he can have from the Accountant-General, he should strain all his nerves and energies in order to see that these reports and the accounts are got, so that we may be able to get some sort of idea of how our public finances have been spent during that one year. Let it not be another scandal like that scorched earth policy and its complements in Bengal. There also crores and crores of rupees were spent and that was all wasted. When we asked for a report that report was not available. When we asked that the Bengal Government's representatives should come over here before the Public Accounts Committee and explain their conduct they were not prepared to come. At that time the House took a very strong view of the misbehaviour of the Bengal Government. Now the Finance Minister wishes to be absolved because he was not there; but anyhow the Central Government had a Minister and I find that the Central Government seems to be a much greater wrongdoer than the Bengal Government.

Mr. B. K. Sidhva (C.P. and Berar: General): Sir, it is rather a startling statement that has been made by the two Honourable Ministers that no useful purpose will be served.

Mr. Speaker: I think it is no use introducing any heat into the argument I do not know whether I would be strictly in order if I say anything or make a suggestion. What I felt was that the position as explained by the Finance Minister is really a very serious one, and it is the right of every member of this House to look into all accounts. I was wondering whether the question really is, whether a committee should or should not be appointed because accounts are not available; but the question is, as to how the accounts are to be made available to members after the appointment of the committee. I think the Honourable the Finance Minister's point of view was to explain to the House, how the accounts stood, and it will be for the Committee and for this House to decide how to get those accounts. If from that point of view, any further strengthening of the powers of the Committee is necessary, the House may do it. That seems to be the only point of view of the Honourable the Finance Minister. I do not think he intended to say that the accounts will not be coming to the committee; perhaps there is a misunderstanding on that point. The Committee may understand the position, arm itself with the necessary powers for having the accounts made up or reports drawn up. If certain officers are absent the thing can be done by the employment of other officers. That seems to be the only point. So, let us not sidetrack this discussion about the real or supposed failure of the present Finance Ministry or the previous Ministry, but see how best the accounts can be put before the Committee. I am making these remarks with a view to curtail the discussion, and I am supported in my view by the remarks of the Law Minister who said that it is not so much a question of law as of expediency. A sovereign House can make its own laws, as it likes for the purpose of transacting business in the best interests of the country. Let us not, therefore, go into a further discussion as to whether the accounts are or are not available and who it was that was at fault, etc. That discussion, I feel, will be of no avail. Therefore I have intervened at this stage so that members may see what steps they want to take for the purpose of having the accounts.

The Honourable Shri R. K. Shanmukham Chetty: Sir, if you will permit me to say a few words in continuation of what you have just said it may save a discussion in the House. I share the indignation of my Honourable friend Prof. Ranga regarding this state of affairs. Surely I am not proud of it; I am equally indignant about it. I only wanted to explain the position as I found it, so that the House may know what exactly is before it. Now I suggest that the House may proceed with the election of this Committee; and if it is found that the Appropriation Report for 1946-47 has not been prepared, let the Committee go into this question as to why it was not prepared and who was responsible for it. I would certainly support the Committee in an inquiry of that kind. Probably there may be this unfortunate complication that so far as the accounts for 1946-47 are concerned it is the Auditor-General of the old undivided India who is responsible for it, and that person does not exist today; and today we have got only the Auditor-General of the Indian Dominion. These are all hard facts which the Committee would take into consideration. According to my information, until very recently we have not received any Appropriation Report for the year 1946-47, and I was told that in consultation with the Ministry of Law and the then Auditor-General a decision was taken by my predecessor or by the previous Government that no Appropriation Report need be prepared for 1946-47. I would therefore suggest, Sir, that without our discussing this matter in any greater detail, the House may proceed to the election of the Committee and the Committee may go into the whole question including the validity or the wisdom of this decision of Government.

Diwan Chaman Lall (East Punjab: General): The Appropriation Report may not be there, but may I know whether there is a report of the Auditor-General?

The Honourable Shri R. K. Shanmukham Chetty: I think there should be.

Diwan Chaman Lall: If that is so, that forms part and parcel of the discussion that the Public Accounts Committee can have in regard to the material before it. There are other matters also which can come before the Public Accounts Committee. Apart from the fact that it is statutory for this House to have this Committee, we shall according to rule 51 proceed to appoint the Public Accounts Committee.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, I find that the Auditor-General's report is not the only thing that is to be taken into consideration; that is only a minor matter. He puts us on our guard in respect of certain items, but this Committee which we appoint is entitled to call for all the Appropriation Accounts. We can even dispense with the Auditor-General's report.

I only draw your attention to this. I am afraid it has failed to attract the eagle's eye even of the Law Minister. Rule 51 (1) says:

"As soon as may be after the commencement of the first session of the Assembly, a Committee on Public Accounts shall, subject to the provisions of this rule, be constituted for the purpose of dealing with the appropriation accounts of the Government of India and the report of the Auditor-General"

It is not as if it is the appropriation account and the Auditor-General's report alone. We have to start with his report and without this basic function we cannot do anything. It is from the Appropriation Accounts that he draws his conclusions. So can we. Some other person might be asked to help us on these accounts. Without or with the report, we are entitled to go forward, for the latter part of Rule 51(1) says:

" and such other matters as the Ministry of Finance may refer to the Committee."

My friend, Shri T. T. Krishnamachari has said this is old. While these things are going on, there is a Standing Finance Committee that brings to bear its decisions on such questions as arise from time to time. That is for the future. As regards the past year, this is the only way we can check the abuses. Supplementary demands will soon be brought up. As a matter of fact, they are tabled for consideration today. Without the Auditor-General's report we may not know how many loop-holes there had been and under what considerations the appropriations have been made. This is practically the eye of the Assembly and without it we will be absolutely groping in the darkness. I might say that you have given a particular gloss to the motion that has been made. But the Honourable the Finance Minister did not want this Committee to be appointed.

The Honourable Shri R. K. Shanmukham Chetty: I refute the allegation of my Honourable friend. This is not the first time that he has imputed motives to me.

Shri M. Ananthasayanam Ayyangar: I wish my friend does not talk in that strain. I have always supported him.

Mr. Speaker: Let us not challenge the motives of the Honourable the Finance Minister and I do not feel guilty of having given any gloss over this motion. The position is now very clear. I do not think we need argue about it any further.

I was just going to suggest that the result of all this enquiry will, at the most, be that those guilty for the state of affairs will not be available for punishment.

The Honourable Dr. B. R. Ambedkar: It is not a question of punishment of the persons guilty for not preparing the accounts because the persons concerned are protected by the Constitutional legality of the orders then passed. I should like to explain to the House how the position stood.

The accounts for 1946-47 could be prepared by an Auditor-General who was the Auditor-General on the 1st April 1947. Obviously on the 15th August 1947 we had two Dominions, and neither person, who was acting as Auditor General either in Pakistan or for India could undertake legally the responsibility of preparing an audit report for the accounts of a united India. No such person existed at all. A further point is this, which I think the House has somewhat forgotten.

Under the old Government of India Act, 1935, the Auditor-General did not function under the Government of India as such. He functioned under the Governor-General and some of the duties which he performed were directed and issued to him under the discretionary powers given to the Governor-General in his individual judgment. The orders which were passed, whereby the accounts were not compiled, they are orders passed by the Governor-General in his individual judgment. They were not passed on the authority of the Finance Department or any other Department of the Government of India. Therefore, the responsibility for the non-compliance or non-make-up of the accounts of the Government really lay on the Governor-General who acted in his individual judgment, which merely means that he was obliged to consult the Government but was not obliged to accept the decisions of the Government. That is really the position and the reason why the Governor-General exercised his powers in his individual judgment and passed his orders, because he found that on the appropriate date there was no such order by which the accounts for the year 1947 could be compiled since it was an order meant for the whole of India and not for the two Dominions.

There is no question of punishing any particular officer for dereliction of duty.

Shri T. T. Krishnamachari: I am afraid that even the Law Minister has misunderstood the precise injunction.....

The Honourable Dr. B. R. Ambedkar: I say the House is directly entitled to consider the question as a matter of expediency. I wanted to show that there was no particular individual who had been guilty of dereliction of duty in the matter of non-preparation of these accounts.

Shri T. T. Krishnamachari: At the moment it will not serve any useful purpose if we indulge in mutual recrimination or in an examination of the legality of the situation, which perhaps I cannot understand because I do not possess the legal equipment. My Honourable friend has maintained that a successor Government loses its rights for going into the accounts of the Government that existed in a previous period, but the position assumes a different complexion when it happens that the bulk of the accounts relate to the successor Government also. In whatever manner this House, and the Committee appointed by it, will be enabled to go into the accounts for 1946-47 there should also be a provision by which they could examine the accounts for 1945-46, which were not examined at all. The real position is not to bring those people, who were the offenders, if such offences are revealed to book but of finding out the lacuna in the financial administration in the Centre. In the past these Public Accounts Committee's reports and the Auditor-General's report have been very revealing, and the particular instance referred to by Mr. Ranga in regard to Bengal has been one of the most notable of these incidents. It is a matter for future guidance and the rectification of errors, might be continued otherwise. We will have to go not merely into the accounts of 1946-47 but also of 1945-46 particularly because 1946 happens to be part of a war year and

the expenditure has been akin to the scale of the previous war years and the money spent on account of the Government of India and on behalf of H.M.G. as it then was exceeds over Rs. 500 crores. All these matters will have to be gone into and without our knowing the exact position I think we shall be in the dark in the future. My feeling is that the Honourable the Finance Minister should undertake that he would authorise, or ask the Committee not merely to go into the accounts for 1946-47 but also for 1945-46. I understand we have not now available the administrative machinery that functioned in those years. All the European officers and the Muslim officers have gone. These persons will not be able to come and give evidence. Nevertheless, some kind of scrutiny will be of use and will not be absolutely of no benefit to future accounting in this country.

So far as the legal position is concerned, the same provision still find a place in the adapted Act. This is a successor Government and the natural law seems to me to be that we are quite competent to go into the past and there is no legal bar to proceed in that manner.

Dr. B. Pattabhi Sitaramayya (Madras: General): Many provisions have been made for filling in the gap that existed between the old and the new India by means of the Adaptation Act. Could not this be provided for also by a provision in the Government of India Adaptation Act, for which there still seems to be scope, since off and on we have been getting additional provisions under that Act?

Mr. Naziruddin Ahmad (West Bengal: Muslim): There is this difficulty. Today is the last date on which this power will be exercised. From tomorrow no such power will be available.

Dr. B. Pattabhi Sitaramayya: That is why I mentioned it.

Mr. Speaker: Whatever happens, it is a sort of *post mortem* affair now. I believe that so far as the merits of the case are concerned, there is an agreement in the House. So I shall put the motion to the House now.

The question is:

"That the members of the Assembly do proceed to elect in the manner required by sub-rule (2) of rule 51 of the Constituent Assembly (Legislative) Rules, eleven members from among their number to be members of the Committee on Public Accounts."

The motion was adopted.

ELECTION TO STANDING FINANCE COMMITTEE

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, I move:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the Speaker, fourteen members to serve under the chairmanship of the Finance Minister on the Standing Finance Committee for the financial year 1948-49."

Mr. Speaker: Motion moved:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the Speaker, fourteen members to serve under the chairmanship of the Finance Minister on the Standing Finance Committee for the financial year 1948-49."

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, last year when the Finance Minister brought forward a resolution of this kind for the election of members to the Standing Finance Committee I raised the contention that the scope of the powers of the Standing Finance Committee should be enlarged. That is why, unlike in the case of the other Standing Committees that were constituted for a period of not three months but for a full period of three months and one year so as to expire by the 31st March 1949, in this case, that is the Standing Finance Committee, and

also in the case of the Standing Finance Committee, for the Railways, the period was fixed at only three months. The Finance Minister also promised to place a memorandum before the Standing Finance Committee to suggest the possibility of giving power to it to scrutinize the various budget items before they come up for discussion in this House. A similar practice was adopted by the Standing Finance Committee for Railways. There is not a single item there which does not come for the scrutiny of that Committee. Budget proposals are different from taxation measures. I am not contending that the taxation proposals should be placed before any Committee. They will come up for scrutiny after they have been laid before the House. But with respect to budget proposals—estimates for expenditure etc.—there cannot be any objection. With respect to new items the Standing Finance Committee is exercising its judgment over them and passing or rejecting them. Similarly, with respect to other items, those items might have been placed before the Standing Finance Committee before they come up here; or other means of scrutiny by the Committee from time to time may be adopted. I am sorry neither the one nor the other has been done. Neither was any memorandum placed before the Committee nor has the Honourable Minister come forward with any such memorandum before this House. This question has been agitating the minds of members for a long time. In the previous Government, in 1938: the then Finance Minister, Sir James Grigg circulated a memorandum for enlarging the scope and functions of the Standing Finance Committee so as to give it powers to scrutinize the various items of the budget with a view to leading to economy. (Interruption). He started in a good mood soon after he joined his office and he wanted to introduce some new provisions. Later on when he became a bureaucrat and an iron hand he withdrew it. And it was no wonder. He has gone once and for all. He has gone for good. I expect a different treatment from our Finance Minister. On behalf of the House I should like to have an explanation from him as to why he has not chosen to do this, and when he proposes to do this. If he does not do this, it will be another Public Accounts Committee and no material will be placed before the Committee. Material is not available in the one case, and in the other there is no inclination to place material. I want a categorical assurance from him that he would take immediate steps in this direction and would not allow the Committee to become useless but enable it to discharge its functions of scrutinizing the items from time to time. This will also avoid the need for appointing, once in ten or fifteen years, an Economy Committee. Let it be possible for this Committee to suggest to the Government that such and such items of expenditure ought not to be budgeted for. That is the kind of scrutiny that is expected of the Committee.

The Honourable Shri R. K. Shanmukham Chetty: Sir, my Honourable friend is himself a member of the Standing Finance Committee and I feel confident that I can appeal to other members of the Standing Finance Committee who are present in this House to bear testimony to the readiness with which I was prepared to invite the co-operation of the Standing Finance Committee not merely in the limited sphere in which they were expected to operate but in all the spheres relating to the Ministry of Finance, just as if they were a Standing Advisory Committee for the Ministry of Finance. I certainly envisaged that I would be in a position when making this motion today to propose something concrete regarding the scope and functions of the Standing Finance Committee. But unfortunately we have been working under such high pressure. We have had so many meetings of the Standing Finance Committee. In fact we have one this afternoon at 5-15 p.m. We have not had the time in the Standing Finance Committee itself to examine the question about the scope and functions of this Committee. In fact I made it perfectly clear to the

Honourable Members of this Committee that notwithstanding any restrictions in its scope the Committee is at perfect liberty to ask for any information and to suggest any field in which the Committee will interest itself. When we had the official discussions with the British Delegation regarding the settlement of the Sterling Balance for this current half year, on my own initiative I invited the Standing Finance Committee to nominate three of its members to be associated with the Finance Ministry in framing the proposals and conducting the negotiations. The Committee was good enough to ask me to nominate the three members. I did so. Two of the members are left in this House—one has gone as Governor—and I am sure the two Honourable Members will testify to the fact that right from the very beginning of the negotiations I placed every material before these two Honourable gentlemen, and it was on their advice that finally the negotiation was concluded.

Again, the Standing Finance Committee constituted various sub-committees to examine various other matters. It was decided at one of the meetings of the Standing Finance Committee that a sub-committee will be appointed to undertake a close and detailed scrutiny of the entire defence estimates. So, in a practical measure, so far as it lay in my power, I have been trying to enlarge the scope of work of the Standing Finance Committee by convention. If the House wants that the scope of the Standing Finance Committee must be embedded in a cast iron resolution of this House I have no objection, after consultation with the Standing Finance Committee, to bring forward such a motion.

Prof. N. G. Ranga (Madras: General): Sir, I wish to add only one word. I am extremely glad that my Honourable friend the Finance Minister has done all this that he has said today to extend the scope of the work of the Finance Committee. Although I am not a member of the Committee I do know that the Finance Committee this time has come to be extremely useful and also powerful, thanks to the accommodating spirit and also the initiative taken by the Honourable the Finance Minister. At the same time I would like him not to think that the suggestion made by my Honourable friend would lead to any sort of cast iron conception of the Committee at all. And I would very much like my Honourable friend the Finance Minister himself to come forward at a later occasion before this House with a suitable resolution in order to embody the spirit of the conventions that he has been establishing, so that even when his successors come it will not be left entirely to their personal initiative or predilections but will be there as a matter of right.

Mr. Speaker: Mr. Saksena seems to be absent. There is, therefore, no question of amendment.

The question is:

"That this Assembly do proceed to elect, in such manner, as may be approved by the Honourable the Speaker, fourteen members to serve under the chairmanship of the Finance Minister on the Standing Finance Committee for the financial year 1948-49."

The motion was adopted.

ELECTION TO STANDING FINANCE COMMITTEE FOR RAILWAYS

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I move:

"That this Assembly do proceed to elect, in such manner, as may be approved by the Honourable the Speaker, eleven members to serve on the Standing Finance Committee for Railways for the year commencing 1st April, 1948."

Mr. Speaker: Motion moved:

"That this Assembly do proceed to elect, in such manner, as may be approved by the Honourable the Speaker, eleven members to serve on the Standing Finance Committee for Railways for the year commencing 1st April, 1948."

Mr. R. K. Sidhva (C. P. and Berar: General): Sir, during the Railway Budget discussion some Honourable Members stated that sufficient material was not placed before the Finance Committee, and the Honourable Minister was good enough to state at that time that the time at the disposal of the Committee was so short that it was not possible to place all the materials before them. He also stated that the larger number of members of the Committee did not take interest in attending the meetings. The copy of the Proceedings of the Committee supplied to the members confirms that view. I was surprised to find that in many of the meetings hardly four or five out of the eleven members attended the meeting. The budget expenditure was so important that I found within one or two days crores of rupees were sanctioned. The Honourable Minister who complained was perfectly right and he therefore said that he does appreciate the feeling of the members of the House in this respect but he suggested that if you want to follow the parliamentary procedure of the House of Commons as far as Standing Committees are concerned, you must have longer sittings and the Committee and members should take interest. I quite appreciate that. I am certainly dissatisfied not with one committee or two committees but with all Standing Committees where we sit for two or three hours and pass a whole budget. I am a member of the Food Committee. I was invited to one of the meetings of the committee. I do not want to narrate all the drawbacks but my experience is this from what I see from the proceedings of the committees. I feel the present procedure requires drastic change. If Honourable Members want to take really keen interest in this matter, then there should be a certain procedure as the Honourable Minister for Railways stated the other day. We must have policy laid down. Members should be prepared to attend these meetings, which should be constantly held, regularly much more before the budget period, and there should be no question of expenditure or things like that. The question is whether members are prepared to spare sufficient time to attend meetings, and I quite appreciate the Honourable Minister's statement the other day on that issue. So I would like to know from the Honourable Minister on this occasion whether they have considered this proposal of adopting for these committees the parliamentary procedure of the House of Commons. If so, has this government taken any steps in that direction or will this method still continue because it is no use our speaking in the Budget session or in other sessions making our grievances when facilities are not available. Some members are quite prepared to sit down with members for as many days as they want them to do. I want ample opportunity and lay all the material before them? No question of time should prevail with members of the House. Officers also should be prepared to sit down with members for as many days as they want them to do. I want therefore a little clarification from the Honourable Minister for Railways and a very categorical reply on this subject. I would like to know whether for this new committee he would be prepared to take this matter into consideration.

Dr. B. Pattabhi Sitaramayya (Madras: General): *Per contra* I wish to say that the policy of the Ministers will have to depend upon the inspiration that they will have to get from the attendance at the committees. I have just come out from the Standing Committee for the States Ministry, where we were three out of ten, and we wanted to know whether we should wait or carry on. We thought we should wait, but the longer we waited, the more useless it appeared to be to wait, and so we decided to carry on. It is no use our blaming Ministers for the blame is on ourselves. Therefore I say a vicious circle is apt to be created. Ministers do not care for the Standing Committee because the Standing Committee members do not care to attend when it meets. We are in great rush to get our names inserted in the list by the Chief Whip at the time, but none of us cares to attend. This is my eternal complaint and I am sorry I am making myself somewhat odious by constantly drawing attention to this

very sorry and sordid fact in this House. The other day I was with the Commerce Minister in the Standing Committee. We were 3 out of 10 again. Three appears to be the normal attendance. I therefore agree, while appealing to Ministers to make information available, Honourable Members should also take pains to attend these meetings.

Dr. B. V. Keskar (U. P.: General): Sir, I support heartily the sentiments expressed by my Honourable friend Dr. Pattabhi and I would suggest that in the formation of committees, more attention should be paid to the fact whether members are able to give time to the particular department. I am aware that many of the Honourable Members are very eager to get into committees, but after some time their enthusiasm wanes and they do not find time as they have other occupations also. So I think it would be better when the committees are being formed that members who allow their names to be included for those committees should also at the same time expect that they will have to give sufficient time to those committees. Otherwise they should not give their names.

Seth Govinddas (C. P. and Berar: General): My experience of these committees has been somewhat different. I happen to be a member of only one committee, and that is External Affairs and Commonwealth Relations, and I found that in that committee there has been an attendance of 90 per cent of the members. Whenever that committee met, all members, with the exception of one or two, attended, and we could put in some good work also. So when a blame is being laid at the door of members that they do not take interest, I at least, want to point out that there is at least one exception and that is as far as the External Affairs and Commonwealth Relations Committee is concerned. So Sir, I think this blame of the members should not be universal and therefore I wanted to say a few words to point out that there are exceptions to it also.

Shri Satyanarayan Sinha (Bihar: General): I move:

"That the question be now put."

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Dr. John Matthai: There are two opposing points of view expressed in the course of this brief discussion, with both of which I happen to be in agreement. On the one hand I agree with my Honourable friend Mr. Sidhva that it would be to the advantage of not merely the Ministry but of the whole House if every matter of importance in connection with the Ministry of Railways was placed before the Standing Finance Committee and if the meetings of the Standing Finance Committee for Railways were sufficiently long for the members of the Committee to go in detail into those questions. As far as I am concerned I am prepared to have as many meetings as the committee may require and I am prepared also to make time to attend meetings of any duration. On the other hand I have an uncomfortable feeling that when you have a number of meetings of these committees during a busy legislative session, it is a little difficult to get Honourable Members to attend in sufficient strength, and as far as the meetings of the Standing Finance Committee for Railways are concerned, I do wish to say that I feel disappointed at the small attendance that we have had at various meetings where matters of extremely urgent importance were under consideration. So I would like to endorse the appeal that Dr. Pattabhi Sitaramayya has made.

Mr. Speaker: The question is:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the Speaker, eleven members to serve on the Standing Finance Committee for Railways for the year commencing 1st April, 1948."

The motion was adopted.

ELECTION TO CENTRAL ADVISORY COUNCIL FOR RAILWAYS

The Honourable Dr. John Matthai (Minister for Railways and Transport): Sir, I move:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the Speaker, eight non-official members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1948."

Mr. Speaker: The question is:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the Speaker, eight non-official members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1948."

The motion was adopted.

ELECTION TO INDIAN NURSING COUNCIL

The Honourable Rajkumari Amrit Kaur (Minister for Health): Sir, I move:
"That in pursuance of clause (d) of sub-section (1) of section 3 of the Indian Nursing Council Act, 1947, the members of this Assembly do proceed to elect in such manner as may be approved by the Honourable the Speaker, two persons to serve on the Indian Nursing Council."

Shri M. Ananthasayanam Ayyangar (Madras: General): I would only say that at least one of the two must be a lady member.

Mr. Speaker: The question is:

"That in pursuance of clause (d) of sub-section (1) of section 3 of the Indian Nursing Council Act, 1947, the members of this Assembly do proceed to elect in such manner as may be approved by the Honourable the Speaker, two persons to serve on the Indian Nursing Council."

The motion was adopted.

ELECTION TO STANDING COMMITTEE FOR MINISTRY OF HEALTH

The Honourable Rajkumari Amrit Kaur (Minister for Health): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of Health, vice Dr. N. B. Khare who has resigned from the Assembly."

Mr. Speaker: The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of Health, vice Dr. N. B. Khare who has resigned from the Assembly."

The motion was adopted.

ELECTION TO STANDING COMMITTEE FOR MINISTRY OF DEFENCE

The Honourable Sardar Baldev Singh (Minister for Defence): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the Speaker may direct, one member to serve until the end of the next financial year on the Standing Committee to advise on subjects concerning the Ministry of Defence, vice Major-General Shri Maharaj Himmat Singhji, resigned."

Mr. Speaker: The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the Speaker may direct, one member to serve until the end of the next financial year on the Standing Committee to advise on subjects concerning the Ministry of Defence, vice Major-General Shri Maharaj Himmat Singhji, resigned."

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS

Mr. Speaker: I have to inform Honourable Members that the following dates have been fixed for receiving nominations and holding elections, if necessary, in connection with the following Committees and Councils, namely:

	Date for nomination	Date for election
Committee on Public Accounts		
Standing Finance Committee	2-4-1948	5-4-1948
Standing Finance Committee for Railways		
Central Advisory Council for Railways	3-4-1948	6-4-1948
Indian Nursing Council		
Standing Committee for the Ministry of Health	5-4-1948	7-4-1948
Standing Committee for the Ministry of Defence		

The nominations for these Committees and Councils will be received in the Notice Office upto 12 noon on the dates mentioned for the purpose. The elections, which will be conducted by means of the single transferable vote, will be held in the Assistant Secretary's room (No. 21) in the Council House between the hours 10-30 a.m. and 1 p.m.

DEMANDS FOR SUPPLEMENTARY GRANTS.

(15th August 1947 to 31st March, 1948)

Mr. Speaker: The House will now proceed with the discussion on demands for supplementary grants. I find, from the nature of the cut motions and the subjects mentioned that, there is probably a misapprehension on the part of Honourable Members as regards the exact scope of discussion when the supplementary grants come in for the vote of the House. Before the House proceeds with the discussion of the supplementary grants, I should therefore, like to make the position clear by referring to what has been the practice of this House as stated by my predecessors.

An Honourable Member: You are the first Speaker.

Mr. Speaker: Yes, but with a past and a continuity.

This is the practice, which the House of Commons also follows and follows for very good reasons.

"The Chair said that it is perfectly clear that as regards the demands that refer to schemes which have already been sanctioned by this House, there can be no question at all of discussing any question of principle or policy, but as regards demands which come up with respect to a new service and for which previously no sanction has been obtained of this House, no doubt that rule has to be relaxed to a great extent but the question of policy must be confined within the item on which the vote of the House is sought."

That is what the Chair expressed at that time and therefore I find that there is hardly any scope for discussion on many of the cut motions. I shall be able to decide individually when a particular cut motion is taken up, as regards the scope of the discussion.

Seth Govinddas (C. P. and Berar: General): Besides cut motions, if a demand is put to vote will it not be open to members to make their remarks generally on those demands?

Mr. Speaker: There is no difference, so far as the scope is concerned, as between the supplementary demand itself and a particular cut motion, except this: that the cut motion will have a still further restricted scope. But the real point is that these are supplementary demands; and in the case of the original demands, for whatever objects they were made, the principle as well as the policy of those demands had been discussed thoroughly by this House at the time of the Budget, when the Budget was sanctioned in respect of those demands as also again at the time of the Finance Bill. Any further discussion over the whole demand, either in respect of the policy pursued or of the principles, will be nothing but a repetition of the same debate over and over again.

It is, therefore, as I said for very good reasons, that the scope of the discussion will be only restricted to such new things or new items as had not come for discussion before the House when the Budget was voted upon. That is the principle on which the scope of discussion is restricted. I find Honourable Members carrying the same motion about the scope of discussion as the Honourable Member Seth Govinddas has raised. I will just take an example—I am doing this just to clarify the position, to illustrate; each cut motion will have to be looked into on its own merits, but take for example demand No. 37. Now, the cut motion reads:

"That the demand for a supplementary grant of a sum not exceeding Rs. 24,000 in respect of Ports and Pilotage be reduced by Rs. 100."

Now, I find that this expenditure is in regard to excess which is mainly due to larger cost of repairs and to more British officers having proceeded on leave preparatory to retirement than anticipated. Therefore, the policy of having Ports and Pilotage cannot come under discussion in this. The only question will be the cost of repairs; all that could be discussed is very probably—if at all there is any scope for discussion—that the repairs were unnecessary or over-costly. It will be a very difficult subject to discuss; it is of minor importance. That illustrates the scope of discussion. Honourable Members will kindly remember the scope and then address themselves.

Seth Govinddas: I wanted to know one thing further. Suppose certain things have happened since certain demands were put to the House at the time of the Budget, for instance the demand for Ministry of States? Suppose certain things have happened in Hyderabad since that demand was voted upon. Will remarks on this question be allowed to be made when the demand is put to vote?

Mr. Speaker: The Honourable Member has given an instance but at present the question is a hypothetical one. If it comes before me, I will certainly dispose of it in the light of what I have stated. Taking the instance of Hyderabad, which the Honourable Member has cited, it will come under Demand No. 27. There, the Honourable Member will see that, the excess is due to payment of arrears of pay and dearness allowance and four charges of officers. Therefore, it is not open to him to discuss Hyderabad, whatever may have happened there. I can see his anxiety to discuss the question and can appreciate it also, but it will be again discussing the whole policy of the States Ministry with reference to what it did in respect of this or that State or States generally. If the Honourable Member's argument is allowed every day the same subject can be opened again, as something or other is bound to happen somewhere. Therefore, the scope of the discussion will be very much limited here. The Honourable Member can, of course, say that the arrears of pay should not have been given or the dearness allowances were much in excess of what they should have been

but he will not be able to discuss the policy of the States Ministry, which has already been discussed during the course of the General Budget, on the cut motions and also on the Finance Bill.

Mr. Naziruddin Ahmad (West Bengal: Muslim): and discussed thread-bare too.

Mr. Speaker: I cannot say threadbare, as some members may perhaps urge that they did not have sufficient time or they could not catch my eye. Bearing these limitations in mind Honourable Members will now discuss the demand.

TION

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 56,33,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August, 1947 to 31st March, 1948, in respect of 'Capital Outlay on Civil Aviation'."

Creation of a Statutory Corporation to take over Business of Air India International, Limited.

Shri T. T. Krishnamachari (Madras: General): Sir, I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 56,33,000 in respect of 'Capital Outlay on Civil Aviation' be reduced by Rs. 100."

Haji Abdus Sattar Haji Ishaq Seth (Madras: Muslim): Sir, on a point of order, in the light of the ruling given by you is this motion in order?

Shri M. Ananthasayanam Ayyangar (Madras: General): This is a new one.

Mr. Speaker: If the Honourable Member will refer to page 28 of the book of Supplementary Demands, he will find that the supplementary demand is required to cover a part of Government of India's share amounting to 38 lakhs in paid up capital of the Air India International Limited set up recently for the purposes of operating an air transport service.

Shri T. T. Krishnamachari: As my Honourable friend Mr. Ishaq Seth knows the Standing Finance Committee sanctioned the initial expenditure. This is an expenditure, as you have been good enough to point out that had not been budgeted for and the demand contains the entire payment of the subscription of the Government of India, in fact its own share of the capital of the Air India International Limited. The House might know that this new company, which has now been incorporated, has been formed with an authorised capital of 7 crores. I have not got a copy of the prospectus and the articles of association but this information would perhaps have helped me in making out a better case. The authorised capital is 7 crores. The paid up capital is to be 2 crores, out of which this amount has now been called up. The Government of India will subscribe 49 per cent. of the capital as at present and there is an idea that the Ceylon Government might be asked to participate in it. I would like to mention to the House at once that I am not going into the question of the merits of the proposition at all. I am quite willing to leave it as it is. The Government of India is probably quite right in embarking on this venture along with Air India. In fact the matter has been discussed by the Standing Finance Committee which voted the necessary amount but what I am at present concerned to raise is a very narrow point. As I said before the Government of India capital payment will as at present envisaged exceed, apart from this particular amount of 56 lakhs, a crore and there might be further call for additional capital, because it is a company started with a very big capital structure, so much so that it is quite conceivable that we might have 4 crores of money invested in it before long. My position really is this. I do not know if it is worthwhile for us to invest the taxpayer's money in a company and be in the same position as any other shareholder of the company. Some people might say that there is nothing wrong in it. The Companies' Act which protects the ordinary shareholders protects the Government but is that protection adequate? My feeling is that it is not a question of the Government investing 5, 10 or 20 lakhs but it is a matter of several crores as I quite see the possibility of the expansion of the company. So I think when embarking on a venture

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[Shri T. T. Krishnamachari]

like this it is best for Government to put it on a statutory basis. I do not say that Air India should not be in it. They can be there on the same terms. For instance we passed in the House recently the Industrial Financial Corporation Bill into an Act and there the position is that the Government is participating with private interests. There will be nothing wrong in the Government participating with Air India but my contention is that the Government should not be placed in the same position as any ordinary shareholder. For instance there are the legal proceedings to which this company might become subject under Sec. 162 of the Companies' Act, item 5. Anybody to whom the company owes money might bring up an action. Supposing for various reasons legal proceedings are started can we in all conscience say that the Government's interests have been protected adequately when the Government is investing such a large amount of money in a company where they are placed in the position of a shareholder. This has been agitating my mind for a long time and I had mentioned this fact on more than one occasion previously. I also raised this question when there was a cut motion in regard to the Communications Minister's demand and I have taken this opportunity of raising the question over again. No matter what has already been done, it is quite possible for Government to reconsider the position and see if they cannot in fact make it a statutory Corporation with the present participants in it on the same terms and, providing them with all the rights now conceded. Only in a statutory corporation the ultimate interests of the taxpayer will be safeguarded even if it does not find the Government any extra rights. I think it ought to be easy and I venture to commend this idea to my Honourable friend the Communications Minister. A longer speech in a matter like this is not necessary, because many of the Honourable Members here know full well that the Indian Companies' Act gives only a limited protection. That is not adequate when we are dealing with trust money, which is what the money of the taxpayer is. Sir, I move.

Mr. Speaker: Cut motion moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 56,33,000 in respect of 'Capital Outlay on Civil Aviation' be reduced by Rs. 100."

Shri M. Ananthasayanam Ayyangar: Sir, I beg to support the cut motion moved by my friend Shri T. T. Krishnamachari. Under the present arrangement, Air India Limited become the managing agents of this Company. For the time being, the Government of India take 49 per cent of the shares and the balance 51 per cent being distributed between the Government of Ceylon, some Provinces and the Air India Limited. It is open to the Government of India to take over 2 more per cent. so that they may convert this 49 per cent. into 51 per cent. and have a dominant voice. The reasons that were set out by the Government for not taking straightaway 51 per cent and having a dominant voice are that there may not be that incentive to work as in the case of private companies and there may be troubles over higher scales of wages being insisted upon in case it is a Government concern instead of a private concern. But my own plea is that it is an inescapable position. Whether early or late, we must face the situation. Therefore, instead of not taking the full 51 per cent quota, I would urge upon the Government to take 51 per cent and even more and to start it off as a completely Government concern. The Government alone must manage it as a Corporation.

In this connection, Sir, I would say that the policy of the Government has not been set out regarding the airways in India. On a former occasion when the matter came up, I said that under communications every highway must be taken up. Delhi to Madras, Madras to Bombay, Bombay to Calcutta and so on, these highways must be taken up and the byways may be left for private enterprise. If these Airways—foreign service—is taken up by the Government straightaway as a Corporation—and it is our policy to establish Corporations; we have established the Damodar Valley Corporation—the Government is not

going to run it departmentally. The experiment is being tried of creating Corporations in all big concerns of trade and commerce even though the ownership may be entirely in the hands of the Government. The administrators may not be competent; therefore a special service may be created to manage these concerns. On the same lines, the Electric Supply Corporation Bill has also been introduced to create Provincial Boards under the aegis of the Government. One such Corporation might have been thought of in this case also from the outset. I shall not blame the Government if they did not pursue that course. If the Honourable Minister for Communications accepts it, he would set right what could have been done even at an earlier stage.

If the overseas service is taken up, gradually we can extend the service and then the through communications from Madras to Delhi, Delhi to Bombay and to various capital centres in this country, may be left for private enterprise. I therefore request the Honourable Minister to make a beginning in this direction and later on clothe this Corporation with the powers to acquire and run the internal services also. Once we start, the service may be extended for internal services so far as highways are concerned. After all, all the aerodromes, the engineering service, the buildings etc. are costing the Government now about 18 crores. The capital cost of this service may not after all be more than 20 or 30 crores or at the most 40 crores. This is not a big sum and the House need not be afraid of embarking upon a venture where we do not know what amount of loss we must incur. We have got one of the biggest industries, the Railways, over which we have invested 800 crores and odd. This is another vital communication. Communications must go together, though no doubt communications have got a particular significance so far as the Government of India is concerned. I do not know how the Railways do not come under the term "communications". Communications include both Railways, Telegraph Telephones and Air Services. For the purpose of convenience, there are separate Departments created.

Sir, in my opinion all communications must belong to and be run by the State. They are essential key services. Having regard to the small amount that we have to spend upon this service and the meagre possibility of incurring any loss—even if there should be a loss, we have guaranteed, under this Agreement, to rectify that loss over a period of years—these are onerous conditions: why should we show these concessions to other Companies? Why should we not take it up ourselves?

I support this motion and I expect the Honourable Minister would kindly accept it and pursue it and extend it also to the internal services.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock.
Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

The Honourable Mr. Rafi Ahmed Kidwai (Minister for Communications): Sir, I appreciate the points that have been raised by Mr. T. T. Krishnamachari. I have also consulted the Law Minister and he thinks that there will be no difficulty if we want to convert into a statutory Corporation, but the points will have to be examined. We have agreed to certain terms with Air India. If we can incorporate all the terms that we have agreed to, then there will be no objection and I will get the matter examined and if it does not in any way affect the terms of our agreement, I will see that the intention of the mover is carried out.

Shri T. T. Krishnamachari: I would like to have the leave of the House to withdraw my motion in view of the very satisfactory reply the Honourable the Minister has given.

Mr. Speaker: The Honourable Member wishes the leave of the House to withdraw his cut motion. Has he got the leave?

The cut motion was, by leave of the Assembly, withdrawn.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 56,33,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August, 1947 to 31st March, 1948, in respect of 'Capital Outlay on Civil Aviation'."

The motion was adopted.

DEMAND NO. 53—AGRICULTURE

Shri Upendranath Barman (West Bengal: General): I rise on a point of elucidation. As regards demand No. 53—Agriculture, the Honourable Minister for Agriculture places the demand before this House for Rs. 2,08,82,000 and the explanatory Memorandum says that along with other sums got by way of reappropriation from the savings of other portions of the original grant, the sum total will come to Rs. 2,28,82,000. We are not told as to how this sum is going to be spent either in this year or in the coming year and on what principle or under what heads. I do not know whether by granting this sum of money the Ministry will be at liberty to spend it as they like or they will have to come before this House again for definite items of expenditure. I want some elucidation on this point.

The Honourable Shri B. K. Shanmukham Chetty (Minister for Finance): May I answer the question? The House might remember that when we decontrolled sugar we froze the entire stocks and then we allowed the sugar factories to release the stocks frozen at Rs. 35 per maund whereas our control price was about Rs. 25 and odd. There was this profit of Rs. 14 and odd per maund which the Government took over. The Honourable the Premier of the United Provinces had some negotiations with the Sugar Syndicate on this subject. As a result of that negotiation it was arranged that out of this Rs. 14 and odd, five rupees will be given to the Sugar Syndicate to be distributed among its members to make good certain losses that the sugar factories made during the period of control. The other Rs. 9 per maund was retained by the Government as a profit resulting out of this decontrol. That amount came to about Rs. 2,08,82,000 and odd. The question then was: How is this amount to be spent? Well, the Government decided that this should be earmarked for expenditure for the improvement of the sugar industry and sugar-cane cultivation. The next question was: "How is this amount to be apportioned amongst the various provinces? We finally decided that the Provinces will be getting from this fund an amount *pro rata* on the basis of the stocks held in the different provinces at the time of the decontrol. The United Provinces and Bihar happened to be the two Provinces that had practically about 90 per cent. of the total stocks that we had thus frozen. Therefore, very nearly 90 per cent. of this amount will be given to these Provinces concerned and the other provinces which held sugar stocks will also get their portion *pro rata* according to the stocks held by them. It was anticipated that there might be a slump in the sugar industry towards the end of this year and the Government of India, therefore have advised these provinces not to spend this money for the present, but to simply hold it in a suspense account till the end of 1948. If during the year any slump occurred in the sugar industry this sum might be utilised to meet that contingency; if not, after December 1948 the Provinces concerned will be at liberty to spend this money purely for the benefit of the sugar cultivation and sugar industry. That is how this amount is proposed to be spent.

Mr. Speaker: I want to know what particular demands Honourable Members would like me to put to the House and what particular cut motions they want to move.

Shri M. Ananthasayanam Ayyangar: No question of cut motions arises so far as we are concerned, but we would like to speak on certain of the demands as and when they come up.

Mr. Speaker: Do I put No. 53 now?

Mr. R. K. Sidhva (C. P. and Berar: General): May I know what procedure is being followed? Are you now starting from No. 1 or anyone who has to say anything should intervene.

Mr. Speaker: I have not yet decided upon any procedure. I just wanted to know what is the mind of the House.

Shri M. Ananthasayanam Ayyangar: As and when an opportunity arises, if any Honourable Member wants to speak about any particular demand, he starts and then another member speaks on another demand and at 5 O'clock you will apply the guillotine.

Mr. Speaker: That will not be a very desirable or proper thing to do. As the Honourable Member got up, I thought that it was the desire of some members to have No. 53. That is why I thought I might put No. 53 to the House for discussion and then the other demands may be taken up. Unless the House agrees to have an agreed order, I would like to follow the numerical order here.

The motion is:

"That a supplementary sum not exceeding Rs. 2,08,82,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August, 1947 to 31st March, 1948, in respect of 'Agriculture'."

Prof. N. G. Ranga (Madras: General): Sir, I am glad to know that the Government of India moved in this matter at the right moment and were able to save this amount of money for the country and its sugar-cane growers and the sugar-cane industry, as otherwise it would have been possible for the sugar manufacturers to have pocketed all this money. But at the same time, Sir, I cannot congratulate them upon what actually had happened after these stocks were frozen. I was told—and I hope my information is not wrong—that many of the sugar mills which had actually made good enough profits during the last three or four years have also been given the benefit of this additional price of Rs. 5 that was allowed by Government. Certainly that was not contemplated at the time either by the Finance Minister here or by the Agriculture Minister; and I do not know how it came about that even those mills which really did not deserve this profit were given this margin.

The Honourable Mr. Rafi Ahmed Kidwai: We have discussed that here several times.

Prof. N. G. Ranga: Yes, I suppose we have discussed our failure to prevent this leakage. Then, Sir, I have not got much quarrel as to which Government got this money, the provincial Government or the Central Government. But I am really particular about the money that has gone to the wrong people.

Secondly, I found that although at that time the sugar mills gave Government to understand that the price was not going to be put up very much, actually the price has gone up very much higher, and till now neither Government nor the consumers have been able to control these people.

Thirdly, the growers have not been treated properly by the Sugar Syndicate. In U.P. and Bihar I am told that a price of Rs. 35 per ton of sugar-cane has been agreed to. But so far as the Madras Presidency is concerned, the Madras Government has not as yet been able to make the sugar mill owners agree to pay a similarly reasonable price.

Shri T. T. Krishnamachari: The bulk of them are foreigners.

Prof. N. G. Ranga: Yes, but even our Indian mill owners seem to be just as bad, so far as the cane growers are concerned. They plead that in view of the lower sucrose-content of the Madras cane it would not be possible to pay as much as the U.P. and Bihar sugar mills are paying.

An Honourable Member: Who said the sucrose-content is lower?

Prof. N. G. Ranga: The sugar mill owners are maintaining that. Even supposing they are correct in that the other fact remains that the transport charges which the Sugar Syndicate has got to bear in order to transport its sugar to Madras Presidency is there against them. Secondly, all the sugar is being sold by the Sugar Syndicate at one and the same price in all the provinces. Therefore it must be easier for the sugar mill owners of the Madras Presidency to pay even a much higher price for the local sugar cane than what is being paid in the U.P. and Bihar. In spite of that they do not even agree to pay as high a price for sugar-cane as is being paid in U.P. and Bihar. So I suggest that the Government of India should keep a watch over these things and see that the sugar cane growers of the south are treated at least as well as the sugar cane growers of the U.P. and Bihar. In this respect I wish to remind the Government of India of their duty towards the sugar-cane growers because there was an Act according to which this protection for sugar industry was brought in; and in that Act a specific provision was made to see that the sugar-cane growers' interests also would be protected along with the interests of the sugar manufacturers.

I hope, Sir, the Government of India will keep these points in mind and see that the sugar-cane growers in the south are also just as well protected as those in the U.P. and Bihar. I do not know whether it is possible for them to rectify this mistake that they had made by giving the benefit of this additional price of Rs. 5 to those mills which are affiliated with the Sugar Syndicate which had made heavy or high enough profits in the last three or four years and which really did not deserve this special windfall.

Dr. P. S. Deshmukh (C. P. and Berar: General): Sir, I must confess that the explanation given by the Finance Minister, if it happens to be correct, deserves to be condemned by this House. We were expecting that the difference between the old controlled price and the price at which this stock of frozen sugar was permitted to be sold would be available for the people of India. And what is the result? If I have understood the Finance Minister rightly,—which I hope I have because I was listening to him very attentively,—he is going to give Rs. 5 for the previous losses of the sugar manufacturers and remaining Rs. 9 are going to be reserved for future losses. So we have at the most in the bargain only about Rs. 5 per maund. First of all we were told that most of the money would be available for some nation-building purpose or for some purpose which would reach the common man and the people of India in general. We actually find that a very large portion—more than two-thirds—is going to be reserved or is going to be given to sugar manufacturers. We are told Rs. 5 are going to be given to manufacturers for meeting old losses. I smell some mischief behind all this because there could be no loss or deficit to the sugar manufacturers which needed being provided for. There may have been some lean years before the war, but if we take all the years together we will find that they made enormous profits. For this no one need rely upon me. We have the evidence, of what they themselves published in the papers. For instance, I know that in the Phaltan State Mafatlal Gajalbai had a sugar factory, and I have seen with my own eyes an advertisement in the *Times of India* stating that though the factory was established about the year 1939 or 1940, the first year's profit was 10 lakhs of rupees when the total investment of the whole factory was only 10 lakhs. Next year the profit was 20 lakhs and in the

third year it was 10 lakhs again. I cannot imagine how, when the whole capital outlay of a factory has been made up in one year's profit, there can remain any losses which are to be paid out of this amount.

Secondly, this whole policy of sugar control and giving protection to the sugar industry is absolutely anti-national and deserves to be condemned. I am probably voicing a somewhat unusual and solitary opinion which may not be shared by many people; but I feel that the ordinary average man is being made to pay for the profit-making of the industrialists because whatever profit is made goes to the industrialist and it does not come back to the people in any shape or form. I have a recent case in which I can inform the Honourable the Minister-in-charge of Finance and the Government of India as to the method which these sugar manufacturers employ. This refers to the happenings in the sugar mill at Rawalgaon. A big Bombay capitalist obtained free of any cost 1,500 acres of land. After getting this land from a Congress Ministry in 1937 he obtained the irrigation water at a concession rate, all in the name of encouraging sugar industry. As a result he pays only Rs. 9 as against Rs. 15 to 23 that an agriculturist has to pay. These sugar factories, Sir, are really maintained on the blood money of the ordinary people of India. Although the Java sugar and other sugar from foreign countries can be sold here at any thing between Rs. 8 and Rs. 12 per maund, we were buying it throughout the war at Rs. 21 and now we are buying the same at Rs. 35 per maund. So every man who uses sugar is contributing absolutely directly 200 to 300 per cent. to the Indian sugar manufacturers and it is in this way that they make the enormous profits. In spite of the concessions granted to the Rawalgaon factory which I have already mentioned, the Manager of this factory coerced the agriculturists to part with their sugarcane at Rs. 30 per ton. My friend, Prof. Ranga was not quite up-to-date in his knowledge about this sugar question. Otherwise he may have made a much more effective speech than what he could do. But I am aware of the statistics and I am in a position to say that the sugar industrialists are deserving of no consideration. While the Rawalgaon sugar factory purchases sugar-cane at Rs. 30 per ton, they manufacture three maunds of sugar out of this and thus make Rs. 105 i.e. a net profit of at least Rs. 70 per ton. The factory crushes 700 tons of sugarcane per day and the daily profit of the company therefore comes to nearly Rs. 50,000.

What has the Government done? The Government has curious methods of acting. Instead of themselves asking the sugar industrialist to buy according to certain regulations and give a minimum price to the sugarcane growers, they have left this particular matter to some one else. The Government of India gives protection to all sugar factories; but so far as the protection to the sugar-cane growers, it is the job of the Provincial Governments. The U.P. and the Bihar Governments have passed the necessary Acts and have fixed the price of sugar-cane at Rs. 54-4 per ton. But the other Provincial Governments have left the agriculturists at the mercy of the factories. In the Bombay Presidency, the Bombay Government has yet to pass an Act similar to the one obtaining in the U.P. and Bihar with the result that the industrialists of Rawalgaon are coercing the agriculturists to sell at Rs. 30 a ton. Any one who has any knowledge of agricultural cultivation will agree that it is impossible to grow one ton of sugar-cane in Rs. 30. The actual cost comes to at least Rs. 55 a ton. A very serious situation, Sir, is likely to arise at Rawalgaon and I would not be surprised that if the proprietors of the sugar industries persist the factory may come in trouble because the agriculturists are very angry. They have not even been given a hearing. The Managers of the sugar factories are not prepared to meet them. I hope they will change their attitude.

In so far as the distribution of the profit the Government made in this transaction the House has not been fairly treated. This question had been

[Dr. P. S. Deshmukh]

raised before on the floor of the House and we were expecting that this extra money would be available for some good purpose out of which benefit would flow to the whole Indian community. But that has not been so. Some of the profits are reserved for the sugar manufacturers themselves and almost nothing is given to the ordinary people and even those Rs. 5 that remain are to be reserved not for the sugar-cane growers in the U.P. and Bihar alone but the sugar-cane growers and the manufacturers. I do not quarrel with the former. I do not mind the agriculturists of any part of the country being benefited but that is not a very commendable sort of situation and I would therefore be glad if the orders could be revoked and this money made available for the Agricultural Department for its development. This would be the proper thing.

There is another point I would like to bring up. It is this. We have got a Labour Department in the Government of India. Every Province has a Labour Department. There is also an Agriculture Department here and in the Provinces. But whereas the Labour Department includes the welfare of the labourers, the Agriculture Department nowhere includes the welfare of the agriculturists. A mere handful of labourers have their own shouters. Industrial labour, which is organized, has its leaders who shout from house-tops in season and out of season. They are the people who strive to protect labour's interests. Here also, we have lots of members who let go no opportunity in advancing their interests. But with regard to the agriculturist, it seems to be everyone's business and no one's business. While there are hundreds of Labour Welfare Officers, there is not as yet a single Agriculturist's Welfare Officer. Has any Provincial Government done anything in this regard in spite of the fact that Mahatmaji lived and died for the *kisans*? Is there anything really being done for the *kisans*? To my knowledge nothing. If it is necessary to protect the interests of the labourers it is doubly necessary to protect the interests of the agriculturists because they are far more backward and oppressed. I had given notice of a cut motion in the original budget on this subject. I would like to point out to the Government of India that it is time they thought of the welfare of the agriculturists in a more direct way, and did something similar to what is being done for the labourers.

I might mention that I had a talk with the Honourable Minister for Agriculture on this point and he appeared very sympathetic. I hope his sympathies will not end there and that he will be able with the assistance and co-operation of the other members of Government to do something substantial for the welfare of the agriculturists. And that also should not be all. I hope that he will be able to persuade the other Provincial Ministries and Governments to Act in a similar way. The profit made by us in this sugar transaction should be a good source of revenue for such an endeavour. A portion out of the profits we have made on sugar could, I think, be usefully utilised for this purpose.

I do not think it will be proper on my part to touch any other point although I have so much to say and have had no proper opportunity to say it.

Dr. B. Pattabhi Sitaramayya (Madras: General): The public are well aware that when a hint was thrown in the press that the control on sugar would be abolished, the prices that were advertised went up from Rs. 21 to Rs. 35. Naturally this news created a perturbed feeling in the minds of some of us and we tried to get into touch with the Minister. It was stated at the time that all the Rs. 14 would not be taken by the mill-owners, but that Rs. 9 would go to the Central Government and the remaining Rs. 5 would be allowed to those mills to make up past losses. Then we made an enquiry as to whether all the mills had made losses. We felt that it was quite fair that if the mills had made losses in the past five years, they should be compensated but on enquiry it immediately turned out that all the mills had not

made losses, though we did not know how many mills had made losses and how many had made profits. Then it was agreed that compensation should be given from out of this Rs. 5 only to those mills which had made losses in the previous five years. At that point it was also agreed that the stocks should be frozen. If this had to be the line to be adopted, it was necessary to freeze the stocks overnight by means of an ordinance. The ordinance was passed and we felt comfortable that everything was readjusted.

But what was our surprise when later we learnt that the understanding that had been reached in this affair was not observed, and as the Finance Minister has stated today, a part of the Rs. 5 or all the Rs. 5 went towards compensating the millowners. I wish to know, Sir,—unfortunately the Food Minister is not here, but the Finance Minister may be knowing it, I do not really expect him to know—whether all the millowners had made losses or whether there was any examination of the mills that made losses and whether compensation was given to those millowners who made losses according to the published balance-sheets. The balance-sheets were referred to in our conversation. Later on, however, I was told that the reason why the understanding that had been reached was gone back upon was that the U.P. Ministry protested. There was no ground for the U.P. Ministry to protest at all, because they were not asked to close this bargain. They were asked only to negotiate a settlement with the sugar syndicate and put it up to the Central Government for approval. The U.P. Ministry apparently went beyond their terms of reference and said that they had committed themselves in the matter and that they would cut a sorry figure in the eyes of the Sugar Syndicate if the agreement was not adhered to in letter and spirit. Apparently the Food Ministry weakened thereupon and collapsed and agreed to the dictates of the U.P. Ministry. This was a very, very disappointing situation. So the Rs. 5 went to the millowner and unless somebody reassures that only the loss-makers got the compensation we should also think that another piece of injustice might have been done in apportioning the moneys both among those who made losses and those who made profits.

One redeeming feature which in fairness I owe it to myself to express in the House, for the reason that it is within my knowledge, is that all the Rs. 5 was not swallowed by the millowners. I was told that Rs. 3½ would revert to the Income-tax Department. That would only leave Rs. 1½. Re. 1 went to the labourers. That was but fair so that only eight annas might have gone to the millowner, to some wrongly and to others rightly. This is the genesis of the whole affair and I think we should be fair to the facts of the case. The reason why the price was raised all of a sudden from Rs. 21 which was the controlled price to Rs. 35 was stated to be that cane growers had been demanding for sometime an increase in the rate of cane and that after February last they would get not Rs. 1-4 per unit but Rs. 2. According to calculations that would very nearly justify the increment from Rs. 21 to 35, the proportion being almost the same. If that were so, the point for us to ascertain would be whether the growers have had their share of the increment to which they are legitimately entitled. The query in this behalf put by my Honourable friend Dr. P. S. Deshmukh is very appropriate, except that I am surprised that he should have said that he never heard anything much about *kisans*. I hear nothing except the word *kisan* and for him to have said so in the presence of Prof. Ranga was a little bit audacious and unjust to the professor! However, the *kisan* is not a silent being. I know care-takers are not appointed to protect his interests. Their care-takers should be very numerous indeed, because nearly 80 per cent. of the population are *kisans*. Under these circumstances I would like to make an observation that the Food Ministry weakened

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at the psychological moment. If they had only been strong enough there would have been a juster apportionment of the moneys but so far as the 9 and 5 proportion was fixed, that was the point to which we were parties but we were not parties to Rs. 5 being appropriated entirely by the millowners.

Shri Upendranath Barman: Sir, after the discussions that have occurred on the floor of the House I would like to make one or two observations on this demand. First of all, to my mind, this huge sum was rather a windfall and at the time when the last budget for the year was passed this huge sum was not in contemplation of the House. Subsequently by some fortuitous circumstance more than 2 crores came into the hands of the Ministry. Certainly the House should have been apprised as to how this sum was going to be spent. Hearing the discussions on the floor of this House I suppose this was not done. I think that this expenditure was not so much regular as it should be. I hope that my friends from U.P. and Bihar will not take it otherwise when I say that. Accidentally, two of the provinces had 90 per cent. of the stock in their hands and it was certainly not due to any efforts on the part of U.P. and Bihar Ministries or the population there that these 2 crores and 28 lakhs came into the hands of the Government of India. The agriculturists have got their due cost: when the price of cane was not remunerative the Ministry thought it best to raise the price of cane and certainly the consumers are ready to pay whatever reasonable price may be fixed. Neither did this sum come into the hands of the Ministry, from any efforts, on the part of the Government of India. Under certain circumstances it was accidental that this sum got to the coffers of the Government of India. To my mind had the Ministry thought it fit to allocate this sum to different provinces for the purpose of growing sugar cane,—to such provinces where sugarcane can be grown,—in that case this essential food commodity also would have been grown in as wide an area in India as possible. That would have been better and would have minimised transport cost. If there was any difficulty in installing sugar mills I am certain that the poor villagers would be satisfied with *gur*. From all these considerations I think that the Ministry would have done better had they allotted this sum to such provinces where sugar cane is not grown but where it can be grown. That would have been a justifiable expenditure. Anyway even now if the amount goes to the benefit of Bihar and U.P. cane-growers I have no objection.

Shri Ramnarayan Singh (Bihar: General): Sir, while sanctioning any expenditure the House ought to be very very strict and especially while sanctioning supplementary grants we ought to be rather over-strict. What is the use of passing a budget? While passing the budget amounts are placed for distribution amongst so many departments. But while making the expenditure the spending department does not consider the amount sanctioned to them for expenditure but they go on spending and spending. If the expenditure has been made under circumstances over which they have no control of course the supplementary grant may in that case be sanctioned. But after the general budget has been passed any amount of supplementary grant is brought to the House and it is sanctioned. Sir, I do not like it. In this case we hear that so much money has been received by the Government. If that is so it is a very good thing. But as regards expenditure we hear that it should have gone to the agriculturists and so on so forth. The attitude of the Government towards the sugar industry has always been objected to. It is really very difficult for us to understand the attitude of the Government towards the sugar industry. But we understand one thing. It is very very easy to be generous at the cost of others. If those people who are so very generous to the sugar industry had to spend anything from their own pocket then they might have understood what this generosity means. But at the

cost of the consumers and the growers they can be very generous to the sugar industry. In this case I think this method of expenditure must not be sanctioned. Every pice of the amount must go to the agriculturists and the growers of sugarcane must get the benefit of the amount just received. By way of manure and many other things the Government ought to distribute the whole amount among the sugarcane cultivators. They are so very kind and generous to the sugar industry, the millowners, the rich people, and they want to distribute money in this way. Sir, I think this must not be allowed.

The Honourable Shri R. K. Shanmukham Chetty: Sir, this really concerns my Honourable friend the Food Minister. But in his absence I do not mind answering some of the points that have been raised in the course of the discussion.

With regard to the payment of Rs. 5 per maund to the Sugar Syndicate what really happened was this. Here I think I must frankly state what took place at the time of the decontrol of sugar. The Government of India decided to decontrol sugar. When that decision was taken no steps were contemplated for controlling the price because we were launching on a policy of decontrol. The credit must really go to the Premier of the United Provinces to have found out that immediately after decontrol there would be a rise in prices and an unjustifiable profit going into the hands of the sugar mills. It was therefore he that stepped into the field first.

Dr. P. S. Deshmukh: On a point of information, Sir, may I point out that this point was raised in this House immediately on the bringing up of the question of decontrol and it was pointed out by some Honourable Members in this House; and I think steps were taken in this direction after that suggestion.

The Honourable Shri R. K. Shanmukham Chetty: No, Sir. It was really the Premier of U.P. that first took up this question and he had a discussion with the Sugar Syndicate and came to this arrangement. It was really after that that we woke up and found that something like this ought to have been done. When we decided that the lines along which the U.P. Premier had finished the negotiations with the Sugar Syndicate were the right lines we thought we must honour the understanding that he had arrived at with the Sugar Syndicate in its entirety. And therefore it is that we agreed to the arrangement that we made under which Rs. 5 out of this excess was to be given to the Sugar Syndicate. How exactly this amount was distributed among the members of the Sugar Syndicate is a point about which I have no information. But, as my Honourable friend Dr. Pattabhi said, more than Rs. 2½ out of this will come back to the Government of India in the form of income-tax and corporation tax. And a portion went to the labour for the increased wages that we have fixed, with the result that what actually the Sugar Syndicate got was only a very modest amount. The price of Rs. 35 was not really an excessive price, because, as my Honourable friend Dr. Pattabhi pointed out, since decontrol the U.P. and the Bihar Governments made an arrangement under which the price for the cane grower was raised from Rs. 1-4-0 per maund to Rs. 2 per maund. At the same time there was also a very substantial increase in the minimum wages to be paid to the labourers of the sugar mills. Taking these two factors into consideration we were satisfied that Rs. 35 per maund was a fair price. That was why the price of Rs. 35 per maund was arrived at. Honourable Members, especially my Honourable friend Mr. Ramnarayan Singh, are not correct in saying that the Food Department has gone on spending this money without obtaining the consent of this House. Well, Sir, this Department has just now come before this House for spending the money in the manner proposed. Therefore there is no question of the Food Department having spent the money and their presenting the House with a *fait accompli* at all.

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some of our friends are under the impression that whenever our boys go there, they rather collapse. They may be collapsing, but nevertheless they are our boys. Therefore, I would rather prefer our own Indian stenographers, clerks and assistants, being sent abroad: and when they come back again, they will come back with all the experience of their foreign tour and the impressions that they gather of the method of work, the organization of office and all the rest, will go to enrich our own office work. I do not see any reason why these highly placed officials alone should go abroad, and not these lower placed people. Secondly, I have never seen any foreign delegation ever going to any conference without their own nationals serving them from the clerk's position right up to delegate's position. And thirdly, Sir, I myself happened to be at Geneva at the time the Trade Conference was going on. I cannot complain that our delegate, or his assistants either in the delegation or in the office really were squandering our money. My only complaint was that the amount of money that we had to pay for the stenographers, clerks, assistants and others that we had to employ was rather too heavy. Again, whenever our people were giving any entertainments, they could not do it just as well as others because they could not spend money just as judiciously as others do on drinks because our people do not know much about drink and when they do drink, they get drunk, whereas other people do not show they are drunk at all. Nevertheless you should entertain and so I would like to suggest that when they do give these entertainments, they should try to do it in the Indian fashion, if necessary taking certain things from this country and showing to these people what we mean by real entertainment.

An Honourable Member: Country liquor!

Prof. N. G. Ranga: There is no need for country liquor. Adam's ale is about the best as far as I can see. Therefore I think it is as well some attention is paid by the Finance Ministry as well as the other Ministries concerned to the points that we have raised here, and also various other points that they ought to keep in mind since some of them have themselves gone abroad on these delegations.

Shri M. Ananthasayanam Ayyangar: Sir, I would like to make one or two suggestions. I am told, subject to correction by the Honourable the Finance Minister, that whatever expenditure is incurred inside the country is all audited, but so far as expenditure by delegations outside India is concerned, it does not come within the purview of the audit. That is what I am told. Therefore, if there is a provision for spending a particular amount here and if that is exceeded, the auditor immediately calls upon them to account for the excess, but in respect of amounts spent outside India, the auditor does not seem to exercise any jurisdiction whatever.

If that is the position, then it must be a practice which must have been started by our old masters, a legacy which has been left to our Ministers, and I am sure the Honourable the Finance Minister will correct it as early as possible.

The other point I want to make is this. For every delegation that is sent abroad an estimate should be prepared and under no circumstances should they be allowed to exceed the estimated amount.

With regard to the employment of stenographers by our Embassies and Delegations—which was referred to by the previous speakers—there is a grave danger. I am told, of course I myself have not gone to the U.S.A., that in our Embassy there, there are a good number of American lady stenographers. Our Government have to send constant instructions to our Delegation at the U.N.O. through our Embassy, and it is likely that very often they may contain something against U.S.A. It is these American ladies who have to decypher

these messages which are sent in code. I feel that however much faithful they may be to us, it is rather dangerous to trust them in these matters. In the larger interests of the country as a whole and in the interest of economy, I would therefore appeal to Government to see that our own nationals are kept in these Embassies, whatever might be the cost.

Another vital point which I want to mention is that the Delegations which we send abroad should set an example of our high tradition and best culture. I am given to understand by my Honourable friend, Prof. Ranga that the delegates to the International Food Conference who went to plead before the representatives of the world that we are starving and that we have not sufficient money to pay for the food we want to import, lavishly spent Rs. 7,000 on a cocktail party of 600 guests, and that in hard Swiss currency. Let the entire world laugh at us—we do not mind—but we should impress on the world that we are a nation of tee-totalers. Let us carry this message far and wide. I do not evaluate the achievements of a Delegation in rupees, annas and pies, but by the impression they create before the representatives of the world. And then, let us not send very young men on these delegations. From the stories I hear, I understand that very few people are able to keep their balance. Some of them go to pieces. Let, therefore, only tried men be sent on these foreign delegations, people who represent the best that India can put forth.

Mr. R. K. Sidhya: Sir, on a point of information I want to know from the Honourable Minister for Finance whether it is not a fact that the entire staff of the British and the American Embassies in Delhi, from the highest to the lowest, from the Ambassador or High Commissioner, down to the clerk, does not consist of the nationals of those countries? Even the staff of the Indonesian Embassy has been brought from that country. Not a single Indian is employed in any capacity in any of the foreign embassies in Delhi. I would therefore request Government that if they cannot do anything on their own initiative, let them at least follow the footsteps of the other Governments. Is it not, therefore, most unfair that our Embassies and Consulates abroad should deny such opportunities to their countrymen. What prevents a clerk from going abroad and serving his country? Should he not aspire to better his prospects, and show to the rest of the world that he is in no way inferior to them when it comes to a matter of competition. This is a matter on which we all feel strongly. I can straightway tell the Honourable the Finance Minister that there should be no question of economy in this particular matter; the question of cost does not come in, when it is a matter of national prestige. What after all is the meaning of an Embassy or a Consulate? That is a medium for the representation of Indian culture. Why, a clerk on the staff of the Embassy is as much an Indian as the High Commissioner or Ambassador, by whatever designation you may call him. I would, therefore, wish to convey to the Honourable the Prime Minister, through the Finance Minister, that the entire staff of every Indian Embassy abroad from the Ambassador right down to the lowest clerk, should be drawn from Indian nationals.

Shri Biswanath Das (Orissa: General): It is not my intention to make any long speech on this occasion. I wish only to point out how things are going on in the Foreign Embassies in Delhi. A particular Indian gentleman, applied for a job in the British Embassy here, to which he received a reply that no non-nationals are employed in that office. Unfortunately the Delegations sent abroad by the Government of India and the various embassies under the Ministry of External Affairs and Commonwealth Relations take a fancy even for non-Indian stenographers. I would appeal to the Ministry in particular and to all gentlemen connected with the Indian delegations going abroad to take a leaf out of the example that I have just now brought to their notice.

Dr. P. S. Deshmukh: Now that this question has been raised. I feel impelled to make a few observations. I do not wish however to refer to appointments in our Embassies abroad as that point has been sufficiently discussed. I wish to refer to employment of Indians in other spheres. I had addressed certain questions with regard to the employment of Indians in firms working in India, to which I have not been able to get a satisfactory reply. My main complaint is that even in foreign firms which are doing business in India, we find very few Indians employed. If, on the other hand, we want to go to foreign countries with a view to starting business, we are subjected to all sorts of restrictions and it is almost impossible for any Indian to start any business abroad. As against that there is a free and unfettered scope for any foreigner to come here and start any business he likes. I would, therefore, suggest that before any license is granted to a foreign firm to start business in India we should make it a condition that they must employ as many Indians as is possible in that firm. It is not merely a question of salaries; it is also a matter of our countrymen getting experience. The other day the Honourable the Commerce Minister admitted that a foreigner is free to do whatever he likes in this country and the foreigners take the maximum advantage of the unsettled state of affairs here. I know of some cases of foreigners who had come to India during the war. When they went back to their countries, they found life miserable. There was not sufficient food, there was not sufficient clothing—nor any accommodation. As compared with this they led a very comfortable life in India. They are therefore now coming back to India some of them professing to be experts and specialists in one thing or the other.

Mr. Speaker: I am afraid the Honourable Member is going beyond the scope of the discussion. The point here is with respect to the Delegations to foreign countries, particularly Delegations to Geneva and Havana and the cost of the Indian Delegation to the International Shipping Conference.

Dr. P. S. Deshmukh: I thought, Sir, the "Commerce" demand was under discussion and that I was free to mention other points also. In any case, I have more or less finished stating the suggestion I wanted to convey.

The Honourable Shri R. K. Shanmukham Chetty: Sir, as Finance Minister I am very much obliged to my Honourable friend Mr. Shiva Rao for drawing the attention of the House to the very extravagant and almost scandalous way in which expenditure seems to have been incurred by some of our representatives abroad. Well, I might assure him I was not at all aware of such a state of affairs. I was under the impression that there was a very strict scale of allowances prescribed for all the delegates that went abroad for any international gathering. I have myself gone as Government representative, Sir, on previous occasions to a number of international gatherings, and I might tell you that I was given a prescribed amount and I was not allowed to spend one penny more than that except from my own pocket.

Prof. N. G. Ranga: Somebody is cleverer than you!

The Honourable Shri R. K. Shanmukham Chetty: That is my own experience. I do not know if that practice has changed now. Well, I would further discuss this matter with my Honourable friend Mr. Shiva Rao who happens to have some first hand information about this and I might assure him that if any items relating to such unauthorized expenditure are still pending the sanction of the Finance Ministry they certainly will not get that sanction.

Mr. Naziruddin Ahmad: That would be most unkind.

The Honourable Shri R. K. Shanmukham Chetty: I certainly will have a most searching enquiry made in this matter now that it has been brought to my notice.

With regard to audit of this expenditure abroad, I really do not know what is the position today. Certainly, before the 15th August there was an Auditor at the India Office who exercised the same audit check as the Auditor-General on this side. I do not know if there is a laxity on this audit procedure now.

Shri T. T. Krishnamachari: That procedure has been removed now.

The Honourable Shri R. K. Shanmukham Chetty: Evidently there is a lacuna now and I would certainly see that with regard to all expenditure incurred abroad also, audit would be made as effective as for internal expenditure.

Prof. N. G. Ranga: And these entertainment allowances?

The Honourable Shri R. K. Shanmukham Chetty: Yes, I will certainly look into the whole question. I certainly am in general agreement with the feeling expressed in this House that of late there has been quite an epidemic of these delegations abroad and a very considerable expenditure is certainly being incurred.

With regard to the staffing of our Embassies and Consulates abroad, personally I am in full agreement with the point of view urged by Honourable Members. I think, too, our foreign Embassies and Consulates must as far as possible be manned by Indian nationals. It certainly is the practice followed by other Embassies abroad and even in our own country. I am sure the Honourable the Prime Minister will take note of what has been said in this House on this point.

Of course this matter of girl stenographers is always a rather difficult and interesting point.

An Honourable Member: Intriguing also.

The Honourable Shri R. K. Shanmukham Chetty: I have myself had some experience of this matter while I was in the United States and there a story was told me about this girl stenographer business. A certain big-businessman was a bachelor and he sent his income-tax return and in the income-tax return against the column "How many children have you got?", there was an entry, "One child". The Income-tax Officer happened to be a friend of this gentleman and so when he met him at a party he said, "I say, what is this? You are a confirmed bachelor and I find in your return an entry as one child against that column. I suppose it is your stenographer's mistake?", and the gentleman said "Oh, you are telling me about it!"

Mr. Speaker: I will now put the Demand to the House.

The question is:

"That a supplementary sum not exceeding Rs. 4,61,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th of August, 1947 to 31st of March, 1948, in respect of 'Ministry of Commerce'."

The motion was adopted.

DEMAND NO. 27—MINISTRY OF STATES

Mr. Speaker: The motion is:

"That a supplementary sum not exceeding Rs. 38,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th of August 1947 to 31st of March 1948, in respect of 'Ministry of State'."

Shri M. Aunthasayanam Ayyangar: Sir, I will not take much time. According to me this is a very important matter which the Honourable Members will kindly listen to. After the Honourable Minister took ill, the Secretary has been making a number of statements which have involved this country in

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great difficulty. I do not want that the Secretaries should take the responsibility of making statements on behalf of the Government ~~on give~~ Press conferences. I would only give one instance. Only yesterday the Prime Minister had to refer to the question of the accession of Kalat. In the issue of the 28th of March of the *Hindu*, it is reported that the States Secretary made a statement at a Press conference and therein it is said:

"Mr. Menon bitterly complained about the 'dishonest' way in which some foreign correspondents had been attempting to present in a distorted manner developments in Indian States. He referred in particular to the story of Kalat's attempt to accede to the Indian Union, the plebiscite in Junagadh and the agitation in Bharatpur. The Khan of Kalat had approached the Government of India some time ago through an agent about the accession. But the Government of India flatly refused to have anything to do with Kalat."

Sir, it was that statement which gave rise to so much of comment. It was only yesterday that we heard from the Honourable the Prime Minister that there was no such approach at all and unnecessarily the A.I.R. took this cue and broadcast it—there was so much trouble.

Sir, there was a great responsibility during the previous regime; those Secretaries could become Executive Councillors. It is not right—they must leave everything to the Minister; if the Minister is not there, some other Minister or the Prime Minister should take the responsibility, but such statements should not be made. I have the greatest regard for those Secretaries, but in their zest they are a little overdoing.

Sir, there is another trouble. On page 9 of the *Hindu* of March 30th, he has created by his statement another trouble regarding the future of Sandur State:

"The Sandur Government in a Press communique issued today says:

The Government of Sandur are surprised to note the statement made by Mr. V. P. Menon, Secretary, States Ministry, at a Press Conference held at Delhi on March 27 to the effect that Sandur would be integrated with the province of Madras and that the date has not been fixed. The Government wish to make it clear that when the Political Member to Sandur Government met the Joint Secretary of the Ministry of States at New Delhi on March 18, it was made perfectly clear to him that the State of Sandur will not agree to any form of merger with the province of Madras. This attitude of the State has further been reiterated and ratified by the State Legislature at its joint session held on March 26."

I do not want that, however high an officer might be, any statement should be made which would bring our country into trouble or the Government into trouble. The Secretaries ought not to make such controversial statements in regard to controversial matters. I am sorry the Honourable Minister is not able to be present here; nor even the Prime Minister is here. Anyhow, I thought this is a matter which the Legislature must take note of. We should avoid as far as possible such mistakes. As the Legislature, we have a right to direct the Secretaries not to indulge in such things. It is not as if they are doing it deliberately. But this is another example and gives pointed attention to our complaint that the Secretaries want to boss over the Ministers and make the Ministers cyphers. It is wrong in principle. We protest against it. These people, however good they may be, ought not to take the place of the Ministers. This involves us in a great deal of trouble. That is all that I have to submit.

Dr. B. Pattabhi Sitaramayya: I am afraid, Mr. Speaker, that there is something wrong in our interpretation of things, because so far as Kalat is concerned, the statement given by the Prime Minister yesterday is in contradiction with the newspaper statement. Therefore, either this version of the paper must be wrong or there must be something wrong elsewhere. Accordingly the Secretary may not be indicted until we know the truth about it.

Shri M. Ananthasayanam Ayyangar: All that I am saying is that the Secretary need not talk about this.

Dr. B. Pattabhi Sitaramayya: That is another point.

The second point about Sandur, if that is equally incorrect, it remains to be corrected. Therefore, we must ascertain the truth in the matter.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 38,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th of August 1947 to 31st of March 1948, in respect of 'Ministry of State'."

The motion was adopted.

DEMAND No. 28—MINISTRY OF DEFENCE.

Mr. Speaker: The motion is:

"That a supplementary sum not exceeding Rs. 1,24,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th of August 1947 to 31st of March 1948, in respect of 'Ministry of Defence'."

Shri M. Ananthasayanam Ayyangar: You will see, Sir, from the Explanatory Memorandum circulated regarding Demand No. 28 and 29 that the arrears of pay and dearness allowances for the period ending 14th August 1947, which was normally debitable to the joint account of the former Central Government have to be debited to the account of the Indian Dominion as the Pakistan Government have decided not to implement the Pay Commission's recommendations. I was not able to understand what this meant.

[At this stage, Mr. Speaker vacated the Chair, which was then occupied by Shrimati Ammu Swaminadhan (one of the Panel of the Chairmen.)]

If for the period ending 14th August 1947 when we were joint the Defence Forces were common to us and some of those Forces were transferred to Pakistan and some taken by us, the Pakistan Government must be in a position to pay the arrears of pay and allowances. There must be a charge against them and they must be borne by Pakistan. It is a debt against them. How is it that they have refused to pay them and we are obliged to pay what they are obliged to pay. If the arrangement was one-sided and we had to take up the full responsibility why did we agree to do so? This is one of the matters which the Honourable Minister has to explain.

Then, Madam, I am informed that India has to receive a debt of Rs. 300 and odd crores from Pakistan. What arrangements are being made to clear that debt. Are there any instalments? Unfortunately, so far as these arrangements between Pakistan and India are concerned, the Secretaries of Department refer to them and decide these matters. It is necessary that in regard to the various arrangements and agreements that are entered into which have far-reaching consequences, like the allocation of assets, the distribution of assets or debts, statements ought to be laid on the table of the House from time to time. I do feel that at least when the House is in session this House must be taken into confidence. How are we going to justify and dispel the various rumours and suspicions that go about in the air through whispering campaigns outside this legislature throughout the country? We are under a peculiar handicap. Some Secretary here asks some Secretary there and they enter into some sort of arrangement. Actually, we pass the legislation and we have to implement those arrangements by our legislation and bear all the taxes. It is a rather strange thing. If on the other hand our Ministers at least are there in some Committee, they are responsible for all these things and I shall have no quarrel, but they have no time.

Now, Madam, I have taken this only as an instance. Even in the matter of the division of property between the members of a small Joint Hindu family, there are various things. There are movable and immovable assets of various

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shapes and forms, both quantitatively and qualitatively, which have to be decided, and in the matter of division of assets or debts affecting the whole of India, where various kinds of assets have to be divided, debts have to be apportioned, where personnel have to be divided and various other things, we do not know how they are divided, except here and there some scrap of news finds itself in the papers; otherwise, we have no knowledge about them. In so far as there is no trouble, we absolutely do not want to interest ourselves. But wherever trouble arises—with respect to a matter where as much as a debt of Rs. 300 crores is due to us—what is the present position? How have we disposed of it? How long will it take for us to realise it? These are questions which nobody knows. Take an instance, I was told that an Engineer went seven times to Pakistan to get all the articles due to us to the worth of Rs. 7 crores. I would like the House to be taken into confidence in regard to these matters. I want an explanation from the Honourable the Defence Minister as to why, if Pakistan refused to pay these arrears, we should take up the responsibility on us and thus have the responsibility on one side only.

The Honourable Shri R. K. Shanmukham Chetty: Madam, with regard to this particular point, I think I may be able to give an explanation. Under the partition arrangement, all joint expenses arising before the 15th August and which are sanctioned expenses are to be debited to the common account, but no new items of expenditure for which sanction of the previous Government had not been obtained can be debited to the joint account except with the consent of both the Dominions. With regard to the Pay Commission's recommendations, the actual order was passed by us after the 14th August. So it is a new thing and we gave retrospective effect to those recommendations from the 1st January 1947. Therefore if we are to debit the expenses connected with the implementation of the pay Commission's recommendations to the joint account between the 1st January and 15th August 1947, we must have the concurrence of the Pakistan Government. Pakistan Government said that they will not agree to the implementation of the Pay Commission's recommendations regarding pay and dearness allowance, with the result that so far as our own nationals are concerned, we have undertaken this liability to which we have given retrospective effect. That is the position—unfortunately, one of the partition arrangements for none of which we are responsible.

Mr. R. K. Sidhva: May I know whether for the period from 1st January to 14th August 1947 owing to the increased allowances according to the Pay Commission to our nationals, the whole amount shall be borne by the Government of India or half by Pakistan and half by us?

The Honourable Shri R. K. Shanmukham Chetty: It was all debited to the common account. The common account was supposed to be closed on 14th August 1947 and in debiting any new item to that common account we had to get the concurrence of the Pakistan Government.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 1,24,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th of August 1947 to 31st of March 1948, in respect of 'Ministry of Defence'."

The motion was adopted.

DEMAND NO. 20—MINISTRY OF INDUSTRY AND SUPPLY.

Mr. Chairman: The motion is:

"That a supplementary sum not exceeding Rs. 39,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Ministry of Industry and Supply'."

Shri M. Ananthasayanam Ayyangar: Sir, the Pay Commission sent its report. It has been variously implemented, some to the liking of some and some not. As regards the decision to pay a salary of Rs. 4,000 to Secretaries,

some of us are not in favour. Various representations are being made to us, by individual members and by some groups that the Pay Commission has worked a hardship so far as they are concerned. To avoid all this I want to suggest that a Committee of the members of this House be appointed to sit along with the Honourable the Finance Minister or with various committees in order to see how this Pay Commission is working so far as each Department is concerned and to see what items that have not already been accepted may be accepted and if they have been accepted, how far they are working 4 P.M. a hardship and therefore they may not be accepted. Above all if they have fixed a top limit of Rs. 2,000 or 3,000 for the Secretary of a Department, I do not see what is the need to give Rs. 4,000. I was told that was due to an interpretation given of the Pay Commission's report and that is the way the Government has understood it. We would like to review that position. I do not know if that interpretation is correct, but if the recommendations of the Pay Commission are accepted it involves us to an expenditure of nearly 30 crores of rupees year after year. The Pay Commission's recommendations were never placed before this House for consideration. Lesser matters come up and we have been spending a lot of time. The Pay Commission to my knowledge was never placed for our consideration. I want the Honourable the Finance Minister to give an opportunity for the consideration of the Pay Commission by this House as to how the recommendations may be accepted and how certain portions need not be accepted.

The Honourable Shri R. K. Shanmukham Chetty: Madam, I cannot, I am afraid, give off-hand an assurance about a re-examination of the Pay Commission's recommendations by a Committee of this House. It is certainly a matter which would require a little more consideration before I can say anything definite about it. The Pay Commission's recommendations, as Honourable Members know, cover a very wide and intricate field and after a great deal of examination orders have been passed on most of the major recommendations of the Pay Commission's report and, at this stage to again undertake a review of the decisions of the Government on those recommendations might involve complications which Honourable Members may not at the moment foresee. But I would certainly like to examine further the suggestion made by my Honourable friend.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 39,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Ministry of Industry and Supply'."

The motion was adopted.

DEMAND NO. 36—POLICE.

Mr. Chairman: The motion is:

"That a supplementary sum not exceeding Rs. 56,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Police'."

Mr. R. K. Sidhva: The remarks under this demand says: "mainly for payments to Provinces for additional police employed by them, owing to the disturbed condition of the country." The amount is Rs. 56,000. I want to know which of the Provinces have got this amount of Rs. 56,000 or part of it. Is it in each province for the disturbed conditions or is it merely for the Delhi Province? If it is Delhi, then I will have to say something. But if it is for the various provinces, it will come to a very negligible amount and after all 'Police' is a provincial subject and the function of maintaining law and order being that of the province, I want to know why this amount has been contributed to the Provinces. I want to have some enlightenment on this matter and if the payment refers to Delhi only, then I would like to make some observations.

The Honourable Shri R. K. Shanmukham Chetty: The expenditure now asked for relates mainly to the additional amount for the maintenance of Police granted to the Provinces of Punjab and Bengal. On account of partition disturbed conditions occurred in these two Provinces in a special measure and we thought there was a justification for the Centre to help these two Provinces to maintain their Police force on a large scale. Therefore it refers only to Punjab and Bengal.

Mr. R. K. Sidhva: That means only Rs. 28,000 for each Province. It comes to that and that amount could have been met by the Provincial Government as it is very small. I can very well understand the Provincial Governments wanting to have some lakhs of rupees to maintain law and order.

The Honourable Shri R. K. Shanmukham Chetty: These were the Provincial Police for special protection arising out of these communal disturbances.

Mr. R. K. Sidhva: I must admit, I cannot understand.

The Honourable Shri R. K. Shanmukham Chetty: The complaint is that we must have given more.

Mr. R. K. Sidhva: It is not a correct information that the Honourable Minister is giving. We do not ask for more money to be given. What we feel is that the amount being negligible the information given appears to be incorrect. After all the Government was functioning in East Punjab and Bengal. Though they were newly established, they had some money. They would not have asked for the equal distribution of Rs. 28,000 between them. It looks to me rather extraordinary and surprising.

The Honourable Mr. Rafi Ahmed Kidwai: That was given by the Government of India to protect certain strategical positions.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 55,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Police'."

The motion was adopted.

DEMAND NO. 56—OVERSEAS COMMUNICATIONS SERVICE.

Mr. Chairman: The motion is:

"That a supplementary sum not exceeding Rs. 55,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Overseas Communications Service'."

Shri M. Ananthasayanam Ayyangar: The explanatory memorandum says: Mainly payment to Messrs. Cable and Wireless Limited for cable maintenance and half share of the profits due to them by previous agreement with Messrs. Indian Radio and Cable Communications Company Limited, whose assets were acquired by Government from 1st January 1947. Provision was not made in the budget as negotiations were still in progress.

I would like to make a few observations as to how Honourable Members of this House must be informed about what takes place in the Standing Finance Committee. Hitherto the Honourable the Finance Minister might remember that along with the supplementary demands the proceedings of the Standing Finance Committee used to be circulated to the members of the House. The proceedings are all supplied to the Committee by the Government, from time to time so that the members will be able to keep a watch over the activities of the Committee and ultimately it is the House that has to accept the recommendations and the decisions of the Committee. I speak subject to correction, no such memorandum or proceedings of the Standing Finance Committee have

now been circulated among the members of this House. Even where some reference is made to this in the explanatory memorandum, Honourable Members have not got the proceedings. We may have something in the Standing Finance Committee possibly with which the Assembly may not agree as to the decision taken. I would therefore suggest that the proceedings of the Standing Finance Committee in the manner in which they were being printed last time must be printed and made available to all members. Not only this, but the proceedings of all committees also should be sent. There are slips of paper sent with regard to the decisions of the various Standing Finance Committees to various members and these slips are lost when the matter comes up here. Therefore we should have the decisions of every Standing Finance Committee made available to all the members of this House, because ultimately the Assembly has to decide. Therefore, I take this opportunity of impressing upon the Honourable the Finance Minister and the other members of the Government that by the time any demands for either a supplementary or original demand come to this Assembly, the members of the Assembly must have decisions of all the various Standing Finance Committees at their disposal relating to various Departments along with the memoranda and other attached papers. This is the object with which I want particularly to draw the attention of the Honourable Minister to Demand No. 56.

Prof. N. G. Ranga: I want to ask for a little more enlightenment. We want to know something more about this payment for cable maintenance and half share of profits. Is it cable between India and England or between India and any other country?

The Honourable Mr. Rafi Ahmed Kidwai: When the Overseas Communications Service was acquired by the Government of India from Indian Radio and Cable Communications Limited, the contract in the agreement of that company and the British company was that every year £90,000 will be paid as maintenance charges and half of the profits. It was expected to replace this profit-sharing by another agreement (all rights being purchased) when the negotiations were started. But the negotiations have not been completed and this year's profits have to be paid, and this demand is therefore made.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 7,89,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Overseas Communications Service'."

The motion was adopted.

DEMAND NO. 77—DEFENCE SERVICES, EFFECTIVE (SUPPLIES AND STORES)

Mr. Chairman: The motion is:

"That a supplementary sum not exceeding Rs. 1,04,72,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Defence Services, Effective (Supplies and Stores)'."

Shri C. Subramaniam (Madras: General): This demand is in respect of Ordnance, Harness and Saddlery and Clothing Factories. I would like to know whether it represents the purchase of stores or the salaries of employees or both. I would like to have some details.

The Honourable Sardar Baldev Singh (Minister for Defence): It relates to both purchase of stores as well as salaries. The position was that the entire expenditure was joint and it was supposed to be shared between Pakistan and India; and as all the Ordnance factories have come to us we have taken upon ourselves the responsibility of this additional expenditure. It was not included in the original budget; only our share of the expenditure was included. This additional expenditure was to be deducted from Pakistan when the factories were to be divided; but as all the factories have come to us we have to bear this expenditure.

Prof. N. G. Ranga: What was the justification for this additional expenditure at all over and above the provision made in the last budget?

The Honourable Sardar Baldev Singh: No, it was not provided in the original budget.

Mr. R. K. Sidhva: As this relates to disposal of stores, I will say that many surplus stores in many stations are lying for disposal for a number of years and nothing is done to dispose of them. For instance, in the Delhi station . . .

The Honourable Sardar Baldev Singh: This has nothing to do with those stores. These stores are those that are necessary for running the Ordnance factories.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 1,04,72,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Defence Services, Effective (Supplies and Stores)'."

The motion was adopted.

DEMAND NO. 78-A—GRANTS-IN-AID TO PROVINCIAL GOVERNMENTS

Mr. Chairman: The motion is:

"That a supplementary sum not exceeding Rs. 1,40,00,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Grants-in-aid to Provincial Governments'."

Prof. N. G. Ranga: I am not opposed to this provision because these two Governments have been going through great trouble and certainly need special assistance from the Central Government. But from the financial point of view I should like to know at what level these questions were decided. And also, when they were decided, whether the Finance Department took the earliest steps to bring these things to the notice of the Standing Finance Committee.

Secondly, I would like to know whether any more such additional or special grants are going to be made to these two Governments during the current year; and if so, whether Government have fixed any sort of ceiling up to which they would be willing to assist these two Governments.

The Honourable Shri R. K. Shanmukham Chetty: These are *ad hoc* subventions to these two provinces to enable them to meet their revenue and expenditure budget. Honourable Members have no doubt realised the special difficulties which these two provinces had to face on account of the partition. The decision was really taken as an *ad hoc* decision; and after examining the budgets of these two provinces I took the decision myself. At the ministerial level the decision was taken and approved by the Cabinet; and subsequently I think the matter was placed before the Standing Finance Committee also and they too approved of it.

Shri M. Ananthasayanam Ayyangar: Reference can be made to that in the memorandum.

The Honourable Shri R. K. Shanmukham Chetty: With regard to that point I do not know why it was not done this year. The entire proceedings of the Standing Finance Committee must be made available to members.

Prof. N. G. Ranga: Is it proposed to make any more grants to these people?

The Honourable Shri R. K. Shanmukham Chetty: No, not for the current year. We have made a provision for 1948-49 also. This closes with today.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 1,40,00,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Grants-in-aid to Provincial Governments'."

The motion was adopted.

DEMAND NO. 99—CAPITAL OUTLAY ON SCHEMES OF STATE TRADING

Mr. Chairman: The motion is:

"That a supplementary sum not exceeding Rs. 8,53,25,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Capital Outlay on Schemes of State Trading'."

Shri M. Ananthasayanam Ayyangar: I wish to draw attention to clause (b) of the footnote. It is said that the expenditure on the Mechanical Cultivation Scheme was sanctioned after the budget was framed, and sanction is now sought for an expenditure of Rs. 11,71,000. I was opposed to this and am still opposed to it, but I cannot place before the House the materials regarding this proposal. It happens in this way. The Americans had about 300 or 400 heavy tractors. They gave that away. We purchased them. After purchase some of them could be retained here—about 100 or so—to assist in reclamation of lands in and about Delhi, the U.P. and East Punjab. The rest could be distributed to the various provinces. The whole of India may be divided into four regions and the balance distributed among those regions and small workshops for their repairs might be established. On the other hand, the scheme envisages the possibility of a central depot here for 300 tractors which may be moved in sets of 15 from one end of the country to the other end. They might be worked by an establishment which proceeds from here and also a mobile repair shop and the memorandum circulated to us showed how fantastic the proposals were. It was said that along with those tractors, those tractors must be guarded on the fields by a gazetted officer with a force of 15 constables. The ground must be made free of malaria and so on. But I do not know how the tractors would be walked away with! All these arrangements were for the purpose of creating the establishment for a central organization. We are trying to centralize various things, which in the nature of things must be decentralized. Of course some of the provinces close to Delhi are taking advantage of it. One of the provinces said that 10,000 acres may be brought under cultivation by the tractors. The tractors were sent and 10,000 acres reclaimed. Now they say that we do not have any surplus men. Therefore come and plough this. Next they will say throw the seed for us and then reap the harvest and get the benefit and share it with the Centre!

I know the Finance Minister does not agree with me and he need not agree with me. But I cannot place the materials before the House. I would have liked to read out to the Honourable Members the various items in the memorandum. According to me the reading would show that it was not necessary. But I am helpless. It is a matter of 11 lakhs which is a recurring expenditure. This only refers to the capital outlay. What it involves is different. It might be said that you are going to get the rent or the charges from the provinces. It will be too heavy a cost. Madras does not want it. She is prepared to do without it, partly on account of the heavy expenditure and the fact that there are not such large plots of land which have to be brought under cultivation at a stretch. Either the 10,000 acres must be brought into cultivation in big groups of small units to be of any benefit in provinces with small plots: or if they are split up into units of two or three they may be more useful according to the needs of the province concerned. But I

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do not know how to ask for the aid of all the members here in respect of my contention. I am sure the Honourable Minister will explain the position to us. In any case the sanction which has been asked for, if it is sanctioned, it must be for a year. This matter should be closely watched as to whether decentralization might not prove more effective than centralization.

Mr. R. K. Sidhva: Fortunately for my friend, he knows something about it because he is a member of the Finance Committee. But I am absolutely ignorant of this matter as to what this amount relates to. When I read it I thought this related to the production of tractors which would be given to the provinces on loan for cultivation and for our food campaign. But from his speech I find that this is quite different, though, even from his speech, I could not exactly say for what it was. Is it a capital grant? On the one hand he said it is . . .

Shri M. Ananthasayanam Ayyangar: This is capital outlay: that involves recurring expenditure.

Mr. R. K. Sidhva: Still the matter is not clear. What is this mechanical cultivation for, if it is not for food or for other products? He made a reference to malaria. I therefore desire that the Honourable the Finance Minister should let the House know what is the scheme, and after hearing him, we could discuss it, because it seems to me that there is a lot of material to be studied. It is therefore unfair that such a matter should have been brought to this House without sufficient information being supplied to the Honourable Members. Really speaking, Madam, I had a complaint about all these subjects. The materials given are so scanty. Half of them relate to increases as a result of the Pay Commission, dearness allowance and so on. I may inform you that I have been in the Provincial Government and let me say that the Provincial Governments give in their budget demands, both for supplementary and annual, far more information than we get here. There are two books. One is a white book and the other is a blue book. One contains figures and the other gives all the information as to why the necessary increase is demanded and statements for the preceding five years are given, showing the number of employees, the increase or decrease every year and how the amount stands in every one of these five years. I thought that the Central Government must have something better than the Provincial Government and that here we can get better information and there would be something to learn. But I am surprised to find that the information supplied by the various departments for the budget is very scanty. Ordinary members, without studying it carefully, will not be able to make out the A, B, or C of the budget: and those who would like to make a study of it would not be able to make head or tail of the subject. Here is a glaring instance. I wanted to know what it was about. I took it to be for the good purpose of mechanical cultivation and for tractors which may be given to the provinces and I did not bother much about it because they want to step up production. Now it is something quite different and we are asked to give sanction to this Rs. 11 lakhs. We have only thirty minutes more to pass the whole budget and I do not know how we can reconcile ourselves in this matter when we do not know what it is and still we shall be a party to the passing of this item! Therefore, I do hope that the Honourable the Finance Minister will kindly enlighten us more fully and in future he should bear in mind that much has been stated about the preparation of the budget by many Honourable Members. Sufficient has been said and much more could be said and a much more enlightened and simple budget could be presented to this House, which any layman could understand, criticise and make useful suggestions about to the Treasury Bench Members. That stage has gone so far as this year is concerned. The Finance Committee members will be alert . . .

Mr. Chairman: Order, order. I think the Honourable Member is going off the subject.

Mr. R. K. Sidhva: No Madam, my remarks relate to this as I am absolutely ignorant about it and I am quite consistent with what I say. There is no material here from which I could make a case and when I have to make out a case I have to give these other details. Therefore, it is most unfair to keep the House in the dark and obtaining the vote of the House for these Rs. 11 lakhs and as a matter of fact for crores of rupees without giving us sufficient material to understand, just because the Honourable Ministers know that these things will be passed. At the same time it is not proper that we should not be given all the information. I therefore repeat and state that at least as far as this item is concerned, let us know what it is so that we may understand the argument between him and Mr. Ayyangar and we may be able to come to our own opinion and we may then have the consolation of knowing that while sanctioning this amount we understood this item.

The Honourable Shri Jairamdas Doulatram (Minister for Food and Agriculture): Madam, it seems that there is some misunderstanding with regard to this question of the tractors. I think part of the criticism is due to the fact that sometime ago a news paragraph appeared in the press that 10,000 acres of land were being cultivated by mechanical tractors in the U.P. Sometime, before I took charge, a plan for importing tractors not for the purpose of reclaiming small patches of land here and there but for the purpose of reclaiming large areas of land which could not be handled by man, which was part of a scheme for developing the food resources of the country had been sanctioned. It is not my intention that these tractors should be used in this or that province on any other considerations except two. One consideration is the potentiality of that province to place under the plough large areas, to fill the gap with regard to our food deficit. The second consideration is the readiness of that province to complete first the cultivation operations and then the harvesting operations. It is only where these two considerations apply that tractors will be sent out. I know that some tractors are on the move. As a matter of fact a unit of 15 tractors has been sent to the Central Provinces, because it is understood that in the Central Provinces there are large tracts of land which are awaiting reclamation. It has been suggested that instead of sending large units of 15 tractors the units sent should be much smaller. It is a matter for consideration whether the overhead expenses will not be unnecessarily heavy. But I have no objection to considering any scheme which will be proved to be economical whereby three or four tractors could be sent to certain parts of our country. But the use and the repair of these tractors require fairly high technical skill. Whether it will be possible to distribute this high technical skill to many parts of the country I cannot at present straightaway say. But I am prepared to examine this proposal of decentralising the plan for the use of tractors. However my present study of the question shows that it may on the whole prove to be an uneconomical use of what tractors we have. We have at present round about 200 tractors in use. These tractors were purchased from the army disposals. They are now being repaired and converted for the use of agriculture. Therefore at present we have got about 200 working tractors and about 100 or so under repairs. We have given orders for another 440 tractors which are expected to arrive in the course of the next six months. I cannot say when they will arrive. It will depend upon the shipping space available and many other factors. There is no question of these tractors being available for this or that province on any other consideration except what I have mentioned. I am perfectly willing to consider the proposal that we might have a smaller unit for any province but I would plead with the House not to allow this suggestion to be inspired by what I might call purely local feelings, that this or that province has not had its share. I would really request the House to deal with this matter on an All India basis. Which are the areas

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where probably this type of reclamation will speed up food production and give us the best results for the country as a whole—that I think should really be in the present emergency the over-riding consideration. At the same time if any province which is deficit in food is ready for work and both the Government and the cultivators there are ready for the despatch and use these tractors, I will have no objection to consider most open-mindedly the diversion of a small unit to that particular area.

Mr. R. K. Sidhva: If these units are to be sent to certain provinces for this purpose, I want to know why not that amount be debited to that province on account of these tractors and why burden the Government with that expense?

The Honourable Shri Jairamdas Doulatram: I cannot say much about the methods of accounting but these tractors at present are purchased by the Centre and rented out to the provinces. The provinces have to pay for all the cultivation expenses. If the proposal is that all tractors should be purchased by the provinces, that is a different question altogether. Then it means that the province would permanently take charge of them whether they require them or not any longer. I think it is in the interest of reclaiming large areas (we have probably about 45, or 50, lakhs of acres) awaiting reclamation and it can reclaim them, all our food deficit will be covered—that the Centre should maintain these tractors and allot them to those areas which on the whole we think are areas from which we expect the maximum results. If you suggest that the provinces should purchase these tractors, then it is a matter to be gone into in due course. I cannot commit myself at this stage.

Prof. N. G. Ranga: Madam, the whole scheme seems to be the result of a kind of drawing room inverted mathematics or arithmetic. All that my Honourable friend the Minister has said will be quite correct if he had in his mind just a small province like Orissa. But where you must have a sort of central station with 300 or 400 tractors from which you will be sending out tractors in tens or twenties with the idea of economising overhead expenses and so on, where we are thinking in terms of the whole of India to be turned into one unit, that Delhi should have been thought as the centre of it all! Whoever must have thought it must have a very bad idea of India's geography. If they wanted to save on overhead expenses or they wanted to have one central station, they should have thought of Betul or Wardha and not Delhi. These officers do not want to go away from Delhi: there will not be any fun anywhere else. It is absurd. I am glad my Honourable friend the Minister has agreed to consider this suggestion. It is a very good suggestion and I hope the Minister will very soon come to a conclusion. It would be better to distribute the whole bunch of these tractors into at least four centres and then these centres, whichever provinces may be chosen, would entrust the work to the local department of agriculture.

Secondly, I wish to warn the Government that we had better not make too much haste in going ahead with this tractor importation or utilisation, for this reason that they have themselves appointed a Major (who impressed me the other day rather well) in order to investigate into the practicability of the utilisation of many of these machines. He is now studying it, what kind of tractors will be useful to our country, whether any alterations have got to be made or whether any improvements have to be made. Pending the enquiry and the results of his researches it would be better that Government should not hasten to spend too much money. That does not mean that I am opposed to the introduction of these tractors, harvesters or combiners. Wherever they can possibly be introduced with the aid of the state or on the initiative of the state for large scale cultivation of land certainly they should be brought into this country or should be manufactured in this country itself and then introduced.

Thirdly, I would like the Government to investigate into the possibility of manufacturing these things as a state enterprise in such a manner that these machines will be absolutely suitable to our own country.

Fourthly, I would like to suggest to my Honourable friend that the areas in every province, particularly in the agency tracts, where these big tractors or such other machines alone can possibly be used in order to bring those areas under cultivation to help the local people produce more food and to make India self-sufficient in food. I know of Agency areas where there is plenty of fertile land, but there is labour shortage. If you think of importing labour from outside into the Agency areas it will be an impossible proposition because there is malaria and blackwater fever and various other scourges. In such areas if you are to succeed in raising bigger and bigger crops, then certainly you have got to rely more and more on these machines. Therefore, it is all the more necessary why the Government of India should try to hasten with their own researches first of all; secondly not to be too much in a hurry to import these machines at very high cost; thirdly to select at least four places where they can possibly centralise these things instead of keeping them all in Delhi alone. If they must necessarily have one station alone to start with, then certainly Delhi is the last place for it. Let them choose some other place. Probably they have erected some sheds and some other things; they might have put up some quarters also. But they can be used for various other purposes connected with the Agricultural Institute itself. I do hope the Honourable Minister will give his best consideration to these points.

Shri Ramnarayan Singh: I want to put one question. May I know how much waste land has been reclaimed by these tractors in the year which is coming to an end today and how many tractors have been sent to Bihar?

The Honourable Shri Jairamdas Doulatram: In U. P. 10,000 acres have been cultivated. I cannot say off-hand how many tractors were sent to Bihar.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 8,53,25,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Capital Outlay on Schemes of State Trading'."

The motion was adopted.

Mr. Chairman: Demands Nos. 21, 27, 28, 29, 36, 53, 56, 77, 78-A, 92 and 99 have been disposed of. All other demands are now put to the House together. The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the Order Paper, except in the case of heads of Supplementary Demands Nos. 21, 27, 28, 29, 36, 53, 56, 77, 78-A, 92 and 99, be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of corresponding heads of Supplementary Demands entered in the second column thereof."

The motion was adopted.

[As directed by Mr. Chairman the motions for Demands for Supplementary Grants which were adopted by the Assembly are reproduced below.—Ed. of D.]

DEMAND NO. 1—CUSTOMS.

"That a supplementary sum not exceeding Rs. 1,74,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Customs'."

DEMAND NO. 2—CENTRAL EXCISE AND SALT.

"That a supplementary sum not exceeding Rs. 83,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Central Excise and Salt'."

DEMAND NO. 3—TAXES ON INCOME INCLUDING CORPORATION TAX.

"That a supplementary sum not exceeding Rs. 5,50,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Taxes on Income including Corporation Tax'."

DEMAND NO. 4—OPIUM

"That a supplementary sum not exceeding Rs. 5,62,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Opium'."

DEMAND NO. 6—STAMPS

"That a supplementary sum not exceeding Rs. 5,02,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Stamps'."

DEMAND NO. 9—INDIAN POSTS AND TELEGRAPHS DEPARTMENT

"That a supplementary sum not exceeding Rs. 1,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Indian Posts and Telegraphs Department'."

DEMAND NO. 19—MINISTRY OF EXTERNAL AFFAIRS AND COMMONWEALTH RELATIONS.

"That a supplementary sum not exceeding Rs. 51,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Ministry of External Affairs and Commonwealth Relations'."

DEMAND NO. 33—AUDIT.

"That a supplementary sum not exceeding Rs. 2,98,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Audit'."

DEMAND NO. 37—PORTS AND PILOTAGE

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Ports and Pilotage'."

DEMAND NO. 55—INDUSTRIES AND SUPPLIES.

"That a supplementary sum not exceeding Rs. 69,00,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Industries and Supplies'."

DEMAND NO. 58—BROADCASTING.

"That a supplementary sum not exceeding Rs. 3,68,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Broadcasting'."

DEMAND NO. 61—CENSUS.

"That a supplementary sum not exceeding Rs. 75,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Census'."

DEMAND NO. 66—MINT.

"That a supplementary sum not exceeding Rs. 2,84,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Mint'."

DEMAND NO. 79—MISCELLANEOUS ADJUSTMENTS BETWEEN THE CENTRAL AND PROVINCIAL GOVERNMENTS.

"That a supplementary sum not exceeding Rs. 6,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Miscellaneous Adjustments between the Central and Provincial Governments'."

DEMAND NO. 81—CIVIL DEFENCE

"That a supplementary sum not exceeding Rs. 15,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Civil Defence'."

DEMAND NO. 82.—DELHI

"That a supplementary sum not exceeding Rs. 2,99,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Delhi'."

DEMAND NO. 86.—RELATIONS WITH INDIAN STATES

"That a supplementary sum not exceeding Rs. 11,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Relations with Indian States'."

DEMAND NO. 97.—COMMUTED VALUE OF PENSIONS

"That a supplementary sum not exceeding Rs. 2,65,000 be granted to the Governor General to defray the charges which will come in course of payment during the period 15th August 1947 to 31st March 1948, in respect of 'Commuted Value of Pensions'."

The Assembly then adjourned till a Quarter to Eleven of the Clock on Thursday, the 1st April 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Thursday, 1st April, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

DISPOSAL ARTICLES WITH GOVERNMENT

1119. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Industry and Supply be pleased to state the total value of articles still lying as "Disposals" but not yet disposed of?

(b) Are any articles useful for Governmental purposes?

(c) What steps have Government taken to see that these articles are disposed of promptly?

(d) How many of them are (i) serviceable, (ii) condemned as scraps, (iii) absolutely new and (iv) partially used?

(e) Are there still aeroplanes, motor cars, and other motor vehicles for sale? If so, what is their number and why are they not disposed of?

(f) Has a proper inventory been made of all these articles?

(g) Is it a fact that some of the articles are being stolen from time to time?

(h) What are the places in India where these articles are lying for disposal?

The Honourable Dr. Syama Prasad Mookerjee: (a) The book value of the surplus stores awaiting disposal at the end of February, 1948 was about Rs. 165 crores.

(b) Yes, Sir.

(c) The emphasis of present disposals policy is on making the best use of the surpluses available rather than on speedy disposal. Government have appointed a Committee to advise them regarding the best use to be made of surplus stores which are suitable for use in industry, laboratories or technical departments.

(d) It would require enormous labour to collect information under the heads proposed by the Honourable Member in respect of all surplus stores. If the Honourable Member is interested in any particular categories of stores, I would be glad to collect the necessary information.

(e) Yes, Sir. A statement showing the quantities is tabled. The reason for the large quantities of these items not disposed of is that sales have been suspended while the Defence Services review their requirements, and while the possibility of the use of these stores for refugees is investigated. It is probable that considerable quantities of these items will be withdrawn by the Defence Services.

(f) Yes, Sir.

(g) Yes, Sir. A statement will be placed on the table showing details of thefts reported and action taken.

(h) The Honourable Member's attention is invited to the statement placed on the table of the House in answer to starred question No. 144, asked by the Honourable Dr. P. S. Deshmukh on the 6th February.

STATEMENT
Showing availability of aeroplanes and motor vehicles ex-Disposal Stocks

Name of Disposal Authority	AEROPLANE		MOTOR VEHICLES		MOTOR CYCLES*		REMARKS
	Serviceable	Unserviceable	Serviceable	Unserviceable	Serviceable	Unserviceable	
Regional Commissioner, Disposals, Bombay.	1	...	1,823*	208	423	10	* In classes I to V.
Regional Commissioner, Disposals, Calcutta.	...	1	412*	...	...	...	
Regional Commissioner, Disposals, Kanpur.	5	2	39	89	10	...	† Since with drawn.
Regional Commissioner, Disposals, Madras.	...	30†	9	416†	...	...	‡ Including non-runners and salvage.
D. G. D. (MMH Dte.)	22	3	...	...	...	...	§ Require heavy repairs.
D. G. D. (Veh. Dte.)	...	...	1,833§	7,506	...	...	
D. G. D. (U. S. T. Dte.) including U. S. T. Calcutta and M/s Tata Ltd.	318	127	...	...	...	...	
TOTAL	347	163	3,916	8,219	433	10	

Mr. R. K. Sidhva: May I know what was the book value entry when these articles were taken over originally from the previous authorities?

The Honourable Dr. Syama Prasad Mookerjee: I cannot recollect the exact figure. It may be somewhere between 300 crores and 350 crores.

Mr. R. K. Sidhva: May I know the name of the committee that the Honourable Minister said he has appointed?

The Honourable Dr. Syama Prasad Mookerjee: The Disposals Enquiry Committee.

Mr. R. K. Sidhva: Does it consist of officials only?

The Honourable Dr. Syama Prasad Mookerjee: No. It consists of non-officials also. I have included Mr. Thadani as Chairman. I have included a professor from the Bangalore Institute and one engineer, and one or two officials to be associated with them.

Seth Govinddas: Have the Government altogether stopped disposing of these articles for the present or is disposal still going on?

The Honourable Dr. Syama Prasad Mookerjee: We are selling subject to any directions which we may get from the Defence Ministry and Relief and Rehabilitation Ministry.

Seth Govinddas: Are Government aware that in spite of the appointment of a committee, very valuable articles are even now being disposed of at very low prices?

The Honourable Dr. Syama Prasad Mookerjee: I do not think that is correct. If I get any definite information, I shall certainly enquire.

Shri Khurshed Lal: May I know if it is a fact that about last September, an aeroplane was sold for Rs. 2,500?

The Honourable Dr. Syama Prasad Mookerjee: Not a flyable one. If I get a specific instance, I can certainly look into it: when this case was reported, we have enquired into it.

Shri Khurshed Lal: Has it not come to the Honourable Minister's notice that the same aeroplane which was purchased for Rs. 2,500 has been flying in October, November and December?

The Honourable Dr. Syama Prasad Mookerjee: I cannot say which particular plane drew petrol from where. Certain planes were sold before the order prohibiting their sale was issued, but no aeroplane has been sold after the order was issued by the Government prohibiting their sale.

Shri Khurshed Lal: Is it a fact that a plane was sold for Rs. 2,500 to one Shyam Behari?

Mr. Speaker: The same question is being repeated in a different form.

Mr. R. K. Sidhva: The Honourable Minister said in answer to part (d) that he is not in a position to give the information because it will be too lengthy, but that if I am interested, he will be able to supply it. Personally I am not interested at all, but the public are interested, and I want to know from the Honourable Minister what is the book value of the condemned or scrap articles, and I want to know that as separated from the saleable and useful articles.

The Honourable Dr. Syama Prasad Mookerjee: It is very difficult to distinguish between those which are absolutely condemnable and those which are saleable. Certain things which are partially condemned have also been sold. We have not been able to divide the two entirely. What I said was that any information regarding particular categories of stores will be readily given if the Honourable Member so desires.

Mr. R. K. Sidhva: Have they not yet separated the condemned and usable articles to avoid loss of revenue to the State?

The Honourable Dr. Syama Prasad Mookerjee: We have separated the two, but then things which are regarded as unsaleable have also sometimes a market and then we sell them.

Pandit Balkrishna Sharma: May I know if the Honourable Minister is aware of the fact that the particular aeroplane about which my Honourable friend Mr. Khurshed Lal was talking was sold to that particular gentleman as a special case and that it was sold after the orders by the Government were passed freezin all the disposals goods?

The Honourable Dr. Syama Prasad Mookerjee: It was not sold after the order was passed.

Pandit Balkrishna Sharma: May I know when the orders for freezing were passed?

The Honourable Dr. Syama Prasad Mookerjee: That was some time early in October, or end of September, I believe. I do not remember the date exactly.

Pandit Balkrishna Sharma: Is it a fact that some time in the end of October, such orders were passed?

The Honourable Dr. Syama Prasad Mookerjee: No. If the Honourable Member gives details, I shall again look into the matter.

Seth Govinddas: Is it not a fact that even those articles which were once considered to be scrap lately proved to be not so, and will the Government do something in this respect so that real articles which are scrap are in that list and not others?

The Honourable Dr. Syama Prasad Mookerjee: That is exactly one of the purposes for which I have appointed the committee.

Mr. R. K. Sidhva: May I know what is the book value of the articles which have been separated as condemnable?

Mr. Speaker: He has asked the question repeatedly.

Mr. R. K. Sidhva: No, Sir. The Honourable Minister stated, they are separated. I want to know what is the value of the separate things.

The Honourable Dr. Syama Prasad Mookerjee: That depends on the various categories of goods. I cannot give the Honourable Member the entire total sum.

Shri T. T. Krishnamachari: Arising out of the answers to parts (d) and (f), may I ask the Honourable Minister what steps are taken to keep these valuable articles on a proper care and maintenance basis?

The Honourable Dr. Syama Prasad Mookerjee: They are being guarded. There are so many officers and other persons appointed to look after them, but the position actually is that the responsibility for guarding the Depots except the American ones rests on the Defence Ministry. The Disposals organization under the Industry and Supply Ministry deals only with the question of sale. Whenever the Defence Department says that particular goods can be disposed of i.e., they are not required for their own purposes, our officers go and sell them, but the rest of the responsibility rests with the Defence Ministry.

Mr. R. K. Sidhva: In answer to part (f) of the question the Honourable Minister said that a proper inventory has been made of all these articles. The inventory is kept in Delhi by the Government of India or at various places where stocks are written. May I know whether any Honourable Member can have inspection of these inventory lists at various places?

The Honourable Dr. Syama Prasad Mookerjee: We have copies here and also copies at various depots. Any Honourable Member can have inspection of the inventories.

PERMANENT WAY AND SIGNAL AND INTERLOCKING INSPECTORS ON B. B. AND C. I. RAILWAY.

1120. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the Pay Commission has recommended only two grades for Permanent Way and Signal and Interlocking Inspectors?

(b) If so, is it a fact that the B.B. & C.I. Railway have split the grades into more than two? If so, why?

(c) Is it a fact that in cases of promotion to this cadre, seniority is not maintained by the B.B. & C.I. Railway authorities?

(d) Has there been any representation from this class of staff to the officials?

(e) Has any one of them preferred an appeal to the Railway Board?

(f) Is it a fact that under the rules, appeals lie to the Railway Board? If so, why do the authorities withhold such appeals?

The Honourable Dr. John Matthai: (a) No. The Pay Commission recommended four scales of pay for Permanent Way Inspectors and Signal and Interlocking Inspectors see page 187 of their report.

(b) Does not arise.

(c) These posts are selection posts and promotions are made on the results of selection by Selection Boards constituted in accordance with the procedure laid down.

(d) Government are informed that no representation has been received from the Permanent Way Inspectors but that a representation has been received from the Sub-Permanent Way Inspectors, which is under scrutiny by the Railway Administration.

(e) No.

(f) Under the rules, an appeal to the Railway Board lies only on original orders passed by the General Manager. The latter part does not arise in view of the reply to part (e).

Mr. R. K. Sidhva: Arising out of the reply to part (b), have there been any supersessions in this respect and have juniors been appointed as engineers?

The Honourable Dr. John Matthai: I take it the particular posts that the Honourable Member has in mind are selection posts. Selection posts necessarily imply selection which to a large extent sets aside considerations of seniority.

Mr. R. K. Sidhva: May I know the composition of the Selection Board?

The Honourable Dr. John Matthai: The Selection Board consists of three officers of the railway administration concerned and it is set up by the General Manager.

Shri M. Ananthasayanam Ayyangar: May I know if the President of the Regional Public Services Commission will be associated with the Selection Board?

The Honourable Dr. John Matthai: This is a matter entirely of promotion and not of initial recruitment. I personally rather doubt the advisability of appointing a member of the Services Commission. Since it is entirely a question of promotion. If it were also a question of direct recruitment from outside to these particular posts, then I could understand the justification for appointing a member of the Commission.

Suri M. Ananthasayanam Ayyangar: Is there any agency to scrutinise if the promotion is legitimate and proper and to interfere in cases where hardship has occurred?

The Honourable Dr. John Matthai: Did the Honourable Member say "promotion"?

Suri M. Ananthasayanam Ayyangar: Promotion by this Selection Board. Is there any agency to intervene in cases of hardship wherever hardship has occurred in the matter of selection?

The Honourable Dr. John Matthai: The procedure is that anybody who feels that his claims have been ignored by the Selection Board has the right of appeal to the General Manager. Where the appointment is made by the General Manager himself, then there is a right of appeal to the Railway Board. There is only one right of appeal in each case.

Suri M. Ananthasayanam Ayyangar: Does the Government exercise any right of revision? In all cases wherever injustice occurs and the departmental officers do not attend to the removal of injustice, does the Government intervene in the last resort?

The Honourable Dr. John Matthai: As I told the House during the Railway Budget debate, I am making a practice of scrutinising the selections made from time to time to satisfy myself that the particular Railway Administration is exercising its right in a fair manner.

Shri Harihar Nath Shastri: In reply to part (b), the Honourable Minister has stated that there are certain matters that are under scrutiny. In view of the constant complaints made on the floor of this House during the last twenty years regarding favouritism and an utter disregard of seniority in matters of promotion, may I know what active steps do Government propose to take to regulate promotions on just and proper lines?

The Honourable Dr. John Matthai: The question raised by the Honourable Member is a question which raises a very difficult issue from the point of view of administration. I will tell the House what the problem is. There has been a great deal of criticism over a period of years about the standard of efficiency which has been attained by the Railways. Now, if we are to maintain a proper standard of efficiency, we have, in the case of these special posts, to set aside mere considerations of seniority and appoint people who are really qualified for them. In the case of selections made on that basis, for every one man who is appointed, ten men are disappointed and these ten men are bound to complain to people. So, I have got to maintain a balance between these two considerations, which is a difficult thing to do.

Shri Harihar Nath Shastri: So, is the Honourable Minister satisfied that all complaints in connection with favouritism are baseless or without foundation?

The Honourable Dr. John Matthai: I would not go so far as that. I have certainly come across cases where the right of selection has been exercised in a somewhat invidious and unfair manner.

Shri Mohan Lal Saxena: May I know, Sir, whether the Honourable Minister is aware that the inefficiency referred to by him is due mostly because of the appointments made on personal considerations?

The Honourable Dr. John Matthai: I do not agree with that proposition.

Mr. R. K. Sidhva: May I know, whether in the case of some of officials of the R.B. and C.I., who were entitled to make an appeal against the decision of the General Manager, the appeals have been sent over to the Railway Board or they were refused to be sent?

The Honourable Dr. John Matthai: It has not come to my knowledge, but I will certainly have that looked into.

ALLOTMENT OF PRIORITY SEATS TO PROVINCES IN AEROPLANES.

1121. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Communications be pleased to state the number of priority seats per each aeroplane allotted to each Provincial Government?

(b) Is it a fact that the Government of Bombay have refused to make use of all seats allotted to them although demand for priority is made to them by passengers entitled to such priority?

(c) If so, what steps do Government propose to take in the matter?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Two priority seats per day on the Bombay—Delhi air service operated by Air India Limited have been allotted to the Bombay Government and two seats on the Calcutta—Delhi service operated by Indian National Airways, to the Government of Bengal. No priority seats are held by any other Provincial Government.

(b) and (c). The arrangement so far as the Government of Bombay is concerned came into effect only on the 1st March, 1948. The Government of India is not aware of any case where the Government of Bombay refused to allot the priority seats placed at their disposal. I might point out, however, that the mere fact that the Government of Bombay hold two priority seats does not make it obligatory on them to use them on every occasion. They will allot them only in cases where the grant of priority is justified.

Mr. R. K. Sidhva: In view of two seats being allotted for the Bombay Government for priority, and as they only utilise one, may I ask the Honourable Minister whether Government would be prepared to take away one or ask the Bombay Government to utilise all the two seats in order to avoid any kind of inconvenience to passengers?

The Honourable Mr. Rafi Ahmed Kidwai: When the Honourable member himself agrees that the Bombay Government is not misusing that authority, why should there be any case of withdrawal?

Shri H. V. Kamath: Sir, are there different grades or kinds of priority—for example low priority, high priority, ordinary priority and red hot priority, and things of that sort?

The Honourable Mr. Rafi Ahmed Kidwai: No, Sir.

Mr. Hussain Imam: May I know if there is any seat reserved for the Bombay—Delhi service and if so by whom? Who holds the priority for the Bombay—Delhi service?

The Honourable Mr. Rafi Ahmed Kidwai: The Bombay Government is authorised to issue two priority tickets.

Mr. R. K. Sidhva: Sir, I did not follow the answer to my last question. My question was that when the Bombay Government does not exercise the use of the two seats, what is the intention of the Government in having it?

The Honourable Mr. Rafi Ahmed Kidwai: But the Bombay Government has the right to exercise that authority whenever they think it necessary. The question of withdrawal would have arisen only if a complaint had arisen that that Government is misusing that authority.

SCIENTIFIC AND INDUSTRIAL RESEARCH INSTITUTE.

1122. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Industry and Supply be pleased to state the annual recurring and non-recurring expenditure incurred in maintaining the Scientific and Industrial Research Institute?

(b) Was any donation received last year from the public? If so, what are the details of the amount of contribution and the purpose for which they were given?

(c) What were the definite recommendations made by the Institute last year and how many of them have been implemented?

The Honourable Dr. Syama Prasad Mookerjee: (a)

	Recurring	Non-recurring
	Rs.	Rs.
1942-43	6,79,284	...
1943-44	12,84,094	...
1944-45	12,73,669	45,496
1945-46	17,53,474	2,12,402
1946-47	22,57,556	2,07,210
1947-48 (Estimated)	32,36,600	20,31,000

(b) Yes. A sum of Rs. 33,333 was received last year i.e., 1946-47 from M/s Indian Steel and Wire products Ltd., in connection with the establishment of a National Metallurgical Laboratory. Other donations totalling to over 34 lakhs of rupees have been promised.

(c) The Honourable Member has presumably research schemes in mind. A list of the schemes considered and implemented by C. S. I. R. in 1946-47 is placed on the table.

List.

Scheme	Equipment	Contingencies	Staff	Total grant
1. Scheme on chromium plating of glass, wood and other non-metallic materials—Dr. B. C. Kar, Dacca.	...	800	1,800	2,600
2. Production of formaldehyde from Power alcohol—Dr. S. K. K. Jatkari, Indian Institute of Science, Bangalore.	...	1,584	4,416	6,000
3. Production of yeast on a large scale in the milling & baking Laboratory.	2,000	750	1,590	4,340
4. Physical & chemical survey of Indian Coals—Dr. A. Lahri, F. R. S.	...	...	...	9,500
5. Infra red radiation from solar atmosphere—Dr. L. A. Ramdas, Poona.	...	...	1,573	1,573

Scheme	Equipment	Contingencies	Staff	Total grant
6. Investigation of mechanism of production of Meson & their properties with the help of Wilson cloud chamber—Dr. R. L. San Gupta, Calcutta	2,500	600	2,112	52,12
7. Studies in Dielectric constants of liquids and solids—Dr. S. K. K. Jatkari	1,000	400	3,600	5,000
8. X-ray studies of metals and alloys—Dr. K. Banerjee, Calcutta	1,000	2,500	3,600	7,100
9. Manufacture of phenol from chlorobenzene—Dr. G. P. Kane, Bombay	..	500	1,500	2,000
10. Production of phenol by the Benzene sulphonic acid process employing Ottomans' technique—Dr. P. C. Guha, I. I. S., Bangalore	..	1,000	2,500	3,500
11. Manufacture of sodium chloride for industrial use—Dr. Mata Prasad, Bombay	..	200	1,800	2,000
12. Electric furnace treatment of coal rich in sulphur—Dr. J. C. Ghosh	...	1,500	6,500	8,000
13. Manufacture of methanol from carbon monoxide and hydrogen—Dr. J. C. Ghosh.	...	...	2,000	2,000
14. Establishment of a leather research Institute Madras University	...	...	...	60,000
15. Tata Institute of fundamental research	..	...	...	75,000
16. Establishment of a betatron Tata Institute of fundamental research.	...	...	...	32,400
17. Cosmic rays—Dr. Bhaba, Bombay	...	...	...	10,000
18. Co-relation of cosmic ray intensity with atmospheric variables—Dr. P. C. Gill, Lahore	2,500	...	3,780	6,880
19. Carbohydrate metabolism in organisms with special reference to citric and oxalic acid formation—Dr. Damodran	1,500	500	5,268	7,268
20. Rubber lined equipment for chemical industries—Dr. Ghosh	...	1,000	3,395	4,395
21. Manufacture of Direct cotton colours—Madras	1,000	1,000	8,952	1,0952
22. Ionospheric investigation—Dr. S. K. Mitra, Calcutta	...	500	6,591	7,091

Scheme	Equipment	Contingencies	Staff	Total grant
23. Investigation on steroids—Dr. M. C. Nath	1,000	500	5,316	6,816
24. Directional measurements of atmospheric—Prof. S. K. Mitra	...	2,500	...	2,500
25. Purification of graphite ore—Dr. Ghosh	...	1,000	4,290	5,290
26. Manufacture of gland products and commercial utilization of shark waste	1,500	1,000	9,124	11,624
27. Preparation of Novocains—Dr. P. C. Guha	1,000	500	2,253	3,753
28. Extraction of sulphur compounds from coal—Dr. Ghosh	...	1,000	2,397	3,397
29. Pilot plant experiment on manufacture of sodium and magnesium metals—Dr. Ghosh	...	5,000	19,123	24,123
30. Preparation of predigested and concentrated food products from edible seed cakes—Prof. V. Subramanyan.	750	500	2,530	3,780
31. Vegetable milks from oil seeds and related materials—Prof. V. Subramanyan, Bangalore.	1,000	4,750	4,743	6,493 +4,398
32. Manufacture of chemical porcelain—Prof. H. N. Roy	...	1,500	2,994	3,494
33. Production of Butyl alcohol acetone, acids etc. from molasses—Dr. B. N. Ghosh	...	1,500	5,250	6,750
34. Study of conditions favouring the increase of alcohol concentration in distillery wastes	1,040	1,000 916	3,240 2,543	4,240 4,500
35. Investigations on jasmins—Mr. S. N. Bal, Calcutta.	...	500	3,900	4,400
36. Sugar canes—Prof. H. N. Roy.	...	500	3,000	3,500
37. Extraction of essential oil from bitter oranges—Dr. B. K. Malviya, Lucknow	...	...	...	...
38. National collection of type cultures—Mr. M. Sreenivasaya.	1,000	2,000	7,893	10,893
39. Peptides and proteases—Dr. Damodaran.	...	500	8,230	8,730
40. Cytogenetics of yeast and fungi—Dr. Sreenivasaya.	...	800 656	4,236 1,596	4,736 2,252
41. Industrial enzymes—Mr. Sreenivasaya.	1000	600	3,340	4,940
42. Utilization of lemon grass oil as disinfectant—Prof. V. Subramanyan	...	1,000	5,589	6,589

Scheme	Equipment	Contingencies	Staff	Total grant
43. Design of moving iron ammeters and voltmeters—Dr. P. C. Mahant.	...	1,000	3,280	4,280
44. Preparation of aromatic chemical—Dr. P. C. Guha.	...	800	2,397	3,197
45. Resistance alloys—Mysore iron and steel Works, Bhadravati.	...	...	600	600
46. Classifying & cataloguing of scientific literature—Sir J. J. Ghandy.	...	...	4,200	4,200
47. Manufacture of beryllium—Dr. J. C. Ghosh.	...	2,000	3,468	5,468
48. Manufacture of sorbose from sorbitol—Dr. Damodaran.	...	500	5,124	5,624
49. Synthetic dyes & modified shades from cutch—Dr. K. Venkataraman.	...	400	488	888
50. Manufacture of hydrogen peroxide—Dr. Ghosh.	...	2,000	4,000	6,000
51. Constitution of commercial dyes—Dr. K. Venkataraman.	...	1,200	3,888	5,088
52. Extraction rare earths from monazite sands—Dr. P. B. Sarkar.	2,000	1,000	7,660	10,660
53. Production of synthetic methanol—Dr. Ghosh.	12,000	2,500	2,000	16,500
54. Preparation of Butadiene—Dr. Ghosh.	1,000	1,500	6,833	8,333
55. Preparation of vat dyes—Dr. K. Venkataraman.	...	4,000	6,819	10,819
56. Treatment of utilisation of industrial waste—Prof. V. Subramanyan.	1,000	1,000	5,286	7,286
57. Vegetable rennet—Prof. Subramanyan.	...	1,000	3,369	4,369
58. Rose cultivation Botanical aspect—Dr. Biswas, Calcutta.	...	...	2,800	2,800
59. Rose cultivation (Chemical aspect)—Dr. H. K. Sen and Dr. Biswas.	800	400	4,021	5,321
60. Spectroscopy of fuels & their combustion—Dr. W. M. Vaidya.	...	1,000	3,432	4,432
61. Desulphurising of coal—Dr. J. C. Chowdhry, Decca University	2,000	500	5,271	7,771
62. Development of air driven ultra centrifuge—Mr. P. C. Bhattacharya.	2,800	600	6,561	9,961
63. Low temperature carbonization of coal—Dr. Ghosh.	...	1,200	4,553	5,753
64. Washability of Indian coal—Dr. C. Forrester, Lhanbad.	3,050	5,000	12,189	2,1089
			2,510	5,560

Scheme	Equipment	Contingencies	Staff	Total grant
65. Neem oil as denaturant of alcohol—Dr. N. N. Godbola.	500	500	2,076	3,976
66. Manufacture of saggers & other kiln furniture. University staff Rs. 6210—Dr. M. G. Bhagat.	12,500	2,000	10,210	2,4710
Manufacture of photographic developers—Dr. B. B. Dey.	1,500	1,500	1,968	4,968
68. Manufacture of permanent of magnet—Mr. B. B. Bhomik.	3,300	800	3,840	7,940
69. Manufacture of vacuum pumps and refrigeration machineries—Prof. M. N. Saha	4,000	600	11,722	16,322
70. Theoretical investigation on upper atmosphere—Prof. M. N. Saha	..	..	6,168	6,168
71. Measurements of Geologic time in India.	3,000	500	4,413	7,913
72. Manufacture of CS ₂ from Coal and Sulphur—Dr. N. N. Godbole	..	300	2,460	2,760
73. Coal blending and coking, Tata Iron and Steel Co.	..	16,386	9,614	26,000
74. Alkali and water soluble cellulose—Dr. C. S. Patel.	..	250	1,642	1,892
75. Polar crystals dissolved in glass vessels—Dr. S. K. Mazumdar	..	300	2,400	2,700
76. Ceramic glasses and colours—Dr. Gopala Rao	..	500	1,780	2,280
77. Penicillin and other anti-biotics—Prof. V. Subramanyan	1,500	2,000	9,157	12,657
78. Manufacture of diamond tools—Dr. P. K. Kichlu	3,000	1,000	1,640	5,640
79. Setting up a powerful ultrasonic generator—Dr. D. M. Bose	..	200	4,272	4,472
80. Setting up a medium voltage positive ray apparatus	1,000	250	2,112	3,362
81. Investigation on absorption of oxygen their compound and other gases and vapours—Dr. Kichlu.	..	800	2,820	3,620
82. Manufacture of flash lamp, Principal, Govt. College, Lahore.	..	700	1,440	2,140
83. Investigation on electrical properties of alloys in the liquid state.—Dr. Krishnan.	..	700	1,500	2,200

Schemes	Equipment	Contig.	Staff	Total grant
84. Investigation on thermionic work—function of metals and alloys.—Dr. K. S. Krishnan.	..	750	2,358	3,108
85. Manufacture of radio valves in India—Prof. S. K. Mitra.	28,361	2,000	3,339	33,700
86. Order & disorder alloys.	..	..	..	..
87. Manufacture of photographic developers under Dr. Mata Prasad.	..	..	2,968 3,667	2,968 3,667
88. Lead acid batteries—Mr. V. V. L. Rao, Madras. Electric condensers—Mr. Rao above.	..	..	..	3,942 5,347
89. Cosmic ray under Prof. M. N. Saha.	3,000	500	2,256	5,756
90. Atmospheric ozone radiation equilibrium in atmosphere.	1,000	1,000	4,230	6,230
91. Float and sink machine—Dr. Forrester.	1,500	..	..	1,500
92. Manufacture of graphite crucibles—Mr. S. L. Mukherjee.	..	..	..	4,670
93. Grain size control. Controller of Inspection, Tatanagar.	..	1,000	5,580	6,580
94. Investigation on manufacture of duplicating ink.	..	50	..	50
95. Fatigue of metals—Prof. Frank Adcock.	14,000	..	5,000	19,000
96. Preparation of optically active and racemic forms of compounds—Dr. Bawa Kartar Singh	..	800	2,160	2,960
97. The above scheme under Dr. B. Mukherjee also.	..	500	2,160	2,660
98. Survey of cellulose bearing materials—Dr. D. L. Sen.	500	500	2,548	3,548
99. Syntheses of antirachitic substances—Dr. B. V. Bhide.	2,500	550	672	3,722
100. Aluminium Titanium alloys—Dr. Daya Sarup.	..	..	172	172
101. Manufacture of cumarin—Dr. P. C. Guha.	450	150	900	1,500
102. Micro-paleo botanical investigation—Prof. Birbal Sahani.	5,000	500	3,180	8,680
103. Industrial utilization of rosin—Dr. N. R. Dhar.	4,000	500	1,680	6,180
104. Transuranic elements on Nuclear fission—on heavy elements with a wilson chamber and on the absorption cross section of neutrons.—Dr. D. M. Bose.	8,000	..	7,200	15,200
105. Utilisation of Bauxite—Dr. M. C. Nath, Nagpur.	..	600	..	1,200
106. Building Research Unit.	..	..	..	8,000

Departmental Schemes	Equipment	Contg.	1946-47. Staff	Total grant
1. Producer Gas Test, Plant — Dr. L. C. Verman.	..	2000	13160	15160
2. Powder Metallurgy.—Dr. Verman.	3500	..	3840	7340
3. Investigation on antimalarial drugs.—Dr. S. Siddiqui.	..	...	6828	6828
4. Carbon electrodes for arc pur- poses.—Dr. Verman.	..	..	4540 2364	4540 2364
5. Investigation on ebonite substi- tutes and allied products.—Dr. S. Siddiqui.	...	..	3264	3264
6. Neem Oil do.	...	...	8682	8682
7. Plastics in general.—Dr. Karim- ullah & Dr. Verman.	...	...	9200	9200
8. Pyrethrum and pyrethrum sub- stitutes.—Dr. S. Siddiqui.	...	..	4944	4944
9. Surpentina alkaloids and kurchi bark.—Dr. S. Siddiqui.	...	...	10644	10644
10. Semi synthetic tanning materials.—Dr. S. Siddiqui.	...	...	7414	7414
11. Polyhydric alcohols.—Dr. Ver- man & Dr. Karimullah.	...	...	2921	2923
12. Preparation of potent strains of yeast.—Tr. Bashir Ahmad.	...	1000	4440	5440
13. Industrial utilisation of resins obtained from latices of eupho- rbiacea,	...	..	6761	6761
14. Survey of raw materials for fermentation industries.—Dr. Bashir Ahmad	...	..	1292	1292
15. Technical application of ultra- sonic.	...	1000	1320	2320
16. Testing of samples of earth, alloys, broken machines etc. brought from Hiroshima by Dr. S. Parthasarthy.	...	...	450	450

Mr. R. K. Sidhva: Arising out of (a), within a period of six years the recurring expenditure has increased from Rs. 6 lakhs to Rs. 32 lakhs. May I know the reason for the six times increase in expenditure?

The Honourable Dr. Syama Prasad Mookerjee: That represents the increase of work which has taken place.

Mr. R. K. Sidhva: But, six times?

The Honourable Dr. Syama Prasad Mookerjee: More than six times. It cannot be measured in money value.

Dr. B. Pattabhi Sitaramayya: May not half of it be accounted for by inflation?

The Honourable Dr. Syama Prasad Mookerjee: It is a matter of opinion.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister, if with respect to certain cases of grants for research where large sums had been applied for—I know of certain instances in Madras—any steps have been taken to ascertain whether the money was spent on research and whether the persons concerned are there in reality and if no action has been taken, why not?

The Honourable Dr. Syama Prasad Mookerjee: So far as Madras is concerned, I believe we have given Rs. 60,000 per year for encouragement of research in leather. If the Honourable Member's information is that the people who have been entrusted with the work are not doing their work, I shall be glad to have some detailed information, but my information is to the contrary.

Shri M. Ananthasayanam Ayyangar: What is the agency, if any, set up by the Government to find out from year to year how far progress has been made in the matter of research and whether the money is really well spent or not and whether it is worth while to continue this research?

The Honourable Dr. Syama Prasad Mookerjee: We get periodical reports which are considered by the Board and the Governing Body, and the Director himself tours the different centres; in fact, the Director was in Madras only a fortnight ago.

Shri M. Ananthasayanam Ayyangar: Would the Honourable Minister consider the advisability of having these researches and the progress made with them scrutinised from time to time by independent persons—say a group of scientists or an *ad hoc* committee appointed from time to time?

The Honourable Dr. Syama Prasad Mookerjee: We have appointed a Special Committee under the Chairmanship of Sir Ardeshir Dalal to make a review of the work which the Council has done during the last five years and that Report is nearing completion.

Prof. N. G. Ranga: What has happened to the Government's programme of starting a number of these research institutions in different parts of the country?

The Honourable Dr. Syama Prasad Mookerjee: At present, we are going ahead with the following schemes: National Physical Laboratory in Delhi, National Chemical Laboratory at Poona, National Metallurgical Laboratory at Janshedpur, Fuel Research Institute at Dhanbad, Central Glass and Ceramic Research Institute at Calcutta, and Radio Research Institute at Delhi.

I have just approved of the proposal to have two more Institutions: The Central Drug Research Institute, and The Food Technology Institute.

I have also just decided to locate two institutions at Madras: The Electro-Chemical Institute, and Leather Research Institute.

Prof. N. G. Ranga: In view of the fact that the Honourable the Prime Minister himself stated that as far as possible the Departments of the Government of India would see to it that the various scientific institutions are not located in Delhi, would Government reconsider their decision to start these two Institutes at Delhi?

The Honourable Dr. Syama Prasad Mookerjee: Up till now, out of 10 Institutes we have located only 2 in Delhi. I suppose the Honourable Member will not grudge that honour to the capital city of India.

EXPORT OF CLOTH AND YARN PURCHASED BY INDIAN SUPPLY MISSION FROM JAPAN

1123. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to refer to the answer given to my Starred Question No. 201 asked on 10th February 1948 regarding cloth and yarn purchased by India's Supply Mission from Japan, and state how much of the cloth imported from Japan has been actually exported so far?

(b) What is the total value of such exported cloth for which money has actually been realised by Government?

(c) What quantity still remains to be re-exported and when is it likely to be re-exported?

(d) What is the reason for the delay in re-export?

(e) While re-exporting, have Government taken into consideration all expenses incurred in the import of this cloth as well as the actual cost of the goods?

(f) Do Government propose to lay on the table of the House a statement showing the credit and debit sides of this transaction?

The Honourable Dr. Syama Prasad Mookerjee: (a) So far only 5.7 million yards have been sold for export.

(b) Rs. 44,48,788.

(c) 74.3 million yards still remain, and it is expected that they will be exported within the next few months.

(d) Government's original intention was to sell the cloth only to established exporters. As the response from them has been poor, Government now propose to sell the cloth to all comers.

(e) Yes, Sir.

(f) Yes, Sir, when the transaction is completed.

Mr. R. K. Sidhva: May I know, Sir, whether the price at which this cloth is sold is lower than the price at which we imported or it is the actual price we are paying, and are Government at a loss or at a profit or equal?

The Honourable Dr. Syama Prasad Mookerjee: We are selling at landed cost plus 10 per cent. We are certainly not selling at a lower price.

Mr. R. K. Sidhva: I find 74 million yards have yet to be disposed of and only 5 million yards have been sold. The Honourable Minister while replying to my question stated last time that three-fourth of the quantity was exported and only one-fourth remained and that the one-fourth will be exported within one month. May I know which information is correct?

The Honourable Dr. Syama Prasad Mookerjee: 23.6 million yards have arrived in India. Of this, 1.7 million yards have been sold to exporters. The balance is still in Japan. What we have now decided is that we shall try to sell the stock from Japan itself as far as possible, instead of bringing it to India and selling it from here. We are trying to negotiate so that we can sell from Japan.

Mr. R. K. Sidhva: What is the quantity sold? Is it 7 million yards or 1.7 million yards?

The Honourable Dr. Syama Prasad Mookerjee: In India 23.6 million yards have actually arrived of which 1.7 million yards have been sold.

Mr. Hussain Imam: May I know what is the average cost per yard of this cloth which has reached India and what is the average cost of the one which is still lying in Japan?

The Honourable Dr. Syama Prasad Mookerjee: The price will be about three to four times higher than the controlled price obtaining in India. It depends on the various varieties.

Shri B. A. Khimji: Is the customs duty included in the landed cost?

The Honourable Dr. Syama Prasad Mookerjee: Yes.

Shri Mihir Lal Chattopadhyay: What portion of the imports is silk?

The Honourable Dr. Syama Prasad Mookerjee: This is all cotton.

Prof. N. G. Ranga: Why is it that only so little has been sold in this country? Is it because of higher prices?

The Honourable Dr. Syama Prasad Mookerjee: There was no demand. One of the reasons was obviously that the prices were higher, and the quality which came was not of much use in India.

Mr. R. K. Sidhva: When the order was placed was not this point considered, namely, whether the cloth could be used in India or not and the quality was the one required?

The Honourable Dr. Syama Prasad Mookerjee: I find, Sir, that at one stage when Government realised that this transaction might not have gone through, they attempted to cancel it but then it was too late. However, I can assure the Honourable Members that we are not going to incur any loss on this transaction, and whatever is being exported I have included in the total over all quota that is to be exported from India. So we shall not suffer in any way.

Mr. R. K. Sidhva: I find a balance of 90 per cent. still unsold. May I know within what period Government expect to dispose of this quantity?

The Honourable Dr. Syama Prasad Mookerjee: We shall try to finish the whole lot in the course of the year.

Mr. Hussain Imam: May I know from the Government whether they are taking steps to find out why this mistake cropped up? Did the gentleman who was responsible for negotiating this deal have full facts or have the facts supplied to him been incorrect or have some new elements cropped up which make this transaction a loss for us?

The Honourable Dr. Syama Prasad Mookerjee: I do not think, Sir, anyone behaved *mala fide*. Apparently, the intention was that we should get as much cloth as possible from Japan in order to relieve the cloth scarcity in India. Any way, we are not losing by the transaction in the long run, as I have explained.

Shri Ramnarayan Singh: What is the principle underlying this process of getting cloth from Japan and selling it to some other countries?

Mr. Speaker: The Honourable Member has not followed the whole trend of answers and questions that have been going on.

Dr. P. S. Deshmukh: When was this cloth purchased?

The Honourable Dr. Syama Prasad Mookerjee: In the first period of 1947, I believe.

RESTRICTIONS ON TRAVELLING BY MAIL AND EXPRESS TRAINS ON G. I. P. RAILWAY.

1124. *Seth Govinddas: Will the Honourable Minister of Railways be pleased to state

(a) whether it is a fact that there is restriction on travelling below 100 miles by mail or express trains in the Great Indian Peninsula Railway; and

(b) if so, whether Government propose, in view of the increased railway fares, to remove such restrictions in the immediate future?

The Honourable Dr. John Matthai: (a) Yes. Passengers travelling distance less than 100 miles are not permitted to travel by Mail and Express trains except in the Nagpur and Allahabad Expresses, and the Mail and Express trains between Bombay and Poona.

(b) No. The Mail and Express trains are still too overcrowded to permit of the restriction being withdrawn.

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) [1ST APRIL 1948]

श्री गोकुलभाई दौलतराम भट्ट : क्या यह बन्धन फर्स्ट क्लास और सेकंड क्लास दोनों के लिए है ?

Shri Gokulbhai Daulatram Bhatt: Does this restriction apply to first and second class both?

The Honourable Dr. John Matthai: It is for all classes.

श्री गोकुलभाई दौलतराम भट्ट : क्या यह सिर्फ जी० आई० पी० के ऊपर लागू होती है या दूसरी रेलवे में भी ?

Shri Gokulbhai Daulatram Bhatt: Does it apply to G.I.P. only or to other railways also?

The Honourable Dr. John Matthai: It applies to all Railways.

श्री गोकुलभाई दौलतराम भट्ट : क्या बी० सी० एंड सी० आई० पर सी मोड़ का ही बन्धन है या ५० मील का है ?

Shri Gokulbhai Daulatram Bhatt: Is the restriction on B.B. and C.I. for journeys below one hundred or below fifty miles?

The Honourable Dr. John Matthai: As far as I know, it applies to all Railways except in certain special cases such as those mentioned in connection with the G.I.P.

Pandit Lakshmi Kanta Maitra: Do I understand the Honourable Minister to say that this restriction applies to all classes—First and Second?

The Honourable Dr. John Matthai: Yes.

श्री गोकुलभाई दौलतराम भट्ट : क्या माननीय मिनिस्टर को मालूम है कि पचास मील के नीचे कोई मुनाफिरी करना चाहता है तो फर्स्ट क्लास का टिकट ले कर जा सकता है ?

Shri Gokulbhai Daulatram Bhatt: Is the Honourable Minister aware of the fact that passengers wishing to travel for less than fifty miles have to pay first class fare?

The Honourable Dr. John Matthai: This is a general rule applicable to all Railways. As I said, there are departures on account of special consideration on certain Railways. Whether there is a departure on that account on the B.B. and C.I. or not is a matter which I will have to look into and am not in a position to answer straightaway.

Shri K. Santhanam: May I know, whether the Minister is aware that this restriction of only 100 miles is not enough for very long distance trains, as for instance, the Grand Trunk Express, which is still very overcrowded?

The Honourable Dr. John Matthai: Is the Honourable Member suggesting that the limit should be raised?

Shri K. Santhanam: Yes.

Dr. B. Pattabhi Sitaramayya: May I know whether a passenger who has purchased a ticket for a 100 mile distance can alight at an earlier station.

The Honourable Dr. John Matthai: Yes.

Dr. B. Pattabhi Sitaramayya: But that is not a convenient method of getting tickets!

Seth Govinddas: Is it not a fact that on the B.B. and C.I. and certain other Railways higher class tickets can be purchased even for distances less than 100 miles?

The Honourable Dr. John Matthai: I have already admitted that there are special considerations on the basis of which on various railways departures are made.

Seth Govinddas: Does the Honourable Minister know that on those lines where this rule is imposed, and particularly as far as the G.I.P. is concerned, there are very few trains and people who want to travel lesser distances are put to great inconvenience?

The Honourable Dr. John Matthai: I quite admit that this results in certain cases in inconvenience, but one has to decide a matter of this kind on the basis of various considerations. I feel this is the lesser of the two evils.

Mr. R. K. Sidhva: Is it not a fact, Sir, that according to the information contained in the Railway guides these restrictions apply only to Third Class and Inter-Class passengers?

Pandit Balkrishna Sharma: May I know, Sir, if it is permissible for passengers to go in for tickets for stations more than one hundred miles and alight at stations less than hundred miles?

The Honourable Dr. John Matthai: You mean to ask whether they can break their journey. Well, as far as breaking journey is concerned—I am speaking off the book—I think the limit is 250 miles.

Pandit Balkrishna Sharma: Not exactly breaking the journey. Suppose I want to travel less than 100 miles and the railways ask me to buy a ticket of 100 or more miles. Can I do so and get down on the way?

The Honourable Dr. John Matthai: There is nothing to prevent a passenger doing so.

OCCUPATION OF SERVANTS' COMPARTMENTS BY MILITARY PERSONNEL AND OTHER THIRD CLASS PASSENGERS.

1125. *Seth Govinddas: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that the servants' compartments are generally occupied either by the military or by ordinary third class ticket-holders?

(b) Are Government aware that *bona fide* servants are not allowed to enter the compartments by the military personnel occupying the compartment?

(c) If so, what steps do Government propose to take to ensure that only persons holding servants tickets are allowed to travel in servants' compartments?

The Honourable Dr. John Matthai: (a) It is only on occasions that persons other than *bona fide* servants occupy Servants' Compartments.

(b) Government have received complaints of this nature.

(c) Railway Staff have standing instructions that servants are to be accommodated in Servants' Compartments, and Upper Class passengers can always call upon the Guard or Checking Staff for assistance when the servants cannot secure accommodation because compartments reserved for servants are occupied by passengers not entitled to travel therein. Although reports from railways indicate that there is now much less cause for complaint, Government propose to reiterate these instructions and follow them up with suitable action.

Seth Govinddas: It is not a matter of such things happening occasionally; but it is a general complaint on almost all lines throughout India.

The Honourable Dr. John Matthai: When I got notice of the Honourable Member's question I made a special enquiry into that and the general impression that I gathered from the reports I received was that although there were complaints, the matter was not quite so widespread as the Honourable Member's

question would indicate. What I propose to do now, in view of such complaints I have received is to institute a special check on representative sections over a certain period in order to determine how far this practice is prevalent.

Shri Kuladhar Chaliha: Are Government aware that on the Assam Railways the servants' compartments are usually occupied by military personnel?

The Honourable Dr. John Matthai: I will have that looked into and issue suitable instructions to the Railway concerned.

Dr. B. V. Keskar: Does not the Honourable Minister think that the time has come to do away with the servants' classes altogether?

Mr. Speaker: That is a matter of opinion.

CLAIMS MADE FOR SHORTAGE IN ARTICLES BOOKED ON RAILWAY RISK.

1126. *Seth Govinddas: Will the Honourable Minister of Railways be pleased to state:

(a) the total number of claims made to the railways for the shortage in articles booked at Railway risk during three years before and three years after 1942;

(b) the number of such claims decided by the Railway Board in the respective years;

(c) the number of claims for which suits had to be filed in courts of law; and

(d) the reasons for increase, if any, after the year 1942 in the number of cases for which the suits had to be filed?

The Honourable Dr. John Matthai: (a) and (b). Statistics showing the total number of claims received and settled in respect of shortage in articles booked at R.R. as distinguished from all bookings are not maintained. Claims are decided by railway administrations concerned and not by the Railway Board.

(c) The total number of claims on Government Railways for which suits were filed in courts was as follows:

In the three years before 1942—1,604.

In the three years after 1942—15,736.

(d) The heavy increase in the number of claims cases taken to court is due primarily to the temporary inability of railways to dispose with sufficient promptitude of the very large number of claims preferred. The disturbances and difficulties arising out of partition have resulted in an increase in Court cases. In respect of inter-Dominion traffic claimants appear to be apprehensive of their claims going by default and they lose no opportunity to file suits in order to establish their right to payment.

Seth Govinddas: Is the Honourable Minister aware that in certain parcels the consignee finds stones instead of the articles booked by the consignor. What is the procedure in such instances to make claims on railways?

Mr. Speaker: I do not think it is a relevant question.

Shri Mihir Lal Chattopadhyay: What is the value of the total number of claims?

The Honourable Dr. John Matthai: I am afraid I cannot give an answer off-hand. But if the Honourable Member so desires, I shall furnish him the information later on.

Shri K. Santhanam: May I know, Sir, the approximate loss suffered by the railways on account of the increase in the number of suits?

The Honourable Dr. John Matthai: Does the Honourable Member mean what is the total value of the increased number of claims.

Shri K. Santhanam: No, Sir, I mean the costs awarded by the courts.

The Honourable Dr. John Matthai: I should like to enquire into the matter.

PRICES OF CERTAIN AMERICAN MOTOR CARS

1127. *Shri H. V. Kamath: Will the Honourable Minister of Transport be pleased to state:

(a) the controlled prices in Delhi on 1st January, 1948 and 1st July, 1947 of a Ford V-8 Super de luxe Fordor Sedan, a Chevrolet Fleetmaster Tourer Sedan, and a Studebaker de luxe Fordor Sedan;

(b) the ex-factory prices of the same in America; and

(c) who are the importers into India of Ford, Chevrolet and Studebaker Cars respectively?

The Honourable Dr. John Matthai: (a) There are no controlled prices of cars in Delhi as no control is exercised over prices of motor vehicles in that Province. A statement is, however, laid on the table showing the approximate retail prices in Delhi of the cars referred to by the Honourable Member.

(b) A statement giving the required information is laid on the table of the House.

(c) The importers of the cars in question respectively are:

(i) M/s. Ford Motor Co. of India Ltd., Bombay.

(ii) M/s. General Motors India Ltd., Bombay.

(iii) M/s. Hindustan Motors Ltd., Calcutta.

Statement showing approximate retail prices of the Cars in Delhi

Serial No.	Description.	Approximate retail prices of cars in Delhi.	
		3	4
1		7-47	1-1-48
1.	Ford V-8 Super de luxe Fordor Sedan.	Rs. 9,990	Rs. 10,390
2.	Chevrolet Fleet Master Sedan	9,150	9,595
3.	Studebaker Champion deluxe Sedan	10,850	12,900

Statement showing the ex-factory prices of the Cars in America

S. No.	Description	Factory list prices of cars.	
		3	4
1		1-7-47	1-1-1948
1.	Ford V-8 Super de luxe Fordor Sedan.	\$ 1493.37	\$ 1797.99
2	Chevrolet Fleet Master Sedan.	1194.00	1255.00
3.	Studebaker Champion de luxe Sedan.	1017.85	1133.35

Shri H. V. Kamath: Sir, though the Ford and the Studebaker cost almost the same in America there is a wide disparity of about Rs. 3,000 in regard to their retail prices in India.

The Honourable Dr. John Matthai: In the statement that I am placing on the table of the House, I have given the figures. The ex-factory price in America of Ford V-8 Super de luxe Fordor Sedan is \$1,797.99. The retail price of the Ford in India is Rs. 10,390.

Shri H. V. Kamath: And of the Studebaker?

The Honourable Dr. John Matthai: The ex-factory price of Studebaker Champion de luxe Sedan in America is \$1,133.35 and the retail price here is Rs. 12,900.

Shri H. V. Kamath: Owing to the wide disparity in these uncontrolled retail prices of Ford and Studebaker in India, perhaps due to unholy profiteering somewhere, do Government propose to reimpose control on prices in the public interest?

The Honourable Dr. John Matthai: I should have thought that the feeling of the House was altogether against retaining control even on essential commodities.

Shri H. V. Kamath: Do Government propose to reimpose control; my question has not been answered.

Mr. Speaker: The question has been answered indirectly; Government do not propose to reimpose control.

Shri Ramnath Goenka: What is the ex-factory price in America and the retail price in India of the Chevrolet Car?

The Honourable Dr. John Matthai: The ex-factory price is \$1,255 in America and the approximate retail price here is Rs. 9,595.

Shri K. Santhanam: May I know if import control on cars has been given up altogether?

The Honourable Dr. John Matthai: The Honourable Member means licences for import of cars. That is a matter for the Commerce Minister.

Shri K. Santhanam: May I ask the Honourable the Transport Minister to suggest to his colleague that this matter may be looked into before issue of import licence?

Mr. R. K. Sidhva: May I know, Sir, whether the Chevrolet which is priced at Rs. 9,150 is sold for Rs. 9,595 or even more?

The Honourable Dr. John Matthai: Since there is no control, Sir, as far as we are concerned it is impossible for me to answer that question.

Mr. R. K. Sidhva: May I know whether they show the higher price or the company's price in the Income-tax returns?

Mr. Speaker: The Honourable Member is putting questions which do not arise.

Shri H. V. Kamath: Though the Government do not intend to impose price control, will they consider the advisability of bringing pressure to bear on the importers to bring down the price of the motor cars to a decent level?

Mr. Speaker: Order, order.

RETRENCHMENT OF OFFICERS AND SAVING CONSEQUENT ON ABOLITION SALT DUTY

1128. ***Shri H. V. Kamath:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the total number of officers retrenched as a result of the abolition of the Salt Duty, classified in the various grades; and

Prof. N. G. Ranga: That is now it has happened. He was obliged to go to

The Honourable Dr. Syama Prasad Mookerjee: (a) The abolition of the salt duty has not yet been accompanied by any retrenchment of staff employed in connection with Salt and Central Excise work. The one exception is staff employed solely for salt preventive work which is not being entertained this year.

Apart from the fact that a combined staff performed duties in connection with both Central Excises and Salt, staff engaged mainly on salt work have been continued in connection with the manufacture of Salt by Government and on supervision of manufacture by private licensees under Government control and of distribution of salt to various markets. Staff required by the salt organisation under the Ministry of Industry and Supply and by the Central Excises Department are being worked out with a view incidentally to assessing retrenchment in the present combined staff that can be effected.

(b) Details of actual savings on account of the preventive staff referred to in (a) above are being obtained from the Collectors of Central Excise concerned.

Shri M. Ananthasayanam Ayyangar: May I know if the Honourable Minister is evolving any scheme for state manufacture of salt so as to do away with the shortage that is prevailing in the market?

The Honourable Dr. Syama Prasad Mookerjee: A scheme is now under preparation. After a few days, we hope to be able to announce our policy.

Shri H. V. Kamath: May I ask if the Government intend to promote the salt industry on a cottage industry basis as subsidiary to agriculture?

The Honourable Dr. Syama Prasad Mookerjee: That is one of the plans which is being considered.

Prof. N. G. Ranga: In view of representations from the peasants on the coastal areas for free manufacture of salt for their domestic use and also for local sale, will they be effectively safeguarded even under the new scheme that the Government of India are thinking of evolving?

The Honourable Dr. Syama Prasad Mookerjee: I will bear that in mind.

Shri M. Ananthasayanam Ayyangar: May I know if there is any reasonable chance of absorbing the present personnel in the future scheme when the State takes over the direct manufacture of salt?

The Honourable Dr. Syama Prasad Mookerjee: I do not think so. Retrenchment may be necessary.

Shri Biswanath Das: May I know whether Government have come to a decision regarding the continuance or otherwise of the monopolistic system of salt manufacture that is now going on?

The Honourable Dr. Syama Prasad Mookerjee: We shall see that monopoly ceases to exist. We shall encourage production on smaller scale throughout the country wherever possible.

Shri Mihir Lal Chattopadhyay: If it is the policy of the Government to effect retrenchment in the Salt Department then how is it that appointments are being made of persons who have opted for Pakistan and I know that there has been an appointment like that?

The Honourable Dr. Syama Prasad Mookerjee: As I said, we are now drawing from the common pool. We have at present in fact only 4 or 5 Gazetted Officers and 40 non-gazetted staff. The rest all belong to the Finance Ministry and the question of distribution of staff is now under consideration.

RAW HIDES AND SKINS SITUATION.

1129. *Pandit Thakur Das Bhargava: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware that certain classes of people who were previously engaged in skinning carcasses of animals have given up or are giving up their business regarding the same as involving social degradation?

(b) If the reply to part (a) above be in the affirmative, have Government taken any steps to meet the situation?

(c) Have Government taken any action to see that the leather resources of the country are fully exploited and the manufacturing processes are, as far as possible, performed in this country, and exports of raw hides and skins are discouraged?

(d) Do Government propose to consider the advisability of opening Government tanneries in every province with a view to encourage this industry?

The Honourable Dr. Syama Prasad Mookerjee: (a) Government have information to this effect.

(b) Does not arise.

(c) Government are giving all necessary assistance to the industry. A statement showing the measures taken in this direction is placed on the table of the House.

(d) Government do not consider that this is necessary.

Statement.

Export of raw hides, both cow and buffalo, is restricted. Export is permitted only of heavy hides of a weight which is not generally used by tanners in India, plus small token exports of other weights, which are permitted in order to maintain contact with overseas markets. There is also prohibition on the export of raw sheep skins, with the exception of heavy weight Amritsar Papras, which are not normally used by the Indian tanning industry. The industry were consulted before export of Papras was permitted. Government recently sponsored a delegation of South Indian tanners to visit the U.K., U.S.A., France, Holland and Belgium with a view to improving existing markets and opening up new markets for the sale of East India Tanned Kids and East India Tanned Goat Skins and Sheep Skins. Government assist the industry in the movement of raw materials and in the import of machinery.

Prof. N. G. Ranga: Are Government doing anything to encourage the co-operative tanning concerns?

The Honourable Dr. Syama Prasad Mookerjee: If any such request comes, certainly we shall consider.

BAND PARTY MAINTAINED BY B. N. RAILWAY ADMINISTRATION AND EUROPEAN AND INDIAN INSTITUTE AT KHARAGPUR.

1130. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware of a band party being maintained by the Bengal-Nagpur Railway Administration at Kharagpur?

(b) If so, what is the cost of its maintenance and what is its utility?

(c) Is it a fact that two separate institutes called "European Institute" and "Indian Institute" are still in existence?

(d) Is it a fact that more facilities are provided in the Institutes meant for Europeans and Anglo-Indians?

(e) If so, do Government propose now to amalgamate the two in view of the changed circumstances?

The Honourable Dr. John Matthai: (a) Government are informed that there is at present a Pipe Band attached to the Watch and Ward Department of the Bengal-Nagpur Railway.

(b) The details of cost are being obtained from the railway. It is useful in providing entertainment and recreation to all grades of staff in the Station.

(c) Yes.

(d) No. Government are informed that the facilities provided at individual Institutes whether European or Indian, are subject to the financial resources of the individual Institutes and the policy of the managing committees elected annually by the members of each Institute.

(e) At some stations Joint Institutes already been established and where separate Institutes still exist, the question of eliminating communal or racial distinctions is under consideration.

Prof. N. G. Ranga: Does Government make any grants to this Institute?

The Honourable Dr. John Matthai: There is no direct grant made, but there is a grant made in respect of all Railway Administrations to what they call the staff Benefit Fund which can be used for such purposes and out of which certain contributions are made.

Prof. N. G. Ranga: Will Government see to it that it will not be left merely to the goodwill of these people to have a combined institute, but they would be asked definitely to have a combined institute and otherwise these grants will not be made to them?

The Honourable Dr. John Matthai: That is precisely what I propose to consider.

PLANS FOR ECONOMIC DEVELOPMENT.

1131. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Industry and Supply be pleased to state what short term plans for economic development the Government of India have decided to carry out in the immediate future?

(b) Have any of these proposals been taken on hand now?

(c) When are they expected to be carried out?

(d) What would be the approximate increase in production when these plans are put into operation?

(e) What is the amount allotted for these schemes?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (e). I place on the table of the House a short-term plan for increased production in 42 selected industries, the more important ones being: (1) Alcohol, (2) Automobiles, (3) Bichromates, (4) Bicycles, (5) Caustic Soda, (6) Cement, (7) Ceramics, (8) Diesel Engines, (9) Drugs, (10) Electric Motors, (11) Glass, (12) Machine Tools, (13) Matches, (14) Metals, (15) Paper, (16) Plastics, (17) Plywood, (18) Rayon, (19) Refractories, (20) Rubber, (21) Shipbuilding, (22) Silk, (23) Soda Ash, and (24) Superphosphates. Amongst other important schemes under consideration are those relating to the increased production of iron and steel, aircraft, salt, and synthetic oil.

Encouragement is being given to private parties interested in the industries covered by the short-term plan by allowing them to raise necessary capital and import plant and machinery. In some cases, equipment has already arrived in the country and is under installation. Technical advice and assistance in

obtaining raw materials are being provided to the extent existing circumstances permit. Provided present expectations are realised, the short-term plans should bear fruit within the next 3 to 5 years.

Seth Govinddas: In view of the fact that the Government is going to have more steel and iron production, what has happened to the scheme of the Central Provinces Government submitted to the Central Government with regard to a factory to be opened in the Central Provinces?

The Honourable Dr. Syama Prasad Mookerjee: That is still under consideration. We have not decided where the steel factory is to be located. We shall be guided by expert advice.

Seth Govinddas: Does the Honourable Minister remember while I put a supplementary in this respect last time, he promised that he will be able to make some statement with respect to this factory before the end of the session?

The Honourable Dr. Syama Prasad Mookerjee: As I explained, the procedure that we propose to follow is this: We have prepared our plans. We are going to consult experts who will be asked to go round the country and consider the requests which have come from different provinces and then submit a report to us. We shall then make our final decision.

Seth Govinddas: By what time do Government expect that this matter will be finalized?

The Honourable Dr. Syama Prasad Mookerjee: Well, I suppose it will take 3 or 4 months more.

Prof. N. G. Ranga: Will this proposed new steel plant be state-owned and managed?

The Honourable Dr. Syama Prasad Mookerjee: Yes.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if any agency has been appointed to watch the progress of this five year plan as to how far it is being expedited from time to time and what further steps have been taken in this direction?

The Honourable Dr. Syama Prasad Mookerjee: As soon as our Industrial policy is announced, it is proposed to appoint an Advisory Council and I also expect that that will be linked with the activities of the Provinces and then the agency will automatically come into existence.

Prof. N. G. Ranga: Have Government secured the necessary machinery for the installation of these two steel manufacturing concerns?

The Honourable Dr. Syama Prasad Mookerjee: We have got some offers from foreign experts and we are negotiating with them as regards the suitability of terms.

Prof. N. G. Ranga: Are we importing any experts from abroad or have we got our own Indian experts?

The Honourable Dr. Syama Prasad Mookerjee: We are consulting Indian experts and we are also having foreign experts' advice.

Shri Biswanath Das: Has any site been selected?

The Honourable Dr. Syama Prasad Mookerjee: The Orissa and C.P. plans are before us.

Shri M. Ananthasayanam Ayyangar: May I know where will these factories be located?

The Honourable Dr. Syama Prasad Mookerjee: We have got requests from West Bengal, Bihar, Orissa and C.P.

Shri M. Ananthasayanam Ayyangar: Is there any proposal from Madras?

Shri Ramnarayan Singh: Will the House be consulted regarding the Industrial policy of the country?

The Honourable Dr. Syama Prasad Mookerjee: I believe the date has been fixed as 7th of April, when the matter will be discussed.

ASSOCIATESHIP OF IMPERIAL AGRICULTURAL RESEARCH INSTITUTE.

1132. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Agriculture be pleased to state the genesis of the Associateship of the Imperial Agricultural Research Institute?

(b) What are the qualifications stipulated for Associateship?

(c) What is the number of recipients up-to-date?

(d) Are the graduate workers in the Indian Council of Agricultural Research schemes in different Provinces and States eligible for the Associateship?

(e) Do Government contemplate granting it to the staff of the Indian Council of Agricultural Research schemes provided they are science graduates?

(f) Did the Department of Agriculture send any questionnaire to the different War and Defence Departments between 1944 and 1945, for information of staff with qualifications in Agriculture or who were Graduates in Science employed by them?

(g) If the answer to part (f) above be in the affirmative, what was the purpose of sending the questionnaire?

The Honourable Shri Jairamdas Doulatram: (a) The training of selected post-graduate students in agricultural research was started at the Indian Agricultural Research Institute in 1923 in pursuance of the recommendations of the Royal Commission on the Public Services in India, and the students were given a certificate after the two year post-graduate training.

In 1931 the Government of India accepted the recommendation of the Royal Commission on Agriculture to make the Pusa Institute a centre for post-graduate training and in 1936 it was decided to award a Diploma of Associateship of the Institute (Associateship Indian Agricultural Research Institute) instead of the certificate granted previously. Definite rules regarding the award of the Diploma have also been approved by Government.

(b) The Diploma of Associateship is awarded to the student who successfully completes the two-year course, passes the prescribed examinations, and submits to the satisfaction of the Institute Council a thesis on a research problem assigned to him.

(c) 207, besides £ issued to the staff of the Institute as mentioned under (e) below.

(d) No.

(e) The award of the diploma was restricted till 1947 to those who completed the two-year post-graduate training, at the Institute. In 1947 graduate workers at the Institute who have been associated with research work were made eligible for the Diploma subject to their satisfying the Institute Council as to the standard of their research work. The question of extending the right of eligibility for the Associateship to graduate workers in the Indian Council of Agricultural Research's schemes subject to certain conditions will be considered.

(f) and (g). The matter is being enquired into.

Shri M. Ananthasayanam Ayyangar: When the Imperial Council of Agricultural Research has been transformed into "Indian Council" why is the Institute still called "Imperial", as in clause (a) of the question?

The Honourable Shri Jairamdas Doulatram: That word is used in the question; I did not accept it in the answer.

Shri M. Ananthasayanam Ayyangar: Is it proposed to amalgamate these two bodies into one?

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The Honourable Shri Jairamdas Doulatram: It is one body.

Shri Biswanath Das: Is it a fact that in this Institute the first priority is given to research work and little attention is paid to the training of people who are sent from the provinces?

The Honourable Shri Jairamdas Doulatram: That may be a fact.

Prof. N. G. Ranga: Are any efforts being made by Government to increase the total number of research assistants who will be trained there?

The Honourable Shri Jairamdas Doulatram: Government intend to develop to the maximum the potentialities of this Institute for training purposes.

Shri Biswanath Das: Along with other developments may I request Government to see that ordinary conditions of life are impressed on the trainees and high living is not inculcated?

Mr. Speaker: Order, order; that is a request.

STEPS TO PREVENT LOSS OF RICE DUE TO IMPROPER STORAGE AND MAKING OF WHITE RICE.

1133. *Shri Lakshminarayan Sahu: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether it is a fact that due to improper storage, India is losing 1.5 per cent. of the annual crop of rice during storage;

(b) if so, what steps Government propose to take to save this loss of 1.5 per cent.; and

(c) in view of the fact that well-polished white rice loses in storage more nutritive factors, especially thiamine of Vitamins B, and E, whether Government propose to take steps to stop making of white rice in India to combat thereby food shortage to some extent?

The Honourable Shri Jairamdas Doulatram: (a) Yes, in some places the extent of damage is even higher.

(b) The Government is taking steps to minimise this damage by advocating improved methods of storage of rice and paddy in dry and rat proof receptacles and controlling the infestation, if any, by fumigation. The Government has set up an organisation at the centre in the Directorate of Plant Protection, Quarantine and Storage to look after the Central Government stocks and for assisting the Provincial Governments in taking adequate measures to prevent losses. Schemes are under preparation for setting up local organisations to propagate the methods of safe storage to the trade and the cultivators.

(c) Government have already taken steps to popularise under-milled rice. Some Provincial Governments have enforced unmilling of rice. In the Central Provinces this year paddy is only dehusked and no milling is done. Dehusked rice, without any polish, is however wrongly looked upon as coarse and the public is only slowly accustoming itself to it.

Shri B. P. Jhunjhunwala: With reference to part (b), have Government made any scheme which has been put into practice? If so, what is the result?

The Honourable Shri Jairamdas Doulatram: All these methods are placed at the disposal of the provincial Governments and naturally it is they who can deal best with local areas and local difficulties.

Shri B. P. Jhunjhunwala: So the Central Government does not know whether there has been any saving in the damage to foodcrops?

The Honourable Shri Jairamdas Doulatram: Government are not aware.

Seth Govinddas: Are periodical reports coming to the Central Government from the provincial Governments about this? Is there any machinery for submission of such reports?

The Honourable Shri Jairamdas Doulatram: Government will call for the reports.

Prof. N. G. Ranga: Is any effort being made to study the possibilities of starting grain elevators in the country suited to our weather conditions?

The Honourable Shri Jairamdas Doulatram: Not at present.

Prof. N. G. Ranga: Will any efforts be made at all?

The Honourable Shri Jairamdas Doulatram: Government will go into this question.

Shri M. Ananthasayanam Ayyangar: Is there any proposal before the Central Government to build a number of granaries in several parts of the country?

The Honourable Shri Jairamdas Doulatram: I am not aware of that.

PRODUCTION OF SALT ON COTTAGE INDUSTRY BASIS.

1134. *Shri Basanta Kumar Das: Will the Honourable Minister of Industry and Supply be pleased to refer to his answer to my starred question No. 696 asked on the 8th December, 1947 regarding the manufacture of salt as a cottage industry and state:

(a) whether the Government of West Bengal have finished surveying the coastal areas of the Midnapur district with a view to increasing production of salt and have submitted their report;

(b) if the answer to part (a) above be in the affirmative, what recommendations have been made by them and what steps have been taken to give effect to these recommendations;

(c) whether any steps have been taken to give effect to the scheme of introducing solar evaporation methods in the existing system and if so, what those steps are; and

(d) whether Government have examined the possibility of making up the total deficit of salt in the country by stepping up the production of salt on cottage industry basis and if not, whether Government propose to consider the desirability of doing so?

The Honourable Dr. Syama Prasad Mookerjee: (a) Government of West Bengal have reported that preliminary survey of the coastal areas has been completed. Three specific saline belts in the Midnapore District, with an area of about 8,000 acres appear to be suitable for large scale manufacture of salt by solar evaporation.

(b) Government of West Bengal have been requested to forward their detailed recommendations for scrutiny by the Expert Technical Committee to be set up shortly.

(c) Government have arranged to explain and popularise the solar manufacture method in Bengal by demonstrating it at the Exhibition now being held at Calcutta. It is also intended that a senior officer of the Central Excise Department will give a talk on salt in Bengali to awaken public interest in possibilities of salt manufacture both on factory and on cottage scales in that Province. The talk, which it is proposed to reprint in Bengali and distribute widely, would explain the solar evaporation method and its economical combination with present boiling methods in cottage scale manufacture.

(d) Government agree that it is both practicable and desirable to supplement factory production by manufacture on a cottage industry scale and have taken action as explained in reply to part (c) of the Question No. 1136 to be put by Prof. N. G. Ranga to-day.

Pandit Lakshmi Kanta Maitra: Have Government got any idea of the quantum of salt that is likely to be produced from these 8,000 acres?

The Honourable Dr. Syama Prasad Mookerjee: The figure is at present not quite accurate or dependable. But it is suggested that nearly 80 to 90 per cent. of West Bengal's requirements may be met by this arrangement.

Shri Basanta Kumar Das: Is this yield expected from factory production?

The Honourable Dr. Syama Prasad Mookerjee: It is expected that 80 to 90 per cent. of their requirements will be met by the arrangement I have described.

PREFERENCE TO POLITICAL SUFFERERS IN GRANTING LEASES FOR MANUFACTURE OF SALT.

1135. *Prof. N. G. Ranga: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether any preference will be shown to political sufferers in granting leases for the manufacture of salt, especially when their families have had experience of producing salt;

(b) whether any political sufferers have applied for such licenses or leases; and

(c) if so, in how many cases Government have helped them?

The Honourable Dr. Syama Prasad Mookerjee: (a) Government's policy is to grant leases for manufacture of salt on a very liberal basis so as to increase production quickly. Applications from political sufferers specially when made on a co-operative basis, will be given sympathetic consideration if otherwise found suitable.

(b) and (c). Five such applications have been received so far and the grant of license in these cases is under consideration on the basis of the principle indicated at (a).

(b) WRITTEN ANSWERS

ENCOURAGEMENT FOR PRODUCTION OF MORE SALT.

1136. *Prof. N. G. Ranga: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) what steps, if any, are being taken, for the manufacture and extension of salt industry in India;

(b) whether it is the object of Government to make India self-sufficient in salt and if so, in how many years; and

(c) whether any efforts are being made to encourage salt industry as subsidiary to agriculture on the coastal areas?

The Honourable Dr. Syama Prasad Mookerjee: (a) Under their short-term plan Government are allowing the small-scale manufacturer full freedom to produce salt; large scale manufacturers also will be given permission on a generous scale to produce salt. Under their long-term plan Government are appointing within the next few days an Expert Committee to make recommendations *inter alia* about improved methods of manufacture and installation of big factories to produce salt economically in large quantities. As soon as the recommendations of the Committee are received measures will be taken to increase quantity and improve quality of salt all over the country.

(b) Yes. On present consumption standards India should be self-sufficient in salt in 3 to 5 years time; on the basis of potential requirements in about 8 years' time.

(c) Agriculturists wishing to take up the manufacture of salt in a small way as subsidiary to their main occupation will be given full freedom. Co-operative societies of agriculturists wishing to take up manufacture on a large scale will be given all possible encouragement and technical guidance.

VIOLATION OF LICENCE CONDITIONS BY AVIATION COMPANIES

1137. *Prof. N. G. Ranga: Will the Honourable Minister of Communications be pleased to state:

(a) what steps are being taken to prevent the violation of license conditions by Aviation Companies;

(b) whether any periodical inspection is being conducted by Government;

(c) whether Government reviews, from time to time, the fares fixed by the Aviation Companies for different routes; and

(d) whether any steps are being taken to see that at the landing places, reception, food, adequate sanitary and other conveniences are provided?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). There are constant, continuous checks and inspections by officers of the Civil Aviation Department, specially in regard to those conditions in licences which are designed to ensure safety in flying; and, in addition, various periodical statements are obtained from licence-holders, in respect of their operations, by that Department as well as by the Air Transport Licensing Board.

(c) Scheduled operators are permitted to charge only such fares as have been approved by the Air Transport Licensing Board, which also reviews them whenever necessary.

(d) Sanitary and other conveniences at aerodromes are provided by the Government of India or the State concerned, who also authorize and supervise the caterers there. Licences of Air Transport operators include a condition that the standards of accommodation and comfort they provide in the aircraft and along the route, shall be to the satisfaction of the Air Transport Licensing Board.

LOADED WAGONS STRANDED AT WAYSIDE STATIONS

1138. *Seth Govinddas: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that loaded wagons are allowed to remain at wayside stations for days together, before they reach the destination?

(b) If so, do Government propose to take immediate steps in the matter?

The Honourable Dr. John Matthai: (a) Loaded wagons in transit are not normally allowed to remain at way-side stations for days together. Occasional cases, however, arise where loaded wagons suffer detention for unavoidable operating reasons.

(b) This is part of the general problem of turn-round of wagons which is now being actively pursued.

R. M. S. DIVISION IN ORISSA

1139. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Communications be pleased to state whether Government propose to open an R.M.S. Division in Orissa?

(b) Are Government aware that out of over thirty candidates who have been admitted for R.M.S. training only one is an Oriya?

(c) Is it a fact that there is a section No. 5 Head office at the Cuttack station?

(d) Is it a fact that that section also has been or will soon be removed to Calcutta?

(e) Is it a fact that this has been done without the knowledge of the Additional Post Master General of Orissa?

The Honourable Mr. Rafi Ahmed Kidwai: (a) No. There is already one R.M.S. Division which serves Orissa.

(b) Out of 37 trainees, 4 are Oriyas. One more Oriya was offered employment, but he did not join, and 2 more Oriyas were invited for interview but they did not appear.

(c) Yes.

(d) No. It will remain at Cuttack.

(e) Does not arise in view of reply to (d).

INADEQUATE FACILITIES FOR TRANSPORT OF *Gur* ON O.T. RAILWAY

1140. *Shri Damoder Swarup Seth: Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that the stocks of *Gur* possessed by individual trade centres, as entered in the Government record registers, showed that Bisalpur (District Pilibhit, Oudh and Tirhut Railway) trade centre held the highest in the whole of Bareilly region served by the Izatnagar District of Oudh and Tirhut Railway;

(b) whether it is a fact that the facilities existing in this district (Izatnagar) are not provided to the individual trade centres according to their just share and necessary requirements;

(c) whether it is also a fact that on the matter being taken up by the local M.L.A. of the United Provinces, the Railway authorities concerned fixed only a few stations to load *Gur* and promised a thorough enquiry into the matter;

(d) whether it is a fact that Bisalpur *Gur* merchants were not allowed to be the consignors in their own names when after a long time facilities of wagon supplies were made at Bareilly city, Shahamatganj and other centres of trade within Izatnagar district;

(e) whether Government are aware of that a huge quantity of *Gur* is being carried by motor trucks from Bisalpur to Bareilly and other places; and

(f) the reasons for allotment of wagons to Pauta and Bhopatpura stations having no *Gur* markets in preference to Bisalpur with heavy demands?

The Honourable Dr. John Matthai: (a) The Central Government have no information about these records.

(b) The supply of wagons to stations is regulated by numerous factors including availability of wagons, priority of traffic awaiting despatch, quotas, date of registration of goods, etc., etc., the object being to ensure fair distribution.

(c) On representations from various sources regarding the inadequacy of facilities for the movement of *Gur*, the O.T. Railway, after investigation, fixed quotas for certain stations, including Bisalpur.

(d) In the interests of the established local merchants, instructions were issued by the O.T. Railway not to accept *Gur* offered by merchants not belonging to the locality.

(e) Yes.

(f) It is not correct that *Gur* was allowed to be loaded from Pauta and Bhopatpura stations, except one wagon from Pauta, which was loaded with locally produced *Gur*.

WAGONS FOR TRANSPORT OF *Gur* FROM BISALPUR

1141. *Shri Damodar Swarup Seth: Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that the Station Master, Bisalpur, in the beginning of February 1948 gave an assurance to the *Gur* merchants of Bisalpur, that they would be allowed one wagon daily, over and above all traffic, for loading trade *Gur* within their quota;

(b) the reason for allotting only seven wagons for *Gur* loading out of 54 wagons received at Bisalpur during the month of February 1948;

(c) whether *Gur* market stations other than Bisalpur got and are still getting wagons freely to load trade *Gur*, irrespective of the quota limit at a cheaper cost as compared to the high cost incurred by Bisalpur merchants for transporting their *Gur* through other means; and

(d) why Bareilly and other trade centres are freely loading *Gur* on trade account?

The Honourable Dr. John Matthai: (a) As a quota of one wagon per day was allotted in February, 1948, for loading *Gur* traffic from certain stations in the Izatnagar District, including Bisalpur, it is possible that the Station Master, Bisalpur, gave some such assurance.

(b) 55 wagons and not 54, as stated in the question, were allotted to Bisalpur during February, 1948, out of which 18 wagons were loaded with *Gur* including 11 wagons with *Gur* for Railway Grainshops; the rest of the wagons were utilized for clearing foodgrains which enjoyed a higher priority.

(c) No free loading of *Gur* over and above the quota fixed has been permitted at any station.

(d) It is not correct that *Gur* is being loaded freely on trade account from Bareilly and other stations. The loading of *Gur* is controlled by quotas.

RECRUITMENT OF UNQUALIFIED POSTAL CLERKS IN U. P.

1142. *Shri Jaspat Roy Kapoor: Will the Honourable Minister of Communications be pleased to state:

(a) whether there are any prescribed qualifications for clerks appointed in Post Offices;

(b) whether any qualifying examinations are held for such posts, and if so, whether any such examination has been held in the United Provinces since the year 1942, and if not, why not;

(c) how many clerks have been appointed in Post Offices in the United Provinces since the year 1942, and how many of them have neither passed the qualifying examination nor possess the prescribed qualifications;

(d) what is the reason for appointing unqualified clerks;

(e) whether Government propose to recruit in future, only such persons as have passed the qualifying examination; and

(f) whether Government propose to hold such examinations regularly hereafter?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes.

(b) The last competitive examination was held in 1943. Thereafter the competitive examination was suspended due to the conditions created by the war and candidates were recruited from the open market;

(c) Total Number: 1,059.

Number of candidates not recruited through the examination but from the open market: 538.

Number of unqualified candidates: 13.

(d) Paucity and non-availability of candidates during the war period.

(e) Yes.

(f) Yes.

PAYMENTS OF DEFENCE SAVINGS DEPOSITS TO WRONG PERSONS

1143. *Shri Jaspat Roy Kapoor: (a) Will the Honourable Minister of Communications be pleased to state the number of cases in which deposits in Defence Savings Bank accounts have been paid to wrong persons on false identification in United Provinces in the years 1946 and 1947?

- (b) What is the total amount involved in these cases?
 (c) In how many such cases were the identifiers postal employees?
 (d) How many such employees have been prosecuted for false identification and why have the remaining ones not been prosecuted?
 (e) What is the total loss caused to Government on this account during the aforesaid period?

The Honourable Mr. Rafi Ahmed Kidwai: (a) During 1946-47—Nil.

During 1947-48—201.

(b) Approximately Rs. 10,433.

(c) Twentyfive.

(d) Two—The other cases are under departmental or police enquiries.

(e) During 1946-47—Nil.

During 1947-48—Rs. 2,652 (There is still a chance of a portion of the amount being recovered from the wrong parties).

AGENTS FOR SALE OF NATIONAL SAVINGS CERTIFICATES

1144. *Shri Jaspat Roy Kapoor: Will the Honourable Minister of Communications be pleased to state:

- (a) what is the amount of commission allowed by Government to agents for the sale of National Savings Certificates;
 (b) whether Government are aware that many such agents are given credit for even direct sales of the certificates at the Post Offices which means loss to the Government; and
 (c) whether Government propose to prohibit the appointment of any near relatives of Postal employees as agents for the sale of these certificates?

The Honourable Mr. Rafi Ahmed Kidwai: The question should have been addressed to the Honourable Minister of Finance. It has accordingly been transferred to the list of questions for the 8th April, 1948, when the Honourable Minister of Finance will answer it.

BOOKING OF BANGLES AND SHOES FROM FIROZABAD AND AGRA BY POST AND CORRUPTION IN POST OFFICES

1145. *Shri Jaspat Roy Kapoor: Will the Honourable Minister of Communications be pleased to state:

- (a) whether Government are aware that because of the difficulty in booking by Railway, a large number of parcels containing bangles are booked at post offices in Firozabad;
 (b) whether Government are aware that because of the same difficulty, a large number of parcels containing shoes are booked at Agra Shoe Market Post Office;
 (c) whether Government are aware that there is a general complaint among the bangle and shoe dealers of Firozabad and Agra respectively of corruption prevailing in the said post offices in the matter of booking of the said parcels; and

(d) whether Government propose to institute an enquiry into these complaints with the co-operation of Firozabad Bangles Merchants Association and Agra Trades Association?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). No.

(c) No such complaint has been received.

(d) Enquiries have been made from (1) the Bangle Association, (2) The Glass Industrial Syndicate, and (3) The Glass Bangles Merchants Chamber in Firozabad and (1) Agra Trades Association and (2) Agra Shoe Market Association in Agra and none of them has any complaint against the post offices at Firozabad and Agra.

ENCOURAGEMENT OF CANNING INDUSTRY

1146. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Agriculture be pleased to state what steps Government propose to take to encourage canning industry in India?

(b) Have any students been deputed to foreign countries to study this subject?

(c) What is the value of imports under the following headings:

- (i) Canned fish;
 (ii) Mutton and beef; and
 (iii) canned fruit?

The Honourable Shri Jai Ramdas Doulatram: (a) As regards meat, fish and dried eggs, there is not much scope for a Canning Industry in India as there is very little demand for these canned products. The Fruit Canning Industry has, however, better prospects, and the Fruit Preservation Industry has already been afforded protection by the Tariff Board by way of increased duties on imported products (canned or bottled) and also assistance in regard to the allotment of tin-plate and other controlled raw materials. Government would be glad to consider any specific suggestions for encouraging the canning industry as such.

(b) No students have been deputed to foreign countries to study canning industry. Three students have gone to U.K., U.S.A., and Canada for studying Fisheries Technology which also deals with Fish Canning. Three students were also sent abroad in 1946-47 for training in Fruit Preservation.

(c) A statement giving the required particulars for the three official years 1943-4, 1944-5 and 1945-6 is laid on the table.

Figures of Imports of canned or bottled fruits and tinned or canned fish for each of the 3 years ending 1946-46 are given below. Figures for mutton or beef are not available as they are not distinguished in the Sea-borne Trade Accounts:—

	Value in Rupees.		
	1943-44	1944-45	1945-46
Canned or bottled fruits :	1,23,092	1,74,471	1,90,049
Tinned or canned fish :	1,77,479	85,416	3,47,019,

PREVENTION OF SOIL EROSION AND POLICY OF AFFORESTATION.

1147. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Agriculture be pleased to state what research is being carried on in soil erosion?

(b) Do Government propose to prohibit exploitation of our timber wealth in order to prevent soil erosion?

(c) Have any new areas been planted in pursuance of the policy of afforestation?

The Honourable Shri Jairamdas Doulatram: (a) and (c). The required information has been called for from the Provincial Governments, and will be laid on the table of the House on receipt.

(b) So far as Government forests are concerned it will continue to be the policy of Government, as it has been in the past, to limit the removal of timber to what is actually produced; in other words disforestation which leads to erosion will not be allowed. The management of the Government forests of India is with minor exceptions, in the hands of the Provincial Governments, who have accepted the principle of forest policy set out by the Government of India.

POLICY RE LICENCES FOR IMPORT OF CEYLON COPRA

1148. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and supply be pleased to state the quantity of Ceylon Copra imported into India during the last financial year?

(b) What policy have Government followed in giving import licences for this commodity?

The Honourable Dr. Syama Prasad Mookerjee: (a) Imports from Ceylon are received in India partly in the shape of copra and partly in the shape of coconut oil. The total quantity imported during the calendar year 1947 was 26,515 tons in terms of copra including the imports at Karachi. For purposes of calculation 63 tons of coconut oil are treated as equal to 100 tons of copra.

(b) The entire imports of copra from Ceylon to this country are made on Government to Government basis. No import licences are, therefore, granted to private parties.

MANUFACTURE OF ESSENTIAL DRUGS AND SURGICAL INSTRUMENTS ETC.

1149. *Dr. V. Subramaniam: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the arrangements so far made to increase the production of essential drugs for use in allopathic hospitals and for the use of medical practitioners;

(b) the stage reached in this country in respect of production of surgical instruments and appliances;

(c) the extent of deficiency in the requirements of surgical instruments and appliances; and

(d) how soon it is proposed to make up the deficiency?

The Honourable Dr. Syama Prasad Mookerjee: (a) A statement showing the steps taken in this regard is laid on the table of the House.

(b), (c) and (d). During the war, the production of surgical instruments and appliances was developed to a very considerable extent. Firms were given technical advice, and the necessary machine tools and equipment for plating were made available to them. Hand methods were replaced by machine processes. Schedules of standard instruments were prepared, and the number of patterns greatly reduced. As a result of partition, however, India has lost a lot of capacity, and there is now a considerable deficiency. Plans are being considered to make good this deficiency, but it is not possible at present to predict how soon this will be achieved.

Statement

During the period 1945-47 capital issue was sanctioned to the extent of about Rs. 2 crores. Assistance has been rendered to firms requiring it in respect of raw materials, equipment and transport facilities. The Railways have agreed to reduce the freight charges for the raw materials needed. Technical advice has been given. Important alkaloids have been produced from indigenous raw materials, and arrangements have been made for the supply of chemicals not readily available. Samples produced by firms have been tested and reported on. Solvent Benzol produced in Ordnance factories has been made available at concessional prices to firms needing it.

IMPORT OF OPTICAL GLASSES AND FRAMES

1150. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Industry and Supply be pleased to state what is the present demand for optical glasses and frames?

(b) How much of the demand is being met from imports and from what countries?

(c) What is the value of such imports during the last year for which the figures are available?

(d) Is there any plan to make India self sufficient in regard to this industry?

The Honourable Dr. Syama Prasad Mookerjee: (a), (b) and (c). The whole of the demand for optical glasses is met by imports from the U.K. and the U.S.A., and most of the demand for frames is similarly met. No statistics are available regarding the consumption in India of optical glasses and frames, but the value of imports of optical articles between the 1st of April and the end of December, 1946 was Rs. 23 lakhs.

(d) The possibilities of doing so are being investigated.

CEMENT FACTORIES IN C. P. AND BERAR

1151. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Industry and Supply be pleased to state how many cement factories there are in the Central Provinces and Berar?

(b) When was each of them started?

(c) What was the out-put for the years 1938, 1945 and 1947?

(d) To what companies do these cement factories belong?

(e) What is the number of labourers employed in each factory?

(f) Is there any proposal for starting any new cement factories?

(g) If so, how far have these proposals advanced?

The Honourable Dr. Syama Prasad Mookerjee: (a) One, Sir, at Kymore.

(b) 1922.

(c) 2,19,184 tons in 1938, 2,57,231 tons in 1945, and 2,00,233 tons in 1947.

(d) The Associated Cement Company Limited, Bombay.

(e) 5,882.

(f) Yes, Sir. The New Hindustan Cements Limited were given permission in 1946 to start a cement factory of one lakh tons annual capacity near Wardha.

(g) The firm are at present negotiating for the purchase of machinery.

WORKING OF DISPOSALS DEPARTMENT

1152. *Dr. P. S. Deshmukh: Will the Honourable Minister of Industry and Supply be pleased to lay on the table of the House a statement giving the following particulars:

(i) the date on which the Disposals Department was opened;

(ii) the date on which disposals actually began;

(iii) the monthly expenditure incurred on the department since its establishment up-to-date;

(iv) the value of goods disposed of per month from the date of the starting of the department; and

(v) the kind and quantity of goods sold in each lot?

The Honourable Dr. Syama Prasad Mookerjee: A statement giving the desired information is laid on the table of the House.

+Not printed in the day's Debate. A copy has been placed in the Library of the House.—Ed. of D.

DISPOSAL OF ARTICLES LYING UNSOLD

1153. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether the Disposals Department has any motor vehicles for disposal? If so, what is their number and where are they stored?

(b) Are there any cycles, gramophones and radios? If so, what is their number in each case?

(c) Are there any bull-dozers? If so, how many?

(d) Are there any libraries, laboratories and cinema projectors?

(e) If so, how many and what is the approximate value of each?

The Honourable Dr. Syama Prasad Mookerjee: (a) A statement showing the number and location of vehicles awaiting disposal is placed on the table.

(b) Yes, Sir. There are 64 cycles, 16 gramophones, and 1558 radios. In addition, there are 3150 aircraft receiving sets.

(c) Yes, Sir. 14 bull-dozers of different types are available.

(d) There are no libraries, but laboratories and cinema projectors are available.

(e) Seven photographic laboratories are available. Three of them have a book value of about Rs. 27,960 each, and the other four a book value of about Rs. 21,670 each. Two cinema projectors of 16 millimeters and 150 of 35 millimeters are available. The price will vary from Rs. 400 to Rs. 500 each for the 16 millimeter type, and from Rs. 1,640 to Rs. 4,000 each for the 35 millimeter type. In addition, 68 cinema projectors valued at about Rs. 620 each are available.

STATEMENT
showing number and location of Vehicles of all types ex-Indian and American Surpluses

S. No.	Location	Surplus	Salvage
INDIAN SURPLUSES			
1. With D. G. D.			
	Delhi	1,443	
	Bombay	77	
	Calcutta	11	
	Avadi	1,505	
	Tambram	421	
	Ondal	2,411	
	Dhanbad	593	
	Nirsa	897	
	Whitefield	770	
	Kirkee	436	
	Chheoki	604	
	Ranchi	9	
	Jubbulpore	77	
	Ferozepur	22	
	TOTAL	9,176	

S. No.	Location	Surplus	Salvage
Regions.			
2	Bombay Area	1,633	208
3	Calcutta Area	412	...
4	Kanpur Area	39	89
5	Madras Area	9	416
TOTAL.		2,083	713
GRAND TOTAL		11,259	713

AMERICAN SURPLUSES

With M/S Tata Aircraft Ltd.

1	Titaghur	116
2	Ranaghat	8
3	Panagarh	39
4	Agra	1
5	Allahabad	2
6	Jodhpur	2
TOTAL		158

U.S.A.S.S. Depots.

7	Brooklyn, Calcutta	38
8	New Delhi	11
9	Alipore Airstrip, Calcutta	752
TOTAL		814
GRAND TOTAL OF AMERICAN SURPLUSES		972

FOODSTUFFS WITH DISPOSALS DEPARTMENT, LYING UNSOLD

1154. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether the Disposals Department has any articles of food still undisposed of? If so, what are they, and what is their value?

(b) What are the reasons for their non-disposal so long?

The Honourable Dr. Syama Prasad Mookerjee: (a) About 4,800 tons of food-stuffs are at present awaiting disposal. These comprise tinned foods (meat, vegetable oil, cheese, fruit and juices) and liquors (rum, beer and brandy). There are also some grains, gram and beans. The total value of these stores is about Rs. 40 lakhs.

(b) About half of the quantities awaiting disposal were reported to the Director General of Disposals in February and March. The chief factor militating against quick disposal is the ban imposed, with a view to meeting refugees' requirements. Most of these surpluses are situated in West Bengal, and the West Bengal Government have objected to the sale of stocks with less than a year's life. This matter is under discussion with the Government of West Bengal.

ENQUIRY INTO RECENT AIR DISASTERS

1155. *Shri Damodar Swarup Seth: (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that since November 1947, four air accidents have occurred in the Indian Union?

(b) Did Government order an enquiry to determine the cause of the Karachi disaster as also of the three disasters following it?

(c) If the answer to part (b) above be in the affirmative, do Government propose to make available to the public or lay on the table of the House the result of the enquiries?

The Honourable Mr. Rafi Ahmed Kidwai: (a), (b) and (c). Yes, Sir.

PRIVILEGE TO 'AIR INDIA' TO MANAGE INDIA'S CIVIL AVIATION AFFAIRS IN INTERNATIONAL FIELD

1156. *Shri Damodar Swarup Seth: Will the Honourable Minister of Communications be pleased to state:

(a) the steps that Government have so far taken to enable India to take her rightful place in the international field of Civil Aviation; and

(b) whether it is a fact that Air India has been given the privilege of managing the affairs of India's Civil Aviation in the international field?

The Honourable Mr. Rafi Ahmed Kidwai: (a) India has ratified the Convention on International Civil Aviation and is a member of the International Civil Aviation Organisation. She has been elected to the Council of the Organization on which she has a wholetime representative. International standards with respect to safety and other aspects of aviation (Aerodromes, air navigation facilities, etc.) have been and are being adopted in India. Bilateral Agreements have been concluded between India and the United States, France and the Netherlands for the operation of air services. India is at present operating international air services to Pakistan, Ceylon and Burma. A new Indian Company has been formed, viz. Air India International Limited, for the operation of overseas air services to the West. The first service of this Company will be to the United Kingdom, via Egypt and Switzerland, and this is expected to commence in June, 1948. Services to other countries also will be gradually established.

(b) As I have stated in reply to part (a) a company known as Air India International has been formed for the operation of air services from India to countries in the West. Air India Limited, which has an interest of 25 per cent. in the capital of this company, has been entrusted with its technical management. Government have not yet decided on the set-up of the organisation required for the operation of air services to other countries.

POST-WAR CIVIL AVIATION PLANS VIS A VIS EXTERNAL AIR SERVICES.

1157. *Shri Damodar Swarup Seth: Will the Honourable Minister of Communications be pleased to state: whether it is a fact that the Government of India, while drawing up their Civil Aviation Post War Plans vis-a-vis External Air Services made a declaration of the desirability of giving a major interest in external Air Services to an Air Transport Operator of proved experience?

The Honourable Mr. Rafi Ahmed Kidwai: Yes, Sir.

CULTIVATION AND PRODUCTION OF RUBBER

1158. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and Supply be pleased to state the area under rubber cultivation in the Indian Union?

(b) Have Government formulated any plans to increase this area?

(c) Is there any research being carried out to enable the growth of these trees in other parts of the Indian Union?

(d) Is there any international convention governing the acreage that may be cultivated in India?

(e) Do the post-war schemes of Government include the manufacture of synthetic rubber?

The Honourable Dr. Syama Prasad Mookerjee: (a) 158,637 acres as on 30th June, 1947.

(b) India is at present self-sufficient in rubber and since Indian cost of production is higher than world prices it is somewhat premature to formulate plans for increase of rubber area.

(c) One of the functions of the newly constituted Rubber Board is to promote research in the cultivation and production of raw rubber. Since the limiting factor to rubber cultivation is climate and rainfall, only South India and possibly some parts of Assam would be suitable for rubber cultivation. Research at present should be directed fruitfully towards increasing the yield per acre in the existing areas under cultivation which is much below world levels.

(d) No, Sir.

(e) Since raw rubber, which is for most purposes superior to synthetic rubber is available in sufficient quantities at present, there is no immediate need to consider the manufacture of synthetic rubber.

WITHHOLDING OF PROVIDENT FUNDS OF RAILWAY EMPLOYEES

1159. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Railways be pleased to state whether the provident funds of any Railway employee have been withheld during the last financial year for the following reasons:

(i) for taking part in political activities;

(ii) for taking part in strikes; and

(iii) for disobedience?

(b) Is it a fact that information about such deductions is withheld from the individuals concerned and that they come to know of it only at the time of retirement?

The Honourable Dr. John Matthai: (a) No

(b) Does not arise.

REPRESENTATION FOR FIXATION OF PAY OF ENQUIRY AND RESERVATION STAFF AT KANPUR CENTRAL STATION

1160. *Shri Harihar Nath Shastri: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the Inquiry and Reservation staff at the Kanpur Central Station have made a representation to the General Manager of the East Indian Railway and to the Chief Commissioner of Railways, regarding the fixation of their pay?

(b) If so, what action have Government taken in respect of the said representation?

The Honourable Dr. John Matthai: (a) Yes. Only an advance copy of a representation purporting to come from the Enquiry and Reservation Staff at Kanpur Central Station has been received by the General Manager, East Indian Railway.

(b) No action has yet been taken. The representation will be considered by the General Manager, E.I. Railway on receipt of the original through the Divisional Superintendent, Allahabad who has been asked to forward it.

INDIA SUPPLY MISSION IN WASHINGTON

1161. *Shri B. Shiva Rao: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the functions of the India Supply Mission in Washington and of its branch in New York;

- (b) the total cost of maintaining the Mission in Washington and New York; and
- (c) the number of persons employed, Indians and non-Indians separately?

The Honourable Dr. Syama Prasad Mookerjee: (a) The main function of the India Supply Mission, with headquarters at Washington, is to arrange procurement from North America on behalf of Government, of food grains and stores, including capital goods, plant and machinery, which are not available either from indigenous sources or from any sterling area. The Mission is also responsible for inspection, inland movement and ocean shipment of all goods procured by it. Its operations extend over the whole of U.S.A. and Canada.

(b) A sum of dollars 271,144 was provided for the period from 15th August, 1947 to the 31st March, 1948, and for the year 1948-49, a sum of dollars 444,500 has been provided to cover the cost of maintenance of the India Supply Mission, Washington including its branch offices in New York and Canada.

(c) *Officer Staff:* Indians—4.

Non-Indians—9.

Subordinate Staff: Non-Indians—63.

BURNING OF RECORDS OF POST OFFICE AT KISHOREGANJ, BENGAL

1162. ***Shri S. M. Ghosh:** Will the Honourable Minister of Communications be pleased to state:

(a) whether it is a fact that in February, 1947, the papers including those relating to Savings Bank and Cash Certificates in the Post Office of Kishoreganj (Mymensingh, Bengal) were burnt;

(b) whether it is a fact that the depositors have not as yet been paid their dues; and

(c) which of the two Dominions, India or Pakistan, will now be responsible for the payment of the claims?

The Honourable Mr. Rafi Ahmed Kidwai: (a) The records of the Kishoreganj head post office were destroyed by fire on the 24th January, 1947.

(b) So far as this Government is aware, the dues of depositors have not yet been paid.

(c) Pakistan.

SMUGGLING OF WHEAT AND GRAM ON BHATINDA-FEROZEPUR LINE

1163. ***Prof. Yashwant Rai:** Will the Honourable Minister of Railways be pleased to state:

(a) whether Government are aware that smuggling in wheat and gram is going on on the Bhatinda-Ferozepur line;

(b) whether Government are aware that smugglers hide the sacks full of wheat and gram in the latrines and thus cause trouble to the passengers; and

(c) if so, what steps Government propose to take in this matter?

The Honourable Dr. John Matthai: (a) Reports were made by the Ticket Checking Staff sometime ago that both wheat and grain were being carried unbooked from places in East Punjab into Delhi by the Ferozepore-Bhatinda Line.

(b) No such case has been reported.

(c) A strong post consisting of police and railway staff has been established at Bahadurgarh. Every passenger train is checked at this point and, amongst other things, smuggling of wheat and grain is prevented.

TICKETLESS TRAVEL ON BHATINDA-FEROZEPUR LINE

1164. ***Prof. Yashwant Rai:** Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that people are still travelling without tickets on Bhatinda Ferozepur line in large numbers; and

(b) if so, what steps do Government propose to take in this matter?

The Honourable Dr. John Matthai: (a) and (b). An intensive campaign against ticketless travel is now being carried out by the E.P. Railway. As a result of this campaign, the number of people travelling without tickets over the Bhatinda-Ferozepore Line has come down considerably.

THROUGH TRAIN FROM KISHANGANJ TO PALEZA GHAT IN PURNEA DISTRICT ON O. T. RAILWAY

1165. ***Shri B. P. Jhunjhunwala:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that after the creation of the two dominions, Kishanganj, a sub-divisional Headquarters of the Purnea district became the terminus of the Oudh and Tirhut Railway on the eastern point?

(b) Is it a fact that except local trains, no through trains start from and terminate at Kishanganj?

(c) Is it under the consideration of Government to run a through train from Kishanganj to Paleza Ghat?

The Honourable Dr. John Matthai: (a) There has been no change in the position of Kishanganj as far as the railway is concerned, following partition.

(b) There is a through passenger train daily each way between Kishanganj and Manihari Ghat.

(c) It is not possible, at present, to introduce a through train between Kishanganj and Paleza Ghat on account of paucity of passenger vehicles and engine power.

AGENCIES FOR DISTRIBUTION OF QUOTAS OF TIN PLATES, STEEL AND IRON

1166. ***Shri Ramnarayan Singh:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the allotment of quotas of tin-plates, steel and iron for the years 1946-47 and 1947-48 province by province;

(b) the agencies for distribution of the quotas referred to in part (a) above in each province; and

(c) the terms on which the agencies have been appointed?

The Honourable Dr. Syama Prasad Mookerjee: (a) A statement showing allotment of steel for 1947 and Periods I and II of 1948 to Provinces for distribution to the general public including small-scale manufacturers of consumer goods, is laid on the table of the House. No steel allotments were made province-wise during 1946. Figures according to financial years are not available. Allotments of Pig Iron and Tinplates are made to Industries and are not made Province-wise.

(b) The Provincial Governments make sub-allotments to Registered Stockists who purchase steel from Producers and sell against permits issued by the Provincial Controllers.

(c) Registered stockholders constitute the agency through which the Provincial quota is distributed. All *bona fide* iron and steel merchants who applied for registration in 1941 were appointed as registered stockists and the list has been revised from time to time on the recommendation of Provincial Governments. The terms of their appointment require that they should sell steel only against permits issued by the Provincial Controller and at prices fixed by

the Central Government. These prices, known as 'column 3 prices', are Rs. 40 above the prices which they are required to pay to the producers. They are required to furnish periodical returns and their accounts and books are subject to inspection by Government both Provincial and Central.

STATEMENT

Showing Steel allotment to Provinces from the Provincial quota in 1947 and periods I and II/1948

Province	Total allotment in 1947	In period I/1948	Period II 1948
1. Bombay	16,750	2,710	2,710
2. Assam	4,800	775	775
3. Madras	24,750	4,000	4,000
4. Bengal	31,250	2,515	3,415
		W/Bengal (W/Bengal)	
		2,515	
		E/Bengal (including sylhet)	
5. U.P.	30,300	4,905	5,105
6. Bihar	17,600	2,835	2,835
7. Punjab	16,750	1,355	1,355
		(E/Punjab) (E/Punjab)	
		1,355	
		(W/Punjab.)	
8. N. W. F. P.	1,700	255	...
9. C. P. & Berar	6,775	1,095	1,315
10. Orissa	3,675	580	880
11. Sind	4,050	645	...
12. Delhi	375	65	125
13. Baluchistan	1,600	65	...
14. Coorg	125	65	40
15. Panth Piploda	75	...	...
16. Andaman Islands	175	...	...
17. Ajmer-Merwara	375	65	65

N. B.—These figures include only allotments made to the Provinces for distribution to the general public including small-scale manufacturers of consumers goods. Besides this, steel is also distributed to Provincial Governments for their development schemes, and to private industries in the Provinces (and States) for steel processing, industrial development and maintenance requirements. No figures are readily available for these province-wise (or State-wise).

RESTRICTION OF MOVEMENT OF PULSES AND CEREALS FROM BIHAR AND U.P. TO MADRAS

* 1167. *Shri Ramnarayan Singh: Will the Honourable Minister of Food be pleased to state whether restrictions still continue against the movement of pulses and cereals from Bihar and the United Provinces to Madras and if so, why?

The Honourable Shri Jairamdas Doulatram: There are no restrictions on the movement of pulses other than gram from Bihar and U.P. to other Provinces. Restrictions, however, exist on the movement of cereals (Paddy, rice, wheat, maize, barley, jowar and bajra) and their products from the provinces of Bihar and U.P. to all other provinces. Inter-Provincial restrictions on cereals have

been maintained in view of Government of India's revised food policy.

TENDERS FOR LABOUR AT GAYA, MUGHALSARAI, MUKAMA, JHAJHA, DANAPUR, AND MARMADIH RAILWAY STATIONS

1168. *Shri Ramnarayan Singh: (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that tenders for contract to supply labour for loco-sheds, goods-handling and porter-work at Gaya, Mughalsarai, Mukama, Jhajha, Danapur and Barmadih Railway Stations were invited in the years 1945-46 and 1946-47 and if so, what were the principles followed in giving the contract?

(b) How many contractors submitted their tenders?

(c) What are their names and to whom were the contracts given?

The Honourable Dr. John Matthai: (a) to (c). The information has been called for and will be laid on the table of the House in due course.

TRAIN SERVICE BETWEEN UJJAIN AND RATLAM

1169. *Shri Ram Sahai: (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware of the fact that there is only one train service between Ujjain and Ratlam and that due to her late running, passengers have to wait for twenty-four hours?

(b) Do Government propose to introduce another train service?

(c) If the answer to part (b) above be in the negative, do Government propose to attach a few bogies to the goods train so that this difficulty of the public can be overcome?

The Honourable Dr. John Matthai: (a) On the broad gauge, yes. In addition, a metre gauge train service is available between Ujjain and Ratlam.

(b) Yes, as soon as stock and engine power become available.

(c) As goods trains run only when required and not to fixed timings and as all spare vehicles are at present being utilized for refugee movements, it is not possible to attach passenger vehicles to goods trains on this section.

RESUMPTION OF SUSPENDED TRAIN SERVICE BETWEEN DELHI AND BOMBAY

1170. *Shri Ram Sahai: (a) Will the Honourable Minister of Railways be pleased to state when Government propose to resume the service of one pre-war passenger train which used to run between Delhi and Bombay?

(b) If the service of this passenger train cannot be resumed, do Government propose to revert to the old practice of booking on the Parcel train?

The Honourable Dr. John Matthai: (a) One passenger train each way is already running through between Bombay and Delhi.

(b) Does not arise in view of the reply to part (a).

WAGONS FOR TRANSPORT OF TIMBER FOR IMPERIAL MATCH COMPANY (INDIA) LIMITED, GWALIOR

1171. *Shri Ram Sahai: (a) Will the Honourable Minister of Railways be pleased to state whether Government have received any representation from the Imperial Match Company (India) Limited, Gwalior regarding the supply of wagons?

(b) Is it a fact that it takes a wagon several months to cover the distance of 80 miles between Bassai and Gwalior?

(c) Are Government aware that due to the non-availability of wagons in time for the transport of timber, the factory has been closed?

(d) Have Government any arrangements under consideration for the supply of wagons to the factory?

The Honourable Dr. John Matthai: (a) Yes.

- (b) No.
- (c) Information shows that the Factory is not closed.
- (d) Everything possible is being done to move the traffic.

FUNCTIONS OF CENTRAL AGRICULTURAL MARKETING DEPARTMENT

1172. *Shri V. C. Kesava Rao: Will the Honourable Minister of Agriculture be pleased to state:

- (a) the functions of the Central Agricultural Marketing Department;
- (b) the commodities that are being handled by the department at present, and the possible lines of expansion in the immediate future; and
- (c) whether there is any publicity given to the activities of this department?

The Honourable Shri Jairamdas Doulatram: (a) With effect from the 1st January, 1948, the Central Agricultural Marketing Department took over all the functions performed by the Directorate of Inspection of the Ministry of Food and since then the Department has been re-designated as the Directorate of Marketing and Inspection. The functions of the Directorate are as under: (i) Carrying out and publishing the results of commodity marketing surveys in co-operation with provinces and States and also by direct first hand inquiries, (ii) Conducting research on the fixation of quality standards for agricultural and animal husbandry produce, and exercising control over the quality of Agmark standards, (iii) Inspecting foodgrains entering into the procurement and distribution plans of the Ministry of Food, and (iv) Initiating and co-ordinating for the country as a whole, development work on improved methods of marketing.

(b) The Directorate deals with all products of agricultural and animal husbandry and it has so far published marketing survey reports on the following 27 commodities and subjects:—(1) Wheat, (2) Rice, (3) Potatoes, (4) Gram, (5) Barley, (6) Grapes, (7) Bananas, (8) Citrus fruits, (9) Linseed, (10) Groundnuts, (11) Cashewnuts, (12) Lac, (13) Sugar, (14) Coconuts and coconut products, (15) Tobacco, (16) Milk, (17) Fish, (18) Cattle, (19) Hides, (20) Skins, (21) Wool and Hair, (22) Sheep and Goats, (23) Eggs, (24) Coffee, (25) Co-operative marketing of agricultural produce, (26) Fairs and markets and produce exchanges and (27) Casterseed.

Reports on (1) Rapeseed, mustard and toria, (2) Ghee and other milk products, (3) Cardamoms and (4) Arecanuts are expected to be published within the next few months. In addition, reports on (1) Maize, (2) Millets, (3) Poultry, (4) Mangoes, (5) Minor fibres and (6) Sesamum and nigerseed are under compilation.

These reports refer to conditions prevailing during pre-partition days. A large majority of them are out of print and out of stock. They have, therefore, all to be redone for the present India.

The investigations on commodity marketing conditions so far handled by the Directorate related to pre-partitioned India. Since 15th August, 1947, there have been material changes in conditions. The Directorate, therefore, would have to undertake fresh investigations for the Union of India in commodities and subjects already handled by it and in respect of other products which are yet to be surveyed. Much more needs to be done for improving agricultural marketing conditions as a whole with particular regard to the development and adoption of quality or Agmark standards for the internal and external trade, regulation of markets including the agricultural produce exchanges, co-operative marketing and standardisation of weights and measures. The Vijayaraghavacharya Marketing Sub-Committee of Policy Committee (V) on Agriculture, Forestry and Fisheries recently reviewed the working of the Directorate and has made a large number of recommendations for its expansion in the immediate future. These recommendations are under the examination of Government.

(c) When the survey reports are published, press notes are issued. Agmark posters are exhibited in different parts of the country and some publicity is arranged for on the occasion of exhibitions and shows. The present publicity arrangements, are not considered adequate and the question of improving them is being considered.

FEDERAL AGENCIES AND INSTITUTES CARRYING ON INDUSTRIAL RESEARCH

1173. *Shri V. C. Kesava Rao: Will the Honourable Minister of Industry and Supply be pleased to state:

- (a) what are the Federal Agencies and Institutes for carrying out industrial research;
- (b) the nature of the research and the subjects in which research is being made at present; and
- (c) whether this research is being done in co-operation with industry?

The Honourable Dr. Syama Prasad Mookerjee: (a) Industrial research is being carried out in the Physical and Chemical sections of the Delhi Laboratories of the Council of Scientific and Industrial Research, who are also financing schemes of research at the Indian Institute of Science, Bangalore, Bose Research Institute, Calcutta, Tata Institute, of Fundamental Research, Bombay, Bengal Tanning Institute, Calcutta, and the Universities of Aligarh, Banaras, Calcutta, Madras, Nagpur, Bombay, Delhi, Allahabad and Andhra. In addition, some research work is also being carried on in the Central Glass and Ceramic Research Institute, Calcutta, and the National Metallurgical Research Laboratory is under construction at Jamshedpur.

(b) So far as the Council of Scientific and Industrial Research is concerned the attention of the Honourable Member is invited to Appendix VI to the Review of its activities which gives a list of research problems and subjects in which research is being carried out at present. A copy of the Review is available in the Library of the Legislature.

(c) The answer is in the affirmative.

GUR TRADE WITH PAKISTAN

1174. *Ch. Ranbir Singh: (a) Will the Honourable Minister of Food be pleased to state the amount of *Gur* exported to Pakistan during the months of January and February 1948?

(b) If no exports have been made, what steps do Government propose to take to promote the trade of *Gur* between India and Pakistan?

The Honourable Shri Jairamdas Doulatram: (a) Export of sugar and *gur* to Pakistan was prohibited in December, 1947 simultaneously with the decontrol of these commodities and no *gur* was transported to Pakistan in the months of January and February, 1948.

(b) When the Food Delegation from Pakistan was in Delhi in January, 1948 it asked for and got an *ad-hoc* quota of 10,000 tons of *gur*. But none of this quantity has been lifted and the quota is still available for export. Government have lately received enquiries from traders in India for export of *gur* to Pakistan and is willing to issue them export licences for a quantity of 10,000 tons. It is understood however that the import of *gur* into Pakistan is controlled and exporters of *gur* would have to make sure that the necessary import licences from the Government of Pakistan become available. Government would be willing to continue for a further period the export quota of 10,000 tons which under the original agreement expires on the 31st March, 1948. The present day low prices of *gur* in certain producing areas are however mainly due to transport difficulties and export of *gur* to Pakistan will not materially solve the problem. The country is not really surplus in *gur*.

MOTION FOR ADJOURNMENT

INCREASE IN POSTAL RATES BETWEEN INDIA AND PAKISTAN WITHOUT CONSULTING THE ASSEMBLY

Mr. Speaker: I have received notice of an adjournment motion, which runs as follows:

"This House do adjourn to consider a definite matter of urgent public importance, namely, the disrespect shown to this House by the Government in increasing the postal rates between India and Pakistan without informing the House or consulting the Standing Committee of the Department."

I presume the Honourable Member who has given notice of it has also sent a copy to the Honourable Minister concerned?

Mr. Hussain Imam (Bihar: Muslim): Yes.

Mr. Speaker: I should like to know from the Honourable Member, who has given notice of this, as to how exactly disrespect has been shown and how the conduct is construed as disrespectful to this House, even on the assumption that the rates have been changed?

Shri K. Santhanam (Madras: General): I think disrespect to the House must be treated by a Committee of Privileges and not by an adjournment motion.

Mr. Speaker: That is also true. But at present there is no Committee. But, I think if the Government have acted in a way which does not show proper respect, or want of respect, or disrespect, the member is entitled to ventilate that grievance here in the form of an adjournment motion.

But I am not myself sure, as to whether what is alleged really constitutes disrespect. Therefore, I have called upon the Honourable Member to show me as to how this constitutes disrespect. It is possible that Government might do many things without meaning any disrespect. Many irregular things are done but that does not mean disrespect because of having done those things.

Mr. Hussain Imam: May I draw the attention of the Speaker to the fact that the Assembly was in session. The budget had been presented to the House. The Honourable the Finance Minister himself in his speech stated that he has not taken into account the effect of the customs duties between India and Pakistan. So we had an indication that Government intended to do a certain thing.

This is a major issue. Burma was separated from India 12 years ago and the change in the rates has been made only now. Pakistan has not been separated from India even for twelve months and yet this tremendous change has been brought about. Lakhs of people from India still have connections with people in Pakistan.

Mr. Speaker: All this is, to my mind, irrelevant to the point which I am wanting to have clarified.

Mr. Hussain Imam: I am coming to that. I say that it was the duty of the Government to give an indication that they intended to increase the postal rates, or in the alternative they should have consulted the Standing Committee of the Legislature attached to the Department in order to get their consent, because it is a matter really of taxation on the people of India. The postal rates will not fall upon Pakistan nationals. It is we nationals of the Indian Union who will have to pay them. I do not know what the Pakistan Government has done. If they follow in our footsteps they will be equally wrong.

Mr. Speaker: That is not answering the question. Assuming they have done all that kind of thing, assuming the thing is irregular, even then, how does the irregularity constitute disrespect to the House? That is the point. I should say that it does not appear to me to be disrespect.

Mr. Hussain Imam: The Honourable Minister did not give us an indication when presenting the budget, which was passed only so recently as in the middle of the month.

(2922)

WORKMAN'S STATE INSURANCE BILL

2923

Mr. Speaker: I should like to know what the Honourable Minister has to say about this increase in the postal rates.

The Honourable Mr. Rafi Ahmed Kidwai (Minister for Communications): I think the Honourable Members forget that it is through the efforts of the party to which they belong that a part of our country has become foreign country. Both of us are now members of an International Postal Service organization and the rates adopted are the rates fixed by that organization. Had we agreed to any deviation then I would have come before this House for their approval. But as the international rates were to be applied between the two independent countries, there was no necessity for me to come before this House.

At one time there was a proposal that we should agree amongst ourselves to continue the existing rates both telegraphic and postal. When this question of telegraphic rates was considered, the Pakistan Government refused to share the income with us. They said they would have the full share at the rate prevalent there and we could fix whatever we liked for our share. Therefore we had to increase the rates, but before we could take it up, Pakistan had raised the price of postcards and other charges.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Telegraphic charges?

The Honourable Mr. Rafi Ahmed Kidwai: That is common knowledge. The Pakistan Government has raised the rates of postcards and other postal articles. If we had agreed to continue the existing rates then Pakistan would have got the rates that were prevalent there while our rates would have remained the same. Therefore, we would have been the loser. The alternative was either to raise our internal rates also or take up the international rates. Instead of raising the internal rates, we adopted the international rates.

Mr. Hussain Imam: Was the Standing Committee of the House consulted?

Mr. Speaker: Order, order. It seems to me the automatic result of the two Dominions being treated as independent States *vis a vis* the adoption of the international postage rates. So it is not even an action of the Government of India and I do not think this adjournment motion is in order.

WORKMEN'S STATE INSURANCE BILL

Mr. Speaker: The House will now proceed with Legislative Business.

The Honourable Shri Jagjivan Ram (Minister for Labour): Sir, I beg to move:

"That the Bill to provide for certain benefits to workmen employed in or in connection with work of factories in case of sickness, maternity and accident and to make provision for certain other matters in relation thereto, as reported by the Select Committee, be taken into consideration."

In making the motion, I may, with your permission, Sir, inform the House that soon after my motion for referring the Bill to Select Committee was accepted, I asked my Ministry to examine the various suggestions made by Honourable Members. All these suggestions were carefully examined. Amendments incorporating all acceptable suggestions were drafted and placed before the Select Committee. As a matter of fact, a comprehensive list of amendments was proposed by the Ministry itself. This procedure greatly facilitated the work of the Select Committee and the Committee was able to finish its labour in comparatively smaller time. I shall also take this opportunity to express my thanks to the members of the Select Committee who contributed considerably in improving and elucidating the provisions of the Bill. I shall now explain very briefly the important changes made in the Select Committee.

Provision had been made in the Bill for the application of the scheme only to factories and the scheme did not apply to clerical employees. It has now

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been modified to apply to all employees in factories. A new sub-section has been added enabling the appropriate Government acting in consultation with the Corporation and with the approval of the Central Government, to extend the scheme to other establishments, industrial, commercial, agricultural or otherwise. The exemption clauses in Chapter 8 have also been amplified to provide, where necessary for the application of one or more parts of the scheme as for example, the application of the scheme in so far as it relates to compensation for employment injury in, say, seasonal factories. They provide the necessary authority to enable the extension of the scheme, as soon as some experience is gained of its working and the necessary administrative organisation is set up, to other categories of workers, whether working in seasonal factories or in other establishments.

The scheme has also been modified in regard to the contributions which should be paid to enable a worker to qualify for sickness or maternity benefits. It had originally been provided that before a worker could qualify himself for sickness benefit, there should have been paid in respect of him at least 17 weekly contributions in a period of six continuous months preceding the week in which he claimed the benefit. It has now been provided that the contributions should be paid for a period of six months known as the contribution period and that in return for such contributions the worker should be entitled to benefits in a subsequent period of six months known as the benefit period. Under the new scheme the Corporation will issue to the worker at the end of the contribution period an authorisation card indicating the benefits which can be claimed 12 Noon. by him during the subsequent benefit period. With this authorisation and the medical certificate, the employee will be able to obtain the benefit speedily and without any waiting or harassment.

The principle that contributions should be payable for two-thirds of the period is retained, but the minimum number of contributions has been reduced to twelve. In calculating the two-thirds number of contributions, periods during which the worker was not available for employment because of sickness or confinement or disability resulting from employment injury would be excluded irrespective of whether he was in receipt of benefit during the period or not.

Likewise in the case of maternity benefit, instead of 26 contributions in a period of 52 weeks preceding the week in which the claim is made, benefit will be payable if contributions were payable in respect of the employee for two-thirds of the period in the corresponding contribution period, subject again, to the limit of 12 contributions. The number of contributions payable between 35 and 40 weeks before the week in which confinement takes place or notice of pregnancy is given, has been reduced from five to one.

The definition of sickness also has been changed. The limiting clauses have been removed. Under the new definition, a worker will be qualified to receive sickness benefit provided he is sick and unable to attend work, whatever may be the cause of his sickness.

These amendments are designed to liberalise the qualifying conditions considerably and make it easier for the worker to qualify for the benefit.

The clause relating to the payment of contributions has been amended to provide that contributions should be payable not only in respect of weeks during which the employee renders service and receives wages but also in respect of weeks during which he is on authorised leave or is unable to work either because of a lockout or because of a legal strike, with a further qualification that in respect of legal strike, contribution will be payable only if wages are paid either in part or in full. This provision is intended to minimise the chances of breaks in service. It has also been made clear that the employee's contribution is recoverable only from the wages due for the period to which the contribution relates and not otherwise.

The Bill had provided that only employees whose average daily wages were ten annas or below should be exempted from the employees' contribution. In deference to the wish expressed in the House the limit has now been raised to include all those whose daily wages are below a rupee a day.

Three more groups have also been added. As originally provided all employees in receipt of a daily wage of Rs. 3 and above were grouped together and the average daily wage of this group was taken to be Rs. 3-8-0 a day. This would have meant that workers in receipt of a wage exceeding Rs. 78 a month, could get sickness or disablement benefit at a flat rate of Rs. 52-8-0 a month. This would have pressed hard on the higher income groups. Under the revised scheme, workers with a monthly income of Rs. 260 and below will all receive approximately seven-twelfths of their monthly earnings by way of sickness or disablement benefit.

Another important change made in the Select Committee relates to the provision of medical care and attendance to families of insured persons. Here again, a compromise has been struck between the desirable and the practicable. Provision has been made for the extension of the benefits, if so requested by the appropriate Government. In other words, if a Provincial Government is in a position to provide for medical care and treatment not only for the insured worker but also for his family and if the Corporation is in a position to bear the extra expenditure involved, then the benefit would be extended to the family of the insured person also.

The Select Committee also considered the question whether the maximum period for which sickness benefit is payable should not be extended to more than eight weeks in a year. There was general agreement as regards the desirability of extending the period. At the same time it was recognised that we should have some experience as to how the scheme will work, what will be the average incidence of sickness, and what would be the financial consequences of such extension. The present scheme has been worked out on the basis of such data as we have regarding the incidence of sickness. The data is not as full and comprehensive as it should be. Further it is a common experience that the incidence of sickness tends to shoot up as soon as a State insurance scheme of this type is introduced. For these reasons, the Committee felt that the existing provision should be allowed to stand for the present. The Committee has however expressed the hope that as soon as circumstances permit the Corporation should make use of the power given to it under the Bill and extend the period of benefit.

I would also like to mention another important change made in deference to the wishes of the House. It relates to the number of representatives of employees and employers on the Governing Bodies. Employers and employees will now have five members each on the Corporation which is the supreme authority and two members each on the Standing Committee.

There was also some criticism that the Bill provides for contributions only from employers and workers and none from Government. This is not correct. Under the scheme Provincial Governments are expected to contribute about a third of the cost of providing medical care and treatment. Most of the Provincial Governments have agreed to do so. We expect that the standard of medical care and treatment for insured workers will be such as will cost about Rs. 6 per head per year. The *per capita* expenditure now is only about annas six. The Bhoré Committee's recommendation is that it should be raised to Rs. 1-14-0 per head per year during the course of the next ten years. Instead of reaching this figure over a period of ten years, Provincial Governments have been invited to provide for insured workers services costing about Rs. 6 per head per year and bear a third of the cost from now onwards. No mention has been made either of the *per capita* expenditure which the Provincial Governments are

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expected to incur or of their share of expenses because under the Constitution Act we cannot by an Act of this Legislature, impose a charge on Provincial revenues. The subject, therefore, has been left to be settled by agreement between the Corporation and the Provincial Government. So far as the Central Government is concerned, it will make a grant equal to two-thirds of the administrative expenses for a period of five years. We have made provision for this purpose in Section 27 of the Bill as amended by the Select Committee. After the five year period is over, the question whether, and if so to what extent, the Central Government should continue to assist the Corporation financially will be taken up for consideration and a decision taken in the light of the circumstances then existing.

The Bill as it has emerged from the Select Committee is a considerable improvement over the one that was referred to it. The question of extending the scope of the scheme or enhancing the benefit is now an administrative or financial problem, but I venture to hope that it will be possible, before long, not only to bring a much larger proportion of employees within the scheme, but also to enhance the period of the sickness benefit and to make provision for medical treatment to the families of insured persons.

With these words, Sir, I commend my motion for the acceptance of the House.

Mr. Speaker: Motion moved:

"That the Bill to provide for certain benefits to workmen employed in or in connection with work of factories in case of sickness, maternity and accident and to make provision for certain other matters in relation thereto, as reported by the Select Committee, be taken into consideration."

Before Honourable Members take up this motion for discussion I might just invite their attention to one or two aspects. As the House knows, the Bill has already gone through the Select Committee. The principle of the Bill was discussed, I believe, thoroughly, when the motion for Select Committee came before the House. The Bill runs through 99 clauses—pretty large number of clauses—and the number of amendments received is 312. Considering all this and also the fact that members will get opportunities of placing their points with reference to the several clauses, when the amendments come up, it will be much better in the interests of saving time—as we are sitting only for nine days and have a long programme—that the speeches should be as short as possible. That is the request I should like to make. Otherwise, I am afraid, we shall be repeating the same thing over and over again, when we come to the clause by clause stage. The salient points may be touched at this stage and the other small things may be taken, as and when the amendments to the clauses come in.

Shri K. Santhanam (Madras: General): Mr. Speaker, Sir, I agree with you that we ought not to take much time in the discussion and I do not propose to take more than three or four minutes. I want to express my appreciation of the way in which the Honourable the Labour Minister and his Department dealt with the Select Committee. I have been on many of the Select Committees during the last two sessions and I have no hesitation in saying that if all the Ministers and their staff deal with us in the same way as the Labour Minister and his staff have dealt with us in the Select Committee a great deal of work and much better and quicker work would be done in the Select Committees.

Sir, this is just a beginning. This Bill should not be treated as if it is a complete system of social insurance. It is the beginning, and we have tried to amend the Bill so that it can be continuously and progressively expanded.

Many other things can be brought into it. It provides a skeleton or framework which can be indefinitely extended, and it is for that purpose we must welcome the Bill. It can be extended to the agricultural workers; it can be extended to every other class of workers. The benefits given by the Bill are of course not very extensive. We have tried to expand the benefits also. If Honourable Members will look at page 33 of the Bill they will find that while the original Bill gave exemption only to people whose daily wages are below 12 annas we have exempted all employees whose average daily wages are below Re. 1 from paying any kind of contribution. Even in respect of those who get Re. 1 and above, they have to pay only 2 annas. The contributions are pitched on a very moderate scale and the benefits are to be on a very considerable scale. It will be found that in the case of maternity benefits and sickness benefits, when the employees fall ill and when they have to be absent, all the time has been cut out from the calculations of the periods during which they should have paid contributions. In almost every respect the Select Committee has improved the Bill and expanded the benefits of the Bill though, as I have said, the House need not be over-satisfied with this Bill but should only take it as an earnest of further benefits which will come in the next few years. I suggest that they should accept the Bill as a whole and not try to tamper with it because it stands as one whole. We have tried to examine the financial implications. There were proposals to increase the benefits also, and as has been given in the Notes, the Select Committee as a whole would have liked to have expanded the benefits. But they found that they should not try to wreck the scheme of the Bill by trying to put too much at the start. The whole thing has been done on an actuarial basis, and that is the only proper way of beginning with the scheme. The Central Government should not be saddled with unlimited liabilities. The liabilities have been calculated. The Central Government is to pay a certain portion of the administrative charges and the whole scheme is to be more or less self-supporting in other respects. When the scheme is further expanded and when the Federal finances are such as to provide considerable subventions for social insurance, there will be no difficulty whatsoever in expanding the benefits. Therefore I commend to the House the adoption of the Bill as a whole subject of course to minor, verbal and other amendments as may be needed. But I would urge them not to tamper with the main provisions. I support the Bill.

Mr. R. K. Sridhara (C. P. and Berar: General): Sir, I must congratulate the members of the Select Committee and also the Honourable the Labour Minister for extending the scope of this Bill. That is a very good beginning for the social security of workers. When this Bill was originally brought to this House for being sent to Select Committee it was confined only to factory workers. The Select Committee has extended its scope immensely—it has extended it to all the employees. I really congratulate them, because this was a step which was needed long long ago. Factory workers mean only labourers who are in industrial concerns and they only had been given protection whereas many of the other workers had been absolutely neglected. In the workers' list there are dock workers; there are seamen; there are tramway men; and, Sir, the most important, there are the tally clerks and weighment clerks who do the duty of a labourer as much as a real labourer does. Some of my friends here may not be knowing it, but tally clerks are doing work like coolies. A tally clerk has to check the goods unloaded from the steamer and loaded into the wagon and *vice versa*. He has to stand at the dock without a chair and a table; he has to run from one end of the harbour to the other. Similarly, a tally clerk has to do the same duty in the railway. These clerks are employed not only by the Port Trusts and the Railway but also by private firms for the purpose of checking. Then there are the weighment clerks. They have also to do this manual duty although they are known as clerks. These

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people have to work in the sun, in rainy season, roam about from one place to another with a tally book and a pencil, and run about marking down the number of packages loaded and unloaded etc. Sir, I am glad they have all been brought into the scheme of the Bill. Also clerks who were absolutely neglected in the past. I see no reason why clerks should not have all along in the past been included under the term 'workers'. I quite understand that the clerk has a chair and a table in an office. But they are all different kinds of workers. A typist, for instance, uses both his hands and his fingers. What an amount of labour he does can be realized only by one who has done it. I have myself done it—I can type at the rate of sixty words a minute—and I know how it affects a man's chest. Therefore, to have excluded clerks from these provisions in the past was very wrong. But, Sir, in the past we had a different government and their policy all along in such social matters was 'go slow'. I am very glad that this Government has adopted the policy 'go ahead' and I would request them to go ahead without any fear that they will meet with many difficulties if in social matters many improvements are brought rapidly. Conditions have changed; they have materially changed in this country. And the view that rapid progress in the matter of social improvement of this class will bring some kind of disaster or dislocation or inefficiency is one which I do not share. On the contrary, the rapid progress for their social improvement and the amelioration of their conditions will improve efficiency. Not only that. It will make them happy and contented. From that point of view I am glad that the Select Committee have really given great thought to this matter and I give credit to the Honourable Minister for acceding to this request.

At one time non-seasonal workers, that is those who work for four or six months in the year, were omitted in these schemes because they work only periodically, for three or four, or six months. It was thought they should not be given any benefit. But the Committee, considering the conditions existing in the country, have certainly gone ahead, and I for one am very happy about it. While I am happy I would have personally thought that there should not have been any restriction as to the operation of this very important clause.

Under clause 2 it has been stated that the provisions of this Act will be applicable to all these classes excepting factory workers after a certain period, and that period may be, according to my calculation, not earlier than two years. There may have been certain reasons for the Select Committee to have taken this decision. They have taken this desirable step and I do not want to criticize them for postponing the operation of this clause up to two years. The Act will come into operation immediately for the factory workers and certain formalities have to be observed and for that purpose it is left to the provincial government to frame laws and thereby apply the other provisions to that class of people. Personally I would have gone ahead and would have straightaway, without any proviso, given them relief immediately, but I do not want to dispute the majority decision. After all we have to submit to the majority view, whatever be one's personal view. I would have recorded my dissent even if I were single but in this matter I feel Select Committee has done its job well and I, therefore, do not want to single out any clause for opposition.

Kazi Syed Karimuddin (C.P. and Berar: Muslim): Was the Honourable Member a member of the committee?

Mr. Speaker: No. The very absence of a minute of dissent shows he was not.

Mr. R. K. Sidhva: There is one permanent benefit in this Bill in the shape of sickness benefit, maternity benefit, disablement benefit, and injury benefit.

These are also provided for to a certain extent under the Workmen's Compensation Act as at present, and there are certain Acts prevailing in some provinces, for instance in Bengal, Assam and Bihar, and I think in Bombay also for maternity relief. This comprehensive law will be helpful but the material initiative that has been taken by the Government and the Select Committee is the provision of benefit for sickness, and it has been found that the workers who work in a non-congenial atmosphere shorten their lives: they have to undergo very many sicknesses and no provision was provided either by the industrialists or by the government before. I find in this Bill the proportion is prescribed as for the employer and the employee and the State comes in only for maintaining the department. The State has not contributed towards this fund. In other countries for social benefit the State gives money. I am very glad that the State has not contributed, not that I do not like it. The State has to come at one stage, but I am glad that today the State money has not been utilised for this reason that the industrialists today pay very low rate of taxes, compared with other countries. In view of this the industries may be made to pay a larger amount so that the State should not be burdened; if it did it would mean indirectly the consumer and the average tax-payer are burdened; therefore the industrialists have been asked to contribute their share along with the share of an employee. It is a very good innovation. We have not to follow unnecessarily the British idea in health insurance although I do not deprecate that. For unemployment and sickness the time may come when the State may intervene, but today, unless the industrialists pay proper taxation to the State, which they are not doing today, unless they pay to the same extent as is done in other countries, for example in America and Britain, the only desirable and right step for the government to take is to ask employers to contribute, although the Central Government will provide something, as the Honourable Minister just now stated, towards administrative purposes.

There is one thing in the Bill—the hospitals and dispensaries which are to be opened, it is left to the provincial governments' sweet will whether they should make provision or they should give the workers treatment in General or other hospitals. I have some experience of General hospitals. There are very many good hospitals in capital towns, but these labourers do not really get relief there. I would suggest that the Honourable Minister should make a rule that provincial governments must necessarily construct hospitals and dispensaries for this class of workers, particularly in Ahmedabad, Bombay, Cawnpore, Madras, and at such other places where there are industrial workers, and also at other places where large number of employees reside. I am only mentioning these four towns because the Act will come into operation immediately for factory workers only, but if the benefit is to be given to all labourers, then Sir, the necessity will arise in almost all important towns for special hospitals to be provided. To that extent I would have preferred in the Bill compulsion upon the provincial governments for opening up hospitals and dispensaries. I hope the provincial governments will realise their duty and see that as the Central Government is very keen on improving the conditions of the labourers, they do not lag behind in giving them relief. The pretext of financial stringency or some such excuse has always been brought forward so far. I therefore hope that our own governments in the provinces as well will bear this particular point in mind. They have left it to their good sense and I hope good sense will prevail, and they will of their own accord not bring in any kind of pretext or false excuse by allowing these employees to go to any hospitals which may be existing for the general public. There must be special hospitals provided for their benefit.

Then Sir, I also find another matter of importance. As you know there is a large number of T.B. patients and generally T.B. is a disease which prevails

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in an atmosphere where there is no open air, where there is no proper breathing and where there is no proper diet. In the industrial area, if you take the statistics, you will find that nearly 15 per cent. of these industrial workers are suffering from T.B. T.B. hospitals exist in some parts of India only. One we know is in Solan in East Punjab. The provision in this Bill confines the treatment to patients in the province where a worker resides. So what I contend is that when a patient is suffering from T.B., because the hospital is not in his province, he should be sent out for treatment outside the province if it is necessary. Provision ought to be made that he should be sent to the all-India institute wherever it exists for T.B. and other such diseases.

The Honourable Shri Jagjivan Ram: It is not restricted to the province.

Mr. R. K. Sidhva: I have read the provision. It says 'institutes'. Any provincial government may say it does not fall within its jurisdiction. If it does mean, then I have nothing to state, but let it be made very clear so that no one can have any ambiguity about the English language and say 'such an institute is not in my province: my government is not going to bear the expenditure.' When the question of money comes in, everyone raises all kinds of excuses and then argue according to one's own choice and sweet will. I only desire that the object should be made very clear by the Honourable Minister when he frames the rules.

Sir, I would have also desired—I do not want to make any sort of criticism because as I told the House earlier I am very glad at the principle of the Bill—but I would have desired that some provision had been made for convalescent patients. After the sickness, sometimes a very bad sickness, the patient does require a fortnight or ten days to recoup if relief is to be given. If an ordinary person desires for recouping health a little convalescent period, I do not see why an employee should not have a small period of ten or fifteen days for convalescence. It is not provided in this Bill.

Then, Sir, I have only to make a passing reference to a point which, although technically a medical point, if they find that what is stated in the Bill is justifiable then I have nothing to say. I am referring to the pregnancy period of a woman with reference to the benefits. Provision is made that benefit will be given only after six months of pregnancy. Well, Sir, as far as I know according to medical authorities the child conceives after three months of pregnancy and if she gets the child between three months and six months, will she get the benefit?

An Honourable Member: She could get sickness benefit.

Mr. R. K. Sidhva: Yes, sickness benefit she could get, but maternity benefit she could not get. (Interruptions).

Mr. Speaker: The Honourable Member may proceed. After all he is giving his own views of the matter.

Mr. R. K. Sidhva: Sir, I have only mentioned this. Statistics have shown that there are premature deliveries and abortions; there have been many such cases in India—that cannot be denied. And with the very poor health of these women many premature deliveries take place. Therefore, I thought it advisable that if the law is not very clear on this matter, it should be clarified further.

Then, Sir, as regards the contribution during the sickness period, Schedule II lays down the average assumed daily wage. So far as the average assumed daily rate has been worked out, it is quite all right. But if you look at clause 2 on page 34, it says:

"The daily rate of sickness benefit during any benefit period shall be an amount equivalent to one-half....."

The amount of relief to be given is one-half. That is to say, if a patient is entitled to a daily wage of Rs. 1-12 then he or she will get annas 14 only. Now, his or her earning capacity is Rs. 1-12. When he or she falls sick, he or she gets half the amount. Although, of course, the provision for sickness is provided, while he used to earn Rs. 1-12 when healthy he gets annas 14 when he falls sick. On the other hand, when one is sick there is more expenditure. Special diet is required sometimes—I do not know if that provision will come under sickness; milk may be required and some special diet may be required. International law has laid down, and in Russia, in France and in Belgium even, two-thirds is allowed and here I would have wished, it not the full amount, at least two-thirds should have been provided. I would draw the attention of the Honourable Minister if he could see, if not now at a later stage, to increase this amount because I do feel that it is not fair that when a man falls sick he should earn less. After all the industrialists can pay. If your scheme upsets this payment, then the industry should have been asked to contribute more. The industrialist can do it; they are paying very much less to the State and therefore that should be compensated by giving this kind of relief to the labourers. I am not saying this because I am against the industrialists but because I want it in the interests of the industrialists themselves, to keep the men content and to step up production, so that happy and cordial relations may prevail between the two. Though I would have desired that with the generosity of the industrialists themselves, I would appeal to them today, although my appeal has not brought fruitful results in the past. But if they come out and say, "The Act gives you annas 14, I will give you Rs. 1-12", then I will give them the greatest credit and I will tell them they are the patriots. Here is an open offer thrown to them; my honourable friend the Finance Minister has been giving them all kinds of opportunities to step up production, he has given them relief and he feels they have now realised their duty. They must come out and they must prove to the world that they are very keen and very anxious to see that the labour also should be content. After all, labourers are their servants—they are not the servants of the State. They are the servants of the State so far as their industries are concerned but they will benefit more by increased production and the State will need more of production. Therefore, Sir, while we cannot do anything in this matter, I have got this opportunity and I appeal to the industrialists. While they met in the last Conference at Delhi, I must admit that I was sorry to see their resolutions. While the labourers are not content with even what the State is doing and lay the charge against the industrialists that they are not satisfied, that the industrialists are not *bona fide* desirous of coming to any kind of settlement; the industrialists do not want to part with one pie of their profit for the benefit of their labourers. Therefore, for the resolutions passed by them one would not give them credit—at least I would not give them credit. They have not been helpful to the Government in passing their resolutions in the last Conference. After all, seeing what happens in the whole of India.

Mr. Speaker: I am afraid that subject is beyond the scope of discussion. He may return to the Bill, let him not go outside it.

Mr. R. K. Sidhva: I was referring to the increment of relief, I was not stating anything more. I wanted to impress upon the industrialists that they must really contribute and see the result.

In conclusion, Sir, I would submit that this is a Bill which has paved the way for the industrialists also to come to the rescue not only of the labourers but also of the State. The State is very anxious, our Government is very anxious, to keep the labourers content, but the Government by itself cannot be helpful unless the industrialist is helpful. Therefore, this Act is now before the country and whatever loophole may be there, whatever gap may be there

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which requires to be filled up, I desire, Sir, that they should not necessarily come on and off to the Government for implementing those loopholes or those gaps, but they themselves must voluntarily do so. I wanted that and it is very germane, Sir, with due respect to you, to the discussion on the Bill.

Sir, though there are other small matters on which I hold my opinions, I do not want to lay stress upon them because while I am satisfied on the main principle of the Bill for which we have been fighting for a number of years, rather decades, which has now been accepted by this Government, I will not have much to say if something is omitted because I know time will take its own course. I am confident that although the two years provision may be for application to other workers in this Bill, the Provincial Governments will be made to put this Act into operation much earlier than what is specified.

With these words, Sir, I really am happy that this Bill is being passed. I am happy that whatever was said on the Bill was sent to the Select Committee; the Honourable Minister has taken note of all that was said and very sincerely placed it before them. Many of the items which we had been suggesting here have been accepted. One important matter was the 10 annas that they had laid down for the labourer's contribution; they have raised it to one rupee. They have raised it to Re. 1. I was for Rs. 1-8-0. But I am glad they have raised it to Re. 1 and thereby given a lift.

I do again welcome this Bill and heartily congratulate the Government for such a benevolent and good measure for the people for whose betterment we have been striving since long. I am sure that when this Act comes into operation, these people will really be glad and they will have no reason to complain that this Government is indifferent towards them. I only desire that the Rules may be made expeditiously so that the Act may be put into force without any delay. I know in the Ministries the preparation of the rules takes a long time. Sometimes, when a Bill is passed into law, it does not come into operation for six months or nine months. In the previous regime, I know of certain cases where Acts passed by the Legislature did not come into operation for 18 months, because the rules were not framed.

Mr. Speaker: The Honourable Member is actually repeating what he has stated. If he does not really want delays, then the passage of the Bill should be a quick one.

Mr. R. K. Sidhva: Sir, I congratulate the Government for this very benevolent measure which they have brought in and I commend it for the acceptance of the House wholeheartedly.

Kazi Syed Karimuddin: Sir, after the detailed and illuminating speech of the Honourable Mr. Sidhva, very few points are left for me. I heartily congratulate the Minister for Labour for bringing a very comprehensive, salutary and welcome measure before this House. The presentation of this Bill shows as what is the difference between a foreign Government and a National Government. In England such a Bill was presented in the time of Lloyd George about, I think, 25 years ago whereas in India not a single measure of the kind was brought on the Statute Book in these twenty or twenty-five years, and with the inception of the National Government, within six months or so the Minister for Labour has brought several salutary measures—which is really to his credit. I sincerely congratulate him for incorporating very valuable provisions in this Bill.

Sir, the Honourable Minister and members of the Select Committee have paid so much attention to the opinions that have been received that every alternative and every suggestion made by the Provinces and by responsible

organisations have been incorporated. There were three suggestions, I think, which were very important. The first suggestion was that there should be no contribution from the labour. The second was that the definition of "workmen" should be extended to workers engaged in industrial and commercial concerns also. The third was about the medical treatment that is to be given to the dependents of the labourers. Except the demand regarding contribution, the rest are accepted. But the point that labour should not contribute at all was not met and it could not be met. In fact, this is a measure which is more or less an insurance. Of course, Government—the Provincial Governments—and the industrialists must contribute, but at the same time, the labour also must realise the responsibility of saving money and make their own contribution.

One thing more which I want to impress upon the House and the Labour outside this House is that the entire success of this measure depends upon the co-operation of labour. My honourable friend Mr. Sidhva has made an earnest appeal to the industrialists to make contributions, which they have not been doing generously. In my opinion, the success of this Bill mainly depends upon the attitude of the labour class. Unless they are properly educated, unless their ignorance is removed and unless their illiteracy is wiped out, they will not realise the benefits arising under this Act and they may not make contributions generally. That is point number one. Secondly, the success of this Bill depends upon proper production. If the labour decides to go on strikes and create deadlocks many a time, there may not be any profits for the industry and when there is no profit, it is impossible that any contributions will be made by the industry to the labour towards this fund. The result will be that the entire scheme which is presented by the Government will fail. Therefore, when the Government comes forward with a salutary measure for the benefit of the labourers, it is up to the labourers to realise their responsibility and increase production and not play into the hands of those who want to engage in subversive activities in order to change the order of society by violence.

Another thing, Sir, to which I want to draw the attention of the Minister in charge is about clause 85. In clause 85, definition of particular contraventions has not been mentioned at all. It is an ordinary rule in criminal jurisprudence that when you want to prosecute a man, then a specific contravention under a specific clause should be given. You will be pleased to see that clause 85, sub-clause (g), merely says: "is guilty of any contravention of or non-compliance with any of the requirements of this Act or the regulations in respect of which no special penalty is provided". Therefore, my submission is that it is very necessary that contraventions of specific clauses should be mentioned in this clause in order to bring the guilty person to book. I hope the Minister in charge will correct this.

Before I resume my seat, I once again congratulate the Minister in charge for this very wholesome measure.

Shri Harihar Nath Shastri (U. P.: General): Sir, I rise to accord my wholehearted support to the Workmen's State Insurance Bill as it has been modified by the Select Committee. I regard this measure as one of the most important ones that have been brought forward in this House in course of the last six or seven months. In fact, it marks the first serious attempt on the part of the Government of this country to ensure a considerable measure of social security for labour. Though the problem of social security has been on the forefront in the international sphere for the last twenty or twenty-five years, it has all along been ignored in this country except for some specific relief as provided for in the Workmen's Compensation Act and, in certain provinces, through the Maternity Act.

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Sir, in pursuance of your directions, I would not go into much detail, but for the information of the House I should like, in a few words, to go into the history of social insurance in this country. The question of Health Insurance which is the main part of the Bill was for the first time discussed in 1926 by the Governing Body of the International Labour Conference. The Governing Body included the subject on the agenda of the tenth session of the International Labour Conference in the year 1927 and the Conference while recognizing that the Health Insurance provided the best means of obviating any loss to the worker's productive capacity adopted two conventions and one recommendation in regard to the subject of Health Insurance.

Most of the countries since then ratified these conventions and recommendations, but the conclusions arrived at by the Government of India were that these conventions were not practicable in this country. The matter was discussed in the Central Assembly in the year 1928, when the Government moved a Resolution that the International Convention should not be ratified. In spite of the fact that the Congress Party in the Legislature at that time tried its level best to get the convention ratified unfortunately it could not be done and an amendment moved in support of the ratification was negatived and the modified Resolution was passed.

Between 1928 and the year 1943 the question was discussed again and again no less than half a dozen times. It was tackled in the year 1931 by the Royal Commission of Labour and it, while leaving the consideration of the comprehensive scheme to some further occasion, suggested a tentative scheme based on voluntary contribution from employers and workers to be carried out immediately. It took the Government of India full six years to consider the proposal of the Royal Commission of Labour. In the first instance, it was placed before the Standing Committee of the Departments of Industry and Labour. Then it was subjected to the scrutiny by the Commissioner of Insurance; again opinion on that measure was elicited from the Department of Actuaries in London; again the Provincial Governments were consulted and after full six years, the Government of India came to the conclusion some time in 1935, that the whole idea should be dropped as it was not practicable.

Again, Sir, after the outbreak of the War, the question was taken up in the year 1940 when the first Conference of Ministers was convened by the Government of India and at that time it was decided that organizations of Labour and Employers should be asked how far they were willing to contribute towards this fund. A favourable reply was received and then the matter was again discussed in 1941 at the second Conference of Labour Ministers. The conclusion of the Conference was that preliminary actuarial examination should be undertaken in certain large industries before a scheme could be introduced. Soon, however, difficulties of actuarial examination covering a wide field were experienced and the Government of India were inclined to the view that it might be worthwhile without waiting for a detailed statistical investigation to start with some experimental scheme to apply to certain well defined industries with two purposes; firstly to make a start and partly to obtaining a statistical data by the utilization of which this scheme could be subsequently finalized. The Government of India prepared a tentative scheme and that tentative scheme was placed before the Third Conference of Labour Ministers which took place, probably in the year 1943, and after a good deal of discussion, it was decided that instead of making experiments with any tentative scheme the details of a full scheme should be worked out by a small expert committee. Later on the work was entrusted to an Officer on Special Duty with whom were associated advisers representing employers and workers

and the report of the Officer forms the basis of the Bill as it was originally introduced before this House.

Sir, I would not go now with the various improvements that have been made in this Bill by the Select Committee as the same have already been referred to by the Honourable Minister and certain Honourable Members of this House. But I would refer to a few objections that have been made just now by my friend, Mr. Sidhva and some others. As I also happened to be a member of the Select Committee, I feel I should state the reason which led me to support or to accept the proposals that have been criticised by my honourable friends. Mr. Sidhva has criticised the postponement of the Bill for a period of two years. I should like to assure my friend, Mr. Sidhva, and every section of the House that every member of the Select Committee was as anxious as my friend for an early application of the Bill, but he would realize that a measure of this kind to be put into actual practice requires a huge administrative machinery and if a start is made abruptly, the whole thing is likely to fizzle out. So to set up an administrative machinery for a Bill of this nature, of course, it takes time. Then I might say that the two years is the maximum period. It does not mean that the Bill cannot come into force at an earlier date and I do hope that the Government of India and various provinces will see to it that the Act is brought into force as soon as possible and even much earlier than the maximum period prescribed under this Bill.

Then Mr. Sidhva referred to hospitals and dispensaries and urged the need for having separate hospitals for workmen. I must plainly say that I do not subscribe to that view. We do not want the workers to be put into a separate section of untouchables or depressed classes; they must be part and parcel of the community. Their standard also may in that case suffer. Of course for certain diseases like disablement due to injuries in factories and things of that kind it may be advisable and feasible to allot certain sections of the general hospitals to be used for that purpose. But I do not agree to separate hospitals for workers as a principle.

As regards the criticism that the provincial Governments should not have been entrusted with this duty, in fact it is they who are in charge of the health and welfare of the people and it is a duty which they have to perform; and I have no doubt that they will do their level best in this direction. But should there be any difficulty in this respect I am sure the Government of India will take the necessary steps in this regard.

It was said by Mr. Sidhva that the convalescent stage has been omitted. But I do not think so and I presume that the convalescent period i.e., the period during which a worker is not able to attend to his duties due to the after effects of sickness, is covered under 'Sickness', and so he need have no misapprehension on that account.

Mr. Speaker: The Honourable Member may continue after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Shri Harihar Nath Shastri: Sir I will just say a few words about the scope of the Bill. When the Bill originally came up for consideration some months back before this House, I strongly pleaded for the inclusion of seasonal labour in the purview of this Bill. I was particularly anxious for workers in the sugar industry, whose conditions of work are extremely unsatisfactory

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and who claim every possible protection from the State. The matter was considered at length in the Select Committee also and we also discussed the point with the Actuary of the Labour Department of the Government of India, and it was felt that inclusion of any new category of workers will upset the actuarial calculations and that it would raise practical difficulties and, if insisted upon, there was a likelihood of the whole scheme being considerably delayed. It was on that account that we agreed that for the present the Bill be limited to perennial factories. All the same, as has been pointed out by the Honourable Minister, a provision has been made for extending the Act to other establishments at a later stage, and I am glad the Honourable Minister has again this morning given an assurance that as soon as possible the scope of the Bill will be extended to other establishments. There is yet another point over which I strongly felt when the Bill was originally brought up before this House and it was in regard to the period of benefits. I had urged at that moment that 13 weeks as suggested by Professor Adarkar be taken as the basis on which benefits should be paid to workers covered under this scheme. But the same consideration that weighed in connection with the previous point did apply in this case also. The scheme was framed and calculations were made on the basis of 8 weeks. So although at one stage I had an idea to put in a note of dissent on that point, ultimately I felt that whatsoever has been done is the only thing possible at a time when the whole scheme is passing through an experimental stage. But I am grateful to the Honourable Minister who agreed with the Select Committee that a clause be added to the provision whereby it is possible to enhance the benefits at a later stage. The Select Committee, as you will find from the report that has been appended along with the Bill, has accepted the principle that benefits should be raised to 12 weeks, and I am sure very soon it will be possible for the Government to implement the assurance that has been given this morning in this respect by the Honourable Minister.

Then, Sir, the original Bill sought to confine medical benefits to actual workers only. Here, too, I as well as other members of the Select Committee keenly felt that dependents should not be deprived of the medical benefits, and although a beginning has been made with medical facilities confined to actual workers, I am sure it will be possible for the Government to extend medical benefits to dependents of the workers also.

Then, Sir, the question arises, as it has arisen this morning too, and also when the Bill was originally introduced, that the workers should be exempted from payment of contributions. In this connection, Sir, it may be noted that the whole idea of social insurance as conceived by the International Labour Organization is based on contributions both from labour and industry and the idea as envisaged in this Bill in fact prevails in every other country where the scheme of social insurance is in operation.

I would go into no further details, but while offering my hearty congratulations to the Honourable Minister for this measure, I should, with your permission, avail of this opportunity of speaking just a word in connection with the Ministry of Labour. Although, Sir, the expectations of labour from the Labour Ministry are not fully realized, and although there is a lot still to be done, yet I trust the House will share with me the belief that Shri Jagjivan Ram is sincere in his desire to promote the welfare of the working classes and that he has done his utmost in that direction since he took charge of this portfolio. If he has not gone so far as we wanted him to go, it is not because of lack of earnestness on his part but due to the obvious limitations under which he has had to work. Even then the series of legislative measures that have been brought forward in the course of the last six months speak highly of the earnestness with which he has devoted himself in tackling the labour problems. I do not propose to enter into any detail but for some idea

of the working of the department I would invite Honourable Members to go through the memorandum recently prepared by the Ministry of Labour about its manifold activities up to the 31st December, 1947. In conclusion I reiterate what has been said this morning by my Honourable friend Mr. Sankaranarayanan that this is only a beginning of social insurance in this country and I trust that the present measure will be followed soon by a Bill regarding provident fund and that investigations will soon be initiated to pave the way for unemployment insurance in this country. Sir, I thank you for the privilege which you have given me of taking up so much time of the House. With these words, Sir, I resume my seat.

Prof. N. G. Ranga (Madras: General): Sir, I associate myself with all the nice things that my Honourable friend Mr. Shastri has said about the labours of our friend Shri Jagjivan Ram. At the same time I cannot agree with my friend that labour has expected so much and has not found satisfaction as yet from this Ministry. If labour leaders and workers and wellwishers, among whom I consider myself also to be one, were to go on expecting so many things and yet not do anything at all from their own end, I do not think it is quite fair. Shri Jagjivan Ram, our Labour Minister, according to Mr. Shastri and other friends, has done so much during the last six months but what is it that we have been able to get in the way of response from labour?

Shri B. Das (Orissa: General): That is the question.

Prof. N. G. Ranga: Now my answer is, we hear so much about that section of labour which has been creating trouble for Government as well as the employers and the industry, but we hear so little about a much greater section of labour which is all the time co-operating with the Government, which has pinned its faith in this national government and which likes to support the national government. Therefore even on that score it is not possible either for my friend Mr. B. Das or for any one else to find fault with the great majority of the industrial workers in this country. They are satisfied with the national government, they have confidence in the Government. Only very recently I had an opportunity of going to Jamshedpur and meeting the labour workers there and their leaders also and I was assured by them of their wholehearted support and loyalty to the national government. This naturally increases the responsibility of the national government towards labour.

Secondly, I am very glad that this principle of contribution has come to be accepted in regard to this kind of labour legislation. I am also glad that my Honourable friend Mr. Sidhva has noticed the fact that the Government is not expected to make any contribution excepting meeting up to 75 per cent. the administrative expenses for the first five years but that the employers and the employees are expected to pay for the social insurance. I welcome this feature and I hope the acceptance of this principle will enable my Honourable friend Shri Jagjivan Ram to bring forward in the near future a Bill for establishing unemployment insurance also on the very same basis.

There is one other healthy feature here. Instead of expecting the workers as well as the employers to contribute in equal measure to these social funds, the principle has been accepted that the employers' share should certainly be much higher than that of the worker. It is all for the good and on the same basis if legislation were to be proposed for the establishment of unemployment insurance also, I think it will be a feasible proposition and it will be possible for my friend to achieve that social reform also in a very short time. Surely it is the duty of the employers to provide compulsorily housing for their workers. If we apply the same contributory basis the construction of housing for industrial workers may come to be developed by the State or through the initiative of the State.

[Prof. N. G. Ranga]

I wish to say one thing more and that is today situated as we are in this country, the industrial sector of our social economy is a very small one. I should be surprised if it is proved to be more than 15 per cent. of our total annual wealth production and yet we are now trying to create such facilities for the capitalists and industrialists on one side and their proletariat on the other as would enable them to live in a sort of suspended animation in an insulated prosperity completely removed from the whole of humanity of our country and enjoying certainly a number of social securities and amenities which are not available for the great mass of our people, the industrialists special responsibility rests on these two classes of our people, the industrialists on one side and their proletariat on the other. I want to sound a note of warning in the name of our own country and in the name of our own great mass of people, the kisans and the labourers, that it is their duty to stand by our nation and national government and appreciate these special facilities and advantages that are being created for their special benefit and try to co-operate with our national government as well as their national effort.

A wrong impression has been created that all that has been produced or is being produced from our mills is the achievement of the industrialists and the workers alone. According to me these industries would not be there and these social amenities would not be there if there were no State at all, if the State were not a benevolent one and a State which has the proletariat at its heart. Therefore these people have their responsibility towards the State.

Secondly, if all the raw materials on which these industries work are not supplied to them as cheaply as they are being supplied at present, it would not also be possible for them to carry on their own productive activities and supply these manufactured goods at the prices at which they are being placed in our hands. Therefore all the profits that are being derived from out of these industries with the co-operation of the proletariat ought not to be treated as a special contribution or special earnings of the industrialists and their proletariat along. On the other hand they ought to be treated as the common achievement of the whole of the community with of course the special cooperative of the industrialists and the workers. (Because of this I am glad that this contributory system has been introduced and I hope that in future also the State will try to make the financing of social insurance the special responsibility of the industry concerned, and not of the general public.)

With these general remarks I have very great pleasure in supporting this Bill. I have also had the privilege of working on the Select Committee and I know with what enthusiasm my Honourable friend Shri Jagjivan Ram has co-operated with us and steered this Bill through the Select Committee. He was even more enthusiastic than many of us on the Select Committee and if at all he had to come in anywhere it was only to help us to appreciate the point of view of his own actuary. If we have been unable to give satisfaction in the directions in which my Honourable friend Mr. Sidhva had asked for in the morning it was not because of any lack of enthusiasm on our part but because it should come gradually. If in course of time, in the next two or three years, as a result of the experience gained in the working of this insurance it comes to be seen that for a longer period relief can be given to those sufferers or special benefits can be given to those sufferers, certainly the Government as well as the House will be quite ready to extend these benefits to the extent to which my Honourable friend Mr. Sidhva has desired this morning.

Shrimati Renuka Ray (West Bengal: General): Mr. Speaker, Sir, quite a number of members have spoken on this subject and I do not wish to take up the time of the House by reiterating what they have said. I should like to say first of all that although we have passed quite a lot of legislation during this

session I do feel that the Bill that we are now considering is perhaps one of the most important and vital. My Honourable friend Prof. Ranga has pointed out quite truly that a great deal of legislation is yet to be enacted for labour, and in particular for agricultural labour, which has not yet been emphasized. This does not take away from the fact that this Bill even if it is not comprehensive enough is the nucleus of the future social insurance legislation of the country. I do not think that members of the Select Committee or even the Honourable the Labour Minister will say that it is as widespread or as comprehensive as they would have liked it to be. My Honourable friend Mr. Shastri has pointed out this in detail and he has told the House something about the discussion in the Select Committee. The administrative difficulties were pointed out, the lack of trained personnel, and it would not be very practicable to have its terms extended immediately, as it would be difficult to implement. Nonetheless it is the nucleus of a more comprehensive scheme and I do not think that anyone can deny the merits of the Bill as it stands.

My Honourable friend Mr. Sidhva and others advanced some objections on the ground of its not being comprehensive and in regard to the need for wider application of sickness benefits—or rather I should say he has suggested some improvements. My friend Mr. Shastri has replied to this and I do not want to repeat what he has already said. But I want to point out two things to the Honourable the Labour Minister. First of all, I think that it is not merely a question of passing legislation but of seeing that it is properly implemented that is most required. The Honourable the Labour Minister will I think agree with me when I say that some times Provincial Governments do take a long time and do delay in bringing in rules for implementing such enactments and that labour legislation is some times not implemented as quickly as it could be. I think that if the Central Government draws up model draft rules in connection with, this enactment and sends them round to the Provincial Governments to some extent the delay might be shortened. Also I hope the Honourable the Labour Minister who is so anxious and enthusiastic about this legislation will endeavour to press the Provinces until they do implement the provisions. Otherwise the legislation will remain on the statute book as a principle which will not be of any real benefit, for much longer than is necessary for administrative reasons.

Then there is another point on which I speak from a certain amount of personal experience. I have seen this particularly in the case of such labour as plantation labour or mines labour where the labour is very ignorant. Whatever legislation is being passed for benefit of labour a large section of labour is not aware. Sometimes they remain totally unaware and the employer takes advantage of this situation. For instance, in regard to the Maternity Benefit Act which was passed, I have seen in the plantations that the women labourers were quite satisfied because they were paid a sum of Rs. 5 in all and they thought that the employer was very good to them. The employers got their thumb impressions. When the Inspectors come round, the thumb impressions were there to show that they had been paid maternity benefits. This sort of thing may again arise because labour is still just as ignorant. I do hope the Honourable the Labour Minister will bear in mind this point, which was I think discussed in the Select Committee. It is very essential to have the provisions of this Bill translated in a simple manner in the languages of the different areas and given to these labourers. And where the labourer is so ignorant and cannot read at all I hope the Inspectors will be specially deputed to go round and explain the provisions of the Act to them. If nothing of this sort is done I feel there will be still a great many employers—with all respect to them—who are likely to infringe the provisions of the Act and get round it in some way or another. These are the two points I wanted to make.

As regards the Bill itself I do not think it can be improved upon at the present moment. I hope that within two years its provisions will be applicable to agricultural labourers and others, and that unemployment insurance

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will be provided for in the near future also. But it is the implementation of the Bill when it becomes an Act which is really most urgent.

I agree with my Honourable friend Mr. Santhanam when he said that the way that the affairs of the Select Committee were conducted by the Labour Minister and by the Labour Ministry is one which I think should be a precedent for others. It is the way in which the Select Committees under a National Government should function. I would like to join with other speakers in my praise of the Honourable the Labour Minister for the sincerity and the regard he has shown for the betterment of labour conditions.

Shri Ramnarayan Singh (Bihar: General): Sir, I shall not take much time of the House. I have stood up only to express my joy over this measure and also to express my proud feelings I have about my Honourable friend Babu Jagjivan Ram. Sir, I entirely agree with all the praiseworthy words which have been said about my Honourable friend Babu Jagjivan Ram, with whom I had the honour to work from the very beginning of our political career. But with all these things I must tell him one thing which I have repeated several times before. Legislation is going on, but as has been suggested by my lady friend, much attention ought to be paid to the implementation of the measure. I think my Honourable friend the Labour Minister had gone recently to Jharia. He must have seen the activities of the welfare committee there. The Labour Welfare Act has been passed some time ago. A Labour Welfare Committee has been established at Jharia and something is going on. Towards the Fund some Rs. 60,000 have been realised from Bokaro and Beramo coalfields and their neighbourhood. I think about 1 lakh of labourers work there. But up till now no representative of the labour has been taken into this Committee from that area. That is one matter. And up till now not a pice has been spent in that field as regards the relief of the labourers there. Things are said and done in this House. But unless proper attention is paid to the work on the spot no good will be done to the labourers.

Sir, everybody knows that the whole social fabric depends on labour. It is on labour that our very existence depends. I think the whole society ought to realise this. The Government also should realise this. Everything is due to labour. We live on labour, but the thing is not realised by

3. P. M. anybody, and especially by the Government. My friend Prof. Ranga has just said that labour is very satisfied and as proof of this he said that he had been to Jamshedpur and the people there have assured him of their loyalty to Government. Loyalty does not mean satisfaction. Loyalty is loyalty but satisfaction is something quite different. I think nothing is done to satisfy labour. Of course labour is loyal to the Government and they will be loyal to the Government, but I do not think the Government deserve this loyalty. So long as my friend Babu Jagjivan Ram is there, I am sure he will do all that he can and we are all with him, but we have to see that substantial things are done for labour as soon as this measure is passed.

With these few words, Sir, I again congratulate my Honourable friend and support the measure he has submitted to the House.

Shri V. C. Kesava Rao (Madras: General): Sir, this measure was expected for the last many years, but I do not think there is much to be appreciated in it. Sir, the Workmen's Compensation Act was passed in 1923 and that provided for accident insurance and maternity benefit. The only improvement in this Bill is the inclusion of sickness benefit. Except for that I do not think there is any additional benefit that is given to labourers.

Prof. N. G. Ranga: Agricultural labour is to be brought into the sphere.

Shri V. C. Kesava Rao: My friend says that agricultural labour will also be brought into this. From 1923 to 1948, they have taken 25 years to bring

in this kind of legislation, but I do not know how many more years Government will take to include Agricultural labour. The scope at present is restricted to factory labour only and not to any other type. There is organized labour, such as miners and railwaymen dock workers, people working in the leather trade and beer industry etc. All these who are organized today are excluded from this Bill. I do not think any extra burden will fall on the Government or the Corporation that is to be set up if these organized labour are brought into the scope of this Bill.

Another thing, Sir, is that risks are restricted, i.e. only sickness insurance, accident insurance and maternity benefit are dealt with. I think it is essential that old age pensions as well as unemployment benefit should also be included straightaway now.

As regards sickness benefit, they are eligible for it only for 8 weeks and that only when they are in the hospital and I think one of the Honourable Members pointed out that something should be done when they are convalescing. So any man, especially a labourer, who does physical work, as soon as he comes out of hospital—I do not think—will be in a fit condition to do heavy work in the factory. So sometimes a margin of 10 to 15 days should be given to that man to convalesce and recoup his health.

As regards maternity benefit, a pregnant woman is allowed only a total of 12 weeks before and after confinement. I think this is too low a period. If it is six weeks before confinement it will be too short a time and it will not be possible for a woman to work in the factory up to 8th month or 7½ month of her pregnancy. So the period for the maternity benefit should also be extended, i.e., it should be at least for four months—two months this side and two months that side of the confinement.

The maternity benefit is restricted to 14 annas a day. I think when a woman is under confinement, she requires more expenditure than the ordinary woman. In this case also I do not think 14 annas is sufficient to maintain the mother. She has to maintain the child inside and she has to look to her own health. So in such cases, to improve the health of the woman, it is necessary that the benefit should be increased and she must at least get Rs. 1/8 a day—not 12 annas or 14 annas a day.

There are many insurance companies and private firms where a large number of clerks and peons are employed. They are not included in this Bill. They work throughout the day and they will not be able to get the amenities of life that they require. There are no rules to regulate their salary, and I do not think this Bill will be made applicable to them in a short time. All the clerical staff and peons who are working in insurance companies, banks, firms, etc. should also be included in the scope of this Bill.

Another thing is that though it is a bit difficult to include agricultural labour in this Bill, I do not think there will be any extra expenditure incurred by the inclusion of agricultural labour. Labour on plantations and labour in seasonal factories are also to be included in this. Especially agricultural labour, work only for six months in the year and they get very little, and nobody notices how they spend their lives and how they spend the rest of the six months in the year and how they earn their livelihood. So at least for six months these people must be given these benefits and during those six months something can be collected from the agriculturists and the landlords should be asked to pay towards the insurance premiums of agricultural labour.

Another thing is that the standard of life of labour is very low in India and we are asking them to pay from 2 annas onwards up to Rs. 4, and I do not think a labourer who gets Re. 1 will be able to pay 2 annas towards insurance. So the share of the labourer should be reduced. The Government should pay one anna and the labourer should be asked to pay only one anna, and the rest

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of the insurance money by the employer. So this will enable the labourer to reduce his burden to a certain extent. It is a fact that labourers have many children and they have to rear them. If a labourer has to pay two annas a day, that will be a loss to him and with the two annas he can feed one child. So this should be included and Government should bear a part of the contribution of the labourer.

Another thing, Sir, is that labourers working in the textile mills and in the cement factories will naturally lose their sight soon. There should be some provision in this Bill to employ those people; when the sight is lost, people will be driven away from the factories. So, there should be some provision in this Bill to re-employ them in such jobs where a keen eye-sight is not necessary; up to old age they must be allowed to work and then get the full benefits of the insurance scheme.

Labourers do not get any leave. They have to get some leave for recreation and that leave should be paid by the factories. They should get recreation leave of at least fifteen days in the year and should be paid by the company according to the rates fixed for the sickness insurance or accident insurance etc. Then these people who work throughout the day and throughout the year will be able to recoup their health and will be able to do more and help the nation. In these days of an all round appeal for more production, I think a sort of recreation is also necessary for these people and for that period this Corporation should pay them sufficiently.

A good feature of this Bill is that the lump sum grant was excluded. The seasonal factories should also have been included. One of the Honourable Members pointed out that there are some administrative difficulties in including these. But I think the expenditure involved by including these seasonal factories will not be much; it will cost more, but not too much. So I think it is better that we should include all the seasonal factories and all the workers working in agricultural lands, and plantations. We should include all of them straightaway and do some justice to labour.

The Honourable Shri Jagjivan Ram: Sir, I do not propose to give any detailed reply to the various points that have been raised here as I am afraid no new points have been made and there is nothing new that I may give in the shape of reply than what I had said while replying to the debate when I referred this Bill to the Select Committee.

Sir, I have been congratulated from many sides and I was just thinking with whom to agree—with the friends who have congratulated me, or with the friend who has just spoken.—and I feel inclined that I should agree with the last speaker. I myself feel, Sir, that there is nothing in this Bill which deserves appreciation or on the score of which I deserve any congratulation. But as I said on the previous occasion, this measure is a modest step towards a great social objective, and I look at this Bill from that point of view.

My friend Mr. Kesava Rao has been critical. But I am afraid much of his criticism is due to his ignorance of the Workmen's Compensation Act. Also, his criticism is due to his ignorance of the condition of the workers in the Railway Department. I may point it out to him that the workers in the Railway Department today have better facilities than what we are providing in this Bill and it will be, of course, doing injustice to the railway workers if we were, as suggested by my friend Mr. Kesava Rao, to bring them within the purview of this Bill. If he comes to know the conditions of the railway workers I feel he will withdraw his suggestion.

As regards the maternity and disablement benefits, I would request my friend to go through the Workmen's Compensation and Maternity Benefit Acts and then he will come to realise what is the difference, or what are the extra benefits that we are providing here in this Bill.

As regards the contribution from the workers, I for one, Sir, feel that all the social security measures should be of a contributory nature. Even provident fund, old age pensions and unemployment insurance which my Ministry is already examining and which we may bring before this House in due course of time, should be on a contributory system. If the Government were to contribute to these things, I would like to know from my friend who suggested that Government should contribute, wherefrom the money will come for the Government.

An Honourable Member: Hear, hear. That is the question.

The Honourable Shri Jagjivan Ram: It will naturally come from the taxpayer, and whether you get it from the labourer or you take it from the taxpayer, it certainly affects the worker. There is no denying the fact that whether you charge the employer to make a contribution to these funds, or whether you levy a cess on the products of the industry, it falls ultimately on the consumer. But the thing is to see whether it is a direct charge which falls on the consumer or an indirect one. There is no denying the fact that all these burdens ultimately fall upon the consumer.

Sir, as I said—and I do admit that the Bill is not a very comprehensive one—it is not all-embracing at present, but provision has been made in the Bill to expand its scope and also to enhance the period and rates of benefit, whenever the Corporation finds that the finances of the Corporation are in a position to bear the burden of expansion or extension or enhancement. So there should be no misapprehension on that score. When the Provincial Governments find that they can easily extend it to the agricultural labour, they will certainly do so. The thing to be considered, as I said on the previous occasion, is not only the finances but also the necessary personnel, medical and others, to man this scheme. As every member in this House is aware, we are so short of qualified personnel especially in medical field, and the whole scheme cannot be proceeded with unless we have the requisite number of qualified doctors and others. Before we think of expanding the scope of this Bill to all categories of workers, in the mines, in the plantations and in agriculture, we will have to take into consideration the general deficiency of our health services in this country. The question is not to look after the health and medical care and attendance only of the workers, industrial or otherwise, but to look after the health and medical attention of the entire population. And we cannot consider this thing in isolation; we will have to consider the question of the working classes in connection with the entire population, and the whole question is not only for the Labour Ministry but for the entire Government, to see how soon and how far we can provide medical facilities to our entire population. We should look to this Bill in that context and if we look to this Bill in that context I feel that Honourable Members of this House will agree with me that it is not a very small step towards social security of labour.

As I said Sir, I do not propose to make any detailed reply to all the points that have been raised. They are covered by my speech which I made in reply to the criticism while referring this Bill to the Select Committee. I hope the House will unanimously accept my motion for consideration.

Mr. Speaker: The question is:

"That the Bill to provide for certain benefits to workmen employed in or in connection with work of factories in case of sickness, maternity and accident and to make provision for certain other matters in relation thereto, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. Speaker: We will now take the Bill clause by clause. Before we proceed with the various amendments, I might just state that quite a large number of amendments proposed relate to correction of punctuation, printing mistakes, insertion of correct articles or the changing of capital into small and small into capital letters. The Honourable the Labour Minister was good enough to intimate to me the amendments which are acceptable to him. I must mention here the great trouble which the Honourable Member, Mr. Naziruddin Ahmad, has taken in carefully scrutinising the Bill from the point of view of punctuation, articles and other little things to make the language perfect and I propose, as I stated to him the other day, that I shall be forwarding these to the Draftsmen because I look upon them as practically mistakes in writing out the correct text of the Bill, not in hand but in print. So I do not propose to put them to the House and we shall take up the other amendments and I am sure the Draftsmen will do the necessary work and do also justice. With these preliminary remarks, I will just put the clauses and the amendments to the House, and I hope we will proceed as rapidly as we did in the first consideration stage.

I shall call out such of the amendments as do not fall under the particular category which I mentioned. Amendment No. 6 in the consolidated list.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I beg to move:

"That in part (1) of clause 2 of the Bill, before the word 'mine', the word 'or' be inserted."

Sir, the text lays down a large number of alternative conditions separated by the word "or". But the words "post" and "mine" have not been so separated. This is the only exception and the amendment fills in the gap.

The Honourable Shri Jagjivan Ram: Sir, I accept the amendment.

Shri K. Santhanam: I think it is a mistake, Sir. I would like to point that the word "control" refers to the control of the Central Government. Mine or oilfield is not a matter to be controlled by the Central Government. It is a separate category. I think therefore that he has misunderstood the scope of the clause. The first part is separate and mine or oilfield is separate. I do not think the amendment is acceptable.

Mr. Naziruddin Ahmad: My difficulty is that the Draftsman has accepted this amendment. I am merely faithfully following the same.

Shri K. Santhanam: The Draftsman, I think, may make a mistake, but I think the House here will have to do the correct thing. The Draftsman should not have accepted this amendment.

Shri C. Subramaniam (Madras: General): Sir, may I respectfully submit that establishments under the control of the Central Government are a separate category; Federal Railway is another category; major port is another category; then, mine or oilfield is a separate category. From this, it is not at all necessary, as my friend Mr. Santhanam says, that mine or oilfield should be one of the establishments of the Central Government. I think therefore the suggested insertion of "or" is quite appropriate.

Mr. Speaker: I think the word "or" should be there. It should be "or a mine or oilfield".

The question is:

"That in part (1) of clause 2 of the Bill, before the word 'mine', the words 'or a' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (7) of clause 2 of the Bill, after the word 'or' the word 'with' be inserted."

The Honourable Shri Jagjivan Ram: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in part (7) of clause 2 of the Bill, after the word 'or' the word 'with' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (8) of clause 2 of the Bill, for all the words beginning with the words 'employment injury' and ending with the words 'arising out of', the following be substituted, namely:—

"employment injury" means—

- (i) a personal injury to an employee caused by an accident, or
- (ii) an occupational disease arising out of."

Sir, I think this amendment is necessary in order to prevent some amount of confusion which is likely to ensue from the clause as it stands now. We have to distinguish a personal injury caused to a workman from the disease which he may contract in the course of his occupation and for this purpose the amendment I have suggested appears to be necessary.

The Honourable Shri Jagjivan Ram: I don't consider that amendment to be necessary and am not accepting it.

Mr. Speaker: I am not, therefore, placing it before the House.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (9) (i) of clause 2 of the Bill, for the words 'incidental to, or preliminary to or connected with', the words 'incidental or preliminary to, or connected with' be substituted."

Sir, the amendment saves the word "to" at least once.

The Honourable Shri Jagjivan Ram: Sir, I am prepared to accept the amendment.

Mr. Speaker: The question is:

"That in part (9) (i) of clause 2 of the Bill, for the words 'incidental to, or preliminary to or connected with', the words 'incidental or preliminary to, or connected with' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (9) (i) of clause 2 of the Bill, the word 'or' be added at the end."

Mr. Speaker: The question is:

"That in part (9) (i) of clause 2 of the Bill, the word 'or' be added at the end."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (9) (ii) of clause 2 of the Bill, the word 'or' be added at the end."

Mr. Speaker: The question is:

"That in part (9) (ii) of clause 2 of the Bill, the word 'or' be added at the end."

The motion was adopted.

Mr. Naziruddin Ahmad: With regard to my amendment (No. 17) I should like to bring to your notice that it is not merely a question of spelling. The word "dependent" though commonly spelt with either 'e' or 'a' after 'd', has its definite form of spelling in the two different parts of speech. When it is an adjective it is spelt with 'e'; when it is a noun it is spelt with 'a' or 'e'. Here it is used as an adjective and so it must be spelt with 'e'.

Mr. R. K. Sidhva: Sir, I have given notice of an amendment:

"That in part (9) (iii) (a) of clause 2 of the Bill, for the words 'His Majesty's' the words 'Government of India's' be substituted."

The Honourable Shri Jagjivan Ram: Sir, that point was raised in the Select Committee as well—I myself raised that point, but it was pointed out that the phrase "His Majesty's Government" is being used in other Bills, and it may as well remain in this Bill too. I have no particular objection to the amendment, but the difficulty is to find a suitable substitute for it. In fact, the draftsman advised its retention for the time being. When the proper time comes, it can be changed by an Adaptation order.

Mr. R. K. Sidhva: In that case I do not want to move the amendment.

Pandit Thakur Das Bhargava (East Punjab: General): The last line of clause 53 says: "and to minor legitimate or adopted sons and minor legitimate unmarried daughters". Now I understand, Sir, the word 'son' should be there instead of 'sons'. If one son is adopted another cannot be adopted and ordinarily the adoption of a son is possible and the adoption of a daughter is not possible except in case of prostitutes. If you will kindly see clause 2 sub-clause (11) you will see the word used is 'adopted children'. Now if the words 'minor legitimate and adopted children' are taken together, it is susceptible of various interpretations and therefore from the point of ambiguity it is indefensible. If taken alone it is liable to misinterpretation though it may be said that 'adopted children' might mean more than one son and even a daughter and in order to clarify it I think that we should have some words like this: 'Minor and legitimate daughters and adopted son'.

Mr. Speaker: Is the Honourable Member referring to clause 53?

Pandit Thakur Das Bhargava: If the word 'sons' were not used in section 53, I won't mind, because the word children is capable of two interpretations. If with words 'minor legitimate' the word 'children' is taken then there is nothing objectionable, because the minor daughter and adopted son would be included in the word 'children', but if adopted children means adopted sons or adopted daughter, then it is objectionable. So the word is ambiguous to say the least.

The Honourable Shri Jagjivan Ram: Then make it 'children' in section 53.

Mr. Naziruddin Ahmad: I have some difficulty with the word 'legitimate' in sub-clause (11) of clause 2. I do not think we should here introduce the word 'legitimate' because it may lead to a great deal of controversy. A son may be legitimate, but the question may be raised whether he is legitimate or not. This may be regarded as a loop-hole to deprive children of the protection. Whether legitimate or not the children are the most innocent; their parents may be guilty, but we should not penalise the child who is the most innocent of the lot. I submit that 'all children, whether adopted or otherwise', should be the proper expression. I appeal to the good sense of the House to remove this stigma and remove the cause of difficulty for children.

Shri C. Subramaniam: I would suggest that instead of having the words 'legitimate and adopted children' we may have 'minor children'. It is only under Hindu law an adoption can be made and once an adoption is made, he is the child of the father and it is not necessary to say for certain purposes whether it was an adopted son or not. In this case the adoption refers only to the Hindu law and I would therefore suggest that it is better we have it as "minor children".

Mr. Speaker: I am not quite clear on this. It depends upon the intention. If the expression adopted were not there it is possible to construe that the families are restricted to only natural issue. Perhaps to avoid a conflict of that type, it is desirable to make it clear that even adopted children are

intended to be included in the definition. That is what seems to be the idea. Further, I cannot quote chapter and verse—but you find many cases in which even daughters are adopted by custom in certain communities and the adoption is not merely restricted to sons—I am speaking from memory. The matter requires clarification.

Shri C. Subramaniam: In Malabar and other places the custom is to adopt the daughter.

Mr. Speaker: Therefore 'adopted children' is the phraseology used there and it will be seen that the object of the two sections are quite different. Here a "family" is defined, while in section 53 refers to particular relations or heirs to whom the amount of benefit is payable. Therefore, there is no possibility of any conflict between the two. Here also when the word 'sons' is mentioned, I believe the objection was to the plural sense: the expression used here is: 'minor legitimate or adopted sons'. The legitimate sons may be more than one though the adopted son could be only one; or even it is possible that there may be an adoption first and a legitimate child may be born later on, in which case the expression 'legitimate and adopted son' will not be quite an appropriate expression. That is how it appeals to me. It does not seem to be so much a matter for doubt or conflict, as the Honourable Member has made out; but after all, it depends upon the intention of the Legislature as to what they intend.

Shri C. Subramaniam: I suggest minor children, legitimate or adopted, may be better.

Mr. Speaker: Does he refer to sub-clause (11)?

An Honourable Member: Why 'or'?

Shri C. Subramaniam: "Legitimate or adopted", would cover all children to whatever category they might belong.

Mr. Speaker: I will make one thing clear. If we are going into discussions of that type, I am afraid there is greater likelihood of our retouching the wording incorrectly instead of improving it in the right direction. I personally feel nervous about touching it, unless the point is very clear.

Mr. Naziruddin Ahmad: The question is whether illegitimate children under the care of a worker are entitled to protection, apart from the ethical and moral question?

Mr. Speaker: I think the best course is to leave it as it is.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, on this definition itself I should like to say a word. As you rightly advised, I am not going into the question of children because, as you know, in the Bombay Presidency a married man also can be adopted. And if a married minor is adopted his minor wife also comes in. There are so many consequences coming in; therefore let us leave the word "children".

My main complaint is this that we are defining 'family' to mean only the spouse and children; that is the conception of an English family. As soon as a son is married he goes out of his father's family and sets up a family of his own, and from that time his family consists of his own wife and children. The aged parents who have looked after him so long are left out. But here parents are also in the family and that is one of the means of relieving unemployment in this country. In a joint family the son takes the responsibility of maintaining the entire family, including the aged parents and minor brothers and sisters. But we are blindly copying English standards, and though we cannot change our colour we have changed our ideas. It was to carry out the word given by his aged father that one of our greatest Avatars left the country and went to the forest, and we still revere him. But these ancient traditions have unfortunately been trampled under foot for so many

[Shri M. Ananthasayanam Ayyangar]

years; now it is time for us to regain our culture also. I am told that a railway employee gets a pass by which he can take only his wife. If he is a bachelor is he to take a wife for the nonce? Why should he leave his aged parents and go after somebody? Now that we are trying to provide various measures of social security for our people let us not disturb our ancient institutions. Every one knows that for people of all creeds and religions in this country family includes not only aged parents but also minor brothers and sisters. It is strange that we are trying to create and increase unemployment in this country. In the west when a man is employed the woman also seeks employment, and there is a race between them. Here we should try to solve the question of unemployment and provide that family should include not only the wife and children but also aged parents.

Mr. Speaker: There are two important suggestions which have been made, though one is included in the other. The point is as to what should exactly be the scope of the "family", whether it should include all blood relations or—for the matter of that—even others who are dependent on the man, or whether a "family" should be restricted only to children, and further whether it should be restricted to legitimate children. If it is the desire of the House that the point should be considered and discussed further,—whether aged parents or brothers and sisters or even widowed sisters or deceased brother's wife, etc should be included or not,—the point may be kept over, because, in any case, we are not going to finish this Bill today. This question of legitimacy of children raised by Mr. Naziruddin Ahmed may be considered later. It is not necessarily a case of immoral relations. We know of cases where a man and a woman even without being married have lived together for years as husband and wife. It is a question whether the children of such a union should be deprived of the benefits of this law. So this may be kept over for further discussion and we may go on to the other clauses and amendments.

Mr. R. K. Sidhva: Sir, I have no objection to this proposal. I moved amendment No. 8 exactly on those lines but the Honourable Minister refused to accept it. So it will now be difficult for him to reconsider it.

Mr. Speaker: What I suggest is that people holding these different views may informally meet in the lobby and come to a conclusion about this, 4 P.M. and any further amendment that may be necessary, if it is a substantially agreed amendment, may be discussed tomorrow. We need not be very hard and fast about the procedure. So this can be kept pending.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Hussain Imam (one of the Panel of Chairmen).]

Mr. Chairman: In view of the arrangement come to by the House in regard to Clause 2 I am not putting it to the House for adoption.

The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Mr. Naziruddin Ahmad: Sir I move:

(1) "That sub-clauses (1) and (2) of clause 5 of the Bill be re-numbered as sub-clauses (2) and (1) respectively," and

(2) "That in sub-clause (1) of clause 5 of the Bill, for the words, brackets and letters 'other than the *ex-officio* members and members referred to in clauses (c), (d) and (e)', the words, brackets and letters 'referred to in clauses (f), (g), (h) and (i)' be substituted."

Sir, the wording of sub-clause (1) is most round about. It refers to some of the sub-clauses of clause 4, but does so in a peculiar manner. There are 9 sub-clauses (a) to (i) to clause 4. Sub-clause (1) of clause 5 refers only to

4 sub-clauses of clause 4 by a process of exclusion. It enumerates them by only describing some exceptions. It says—"members of the Corporation other than *ex-officio* members and members referred to in clauses (c), (d) and (e)". The *ex-officio* members are dealt with in clauses (a) and (b). With these exceptions left out there remain clauses (f), (g), (h) and (i). These are clauses really referred to but without mentioning them. The process of enumeration is something like this: There are 9 clauses in section 4. From these, exclude the *ex-officio* members, that is clauses (a) and (b). Then from the balance, exclude (c), (d) and (e). The remainder is what I mean. This is quite unnecessarily round about, for by these exclusions we are left with (f), (g), (h) and (i). The amendment enumerates the actual clauses namely (f) to (i).

The next is inverting the numbers of clauses (1) and (2) of clause 5. Clause (2) deals specifically with clauses (c), (d) and (e), while clause (1) deals with clauses (f), (g), (h) and (i). In proper sequence therefore clauses (1) and (2) should be reversed to remove the incongruity.

The proposed changes are verbal and will not change the sense but will make the clause clear and logical.

Shri M. Ananthasayanam Ayyangar: My own feeling is that this Bill is intended to satisfy the employees first. Why not make representations with their representatives first and then bring in the *ex-officio* representatives later on? There we have (f), (g) and (h). They have been rightly placed. Those who come under (f), (g) and (h) cater for 5 representing employers, 5 representing employees and 2 representing the medical profession. These come under that category. The original scheme might stand. There is no purpose for inverting it. It will appeal to the employees. The others will come later.

The Honourable Shri Jagjivan Ram: I do not think he is going to press his amendments.

Mr. Chairman: Does the Honourable Member want to press his two amendments?

Mr. Naziruddin Ahmad: No.

Mr. Chairman: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 7 of the Bill, for the words 'in this behalf' where they occur for the second time, the words 'by it' be substituted."

The purpose is to effect economy in words and directness.

Mr. Chairman: Amendment moved:

"That in clause 7 of the Bill, for the words 'in this behalf' where they occur for the second time, the words 'by it' be substituted."

The Honourable Shri Jagjivan Ram: That is a verbal change. I accept it.

Mr. Chairman: The question is:

"That in clause 7 of the Bill, for the words 'in this behalf' where they occur for the second time, the words 'by it' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Clause 8 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (1) of clause 9 of the Bill, for all the words beginning with the words 'a member of' and ending with the words 'shall be', the following be substituted: 'a member of the Standing Committee referred to in clause (c) of section 8 shall be'."

The text says: ".....a member of the Standing Committee, other than a member referred to in clause (a) or clause (b) of section 8,....."

There are only three clauses to be considered, (a), (b) and (c). Instead of saying "a member of the Standing Committee, other than a member referred to in clause (a) or clause (b) of section 8" it is far better to say "a member of the Standing Committee referred to in clause (c) of section 8.....". This is more direct and I do not see any point in expressing it so indirectly.

Mr. Chairman: This is only a verbal amendment. In view of the fact that in sub-clause (2) it is already provided that "a member of the Standing Committee referred to in clause (a) or clause (b) of Section 8 shall hold office", there does not seem to be much difficulty in having it otherwise.

The Honourable Shri Jagjivan Ram: To a layman like me the present draft reads better than what Mr. Naziruddin Ahmad suggests.

Mr. Naziruddin Ahmad: I do not desire to press my amendment.

Mr. Chairman: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (e) of sub-clause (1) of clause 10 of the Bill for the word 'organisation' the word 'organisations' be substituted."

The Honourable Shri Jagjivan Ram: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in part (e) of sub-clause (1) of clause 10 of the Bill for the word 'organisation' the word 'organisations' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (g) of sub-clause (1) of clause 10 of the Bill, after the word 'whom', the words 'not less than' be inserted."

The clause reads "three members of whom one shall be a woman" and my amendment would make it "three members of whom not less than one shall be a woman". There is no reason why you should limit the number of women members. It might be that there are more competent women members available. There is no distinction between a male and a female in law or in public life. If you say "not less than one" it would enlarge the scope of the clause.

Mr. Chairman: Amendment moved:

"That in part (g) of sub-clause (1) of clause 10 of the Bill, after the word 'whom', the words 'not less than' be inserted."

The Honourable Shri Jagjivan Ram: Sir, I accept it. J

Mr. Chairman: The question is:

"That in part (g) of sub-clause (1) of clause 10 of the Bill, after the word 'whom' the words 'not less than' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (2) of clause 10 of the Bill, after the word 'as' the word 'otherwise' be inserted."

The clause reads "save as expressly provided". With the amendment it would read "save as otherwise expressly provided".

The Honourable Minister has agreed to accept the amendment.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 10 of the Bill, after the word 'as' the word 'otherwise' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (2) of clause 10 of the Bill, for the words, letters and brackets 'other than a member referred to in any of the clauses (a) to (d)' the following be substituted:

'referred to in clauses (e), (f) and (g)'."

There are 7 clauses (a) to (g). While meaning clauses (e), (f) and (g) we say "all the clauses from (a) to (g) minus (a) to (d)". The clause will set an algebraical problem to a school boy. What is the necessity of expressing it in this algebraical fashion? We only mean clauses (e), (f), (g) and we arrive at it by a process of subtraction of (a), (b), (c) and (d) from the whole and taking the remainder. I do not see what kind of pleasure the reader will entertain in going through this. It may sound more musical to the ear but it should also sound better sense.

Mr. Chairman: Amendment moved:

"That in sub-clause (2) of clause 10 of the Bill, for the words, letters and brackets 'other than a member referred to in any of the clauses (a) to (d)' the following be substituted:

'referred to in clauses (e), (f) and (g)'."

The Honourable Shri Jagjivan Ram: It has one advantage. It sounds musical without confusing the sense.

Shri M. Ananthasayanam Ayyangar: My Honourable friend has received too much of encouragement because we accepted the other amendments. Sir, I am opposing this.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 10 of the Bill, for the words, letters and brackets 'other than a member referred to in any of the clauses (a) to (d)' the following be substituted:

'referred to in clauses (e), (f) and (g)'."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 10, as amended, stand part of the Bill."

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: I move:

"That in sub-clause (2) of clause 11 of the Bill, for the word 'in' occurring in line two, the words 'to fill' be substituted."

The clause reads "elected in a casual vacancy". I want to make it "elected to fill a casual vacancy". You are not elected in a casual vacancy but rather elected to fill a casual vacancy. That is the only purpose of the amendment.

Mr. Chairman: It is an innocent amendment. I think the Honourable Minister will accept it.

The Honourable Shri Jagjivan Ram: We shall give him a further encouragement.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 11 of the Bill, for the word 'in' occurring in line two, the words 'to fill' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: I move:

"That clause 11 of the Bill as amended, be re-numbered as clause 14 and transposed after the existing clause 14 and the existing clauses 12, 13 and 14 be re-numbered as 11, 12 and 13 respectively."

The House will be pleased to consider the reason for this amendment. Clauses 12, 13 and 14 deal with the creation of vacancies, but clause 11 which occurs earlier deals with the filling up of vacancies. Clause 12 deals with resignations, clause 13 with cessation of membership for other causes, clause 14 with cessation of membership by disqualification. Clause 11 which was inserted earlier should rather come in at this stage. We first of all contemplate various categories of vacancies created, and then the question of filling up the vacancies arises. Due to the speed with which the Select Committee acted and probably on account of their attention being diverted to various useful channels, this sequence was perhaps lost sight of. The creation of vacancies should come first and the filling of vacancies should come next. First thing first.

Mr. Chairman: Amendment moved:

"That clause 11 of the Bill as amended, be re-numbered as clause 14 and transposed after the existing clause 14 and the existing clauses 12, 13 and 14 be re-numbered as 11, 12 and 13 respectively."

The Honourable Shri Jagjivan Ram: This may be accepted.

Mr. Chairman: I shall first put clause 11.

The question is:

"That clause 11 as amended, stand part of the Bill."

The motion was adopted.

Clause 11, as amended, was added to the Bill.

Mr. Chairman: I shall now put Mr. Naziruddin's amendment.

The question is:

"That clause 11 of the Bill as amended, be re-numbered as clause 14 and transposed after the existing clause 14 and the existing clauses 12, 13 and 14 be re-numbered as 11, 12 and 13 respectively."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 12 (re-numbered as clause 11) stand part of the Bill."

The motion was adopted.

Clause 12 (re-numbered as clause 11) was added to the Bill.

Mr. Chairman: The question is:

"That clause 13 (re-numbered as clause 12) stand part of the Bill."

The motion was adopted.

Clause 13 (re-numbered as clause 12) was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I ask your ruling as to whether amendment No. 53 in my name requires to be moved. It has been accepted.

The Honourable Shri Jagjivan Ram: It has not been accepted.

Mr. Chairman: The Honourable Member need not move his amendments relating to capital and small letters etc.

Mr. Naziruddin Ahmad: Then I shall move Nos. 55 and 56.

Sir, I move:

"That in parts (a) and (b) of clause 14 of the Bill (re-numbered as clause 13), the word 'or' be added at the end."

Mr. Chairman: The question is:

"That in parts (a) and (b) of clause 14 of the Bill (re-numbered as clause 13), the word 'or' be added at the end."

The motion was adopted.

Mr. Naziruddin Ahmad: I move:

"That in part (d) of clause 14 of the Bill (re-numbered as clause 13), the words 'and sentenced to transportation or imprisonment' be omitted."

The clause deals with disqualification by reason of conviction. The clause says that a man will be disqualified "if before or after the commencement of this Act, he has been convicted of an offence involving moral turpitude and sentenced to transportation or imprisonment". I think the words "and sentenced to transportation or imprisonment" are unnecessary. We should merely say "if.....he has been convicted of an offence involving moral turpitude" he should be disqualified. It may be that a man is guilty of cheating or of theft. In such cases the sentence of imprisonment or of transportation is not compulsory; but these are offences involving moral turpitude of the worst type. Sentence of imprisonment is not compulsory in these offences and theft or cheating may be punished with mere fine. But as I said they are offences of a serious character involving moral turpitude. I submit the addition of these words rather unduly widens the scope of the exemption. It is enough that a man has been convicted of offences involving moral turpitude. That should be enough to disqualify him.

The Honourable Shri Jagjivan Ram: This may be accepted.

Mr. Chairman: The question is:

"That in part (d) of clause 14 of the Bill (re-numbered as clause 13), the words 'and sentenced to transportation or imprisonment' be omitted."

The motion was adopted.

Mr. Naziruddin Ahmad: I move:

"That in part (d) of clause 14 of the Bill (re-numbered as clause 13), for the word 'release', the word 'conviction' be substituted."

Sir, this is consequential upon the amendment which has been accepted just now. This occurs at the end of clause 14, that is, the Governor-General may allow in any particular case an exemption from this disqualification if a proper time has elapsed after his release. As we do not provide for sentence of imprisonment or transportation, 'release' would not be a suitable word. The words "after his conviction" will convey the sense. That would be quite enough.

The Honourable Shri Jagjivan Ram: Suppose a person is convicted for ten years, if we say here "after conviction", the man may not be released.

Mr. Naziruddin Ahmad: The Governor-General will have power to extend the term as much as he likes. If he is still suffering from imprisonment, then the matter is in the discretion of the Governor-General, that is, in the discretion of the Minister-in-charge, and he will of course consider the whole matter. The question of release does not really apply in view of the amendment that we have just now carried. Conviction would be the appropriate word, and the question of lapse of time is entirely in the discretion of the Ministry. And the Governor-General acts as advised by the Ministry. There will therefore be no harm and the word 'conviction' may be allowed to stand.

The Honourable Shri Jagjivan Ram: I accept the amendment.

Shri M. Ananthasayanam Ayyangar: In case he is imprisoned, it will have to be 'after his release'. Of course the question of release does not apply to all cases. This is the mistake of accepting amendments offhand.

Mr. Naziruddin Ahmad: The amendment was accepted long before.

Shri M. Ananthasayanam Ayyangar: It was accepted just five minutes before. As every case does not mean imprisonment I think we must add at the end 'unless a period of ten years or such less period has elapsed after his conviction and after his release from imprisonment in case of imprisonment'. I am not satisfied even with this.

Shri K. Santhanam: I suggest the whole clause be dropped from "unless" to the end.

Mr. Chairman: May I just point out that it is after a man has been convicted that the question will come in whether he is disqualified and therefore if the power is given to the Government of the day, there is no danger of any kind of misuse being made of this power. Therefore I do not think there is anything incompatible between conviction and imprisonment. Even if a man is in jail, the Government will not release him. Naturally he will be disqualified because he is unable to attend himself. Therefore there will be no difficulty as far as that goes. The difficulty which the Honourable Member pointed out will not arise but otherwise it seems to be consequential to the fact that when you do not insist on imprisonment but a fine is imposed, then the question of release does not arise. It is the question of conviction that comes in. So as Mr. Naziruddin pointed out, once having accepted the amendment of doing away with imprisonment, you are bound to have it.

Shri M. Ananthasayanam Ayyangar: Mr. Santhanam's amendment is more fundamental. He feels that it is not as if this disqualification attaches to any worker who is entitled to benefits but it attaches to members who are chosen as members of the Corporation, the Standing Committee or the Medical Benefit Council. There ought to be no suspicion attached to the conduct of the individuals, and therefore if once a man undergoes imprisonment or is convicted of an offence involving moral turpitude, he is the last man to be touched, and therefore why not we do away with all that? The entire further clause of exemption must go. Some of our friends,—the Premier of Orissa—was disqualified and later on he was allowed to come back. But it was apparently a different thing. I would therefore, though a formal amendment has not been moved, agree with my Honourable friend Mr. Santhanam that all the words from "unless" to the end be omitted.

The Honourable Shri Jagjivan Ram: I feel inclined to agree with this view.

Shri K. Santhanam: May I request your permission to move formally:

"That in part (d) of clause 14 (re-numbered as clause 13) of the Bill, all the words beginning with the words 'unless a period of ten years', to the end, be omitted."

Mr. Chairman: The question is:

"That in part (d) of clause 14 (re-numbered as clause 13) of the Bill, all the words beginning with the words 'unless a period of ten years', to the end, be omitted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 14 (re-numbered as clause 13), as amended, stand part of the Bill."

The motion was adopted.

Clause 14 (re-numbered as clause 13), as amended, was added to the Bill.

Mr. Naziruddin Ahmad: I beg to move:

"That in clause 15 of the Bill, the words 'from time to time' be omitted."

This expression has come up several times before the House and must be judged in its context in each case. I find that the words "from time to time" are used on some occasions but have not been used on other occasions.

Shri K. Santhanam: The words are necessary here.

Shri M. Ananthasayanam Ayyangar: Notwithstanding his persistently moving the deletion of these words, we have been persistently continuing to have them from time to time.

Mr. Naziruddin Ahmad: The difficulty is that the words "from time to time" have not been used consistently in all cases. Sometimes they have been given up, and at other times they have been inserted. The difficulty will be that wherever the words "from time to time" do not appear, the interpretation might be that power could not be used except once. We are ignoring the General Clauses Act and introducing a kind of draftsmanship of our own. I have no objection to that, but I only point out the danger of a wrong interpretation in cases where the expression does not appear, but which would be implied by the General Clauses Act. There may be serious difficulty and argument as to whether any power may be exercised from time to time though it is not specifically stated. The words "from time to time" are implied. That is why they are unnecessary, and that is why I want to remove them also to remove misapprehension in other cases.

Mr. Chairman: Amendment moved:

"That in clause 15 of the Bill, the words 'from time to time' be omitted."

Shri K. Santhanam: Here the words are necessary because otherwise it would mean that fees and allowances may be fixed once and for all. It is only to allow the Corporation power to change these fees and allowances that the words are there. The words are quite necessary and it is quite convenient to have them. Even if they are not necessary, it will make the meaning clear by having them. My friend Mr. Naziruddin wants to have a thing when it is not there, and when the thing is there, he does not want to have it.

Mr. Chairman: Does the Honourable Member want to press his amendment?

Mr. Naziruddin Ahmad: Yes.

Mr. Chairman: The question is:

"That in clause 15 of the Bill, the words 'from time to time' be omitted."

The motion was negatived.

Mr. Naziruddin Ahmad: I beg to move:

"That in clause 15 of the Bill, the words 'by the Central Government' be omitted."

The word "prescribed" has been defined.

The Honourable Shri Jagjivan Ram: I think those words are necessary.

Mr. Naziruddin Ahmad: I do not press the amendment then.

Mr. Chairman: The question is:

"That clause 15 stand part of the Bill."

The motion was adopted.

Clause 15 was added to the Bill.

Shri M. Ananthasayanam Ayyangar: May I say about procedure that the form should be "do stand part of the Bill"? If it is a new clause that is added, we may have to go in for a different language altogether.

Mr. Chairman: Both forms of words have been used. In the House of Commons, they use the words "be added", and here they use mostly "stand part of the Bill".

Shri K. Santhanam: Sir, I move:

"That in sub-clause (1) of clause 16 of the Bill, after the word 'may', the words 'in the case of the first appointments itself and in the case of subsequent appointments' be inserted."

The Honourable Shri Jagjivan Ram: Sir, I accept it

Mr. Chairman: The question is:

"That in sub-clause (1) of clause 16 of the Bill, after the word 'may', the words 'in the case of the first appointments itself and in the case of subsequent appointments' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I want to move a short notice amendment. It is of a consequential nature. By reason of re-numbering clause 11 as 14 and clauses 12, 13 and 14 as 11, 12 and 13, this amendment is necessary consequent upon the rearrangement.

Mr. Chairman: Is it one of the amendments of which notice has been given?

Mr. Naziruddin Ahmad: No, Sir. I beg to move:

"That in sub-clause (6) of clause 16 of the Bill, for the figure '14', the figure '13' be substituted."

The Honourable Shri Jagjivan Ram: That is necessary, Sir.

Mr. Chairman: The question is:

"That in sub-clause (6) of clause 16 of the Bill, for the figure '14', the figure '13' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 16, as amended, stand part of the Bill."

The motion was adopted.

Clause 16, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That for sub-clause (1) of clause 17 of the Bill, the following be substituted:

(1) The Corporation may appoint such other officers and servants as it may consider necessary for the efficient transaction of its business:

Provided that the sanction of the Central Government shall be obtained for the creation of any post with a maximum monthly salary of five hundred rupees and above."

Sir, this is a rearrangement of sub-clause (1) of clause 17. In fact, the operative part of the sub-clause and the proviso have been welded together. I have merely separated the proviso part from the operative part. That is the only change. Then there is one little drafting change. For "as may be necessary", I have introduced "as it may consider necessary". This is of a verbal nature, but otherwise the effect is merely to separate the proviso from the operative part of the sub-clause. I think it is in accordance with the accepted practice.

The Honourable Shri Jagjivan Ram: I think, Sir, it is better as it is.

Mr. Chairman: Does the Honourable Member press his amendment?

Mr. Naziruddin Ahmad: No, Sir.

Mr. Chairman: The question is:

"That clause 17 stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Clause 18 was added to the Bill.

श्री गोकुलभाई दौलतराम भट्ट : मेरी तरफ़ीम नीचे मुआफ़िक है :

Shri Gokulbhai Daulatram Bhatt (Eastern Rajputana States Group): My amendment is as under:

"That in the heading of clause 19 of the Bill, for the word 'employees', the words 'insured persons' be substituted."

Mr. Naziruddin Ahmad: This is an amendment to a marginal note.

Mr. Chairman: As a matter of fact, in the Select Committee Report that is before us, this marginal note has been left out.

Shri M. Ananthasayanam Ayyangar: There is no harm in accepting it.

Mr. Naziruddin Ahmad: Sir, it has been ruled that the marginal note cannot be amended in the House because it is not part of a section. But a note may be taken and the draftsmen asked to consider the change at a later stage.

Mr. Chairman: I think it is a better procedure. As it has been held that it is not a part of the Bill, the House may not make the amendment, but it may be noted down by the Secretary. It is a very necessary amendment, but it is not within the purview of the House.

Shri M. Ananthasayanam Ayyangar: The House may indicate its opinion that the marginal note may be amended.

Mr. Chairman: Yes, the Secretary is making a note of it.

The question is:

"That clauses 19 to 21 stand part of the Bill."

The motion was adopted.

Clauses 19 to 21 were added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (b) of clause 22 of the Bill, after the word 'prescribed', the words 'by the Central Government' be inserted."

Sir, the object of the amendment is that the word "prescribed" has been defined as "prescribed under the Act". But a provision has been made for prescribing by the Central Government and another section has been provided where the Provincial Governments may prescribe. They have different objectives and applicable to different circumstances, but the word "prescribed" has been used promiscuously as "prescribed by the Central Government" and "prescribed by the Provincial Government". In this case all that is said is "prescribed". I take it that it is meant, in the context, as "prescribed by the Central Government". If we do not say that then it will not be known whether the Central Government will prescribe under its appropriate rule or the

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Provincial Government will prescribe it under another rule. It is better therefore to make it absolutely clear. It is a question of intention. If the Honourable Minister means that the Central Government should prescribe it, then it should be made clear. I think the Honourable Minister is already aware that there are two rule-making powers. Clause 95 gives the Central Government the power to make rules. Again clause 96 gives power to the Provincial Governments to make rules. The word "prescribed" has been defined in clause 16 as meaning "prescribed by rules made under this Act". So "prescribed" includes "prescribed by the Central Government under this Act" and "prescribed by the Provincial Government under this Act". In the face of this ambiguity it should be made clear whether it is the Central Government that should prescribe or the Provincial Government that should prescribe. I think in the context the Central Government would be more appropriate, but it is a question of policy which only the Honourable Minister will be able to clarify.

Mr. Chairman: Amendment moved:

"That in part (b) of clause 22 of the Bill, after the word 'prescribed', the words 'by the Central Government' be inserted."

Shri M. Ananthasayanam Ayyangar: I think the Honourable Mover is right. If you will refer to clauses 26 and 95, the powers and duties of the Medical Council have been included in the rule-making powers of the Central Government.

The Honourable Shri Jagjivan Ram: So it is not necessary to mention the Central Government here.

Shri M. Ananthasayanam Ayyangar: If you want to be more explicit, you may do so. Really, it does not matter whether it is there or it is not there. For the sake of uniformity, I think you may accept this amendment.

Mr. Chairman: The Honourable Minister has drawn attention to the fact that already provision exists in Section 95 as pointed out by Mr. Ayyangar. Therefore, there is no ambiguity and it need not be cleared. While it is necessary to remove ambiguities, it is not necessary to bring in points repeatedly and overburden the Bill. The whole point is whether this is covered by Section 95 or not and you may state your case on that.

Mr. Naziruddin Ahmad: I beg to draw the attention of the House to a large number of clauses where the word "prescribed" has been used, namely, clauses 15, 29(1), 29(2), 33, 22, 23, 28 and 34. In all these cases, we have said "prescribed by the Central Government". In clauses 77(2) and 78(2) we have said "prescribed by the Provincial Government". We have already used the expression "prescribed by the Central Government" and "prescribed by the Provincial Government" in several places. The real confusion began by using one expression "prescribed" for meaning "prescribed" by Central as well as Provincial Governments. In fact, two different words should have been used, but since we have used the same expression for expressing rules made by the Central Government and Provincial Government and as we have already provided for the authority which will "prescribe" in various other clauses, apart from its being mentioned in clause 95, I submit it is necessary in this case also to mention it. It would make it uniform and would be absolutely free from ambiguity. I may draw the Honourable Minister's attention to clause 15.

The Honourable Shri Jagjivan Ram: May I just point out to my Honourable friend, in order to remove his misapprehension. He refers to clause 15. It was necessary there to mention "Central Government" because that "prescribe" does not mean "prescribe under the rules". That means "prescribed

by the Central Government" and that may vary from time to time. Here it is not necessary because if my Honourable friend will refer to Section 95(2) (e), he will find that it has been specifically mentioned there that the rules giving the powers and duties of the Medical Benefit Council are to be prescribed by the Central Government alone. So insertion of the word "Central Government" here will be superfluous.

Mr. Chairman: The question is:

"That in part (b) of clause 22 of the Bill, after the word 'prescribed', the words 'by the Central Government' be inserted."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 22 stand part of the Bill."

The motion was adopted.

Clause 22 was added to the Bill.

Clause 23 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 24 of the Bill, after the word 'reason' occurring in lines three and six, the word 'only' be inserted."

The text says:

"No act of the Corporation, etc., shall be deemed to be invalid by reason of defect or on the ground that any member thereof (Standing Committee or Medical Benefit Council) was not entitled to hold or continue in office *by reason of any disqualification*....."

The Corporations acts will not be invalid on the ground of so many things, one of which is that on the ground of any defect in the constitution or of any member not being entitled to hold or continue in office by reason of any disqualification. It may be invalid on other grounds, not simply because of a member's disqualification. For instance it may be invalid because it may be that the Act is entirely *ultra vires*. Therefore, we should make it clear that the proceedings shall not be null and void by reason only of any disqualification of the members. That is why I have suggested the amendment seeking to add the word "only".

The Honourable Shri Jagjivan Ram: Sir, I cannot accept the amendment.

Mr. Chairman: Does the Honourable Member press the amendment?

Mr. Naziruddin Ahmad: No.

Mr. Chairman: The question is:

"That clause 24 stand part of the Bill."

The motion was adopted.

Clause 24 was added to the Bill.

श्री लक्ष्मी नारायण साहू : मैं यह संशोधन का प्रस्ताव रखना चाहता हूँ ।

"That in clause 25 of the Bill, the following be added at the end:
"In all such Boards some workmen must be represented."

पहले तो यह जो संकशन आया है कि कारपोरेशन (Corporation), रीजनल बोर्ड्स (Regional Boards), लोकल कमेटीज (Local Committees),

5 P.M. एन्ड (and) रीजनल एन्ड लोकल मेडीकल बेनीफिट काउन्सिलस Regional and Local Medical Benefit Councils) बना सकता है और उनको वह अधिकार दे सकता है जो रेगुलेशन्स (Regulations) में दिये हों और इस तरह काम चल सकता है। कारपोरेशन (Corporation) में पांच आदमी सेन्ट्रल गवर्नमेन्ट (Central Government) के नामिनेटेड (nominated) होंगे, यह बात ठीक है लेकिन जो नामिनेटेड (nominated) आदमी होते हैं, उन पर दूसरों को विश्वास नहीं होता है और इस तरह से बोर्ड (Board) में कोपरेसन (Cooperation) नहीं होता है और वह ज्यादा जोर से काम नहीं कर सकते हैं यह मेरा विश्वास है।

दूसरे पच्चीस ब्लाज में रीजनल बोर्ड (Regional Board) का क्या काम होगा इस का कुछ पता नहीं है और लोकल कमेटीज (Local Committees) में क्या होगा इसका भी कुछ पता नहीं है। यह सब मैं चाहता हूँ कि रीजनल बोर्ड (Regional Boards) और लोकल कमेटीज (Local Committees) की बैठक एक २ दफा होगी और हर दफा हम कैसे जानेंगे कि कैसे क्या काम होगा इसको बताना चाहिये और इसलिये मैं यह प्रोविजन (provision) देना चाहता हूँ। अगर ऐसा होगा तब वर्कमेन (workmen) का इन्टरेस्ट (interest) ज़रूर रहेगा तब तो यह विल जो हम यहां बना रहे हैं इसका प्रस्ताव यह है कि सिकनेस (sickness) और डिसेबिलिटी (disabled) और इन्जर्ड (injured) के लिये भी इसमें प्रोविजन (provision) है। फैक्ट्रीयों में लेबर (labour) की यह हालत है कि जो बड़े २ आदमी हैं वह नीचे आदमियों का ख्याल नहीं करते और हर एक दफा मैं यह देखता हूँ कि जितने ऐसे लोग होते हैं वह लेबर के दोस्त नहीं हैं। इन सब बातों को देखते हुए मैं चाहता हूँ कि मेरा अमेंडमेन्ट (amendment) मान लिया जाय।

(English translation of the above speech).

Shri Lakshminarayan Sahu (Orissa: General): I move the following amendment:

"That in clause 25 of the Bill the following be added at the end:

'In all such Boards some workmen must be represented.'

5 P.M. First of all we take up the section which provides that a corporation can form Regional Boards, Local Committees and Regional and Local Medical Benefit Councils, and that it can give them the powers provided in the Regulations and thus the business can go on. The Central Government will have five nominated members on the corporation but other

members will not have much faith in nominated persons and the work of the Board will suffer for want of cooperation among its members.

Secondly I beg to say that the functions of Regional Boards and local committees have not been amplified in clause 25. If the Regional Boards and Local Committees will meet only once how can we know, what business they will transact and how. This should be made clear in the Bill. I therefore want this provision. If this is done the workmen will certainly take interest and we can say that the present Bill has provision for the 'sick', the 'disabled' and the 'injured'. In factories the condition of labour is such that well placed persons do not care for labour at all and generally it is found that they are not the best friends of labour. I therefore request that my amendment be accepted.

Mr. Chairman: Amendment moved:

"That in clause 25 of the Bill the following be added at the end:
'In all such Boards some workmen must be represented'."

Does the Honourable Minister accept this amendment?

The Honourable Shri Jagjivan Ram: No, Sir. I have every sympathy with what the Mover has said, but I may point out to him that in all these bodies, it has been provided that there will be workers' representative. It may be possible that the representative may not himself be an actual worker, but all the same it is for the workers to see that when their organizations are asked to send representatives they do send some actual workers. I have every sympathy with that. There is no necessity for the proviso as suggested by him and, therefore, I do not accept the amendment.

Shri Lakshminarayan Sahu: I beg leave of the House to withdraw my amendment.

Mr. Chairman: Has the Honourable Member leave of the House to withdraw his amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"That clause 25 stand part of the Bill."

The motion was adopted.

Clause 25 was added to the Bill.

Mr. Chairman: The House will now adjourn till 10-45 A.M. tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Friday, the 2nd April 1948.

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INTRODUCTION

In the following pages, an attempt has been made to formulate in concrete form short-term plans for the development of 42 industries listed above, which we hope to execute within the next 3 years. It will be seen that the execution of the plans in most cases will be dependent on the availability of steel, cement, coal and transport. The requirements of each industry have been separately given.

2. It is clear that if these plans are to materialise, it will be necessary to provide immediately for a million tons of steel by imports. The present deficiencies of a million tons can be classified as follows:—

	Tons (in lakhs)
(i) Mild steel, Heavy structural, Rolled Sections, i.e. I beams, Tees, angles & Channels	2
(ii) Mild steel, light structurals, Rolled Sections, i.e., Tees, Angles & channels	2
(iii) Mild steel bars & rods	3
(iv) Mild Steel plates 1/8" to 1" thick	1
(v) Tin plate	0.5
(vi) Black Mild Steel Sheets & Strip	0.5
(vii) Corrugated galvanised sheets.	1
	10

3. Equally serious is the supply position of certain other raw materials which need to be imported to tide over the present difficulties. These are to be found in Appendix 'A'.

4. With regard to coal, the present deficiency in supply is largely due to the transport difficulties. It will be seen that for various industrial developments, we will roughly need another half a million tons of coal per annum from 1949.

5. The position regarding cement is clearly explained in the note relating to the Cement industry.

6. As regards transport, it is extremely difficult to assess the requirements of various industries. Every industry has reported that unless the transport problem is solved, improvements in the industry cannot be effected.

7. It is understood that the Tatas are taking steps to establish a dyestuff industry in India in co-operation with the I.C.I. No accurate information is available in this Ministry about the probable requirements of steel, coal, cement and transport which the industry will require in the next three years.

8. For taking an effective part in implementing these various schemes, a large number of scholars have been sent abroad, many of whom are returning to India on completion of their studies. There is a considerable reluctance on the part of industry to employ these scholars even when they had practical training. Unless the industry realises that it is necessary for them to have new blood, they will remain anaemic. On the other hand, the unemployment of these technical men is likely to have serious repercussions on the future inflow of technicians. In the table below, an attempt has been made to assess the requirements of technical personnel for the industry on the basis of the new capital that has been floated in 1946.

Industries	New capital floated in 1946 (in lakhs)	Estimated requirements		
		A	B	C
Glass ceramics	213	10	30	20
Chemicals Drugs	570	20	100	250
Soaps & Oils (excluding edible oils & Vanaspati)	110	8	10	
Rayon Art silk	402	6	30	20
Paper, Board, etc.	281	10	50	150
Plastics	50	10	40	200
Leather	85	5	13	35
Cement	463	10	20	80
Woolen	137	10	35	100
Rubber	117	7	94	188
Engineering	1,242	25	150	1,000
Electrical	910	25	150	300
Non-ferrous metals	98	6	45	250
Machine Tools	122	100	400	1,000

'A' = Experts

'B' = Technicians with superior qualifications

'C' = Lower grade technicians including mechanics

PART II

1. In the short-term plans which have been formulated in this note, no reference has been made to the development of engineering industries which will manufacture machinery for (i) Agriculture, (ii) Dairy, (iii) Textile, (iv) Hosiery, (v) Sugar, (vi) Paper, (vii) Leather, (viii) scientific and surgical instruments, (ix) films and photographic equipment, (x) mining, (xi) chemicals and electro-chemical industries. Yet these are key industries which should be the basis of all planned development. With the exception of limited production here and there, no progress has been made. Too much stress cannot be laid upon accelerated development in this field. Private enterprise has been shy for lack of technical experience and legitimate doubts about reasonable profit. It is suggested that—

(1) these industries be sponsored under the auspices of the State with such association of private capital as is available, and

(2) a Development Cell be immediately set up in the Ministry of Industries and Supplies which will plan, prepare detailed blue prints and generally look after the establishment of the industries enumerated above. The Provinces may be requested to actively associate themselves with the Centre in this enterprise and, for that purpose, it is desirable that these industries should be so dispersed that each Province has at least one such industry within its borders.

2. The manufacture of explosives for civilian and industrial requirements in another subject which is already receiving the attention of Government. It is necessary to formulate plans early for the manufacture of these explosives in the Ordnance Factories.

3. At present, about 3 million tons of soft coke are being produced by stack burning entailing considerable waste of valuable by-products. It has now been found in England that efficient recovery of by-products can be made, which makes soft coke manufacture an economic process. This subject has received the cursory attention of various experts in India from time to time but no progress seems to have been made. It is suggested that the State should take up this as one of the important industries, the establishment of which will have its repercussion on various chemical industries dependent on coal tar by-products.

4. India's coal resources are limited but, at present, much of the first class coal is being wasted by the Railways. Immediate steps should be taken to see whether the Railways could not burn coal with high ash content.

5. Our resources of petroleum are very limited and, therefore, for national self-sufficiency, it is absolutely essential that we should have a plan for the production of synthetic petroleum by the Bergius process. It is possible that such a plant may be available as a part of the German reparations and instructions should be issued to be on the look-out for one and have it installed in a suitable area to aim at a production of 100,000 tons of fuel per annum. In this connection, attention is again invited to the question of distillation and refining of imported crude oil in India. This will give valuable training in the methods of Petroleum Technology and will be a considerable saving to the tax-payer.

APPENDIX

ALCOHOL INDUSTRY

OBJECTIVES

1. 100 per cent. increase in production of power alcohol:
2. Production of acetic acid* from alcohol,* and acetic anhydride.
3. Establishment of production of Butyl alcohol and Ester Solvent.

MEASURES

1. Assistance in respect of steel—non-ferrous metals etc., will be required.
2. There is now no production of Acetic acid in the country. Plan to produce 300 tons per annum of acetic acid and acetic anhydride by end of 1948.
3. Plan to produce 2,000 gallons a month of Butyl alcohol for conversion to Butyl acetate by end of 1948. M/s. Shadilal Chemical Works will be producing 2,000 gallons of butyl alcohol by fermentation.

Probable arrival of Plant & Machinery: Approx. value 10 lakhs.

Requirements of adjuncts in respect of two distilleries expanding production four distilleries in process of construction: six new distilleries envisaged in 1947—50 Acetic acid plant: Butyl Alcohol Plant.

	2,500 tons
	600 tons
Non-ferrous metals (copper tubes, rods and sheets etc)	2,000 tons
Cement	30,000 tons (Annual)
Coal	300 Kw.
Power	

AUTOMOBILE INDUSTRY—TRUCKS, LORRIES & CARS

This Industry being of strategic importance to India, will be given a high place in our short-term plans. It will also be the training ground for labour, required later in the long-term plan for aircraft manufacture.

In 1946, Government gave permission and assisted (a) Messrs. Walchand Hirachand & (b) Messrs. Birla Brothers to float (a) Premier Automobiles, Ltd., & (b) Hindustan Motors Ltd., the former in Bombay and the latter in Calcutta. The Automobile Assembly portion of the Bombay factory is in operation now and that of the Calcutta factory is expected to be ready in January 1948. Those portions of the factories, in which Engines will be manufactured are in course of construction; a fair portion of the machinery has arrived and the remainder will arrive in the next year or so.

Value of Plant & Machinery which has arrived for the two factories but not yet installed Rs. 2 Crores

Estimate of additional Plant & Machinery likely to arrive for installing in the next 3 years Rs. 3 Crores.

When the above plant has been installed, our capacity will be 30,000 vehicles per annum. Our demand is likely to be 30,000 vehicles in 1948, 36,000 in 1949 and 45,000 in 1950. To bridge the gap permission will be given for the construction of a third factory; plans for this third factory may be taken in hand immediately.

To complete the two factories mentioned above, the following raw materials and transport will be required:

Cement	3,000 tons in 1948. 1,500 tons in 1949.
Coal Dust for burning bricks	4,000 tons in 1948. 2,000 tons in 1949.
Steel	2,000 tons in 1948. 1,000 tons in 1949.
Telephone connections	200 Nos. in 1948. 100 Nos. in 1949.
Transport	800,000 tons miles per mensem on E.I.R. G.I.P., and B.B.C.I. systems.

BICHROMATES

(All figures in tons per annum)

1. <i>Present Position</i> —	(5 units economic 3,000) („ „ uneconomic „)
Existing capacity	6,000
Present production	3,000
Domestic consumption	2,400 (Tariff Board's estimate)
Surplus	600 (can be stepped up to 1000/2000)

This is one of the successful wartime industries of which the late Supply Department could be legitimately proud of, as the industry is meeting all internal demands and has developed export markets. Photographic quality has also been developed.

2. Short-term plan

No increase in capacity contemplated but part of the idle capacity can be utilised (i) by stimulating internal consumption i.e. mineral khaki dyeing can be encouraged (ii) by developing export markets and thus earning 16 to 20 lakhs rupees of foreign exchange. Uneconomic units should be forced to improve their efficiency or to go out of production.

3. What it involves

- Raw material—soda ash—100 per cent. requirements of efficient units should be met i.e. some 4,000 tons soda ash per annum plus 1,000 tons for 3 months stocks for uninterrupted production.
- Some of the efficient units in the Bombay area have already developed export markets which have more than absorbed their surplus with the result that they have sold forward up to March/April 1948:

It would nevertheless be advisable to tackle the export trade at Govt. level by bringing our Trade Commissioners in U.S.A., Canada & European countries into the picture.

- Govt. had promised to make sulphuric acid (another raw material available at Rs. 160 per ton). This promise is to be made good (see sulphuric acid plan).

- Some 200 tons of steel for remodelling furnaces or raising the unit to an economic one as recommended by the Tariff Board.

4. Action required.

Please see prepage.

BICYCLE INDUSTRY

Bicycle Industry can at present meet about 17 per cent. of India's estimated demand. Our Short-Term plan should be aimed to reach the target figure of self-sufficiency at the end of 3rd year.

The first phase of the plan will be to develop the existing units within a year (i.e. 1948) to meet 40 per cent. of the demand for Cycles and 100 per cent.

of the requirement for Ball Bearings only. Preliminary arrangements for these expansions are almost complete and the present position is as follows:—

- Value of plant & Machinery which has arrived for Bicycle Factories, but not yet installed 5 Lacs.
- Value of Plant & Machinery likely to arrive in the Bicycle Factories within next 3 to 6 months 10 Lacs
- do. for Ball Bearing Plant 40 lacs.

To complete the above projects the following raw materials and transport will be required:—

Steel	765 tons (Release for 350 tons already recommended)
Cement	900 tons do. for 400 tons do.
Coal Dust to Burn Bricks	800 tons do. for 500 tons do.
Transport	— 2 million ton miles on E.I. Ry., B.B. & C.I. Rly. and B. N. Rly.

The second phase of the plan will be to select private enterprise to start 3 more new Factories. Two for the manufacture of complete Bicycles and one for the manufacture of Freewheels and Chains.

It may be difficult to find private enterprise to start a Chain and Freewheel manufacturing factory unless the Government take initiative to finance 50 per cent. of the Capital. Because an economical unit for these items will produce much more than the requirement of the home market and will have to depend ultimately on export trade.

The location of two Bicycle Factories should preferably be at Calcutta or Bihar and in Madras. The chain Factory may start near the new Ball Bearing Factory at Jaipur where labour will be trained for precision work with specialised steel. The Rollers for chain and steel balls for the Free-wheel should also come from that Factory.

To start these new Factories it will be necessary to import machinery worth about Rs. 45 lacs. The building materials and transport that will be necessary in 1949 is estimated as follows:—

Steel	3,500 tons
Cement	1,800 tons
Coal Dust to burn Bricks	800 tons
Transport	5 million ton miles on B.N. Rly. and M. & S. M. Rly.

CAUSTIC SODA INDUSTRY.

(All figures in tons per annum.)
Capacity

Present Position and Target:

(i) Existing capacity	10,500 Electrolytic units=3	5,250
(ii) Present Production	3,000 Lime-Soda Unit =1	5,250
(iii) Target (short-term)	100,000 Idle capacity	7,500
	New capacity planned or to be planned	89,500
		97,000
(i) Increase in production planned or to be planned	Idle	7,500
	97,000 New	89,500
		97,000

- Plants under erection. Process Units Capacity
Electrolytic 3 4,500 (will go into production in March July 48.

(iii) Plants for which import licences have been granted.

Electrolytic Process	Units	Capacity
12		28,500
Production capacity already planned (II) & (III)		33,000
Add existing capacity.		10,500
		43,500

Of this 43,500 only 30,000 may materialise. The rest will have problems of chlorine utilisation (by product of electrolytic plants) which may not be solved in the short term or may be given up by the firms.

(iv) Capacity still to be planned New 89,500-43,500-46,000. This quality of 46,000 is best planned not by electrolytic but by causticising (or time-soda) process. This will therefore be linked with soda ash plant (Please see Note E on Soda Ash.)

The following are the existing plants in different areas and their capacity.

Area	No. of Plants	Present Annual Capacity
Assam	Nil.	Nil.
Bengal	1	1,500
Bihar	Nil.	Nil.
Madras	1	1,500
Bombay	1	7,500
Punjab, Delhi, U.P. Baroda	Nil.	Nil.
	3	10,500

Import licences have been issued to 15 firms and the plants will be located as follows:—

Area	New Plants	Additional Capacity
Assam	Nil.	Nil.
Bengal	2	3,000
Bihar	Nil.	Nil.
Bombay	4	7,500
Madras	5	13,500
Punjab & Delhi	1	1,500
U. P.	2	6,000
Baroda	1	1,500
Total	15	33,000

The requirements of various adjuncts for the erection and running of these additional plants will be as follows:—

Area	Requirement of Steel (Tons)	Salt Tons	Annual Requirement Power K.W.H.	Ton Mileage. Raw materials
Assam	Nil.		Nil.	
Bengal	1,200	6,000	105,00,000	84,72,000
Bihar	Nil.		Nil.	
Bombay	2,800	15,000	262,50,000	6,90,000
Madras	4,100	27,000	575,50,000	17,64,000
Punjab & Delhi	600	3,000	52,50,000	30,22,000
U.P.	2,000	12,000	210,00,000	132,48,000
Baroda	600	3,000	52,50,000	18,00,000
Total	11,300	66,000	1155,00,000	29,10,600

Out of 15 plants licenced two have already arrived and are under erection. Out of the remaining 13 six firms are known to be definitely going forward with their plants, while the other seven do not seem to have solved their initial problems like the utilisation of chlorine.

Action suggested:

1. To cancel licences where no interest has been shown by the parties concerned to implement the licences.
2. Active procurement assistance for plants through the goods offices of India Supply Mission and India Supply Commission U.S.A. & U.K. respectively.
3. Technical advice and help to be given in solving the problem of chlorine utilisation.
4. To get the importers of soda ash plants to order out or locally fabricate causticising equipment for a part of their soda ash production.

CEMENT INDUSTRY

PART II.—SHORT-TERM PLAN.

The requirements of the Cement Industry in connection with the short-term plan of the Government are shown in a series of tables giving the information required as compiled by the Hon. Consulting Engineer (Cement) to the Government of India who explains that he has enumerated all the Cement factories which are in operation and which may be expected to be in operation by the end of 1950. He has stated the rated yearly output for the factories on the 1st of January 1948 and the rated yearly output as it will be on the 31st of December 1950 and this list will be in accordance with the schedule showing new capacity included in the C.E. (C)'s report of September 1947.

On the subject of raw materials the C.E. (C) reports:—

1. *Raw Materials which are difficult to obtain. If any.*

The main raw materials required for the cement industry are limestone and clay and in few cases bauxite and laterite. None of these raw materials are difficult to obtain as the cement factories are usually constructed at sites where such raw materials are available, and in practically all cases the raw materials are carried to the factory on the factory's own rails and with their own wagons. In a few cases a certain amount of transport on Government railways is involved. This is calculated in schedule No. 4, under "Sundries." Apart from the improvements calculated a few works obtained small quantities of bauxite and laterite by Government railways, but the amounts and the distances are negligible.

2. *Gypsum.*

A secondary raw material is gypsum. Gypsum is obtained mainly from the salt range in Punjab (Khewara) from deposits in Bikaner and Jodhpur, and from small deposits from Kathiawar and south India. [The C. I. (C) is not quite certain whether the cement factories still receive gypsum from Khewra but has taken it for granted they do]. The only alternative source is Bikaner and Jodhpur. The amounts required for each Cement Works as well as the distance from the source are given in Schedule No. 3.

3. *Gunny Bags.*

Another secondary raw material is gunny bags used for packing. Such gunnies are received from the Calcutta region and the number of bales required for each factory as well as the distance from the factory to Calcutta are given in Schedule No. 3.

4. Coal.

In Schedule No. 2, the C.E. (C) has indicated the amount of coal which will be required by the factories at the end of 1950 (all the figures in the Schedules having been calculated for that date). Most of the coal has to be obtained from the Bihar and Bengal Collieries and only in the case of a few works is coal used from Local sources. The Schedule shows from where the coal is obtained and the average distance to the works. It is impossible to state exactly from which colliery the coal is received as this may vary from month to month.

5. Steel.

The normal requirements of iron and steel for maintenance and repairs of the works are not very considerable, for instance, the whole requirement of A.C.C. is 100-200 tons per month. These amounts and other materials which require railway transport have been included under "Stores in Schedule No. 4". The figures in this Schedule are estimated, but in the view of the C.E.(C) the quantities are negligible compared with the other raw materials required.

It is different with steel for extension. To build a new cement Works, it requires between 1000-2000 tons according to circumstances and to construct an extension of an existing Works it would require 500-1000 tons.

Schedule No. 5 indicates the approximate amount of steel which will be required by the Works in question during the next 3 years.

The C.E.(C) has not included steel which has already been allotted, also he has not calculated steel for maintenance and repairs which has been considered under "Stores". The steel requirements for the next 3 years for the first 12 factories have been worked out together with A.C.C.

6. Railway Movement by Zones.

It will be noted, for all materials mentioned above, the Schedules indicate amounts and sources as well as the distance of the factory from the source. From these schedules the railway movements necessary can easily be calculated.

In the case of cement, the main areas to be fed, and the average distance cannot be filled in from information at present at my disposal, but this information can be obtained, if required.

Sd/- H. E. ORMOROD.

Hon. Cement Adviser to Govt. of India.

Schedule No. 1

21-11-47

Name of Works	Rly. Address		Rated Yearly Output 1/1-1948	Rated Yearly Output 31/12-1950
1. Banmor	Banmor Gwalior State.	G.I.P.Rly.	60,000	60,000
2. Bhupendra	Surajpur Patiala State.	N.W.Rly.	100,000	200,000
3. Coimbatore	Madukkarai Madras Pr.	S.I.Rly.	180,000	280,000
4. C. P.	Kymore C.P.	G.I.P. Rly.	250,000	350,000
5. Dwarka	Dwarka Baroda State	J. and D. Rly	180,000	180,000
6. Khalari	Khalari Bihar.	E.I.Rly.	100,000	100,000
7. Kistna	Mangalagiri Madras	M. & S. M. Rly.	80,000	180,000
8. Lakheri	Lakheri Bundi State	B.B and C.I. Rly.	225,000	325,000

Schedule No. 1—contd.

Name of Works	Rly. Address		Rated Yearly Output 1-1-1948	Rated Yearly Output 31-12-1950
9. Porbandar	Porbandar, Porbandar State, Kathiawar,	Gondal Rly.	40,000	40,000
10. Shahabad	Shahabad, Hyderabad State,	G.I.P. Rly.	240,000	240,000
11. Chaibasa	Jhinkpani, Bihar.	B. N. Rly.	100,000	200,000
12. Balasinor	Sevalia, Bombay Prov.	B.B. & C.I. Rly.	...	100,000
13. Rohtas Industries Ltd.	Dalmianagar, Bihar	E.I. Rly	150,000	300,000
14. Dalmia Dadri	Dalmia Dadri, Jind State.	B.B. & C.I. Rly	40,000	70,000
15. Dalmiapuram	Dalmiapuram, Madras.	S.I. Rly.	70,000	220,000
16. Sone Valley P. C. Co.	Japla, Bihar.	E.I. Rly.	200,000	200,000
17. Andhra C. Co.	Bezwada, Madras.	M.&S. Rly.	30,000	90,000
18. Mysore Iron & Steel Works	Bhadravati Mysore.	Mysore State Rly.	20,000	50,000
19. Kalyanpur	Banjari, Bihar.	Dehri Light Rly.	36,000	36,000
20. Jhajha C. & Ind. Ltd.	Jhajha Bihar.	E.I. Rly.	12,000	12,000
21. Shree Digvijay Cement Co.	Jamnagar (Nawanagar).	J.&D. Rly.	..	100,000
22. India Cement Ltd.	Tinnevely (Madras).	S.I. Rly.	..	100,000
23. Travancore Cem. Ltd.	Kottayam (Travancore.)		..	50,000

Schedule No. 2

Works	CEMENT Monthly tons	Outgoing movements to	Aver. distance	COAL monthly tons.	(Incoming) movements from	Approx. distance
1	5,000			2,200	Bengal	800
2	16,500			6,000	"	1,100
3	23,000			6,000	"	1,300
4	23,000			15,000	C. P.	100
5	15,000			Oil.		
6	8,300			4,000	Port Okha	26
7	15,000			2,800	Bihar.	50
8	27,000			6,000	Bengal	750
9	2,300			16,000	Bengal & C. P.	1,000
10	20,000			1,600	Bengal	200
11	16,500			9,000	Singareni	200
12	2,300			6,500	Bengal	200
13	25,000			2,300	"	1,100
14	5,800			12,000	"	800
				2,300	"	1,000

Schedule No. 2—contd.

Works	CEMENT Monthly tons	Outgoing movements to	Aver. distance.	COAL monthly tons	(Incoming) movements from	Approx. distance
15	18,000			4,500	Bengal	1,250
16	16,500			8,500	"	300
17	7,500			2,300	"	700
18	4,100			1,200	"	1,300
19	3,000			1,500	"	300
20	1,000			500	"	150
21	8,300			2,000	Port Okha	80
22	8,300			2,000	Bengal	1,400
23	4,100			1,000	Cochin	By sea.

Schedule No. 3

Works	GYPSUM Monthly Tons	(Incoming) movement from	Approx. distance	GUNNIES Monthly Tons	Movements from	Approx. distance
1	200	Jodhpur.	330	200	Calcutta.	850
2	660	Khewra.	365	660	"	1,100
3	920	Trichinop.	150	920	"	1,300
4	1,160	Jodhpur.	685	1,160	"	675
5	600	Jamnagar.	60	600	"	1,600
6	335	Khewra.	1,150	330	"	150
7	600	Trichino. Slurupeta.	400	600	"	750
8	1,080	Badwasi.	300	1,100	"	1,000
9	150	Jamnagar.	60	130	"	1,550
10	800	Trichinop.	600	800	"	1,200
11	660	Khewra.	1,250	660	"	250
12	335	Jodhpur.	400	230	"	1,100
13	1,000	Khewra.	1,000	1,000	"	350
14	235	Khewra.	450	230	"	1,000
15	720	Trichinop.	200	720	"	1,250
16	660	Khewra.	1,050	600	"	350
17	800	Trichino. Sulurupeta.	400	300	"	750
18	165	Trichinop.	200	165	"	13,000
19	120	Khewra.	1,050	120	"	350
20	40	Khewra.	1,200	40	"	200
21	335	Kathiawar.	20	330	"	1,500
22	335	Trichinop.	100	330	"	1,400
23	165	"	200	165	"	1,350

Schedule No. 4

Works	STORES Monthly Tons	Movements from	Approx. distance	SUNDRIES Monthly commodity	Movements from	Source	Approx. distance
1	20	Bombay	750	Limestone	7,800	Samai Khailara	87 30
2	60	Bombay Calcutta	1,050 1,100				
3	80	Madras	300				
4	80	Bombay	675	Clay	7,000	Okhamandi Magasar	14 3
5	60	Bombay	600				
6	40	Calcutta	150				
7	60	Madras	275	Limestone	24,000	Kara Sitaram- puram	7 70
8	80	Bombay	600				
9	20	Bombay	650				
10	60	Bombay	375				
11	60	Calcutta	250				
12	40	Bombay	300				
13	80	Calcutta	350	Limestone	40,000	Banjari	30
14	20	Bombay	1,050				
15	60	Madras	350				
16	60	Calcutta	350				
17	40	Madras	3,000	Limestone	12,000	Nadikude By River Gungeneni	
18	20	Madras	250				
19	20	Calcutta	350				
20	10	Calcutta	200				
21	40	Bombay	450				
22	40	Madras Madras	550				
23	20	Cochin	By sea				

Schedule No. 5

Steel required for Expansion of Cement Industry during next 3 years up to 31-12-1950 (including modernisation of existing works, manufacture of cement, machinery, housing, etc., but exclusive of maintenance and repairs).

Name of Works	Works Construction	Housing	Total Tons
1. Banmor (Modernisation)	150	150	300
2. Bhupendra (Extension)	50	150	200
3. Coimbatore (")	600	200	800
4. C. P. (")	250	250	500
5. Dwarka (Modernisation)	1,200	150	1,350
6. Khalari	0	100	100
7. Kistna (Extension)	800	200	1,000
8. Lakheri (")	650	250	900
9. Porbandar	0	150	350
10. Shahabad	100	250	350

Schedule No. 5

Name of Works	Works Construction	Housing	Total Tons
11. Chaibasa (Extension)	400	250	650
12. Balasinor (")	3,300 (incl. rails 1700 tons)	..	..
13. Rohtas Industries (")	1,000	..	1,000
14. Dalmia Dadri (Modernisation)	100	..	100
15. Dalmiapuram (Extension)	1,000	200	1,200
16. Sone Valley (Modernisation)	300	..	300
17. Ajdhra (Extension)	600	..	600
18. Mysore Iron & St.	..	..	..
19. Kalyanpur (Completion)	200	..	200
20. Jhajha C. & Ind.	..	..	..
21. Shree Digvijay (Completion)	600	..	600
22. India Cements (")	1,000	..	1,000
23. Travancore Cement (")	600	..	600
			4,500
			20,000

The monthly demand of steel for Maintenance and Repairs have been included under "Stores" and amount to about 300 tons per month for all Works. This gives a total consumption up to 31-12-50 of 10,800 tons.

CERAMICS

58. Existing Factory—

Total production of the above (including white wares, white glazed wares) working at 70 per cent. capacity—23,000 tons (approx.)

No. of new factories starting in the course of next 3 years—12.

Plan.

- (1) to increase the production by 75 per cent. in the course of next 3 years.
- (2) to assist new factories coming up for production of white wares.
- (3) to encourage industrialists to establish factories in areas where no factories exist at present.
- (4) to improve the quality of wares.

Capital Equipment.

Capital equipment to the extent of nearly Rs. 5,00,000 ordered outland are expected within the next three years. Machinery and equipment to the value of nearly Rs. 3,00,000 have already arrived in 1947. One of the factories is changing their kilns outright and converting them to modern tunnel kilns. Equipment and machinery in this connection have already arrived.

Requirements for increasing production.

Steel.

Steel released for extension and new construction during 1947—133.5 tons.

Steel required for extensions and new constructions in the course of next 3 years.—2,000 tons.

Most of the steel will be required in the form of heavy and light structurals. Arrangements have to be made to release steel to the industry.

Cement.

Cement release in 1947—Nil.

Cement required for expansion, new construction, etc., during the next 3 years.—About 1,000 tons.

Power

Power connection recommended in 1947.—Nil.

Power required in the course of next 3 years.—75,000 K.W. approx.

30 per cent of above will be required in Kathiawar, 30 per cent in Bengal area and the rest at different places all over India. Bengal area is already congested in connection with electric power but it is expected that Damodar Valley project will come into operation within the next 3 years and the difficulties will be solved.

Raw Materials

China clay and ball clay are the two principal ingredients required C.C.I. may be advised to issue licences freely for the importation of ball clay to manufacturers of ceramic wares. Geological Survey of India may be requested to take a survey and explore occurrences of China clay at different places. The Government Test House or any other organisation have to test the samples of China clay and classify them according to their suitability for use in different qualities of ceramic wares.

Coal.

The present allotment of coal to this industry is about 5,000 tons per month from the centre. In addition, the Provincial Government allot about 1,500 tons per month. The total requirements for the industry are nearly 8,000 tons per month. Additional quantity of coal have to be found by the Coal Committee to allot to this industry.

Some of the firms are keen to dispense with coal and to use producer gas for firing their kilns. The main difficulty in this connection is procurement of producer gas plant. A few plants were available from U.K. Disposals of surplus stores and when Indian firms contacted Disposals Ministry for allotment of these plants, they were refused as the plants were needed by the U.K. manufacturers. No new plants are also available to them. The Glass and Ceramic Research Institute and the Fuel Research Institute may be asked to concentrate attention on the design and fabrication of producer gas plants which will be suitable for use by this industry.

Transport.

The present ton x mileage required for this industry is about 1 million. This is to be increased by 33½ per cent. in case of increase of production likely to occur in the course of next 3 years.

DISEL ENGINES

Introduction

Diesel Engines, due to their simplicity in operation and relatively more rugged construction, and high thermal efficiency, will play an important part in our national life. This observation is made since it is felt that the electrification of rural areas will be a slow process, and in the mean time India's Agriculture, Road Transport and some of the cottage industries will have to be mechanised. Diesel Engines are expected to be the most popular motive power for this purpose.

Present and Future Capacity.

At present the only two factories manufacturing Diesel Engines in India are:

- (i) Messrs. Ruston & Hornsby (India) Ltd., 1, Forbes Street, Bombay; and
- (ii) Messrs. Cooper Engineering Ltd., Stara Road,

The capacity of both these factories put together is only 650 engines annually against our requirements of approximately 5,000 engines per year. In order to fill up partially the gap in the next three years, the existing capacity will be raised and assistance will be given for the completion of the factory of Messrs. Kirloskar Oil Engines Ltd., Poona. The capacity will thus be raised to 2,000 engines annually, i.e., over 100 per cent of the existing output.

There is need for further capacity upto 3,000 engines annually. In order to meet this deficiency and to render zonal self-sufficiency, establishment of new factories in Bengal, U.P. and Madras will be encouraged. Plans for starting these factories, if necessary, with state help, may be taken in hand immediately.

Imported Components.

Since India has to depend upon import of certain component parts of the engines, viz., Crankshafts, fuel oil Injection Equipment, Forced Feed Lubricators, Piston Rings to complete the engines manufactured in the country, facility will be given to the manufacturers for the import of these. Efforts will also be made to promote the manufacture of some of the components within the country, through the Ordnance Factories, where the Government may have to bear a certain portion of the cost to bring down the price of these component parts to a level competitive with that of imported components.

Raising Standards of Indigenous Engines.

The engines manufactured by Messrs. Cooper Engineering Ltd., the biggest existing manufacturer, are not of high standard. The manufacturer will be urged to raise the standard. For this purpose Government may take immediate steps to appoint inspectors. The technical advice of the Internal Combination Engineering Lab., which is being set up in Bangalore, should be made readily available to this industry.

Requirement of Building Materials.

The following materials will have to be transported on a high priority to complete the factory of M/s. Kirloskar Oil Engines Ltd., and to raise the existing capacity:—

Cement	300 tons in 1948.
	100 tons in 1949.
Steel	200 tons in 1948.
Petrol	750 gallons per month for six months from now.
Telephones	100,000 ton miles per mensem on B.P.R., C.I.P., and P.B.&C.I.R.

Import of Capital Plant

(a) Machinery which has arrived in this country for M/s. Kirloskar Oil Engines Ltd., and is not in operation yet, is valued at Rs. 3,00,000.

(b) (i) Machinery worth Rs. 13,00,000 is likely to arrive in the next three years.

(ii) Components worth Rs. 15,00,000 to complete the indigenous engines are likely to be imported during this period.

DRUG INDUSTRY

1. The Drugs Act of 1940 is now being implemented and consequently a larger number of unsatisfactory firms are being automatically eliminated.

2. Programme.**ALKALOID PRODUCTION**

The existing production of 90,000 lbs. of quinine will in 3 years' time be expanded, it is hoped, to about 120,000 lbs. per annum, but in the meantime private agencies are being encouraged to extract quinine from bark imported

from abroad. The production of the following drugs is being established to meet the internal requirements as well as for export.

Santonin

Caffeine

Ephedrine

Strychnine

Minor Opium alkaloids, etc.

3. Synthetic Drugs:

With imported phenol, aniline and other basic chemicals, plans are ready to establish the manufacture of the following drugs:—

SULPH A DRUGS

Atebrine type of anti-malarials.

Chlorosal type of disinfectants.

Arsenicals of neo-salvarsan type and carbarson type.

Organo antimony compounds of urea stibamine type.

4. A plan which is a short term project is the immediate establishment of production of phenol. This is being looked into. Arrangements are being made also to produce aniline at the Ordnance Factories but the present cost of production at the Ordnance Factories is high due to high overheads. Relief is required in this direction. When aniline is available in larger quantities and at cheaper prices phenomenal development of the synthetic drugs enumerated above will take place. The general trend of production in spite of this handicap is on the up-grade.

5. Bound up with the question of production of caustic soda is the problem of utilisation of chlorine. An outlet for chlorine is being sought in the manufacture of D.D.T. The present plan is production of 1,000 tons at the end of 2 years period. Machinery equipment and other requirements are being planned for starting production. The production is expected to commence in full swing in 6 to 8 months time. Priority assistance is required to be given to firms producing D.D.T. in respect of steel and building materials.

6. Intermediates required for synthetic drugs industry.

The most important deficiencies are with regard to phosphorus, phosphorus pentoxide, chlorosulphonic acid, acetic acid and a cetic anhydride.

Plan:

To produce chlorosulphonic acid sufficient for the requirements of the synthetic drug industry in 2 years. Already sufficient progress has been made in that a fair quantity of chlorosulphonic acid is now available.

Acetic acid:—See under PLASTICS

Phosphorus and phosphorus pentoxide cannot be produced under the short-term plan. A policy decision will have to be taken for the establishment of a factory under Government auspices when one of the hydro-electric schemes such as the Damodar Valley Project materialise.

7. Facilities required.

At present, the help of the Bio-chemical Standardisation Laboratory for the testing and assaying of drugs by private firms has been stopped by the Ministry of Health. It is necessary that arrangements should be made in the Alipore Test House to give firms assistance in getting their drugs standardised and tested.

8. It is difficult to give a comprehensive account of various drugs under planning as their total embraces will over a thousand. The plan is therefore to take up the manufacture of such drugs as have a bearing on the treatment of major diseases such as Malaria, Dysentery, Venereal Diseases, Diseases of bacterial origin, Antiseptics and disinfectants.

9. Vitamins and Hormones.

Plans.

To put the present shark liver oil industry on its foot. To plan production of Vitamin A from natural sources. Production of liver extracts and other hormones in well established firms.

Synthetic production of Vitamin C or failing that, its production from natural sources.

10. No. of new firms expected to start production in the course of next three years=24.

Bengal—18; Bihar—1; U.P. 1; Bombay—2; Madras—1; Delhi—1.

Existing firms extending capacity of production=11.

Bengal—5; Bombay—2 Baroda—2:

U. P.—1; Madras—1.

11. D.D.T. Production:

Target.....30,000 tons per annum.

Present production.....20-30 tons per annum.

Plan.

To produce 1,200 tons per annum during the next three years. No. of firms expected to commence production—4.

Bombay—2; Madras—1; Baroda—1.

Action:

(i) Important raw materials are Benzene, Alcohol, chlorine, Sulphuric Acid. Firms will produce their own Chlorine and Sulphuric Acid 250,000 galls. of Bensene per annum will be available from Ordnance Factories and 350,000 galls. of Alcohol per annum are to be provided. The question of excise duty is involved.

Present position of the schemes for manufacture of antibiotics.

A mission was sent by the Government of India to investigate the possibility of production of penicillin and allied products in India. The report has been received and is under examination by Government. It may not be possible to start production immediately as considerable planning has yet to be done.

12. Raw materials:

Steel...2,500 tons per annum.

Cement...4,500 tons per annum.

Steel for containers...1,500 tons per annum.

Additional coal requirements...36,000 tons per annum.

Additional requirements of ton x mileage per annum...1,00,00,000.

Alcohol...0.5 million gallons per annum.

13. Action required:

(i) A statutory body to control production and quality of shark liver oil.

(ii) To make the Test House available to industry for testing products.

(iii) To make the Ordnance Factories produce nitrobenzene, aniline, etc. for the industry at a reasonable price.

(iv) To improve the quality of benzene produced at the Ordnance Factories.

(v) To provide for the basic requirements indicated in paragraph 12.

DRY BATTERIES

Present capacity.

The present productive capacity of the country for Dry cells is 132,000,000 Cells per annum. This is regionally distributed as follows:—

Province/ State.	No. of Factories.	Aggregate capacity
Baroda	1	2,000,000
Bengal	1	100,000,000
Bombay	1	30,000,000
	3	132,000,000

Expansion by 1950.

By 1950, this capacity will be expanded to 180,000,000 cells per annum having the following regional distribution:—

Province/ State	No. of factories	aggregate capacity
Baroda	1	2,000,000
Bombay	2	55,000,000
Bengal	1	120,000,000
Mysore	1	3,000,000
Total	5	1,80,000,000

Progress:

This expansion of 48,000,000 Cells will be achieved by expanding the capacity of two existing factories and by setting up two new ones. The capital issue up to date for the Industry is Rs. 40,00,000 out of which Rs. 30,00,000 will be spent on the short term expansion referred to above. Floor area of factory construction to house the additional and new plants being imported amounts to 81,000 sq. ft. Bulk of the plant for the expansion of the existing factory in Bombay area has arrived while the plant required by the new factory in the same area is on waters. A feature of the former will be the introduction of assembly line methods for production of dry batteries.

Long Term Target.

There does not seem to be any need at the moment to set a long term target for this industry as by 1950 the industry is expected to fully meet the country's requirements and show a substantial surplus for export.

Raw materials:

The present annual requirements of the principal raw materials and those that will be required by 1950 are given below:—

	Present	By 1950
Manganese Dioxide	3,600 tons	4,900 tons.
Graphite	920 tons	1,260 tons.
Zink Sheets	2,500 tons.	3,400 tons.
Ammonium Chloride.	1,200 tons.	1,630 tons.
Carbon Electrodes	132,000,000 Pcs.	180,000,000 Pcs.
Wheat, Flour and Corn Starch	240 tons.	325 tons.

Machinery are being imported for the rolling of Zinc Sheets in the country and making of cans. Part of the equipment for processing carbon electrodes is at site. Drawings are now being obtained from German sources for a design of the mixing and finishing machine for the process. Attempts have been initiated to process activated manganese dioxide in the country, having regard to the abundant supply available in India of Manganese ores but a rigorous drive in the next two years, however, in collaboration with the Council of Scientific Industrial Research is necessary to put the production of Manganese dioxide on a commercial scale and commensurate with the needs of the dry battery industry.

Estimated Annual Transport Requirement by 1950	Raw materials	1,500,000 tons/mile (250 wagons).
	Finished products	4,000,000 tons/mile (500 wagons).

ELECTRIC LAMPS

Present Capacity:

The present production capacity of the country is 13,350,000 pieces per annum. This capacity is regionally distributed as follows:—

Province/State.	Number of Fys.	Aggregate Capacity
Bengal	6	11,150,000
Bihar	1	200,000
Bombay	1	400,000
Mysore	1	1,000,000
U. P.	1	600,000
Total	10	13,350,000

Expansion:

This capacity will be expanded by 1950 to 22,000,000 pieces. The regional distribution will then be as follows:—

Province/ State.	Number of Fys.	Aggregate capacity
Bengal	7	15,500,000
Bihar	1	200,000
Bombay	1	400,000
Mysore	1	2,000,000
Madras	1	900,000
U. P.	1	3,000,000
Total	12	22,000,000

Progress:

The expansion of the capacity by 7,000,000 Pcs. per annum is proposed to be achieved by expanding the capacity of all the big lamp factories and by putting up two new lamp making plants. Licences for import of lamp making equipment for the entire expansion have already issued and deliveries have begun in most cases. The entire scheme for expansion was sponsored by this Office at several stages. This expansion is covered by capital issue of Rs. 6,500,000 approx. of which Rs. 7,50,000 is for the installation of furnaces for blowing glass shells in one factory above.

Long Term Target:

By 1950, the lamp industry's capacity will not only be sufficient to meet the country's requirements but also promise export prospects for this item. As such, there does not seem to be any need at the moment to fix a target covering a period longer than three years.

Raw Materials:

The present requirements of the industry for the principal raw materials and these anticipated by 1950 are given below: The figures represent every where annual consumption:—

Present	By 1950
Glass shells	14,00,000 Nos. 23,000,000 Nos.
Brass Caps	14,700,000 Nos. 24,200,000 Nos.
Glass Tubing & Glass Rods	126 tons. 200 tons.
Molybdenum wire	1,481,850 Metres. 2,442,000 Mts.
Tungsten wire	14,685,000 Pcs. 25,300,000 Pcs.
Beading-in-wire	30,715,000 Pcs. 52,900,000 Pcs.

Indigenous production of glass shells is now approx. 25 per cent. the industry's needs. Plans for installation of furnaces by the biggest manufacturers for blowing glass shells are however under way and it is expected that by 1950 there will be a far greater measure of self-sufficiency than at present. Allocations of chemicals like Soda Ash, Borax, Salt Petre and Sodium Nitrate and Fuel, mainly coal, will have to be substantially increased if the additional capacity for glass shells is to be utilised.

Estimated Transport Requirements: by 1950.

Raw material	500,000 ton/mile	(45 wagons).
Finished stores	625,000 ton/mile	(62 wagons).

ELECTRIC MOTORS.

Present Capacity:

The present productive capacity of the country for A C 3 Phase 50 Cycles Squirrel cage motors is 100,000 H.P., per annum in the range 1 to 30 H.P. This is regionally distributed as follows:

Province/State.	No. of Factories	Aggregate Capacity in H. P.
Baroda	1	4,500
Bengal	2	26,500
Bombay	3	54,000
Madras	3	15,000
Total	9	100,000

There is at present only one factory (situated in Bengal) in the country which produces fractional Horse Power Motors. This Factory's production is small being of the order of 600 Nos. only per annum.

Expansion by 1950.

The existing capacity for AC 3 phase squirrel cage motors is expected to be expanded by 1950 to 250,000 H.P. per annum while that for fractional Horse Power Motors will be increased to 25,000 Nos. per annum by the same time. The regional distribution of the expanded capacity by 1950 will be as follows:

Province/State	No. of Fys.	Aggregate Capacity in H. P.
AC 3 Phase Squirrelcase		
Baroda	1	4,500
Bengal	4	26,500
Bombay	4	54,000
Bihar	1	10,000
Madras	3	15,000
Mysore	2	50,000
Total	15	250,000
Fractional Horse Power		
Bengal	5	12,000 Nos.
Mysore	1	12,000 "
C. P.	1	1,000 "
Total	5	25,000 Nos.

Progress:

This programme of expansion is covered by a part of the total capital issue upto date for this industry which is now to the tune of Rs. 1,200,000. 60 per cent of capital equipment licensed for import has already arrived. Construction materials like glue and cement are being released in Pd. 1/48 for some of the new factories. With the expected further arrival of plant in 1948 it is expected that by the beginning of 1949 three out of the six new factories will be in production, while two of the existing factories will have expanded therein capacity.

The net effect of this expansion by the beginning of 1949 is expected to be an additional capacity of 100,000 H.P. The possibilities of increased supply of basic raw materials to engage this capacity fully are now being investigated.

Long Term Target:

It is difficult at this stage to fix a long term target for this industry as this must necessarily be related to such unforeseeable factors such as the demand of the country 10 years hence, the facilities that are likely to be available for the rapid expansion of industry etc. A productive capacity of 800,000 H. P. per annum within the next five years is, however, a worthy target, in view of the fact that C.T.P.B. contemplate commissioning an additional installed capacity of 800,000 K.W. by 1953.

Raw Materials:

To engage the expanded capacity fully by 1950 the supply of the principal raw materials in the country will have to be considerably increased. The present requirements and those that will be required by 1950 are given below:-

	Present	By 1950	
(1) Pig Iron	1,000 tons	2,500 tons	} Per annum.
(2) Steel	400 tons	1,200 tons	
(3) El Steel sheets	1,100 tons	8,000 tons	
(4) Winding Wires	80 tons	230 tons	
<i>Estimated annual transport requirements by 1950.</i>			
Raw materials	4,000,000 tons/mile	} (400 wagons)	
Finished Store	4,000,000 ton/mile		

ELECTRICAL STEEL SHEETS

Present Capacity:

The present production capacity of the country is 1,800 tons per annum. There is only one factory in the country producing Electrical Steel Sheets, namely Tata's Tatanagar.

Expansion:

By 1950, this capacity will be expanded to 4,000 tons per annum. Production of Transformer grade sheets will also be undertaken.

Progress:

This expansion will be achieved by the installation of a new annealing furnace which has already been ordered by Tata's on Birlec, England. Cables have been sent to the India Supply Commission for taking up the question of shipments on a priority basis from the United Kingdom. Both the furnace and auxiliary equipment like Transformer are expected to arrive by the middle of 1948. It is expected that the second furnace will be in production by the end of 1948.

Long term Target:

8000 tons.

Raw Materials:

No difficulty is expected in the procurement of the necessary raw materials for utilising the expanded capacity.

Estimated annual Transport requirements by 1950:

Finished sheet:—4,000,000 ton/mile (200 wagons):

As still further capacity is required, it is suggested that Messrs. Bhadravati Iron and Steel Works should be got interested in installing capacity in their works and every assistance should be given towards this end.

ELECTRIC TRANSFORMERS

(a) The present productive capacity of the country is 102,000 KVA. This is distributed regionally as follows:—

Province/State	No. of Fys.	Aggregate Capacity
Bengal.	3	28,500 K.V.A.
Bombay	3	43,500 „
Mysore	1	30,000 „
Total	7	102,000 „

(b) This capacity is expected to be expanded to 177,000 KVA by 1950. The regional distribution will then be as follows:—

Province/State	No. of Fys.	Aggregate Capacity
Bengal	3	53,500 K.V.
Bombay	4	93,500 „
Mysore	1	30,000 „
Total	8	177,000 „

(c) This expansion will be achieved by expanding the capacity of two of the existing factories and by setting up a new factory. The new factory which is in the Bombay area will go into production by the end of 1948 with an initial annual capacity of 25,000 KVA. 80 per cent. of the plant for this factory is at site while the remainder is on its way. Steel for factory building is being allotted in period I/48 for this project. The technical director of the firm has recently returned from an inspection of the centres of heavy electrical machinery production in Germany, and it is expected that his experience will be valuable. Steel is also being allotted in Period I/48 to enable the biggest transformer factory in Bombay to expand their facilities for handling transformer components thus paving the way for an expansion of their capacity. The existing transformer factory in the Mysore State is planning to instal its own punching press and cotton covering machines for making laminations and winding wires respectively.

(d) Long Term Target:—250,000 KVA per annum in the next five years.

(e) Supply of basic raw materials like transformer grade electrical Steel sheets, porcelain bushing, boiler tubes, insulating materials will have to be arranged in considerable quantities. At present the bulk of these materials are imported. A beginning will, however, be made with transformer grade electrical steel sheets in 1948 when Tata's second annealing furnace will be received and put into operation. The initial annual out-put is unlikely to exceed 200 tons per annum which will be inadequate. Experiments are already in progress regarding the production of Transformer grade sheets in the country. It is also proposed during 1948 to develop indigenous production of bushing as samples of bushing produced by the Government Porcelain Fy., Bangalore, promise to be of acceptable quality.

Mysore Electric Company may be got interested in producing the extra material necessary for self-sufficiency.

ENAMELLED COPPER WIRE

Present Capacity:

The present production capacity of the country for enamelled wire is negligible.

Expansion:

This capacity will be developed to 120 tons per annum by the end of 1947. Further expansion is also contemplated. There is only one factory for the purpose and it is situated in Bengal.

Progress:

The whole project was sponsored by this Office. The enamelling plant was licensed with the active support of this office from U.S.A. and its shipment was made finally as a result of the efforts of this office. The plant is now in experimental production stage.

Raw Materials:

No difficulty is anticipated in respect of the basic raw material for this industry, namely copper wire. Copper wire is produced in the factory's own works to B.S.S. and in a quantity sufficient to guarantee the necessary off-take by the enamelling plant. The development of indigenous resin for enamelling, however has to be speeded up in the next one or two years.

Long Term Target:

500 tons per annum.

Estimated Transport Requirements by 1950.—Finished Store: 30,000 ton/mile—(3 wagons).

ENAMELWARE INDUSTRY

Existing factories	22 (10 since 1945).
No. to be added by 1949	14.
Production in 1946	10 to 12 million pieces
Capacity in 1947	24 million pieces.
Cause of shortage	Steel mostly and coal partly.

Short-term plans:

- (1) To equip the factories on modern lines by importation of machines worked by power;
- (2) Improvement of quality of products;
- (3) To cater for export markets for which just at the moment there is a good demand from the neighbouring countries;
- (4) To find steel for the industry for processing.

In assessing the capacity of the firms those having first class equipments are given more steel than others. Factories possessing less efficient equipment are advised to modernise them by import of up to date machineries. Two such factories have got their machineries out in 1947. Three more factories have ordered their machineries out which are expected within the next 3 years. They have to be given assistance in connection with power for running them. The total value of capital equipment expected within the next three years is about 1½ Lakhs.

Requirement of Steel, Cement and Power for the increased production.

Steel:

Steel allotted for building new factory in 1947	Nil
Steel required for housing machineries of existing Fys. in connection with their extensions in course of next 3 years	1,300 tons approx.

Cement:

Cement released in 1947 for extensions and new constructions	Nil
Cement required for expansions in next 3 years	1,700 tons approx.

Power:

To instal the machineries imported by the existing fys. power needed will be about 10,000 K.W. 75 per cent. of this is required in Bombay. There is already congestion in Bombay and the Electric Supply Corporation has to be advised to increase their output to supply additional power to the new extensions.

Utilising Ordnance Fys. for needs of the Enamelware Industry.

Steel castings required by the enamelware factories are not easily available from the indigenous production. It is understood that the Ordnance Factories can turn out those castings off suitable materials. Our efforts in this direction lately have proved to be unsuccessful in persuading Ordnance Factories to take such castings. High level action is required to induce them to take to these castings whenever necessary.

In order to have the steel castings, special tool steel will be required by the Ordnance Factories. Estimated quantity for this item likely to be required is about 20 tons per quarter.

Raw materials:

2,000 tons of mild steel sheets are required to be provided to this industry every quarter. For period 1/48 only 900 tons have been provided. Factories may be allowed to import freely such sheets if they can procure the same from abroad even at a higher price, in case sheets cannot be made available from indigenous production.

Fuel:

Coal supply to this industry at present is about 2,200 tons per month. This has to be supplemented by an equal quantity as the factories are running 50 per cent. of their capacity. Coal committee may be requested to give adequate allocation to this industry.

Export:

The export quota is to be increased to 20 per cent. of total production in 1948 and 33 per cent. in 1949 provided steel quota for processing is correspondingly increased.

GLASS

Plans:

- (1) Replacement of the inefficient factories by more efficient ones.
- (2) Modernisation of the existing factories.
- (3) To increase the production of glass.
- (4) Improvement of the quality of products.
- (5) Planning for the export market for which there is a demand.

In pursuance of the above plans, furnace designs for nearly 25 Fys. have been modified. 2 more factories are changing their designs and replacing the old furnaces with new ones in 1948. New factories coming up have been advised to use furnaces whereunder their consumption of coal may decrease. 2 factories in Calcutta area are changing over from coal to fuel oil within the next 6 months.

There are at present 174 factories in different areas as detailed below:—

Provinces	No.
Bengal	32
Bihar	8
Bombay	32
C. P.	6
Delhi	3
Madras	3
Punjab	6
Orissa	1
U. P.	70
Hyderabad	2
Mysore	1
Other Indian States	9
	174

These include about 65 bangle factories. Present annual production of glass is about 90,000 tons against the rated capacity of 150,000 tons.

In pursuance of the plan for increase in the production of glass, 7 more new factories are starting in 1948 as follows:

Bihar	1	} Machinery and equipment for them have already arrived or are on way.
Baroda	1	
Travancore	1	
Bharatpur	1	
Dholpur	1	
Madras	1	
U. P.	1	

In addition, the following new fys. are likely to come up in the next 3 years, as capital issues have been sanctioned for them:—

Bengal	4
Madras	2
Bombay	4
Idar State	1

11

Further, a number of factories are extending their capacity for productions which are classified as follows:—

- (1) Sheet glass . . . 2 factories . (Bihar 1, Bengal 1.)
- (2) Bottle & table wares . . . 10 factories . (Bombay 2, Bengal 3, U.P. 2, C.P. 1 Orissa 1, East Punjab 1).
- (3) Globes & Chimneys . . . 2 factories . (Bengal 1, Bombay 1).
- (4) Scientific glass wares . . . 3 factories . (Bengal 2, Mysore 1).

Machinery and equipment in some instances have already arrived. In all cases, they have been ordered and are expected to arrive within 3 years.

II. Total value of machinery and equipment ordered from abroad:

Rs.

- (a) Value of the machine, etc. already arrived . . . 26,50,000
- (b) Value of the machine, etc. expected within next 3 years . . . 18,53,000

III. On account of the above expansion, the following quantities of steel and cement will require to be released for housing the factories:

Projects	Total Qty. of steel required	Steel already released	Balance to be released	Total Qty. of cement reqd. (tons)	Cement already released	Balance
	tons	tons	tons	tons	tons	tons
New Fys.	4,426	1,020	3,406	9,000	..	9,000
Extensions	1,200	287	933	1,800	..	1,800

	tons
Steel required for new projects and extensions in the course of next 3 years	4,339
Cement reqd. for new projects and extensions in the course of next 3 years	10,800

As Steel and cement are in short supply, high level action is required to secure them for this industry.

IV. Raw materials and Fuel.

Soda Ash: Present allotment is about 9,000 tons per quarter of which there is a shortage of 2,000 tons and, therefore, the factories have been rationed to take only 75 per cent of their normal off take. The cut has to be restored and another 2,500 tons per quarter are required to meet the increased production. The distribution for the additional quantity will be as follows:

	Tons per quarter
Bengal Factories	500
Bihar Factories	100
Madras Factories	250
Bombay Factories	550
Travancore Factories	150
Bharatpur Factories	90
Dholpur Factories	90
U. P. Factories	250
Punjab and Delhi	100
Other States	420

2,500

If we can get the production of soda ash of M/s. Dhrangadhara Chemical Works in our pool, then our present shortage will be eliminated. The balance of 2,500 tons required for the increased production of M/s. Tatas which is likely to increase in 1948 and from imports. The present monetary ceiling limit on the import of soda ash has either to be increased or this chemical may be allowed to be imported freely into the country.

Coal and fuel oil:

Present allocation of coal to glass industry is about 15,000 tons per month, of which actual supplies are not more than 10,000 tons. In order to meet the increased production this has got to be increased by another 7,500 tons per month of "A" grade coal. In addition to the above, 1500 gallons of fuel oil will be required to supplement the coal for the increase in production.

Allotment of coal is done by the Coal Committee. Factories in Bengal area are willing to take coal by road transport if they are given an adequate quantity of petrol to run the trucks. If this is agreed to, then the transport of coal, due to which supplies fall short of allotment, will not be difficult.

Transport:

The present ton mileage required for the glass industry to transport the raw materials and finished stores is about 500 millions. In order to meet the increased production, another 100 million ton mileage is to be added to the above and facilities for the same have to be provided for.

V. To improve the quality of the products, specifications have to be drawn for raw materials. This is already under correspondence with the Glass Technologist to the Government of U.P. and the Indian Institute of Standards. It is presumed that the quality of glass will improve when these specifications are introduced.

VI. Export market:

We have already received enquiries from Australia, New Zealand and other neighbouring countries of the export of glasswares, particularly, sheet glass, to these places. In view of the shortage, no export was permitted. With

the increased production, it is expected that we shall be able to meet the export markets

GLYCERINE

Annual production capacity	3,000 tons distilled.
Present production (1946)	1,782 tons distilled.
Annual requirements	1,000 tons distilled.
Number of factories	5

Plan:

To modernise existing equipment and to set up distillation plants in all the major factories so that larger exports may be made and a large reserve capacity built up for Defence purposes.

LANTERN INDUSTRY

General:

Hurricane Lantern is a general utility article considered necessary by the common man in India. It is, therefore, essential to produce them in sufficient number for all the people to obtain their requirements without difficulty.

Present and future capacity:

At present there are the following major factories manufacturing Hurricane Lanterns in the country:

- (1) M/s. Oriental Metal Industries, Calcutta.
- (2) M/s. Jay Engineering Works, Calcutta.
- (3) M/s. India Industrial Works, Calcutta.
- (4) M/s. Ogale Glass Works, District Satara, Bombay.
- (5) M/s. J. Hardware Works, Delhi.

Apart from the above factories there are small units located in Delhi.

The combined output of all these factories is 7,00,000 numbers annually against a requirement of 50,00,000 numbers per annum. In order to fill up partially the gap in the next three years the production will be raised to the maximum available capacity at present in the country viz., 12,00,000 numbers per annum. M/s. Harbans Lal Malhotra & Sons Calcutta have imported plant with an annual capacity of 1,50,000 Lanterns. They will be assisted to complete their project which will raise the total capacity of India to 13,50,000 lanterns per year.

There is need for further capacity upto 37,00,000 numbers yearly. In order to meet this deficiency new factories will have to be set up. The main capacity is, at present, concentrated in Bengal and Bombay areas. In order to render zonal self sufficiency new factories in the following areas will be encouraged:

Province	Factories having annual production of
Bihar	4,00,000 Nos.
Madras	6,00,000 "
U. P.	7,00,000 "
C. P.	2,00,000 "
East Punjab	4,00,000 "

New factories will be encouraged to be put up in these areas during the next three years and any further deficiency after this period will be dealt with in the long term plan.

Raising Standards of Indigenous Lanterns:

At present the indigenous manufacturers have to use Blacksheets, which is not generally of the uniform gauge. The correct raw material for the lan-

terns is tinsplate. Government will be persuaded to import correct raw material for the item viz., tinsplate, so that the indigenous product can compete in quality with the imported article.

Some of the units in India are not balanced, resulting in inefficient production giving bad workmanship and finish. All unbalanced units will be urged to balance themselves and workmanship and finish of the indigenous articles will be raised within the next three years. For this purpose the Ordnance Factories will be requested to prepare dies on behalf of any manufacturer who wishes to utilise them.

Import of capital plant:

Machinery worth Rs. 2,00,000 has arrived in the country, but is not in operation yet.

Machinery worth Rs. 20,00,000 is likely to arrive in the next three years.

A major portion of the plant for fabrication of lanterns will be manufactured in India.

Requirements of building materials:

The following materials will have to be transported on a high priority, to complete the factory for Messrs. Harbans Lal Malhotra & Sons and to raise the existing capacity to 30,00,000 lanterns per annum.

Cement	250 tons in 1948. 250 tons in 1949. 250 tons in 1950.
Coal for burning bricks	400 tons in 1948. 400 tons in 1949. 400 tons in 1950.
Steel	200 tons yearly between 1948/50
Transport	1,00,000 ton miles per mensem on E.I.R., G.I.P., B.B.C.I., E.P. Rly. & B. N. Rly.

INDUSTRIAL GASES.

OBJECTIVES

1. 50 per cent. expansion of production of Oxygen and Acetylene Gases which is now almost the monopoly of one firm.
2. Increase in capacity for production of CO₂ gas and dry ice.

MEASURES

1. Plan to assist M/s. The Industrial Gases Ltd., with steel etc. They have been allowed the import of plant and equipment to the value of 12 lakhs for acetylene and Oxygen.

2. Plan to assist in the construction of factory of Hindustan Gases Ltd., Calcutta; Carbon Gas Co., Trichinopoly and other firms so as to increase production by 50 per cent.

Probable arrival of plant and machinery (for CO₂, Oxygen and Acetylene gases Approx. 20 lakhs) -

Requirements of adjuncts against construction of five new factories and expansion of existing factories.

Steel	1,000 tons
Cement	800 tons
Coke	3,000 tons (annual)
Power	200 K.W.

INSULATORS

(a) The present production capacity of the country for insulators is 4,200,000 Pcs. per annum.

This is regionally distributed as follows:

Province/State	Number of Factories	Aggregate capacity
Bengal	2	3,700,000
Mysore	1	500,000

(b) It is proposed to expand this capacity by 1950 so as to increase the output of P&T insulators for tele. communication schemes and H. T. insulators in particular.

(c) Two new kilns are being constructed by the biggest insulator factory in the country and import licences are being arranged for the import of hydraulic sagger Press and Kerisulghar for this factory. Release of steel and cement for the project has been recommended to enable provision of facilities for improved storage of Pearl Coke. Essential raw materials like ball clay have also been licensed for import. Plans are also under way in respect of the expansion of the existing State Government owned factory in Mysore with the object of nearly doubling its present capacity. Import licences have already been issued for Routine Testing equipment for the entire industry. It is hoped that the resources of the High Voltage Engineering laboratory which is being set up in the Indian Institute of Science, Bangalore at a cost of 23 lakhs will be available for technical advice on manufacturing and testing of H. T. insulators.

(d) *Long term target*: Information regarding the anticipated annual requirements of insulators in the next few years is being collected. A long term target can only be fixed after the above information has been collected.

(e) While China clay occurs extensively in the country, its quality is not of such a high standard as to be ideally suited for H. T. Insulators. It is, however, believed that deposits of excellent china clay exist in the country. The same is also true of ball clay, another essential ingredient of H. T. insulators, for which no deposits have so far been discovered on a large scale in the country. It is reported that ball clay occurs in Rajmahal Hills, Monghyr distt. The D. G. Geological Survey is being requested to make a survey of such deposits.

IRON CASTINGS INDUSTRY

This industry is the backbone of the Machine Tool Industry and of Industrial Machinery and also supplies essential needs such as Cast Iron Pipes and Cooking pans. The location of existing foundries is given below, together with the proposals of rationalisation and expansion.

Province	Existing foundries		Proposed rationalisation as at end of 1950	
	No.	Capacity Tons of castings per annum	No.	Capacity
Assam	4	800	4	8,000
Bengal	258	256,000	100	300,000
Bihar	83	22,000	40	80,000
U. P.	175	43,600	75	1,50,000
C P	17	3,600	17	34,000
Delhi	49	14,400	20	40,000
E. Punjab	261	84,000	75	1,50,000
Madras	163	50,000	75	1,50,000
Bombay	123	34,400	75	1,50,000
Orissa	2	800	4	
States	157	48,000	75	1,50,000
	1,292	5,57,600	560	1,200,000

Amongst the existing foundries, only about 40 of them manufacture 2,000 tons of castings or more each per annum. The rest of the foundries are all small ones. Out of 40 large foundries, only about a dozen or so could be termed really efficient units. The quality of the castings produced by the rest is poor. Therefore, if we are to rationalise the industry, it will be necessary to shut down more inefficient units but there will be difficulties in doing so. However, in order that the foundry may be run on economical lines, its output of castings should be at least 2,000 tons per annum. If the plan of rationalisation can at all be adopted, it is estimated that 24,000 tons of coal can be saved of an output of 50,000 tons of castings.

The chief raw material needed for the foundries is Pig Iron. A new Blast Furnace has been erected at Kulti by the Indian Iron and Steel but has not been put into full operation yet due to shortage of transport to move coal and ore. We should now do everything in our power to get this Blast Furnace put into full operation.

Value of Plant & Machinery which has arrived for the foundries but has not yet been installed Negligible.

Estimate of additional Plant & Machinery likely to arrive in the next three years for modernising the foundries Rs. 1 crore.

The following raw materials and transport will also be required in the next three years.

Cement	2,000 tons in 1948. 2,000 tons in 1949.
Steel	2,000 tons in 1948. 2,000 tons in 1949.
Additional transport for movement of raw materials for putting the blast Furnace at India Iron & Steel into operation	5,00,000 ton miles per month on the E.I.R.
Additional transport if and when this Pig Iron is produced to move the Pig Iron to the foundries	1,00,000 ton miles per month on all systems in India.

LEATHER

The following short-term plans for development are put forward:

(1) *Increase in the production capacity of finished leather from raw goat and sheep skins*:

It is estimated that the total production of raw goat and sheep skins in India, excluding the Pakistan area, is about 39.25 million skins a year. It is also estimated that about 23.25 million skins are processed a year by the organized and the cottage tanneries in India (excluding Pakistan), leaving a surplus of about 16.0 million skins a year for export as raw. One unit of the organized tanning industry in the Madras area would be increasing their tanning and finishing capacity during the next three years to be able to process additional 1,000,000 raw skins a year for the manufacture of finished leather for internal consumption as well as export.

(2) *Increase in capacity for the production of machine-made footwear*:

The Leather and Leather Goods Panel estimated that at present 30,000,000 pairs of Western types of footwear are being manufactured in India annually mainly by hand and suggested that the production of shoes should be mechanised to step up production as the production of shoes by the hand-process could not be increased much further on account of the shortage of skilled labourers. Two new factories, one in the Calcutta area and the other in the Bombay area are being set up and it is expected that within the course of the next three years, a new production capacity of about 850,000 pairs of machine-made footwear a year will be established.

(3) *Production of suitable belting Butts for the manufacture of leather belting:*

About 400 to 500 tons of leather belting valued at about Rs. 50,00,000 are imported every year. Indigenous production so far had not been upto the standard. Samples of leather beltings produced in the Government Harness & Saddlery Factory, Cawnpore, were forwarded to the Alipore Test House for test and report. The reports indicated certain defects in the beltings produced by the H. & S. Factory. The Superintendent, H. & S. Factory, Cawnpore, is being further requested to produce fresh samples of leather beltings after removing the defects pointed out by the Alipore Test House for further test and report. Should the reports on the new samples be encouraging, steps will be taken to introduce production of suitable Belting Butts by the Tanning Industry in India for the manufacture of leather beltings to standard specifications. The scheme, if successful, it is expected, will reduce the import by about 75 per cent.

(4) *Possibility of utilisation of indigenous vegetable tanning materials as a substitute for imported wattle bark to meet the shortage caused by the cessation of trade relations with South Africa:*

Steps have been taken to carry out necessary survey on indigenous vegetable tanning materials not generally used by the Tanning Industry, their laboratory and small-scale practical tanning tests for investigating the possibility of their use as a substitute for wattle bark. Assistance of I.G. Forests, the Director General of Ordnance Factories, the Supdt., Bengal Tanning Institute, Govt. of West Bengal, and the Principal, Institute of Leather Technology, Madras, have been sought in the matter. Tangible result are expected soon.

(5) *Improvement in the quality of Babool bark and Avran bark used as vegetable tanning materials by the Tanning Industry:*

Actions have been initiated for carrying out necessary laboratory and small scale practical tanning tests on various samples of the barks collected from different age groups and different soil areas for improving the quality of babool bark and avran bark produced in India. Assistance of I.G. Forests, the Director General of Ordnance Factories, the Supdt., Bengal Tanning Institute, Govt. of West Bengal and the Principal, Institute of Leather Technology, Madras, have also been sought in the matter.

(6) *Improvement in the quality of raw hides produced in India:*

It is estimated that the total production of raw hides in India excluding the Pakistan area is about 21.5 million hides a year. About 20 per cent. of the total production is at present obtained from slaughtered cattle and the balance 80 per cent from fallen hides. The percentage of production of hides from slaughtered cattle is likely to fall off in the future. Hides obtained from the fallen cattle are very poor in quality and it is therefore essential that steps should be taken to improve their quality. One of the reasons for the poor quality of hides obtained from fallen cattle is the delay that takes place in flaying after the death of the animal. The defect is unavoidable under the present methods of collection as the agencies working on carcasses are often either single individuals (village chamars) or very small groups scattered throughout the country. To generally improve the quality of raw hides and to utilise other bye-products obtained from the dead cattle such as Tallow, Bones, etc. it is necessary to set up collecting centres of dead cattle throughout the country for quick flaying of the carcasses and to attend to the preliminary works connected with the recovery of Tallow and Bones, etc. and to forward them to suitable centres for final recovery.

To start the nucleus for the above, it is proposed to set up in consultation with provinces experimental plants in suitable centres where at least 30 or 40 dead cattle could be collected a day for flaying and curing of raw hides and recovery of bones, tallow, etc. Should this scheme prove to be a success, the long term plan mentioned above could then be introduced.

Private enterprise may be shy in starting the experimental plants, and Provincial Governments may ask for financial assistance. In that case it may be necessary to make a non-recurring grant upto Rs. 1,00,000 to each Province willing to undertake the enterprise.

(7) *Probable arrivals of new machinery during the next three years and the requirements of iron and steel etc.*

It is estimated that new machinery valued at about Rs. 35,00,000 would be arriving in India during the next three year for the re-organisation of the existing units and to effect the increase in capacity mentioned in paras 1 and 2 above. Requirements of iron and steel, cement and coal during the next three years for the re-organisation of the existing factories and carrying out the extensions mentioned above are given below:—

	Tons
(a) Est. requirements of iron and steel for the next three years	3,500
(b) Est. requirements of cement during the next three years	4,000
(c) Est. increased requirements of coal per year during the next 3 years in addition to existing normal requirements of the industry	2,000

(8) *Additional ton mileage required:*

As the sources of supply of raw materials and the markets for finished products of the tanning and leather industry are very much diffused, it is regretted that it is not possible to assess the extra ton mileage that would be required for the increase in production capacity mentioned before.

MACHINE TOOL INDUSTRY

Important targets aimed at in the short-term development programme:

(i) Double the present production of machine tools within the next 3 years. The average present production of about 7,500 machine tools to be raised to 15,000.

(ii) Build latest models of machine tools.

Accelerate the manufacture of modern production type of machine tools in addition to the primary types already successfully manufactured in the country. To achieve this result, every manufacturer of machine tools to Grade I limits of the accuracy should at least produce 1 new model per year.

Steps required to be taken to achieve the 2 objects enumerated above in the short term Programme:

Development of this important key industry is only possible with close co-operation between the indigenous manufacturers and the Government. Certain steps have to be taken by the manufacturers and others have to be implemented by Government. These are:—

Steps to be taken by the industry:

(i) The indigenous machine tool industry must be rationalised as quickly as possible. This forms the foundation on which leading Western countries have built up their powerful Machine Tool Industries.

(ii) Components of the machine tool industry must also be developed on Cottage Industry lines. The conditions in the country are very favourable for such development. Certain experimental measures already carried out have proved successful.

(iii) The Indian Machine Tool Manufacturers' Association should establish "Scales & Service Organisation" to safeguard the interests of the consumers.

(iv) Essential raw materials, viz. steel, pig iron etc. must be conserved and saved as much as possible by every possible means, viz. rationalisation and specialisation, which enable the right type of firms manufacturing the right type of products.

Manufacture component parts as efficiently and economically as possible, thus minimising wastage to the utmost extent.

Steps to be taken by Govt.

(i) Machine Tool Manufacturers must be provided with necessary Balancing Plant for increasing their production capacities. As suitable machinery equipment is not readily available from foreign countries within reasonable periods, suitable types of machines available from reparation plants must be allotted to machine tool manufacturers.

A provision of Rs. 50 lakhs worth of Balancing Plant must be provided either from reparation plant allocations, or from other foreign resources.

(ii) Provision of a subsidy of Rs. 10 lakhs to enable the Indian Machine Tool Manufacturers to meet the heavy cost of jigs, tools and fixtures, which are very essential for producing new models of machine tools.

(iii) Effect to be given to Tariff Board's recommendations with the least possible delay.

(iv) Appointment of 4 high-calibre specialists in order to strengthen and establish the Machine Tool Industry in the country.

(v) Assistance to indigenous manufacturers in the procurement of foreign technicians for employment in their factories and improving their products.

(vi) Provision of facilities for training qualified Machine Tool Engineers connected with the industry and obtaining specialised higher training abroad.

(vii) The Services of Government Machine Tool Inspection Organisation to be placed at the disposal of the industry free of cost to assist the infant indigenous industry.

(viii) Government should permit higher percentage of depreciation being shown in the income-tax returns to assist the speedy rehabilitation and establishment of machine tool factories.

(ix) Government (Central & Provincial) should assist the machine tool manufacturers in acquiring suitable plots of land for expansion of their factories.

(x) Preparation by the Indian Standards Institution of Indian Standard Specifications pertaining to machine tools at an early date.

(xi) Surplus capacity of Ordnance Factories for the manufacture of forgings, drop-stampings and steel castings to be placed at the disposal of indigenous machine tool manufacturers.

(xii) Regular supply of necessary raw materials, and electric power in requisite quantities at reasonable prices.

Essential raw materials.

The total present quota of steel is about 5,000 tons per annum. The allocation of steel per annum during the next 3 years to enable the present production being doubled is roughly estimated at 6,700 8,400 & 10,000 tons respectively.

Pig iron requirements per annum during the next 3 years to achieve the production target indicated above, is roughly estimated at 13,400 16,800 & 20,000 tons respectively.

Transport:

(a) The present tonnage miles effected due to transport of raw materials from sources of supply to factories are roughly estimated at 15 million ton miles.

If the target of doubling our present production is to be effected, then the tonnage miles during the next 3 years due to transport of raw materials will be 25 million and 30 million ton miles. The tonnage miles covered in transporting finished products to marketing centres at present are roughly estimated at 7½ million ton miles. If the production target is to be doubled during the next 3 years, it is roughly estimated that the tonnage miles on finished products during the next 3 years will be 10, 12½ & 15 million ton miles respectively.

MATCH INDUSTRY

Gross

Annual Production capacity	250,00,000
Present Production (1946)	248,87,887
Annual requirements (estimated)	238,00,000
Number of factories working	150

India has enough capacity to meet her entire requirements and also to export small quantities to neighbouring countries. Number of new factories are also coming up, but irregular distribution has caused occasional local shortages.

The main raw materials of the industry are chemicals for the dipping composition and soft wood for making sticks and boxes. The country is at present self-sufficient with regard to these chemicals excepting for phosphorus and sulphur which are required to the extent for 120 and 170 tons per annum respectively. The most important chemical potassium chlorate, is made indigenously; the annual capacity of its production is about 2,000 tons, but potassium chloride, a raw material required in its manufacture, is mainly imported as chloride of the required purity is not made in the country.

41,18,000 c.ft. of soft wood are required for making the required amount of sticks and boxes. The plywood industry also depends on similar species of wood and not enough is available all over the country to meet the total demands of both the industries.

The Provincial Forest Departments and other authorities have, therefore, been requested to give preference to the requirements of the Match Industry by reserving these species as far as possible except in those areas where plywood comes in serious competition with the match industry, an equitable distribution between the two industries are to be arranged. If this can be done, large exports of matches are possible.

New Units:

Forty new units are likely to come into being during the period of coming three years. They will be distributed as under:—

	Units
Madras	26
Bombay	12
Bengal	2

Capital Issue:

There is no capital issue involved. Most of the equipment will be fabricated in India and no imports of capital goods also are expected.

Iron & Steel requirements:

Approximately 400 tons of iron and steel will be consumed in connection with the setting up of these units.

Raw Materials:

Match Wood	2,101,000 cft. per year.
Potassium chlorate	90 tons per year.
Amorphous phosphorus	8 tons per year.
Sulphur	8 tons per year.

Ton mileage.

Ton-mileage involved with respect to the movement of raw materials and finished goods in regard to the production of these units will be about 160,000.

METALS

Development of Metal Industries requires special treatment in so far as raw materials are concerned. Availability of ore for metals such as copper, zinc, lead, antimony, etc. is limited to the extent to which prospective work is carried out. The necessity for active prospecting though Government help for metallic ores should, therefore, be considered in the short term plan.

The short term plans for metals will embrace increasing the production capacity of plants already in existence. In many cases, the plants were started originally with a projected capacity higher than the present production. The projected capacity could not be attained because of non-availability either of machinery, raw materials or power. The short term plans also embrace new developments which could be put into operation within the next three years.

ALUMINIUM:

No. of plants in operation:—2

Location:—J. K. Nagar near Asansol (Bengal), Alwaye, Travancore (Alumina plant in Muree, Bihar).

Projected capacity:—8,000 tons (Alwaye plant 5,000—present production rate 2,500/2700 tons; Asansol plant 3,000—present production rate 1,200/1,300 tons)

Present production rate:—3,500 to 4,000 tons per year.

Present consumptive rate of aluminium in all forms:—

About 15,000 tons per year.

What it involves: Realisation of projected capacity would involve:

- (a) making available additional power (10,000 kilowatt) and equipment.
- (b) steel 4/5,000 tons,
- (c) caustic soda (100 tons per month in addition to present supplies).
- (d) doubling the import of cryolite, aluminium fluoride, flourspar, lining materials, etc., and

(e) Additional transport required will be of the order of 12,000 ton miles.

Starting construction on proposed new plants will involve import of major plant and equipment and making available raw materials for building construction, furnaces, etc.

Short term plans: To attain the projected capacity of the present plants and start construction work on two proposed plants of 10/12,000 tons capacity each, for which capital issue sanction has been given. The long term target of production may not be fulfilled even with the two new plants. The final target to be aimed at should be between 50,000 and 60,000 tons of aluminium per year.

Action to be taken:—(1) TO DECIDE ABOUT THE PROTECTION OF THE INDUSTRY BY CONVENING THE TECHNICAL COMMITTEE APPOINTED BY THE COMMERCE DEPARTMENT.

(2) To make a block of 7,500 kilowatt available to the Alwaye plant from the Pallivasal Hydro Electric Project.

(3) To facilitate import of additional boiler, generating plant and ancillary equipment already on order for Asansol plant, and transformers for Alwaye plant.

(4) To make 4/5,000 tons of steel available for additional reduction cells and cell house.

(5) To arrange for the provision of about 100 tons a month additional caustic soda and facilitate availability of hard and petroleum coke locally, and flourspar, aluminium fluoride and cryolite and lining material through imports.

(6) To facilitate transport of additional supplies of raw materials and finished products.

2. COPPER FROM COPPER BASE SCRAP:

No. of plant:—Nil.

No. of plants projected:—1.

Location: Bombay

Present production:—Nil from scrap. 6/7,000 tons from copper sulphide are at Ghatsila in Bihar.

Projected capacity:—10,000 tons per year.

Estimated requirements of copper in the country: 70,000 tons estimate made by the Tariff Board.

Short term plans:—(1) To expedite design and erection of the proposed plant by providing necessary facilities.

(2) To do extensive prospecting work for copper ores at sites where copper is known to occur.

What it involves:—The process involves erection of the plant having converters for blowing the scrap, furnaces for fire refining of blister copper and electrolytic tanks for final refining of copper. The process is economic and would make available electrically refined copper at less than the landed cost of such material at present. The plant is not yet designed, but would roughly require 2,000 tons of steel and other building materials; about 200 tons coal per month and 2,000 K.W. power. Transport requirements would be about 6,000,000 ton miles.

Action to be taken:—(1) To give an undertaking to the entrepreneurs that raw materials as well as power would be available.

(2) To procure the services of two German Technicians, who were contacted by the entrepreneurs sometime ago.

3. LEAD:

No. of plants:—1.

Location:—Mines at Zawar, Udaipur; Smelter at Katrasghur, Bihar.

Smelter capacity:—600 tons of refined piglead per month.

Present production:—5 per cent. to 6 per cent. of capacity.

Requirements:—15/18,000 tons.

Bottlenecks:—Inadequacy of wagons for transport. petrol, diesel oil, steel cake, etc.

Short term plans:—(1) To increase production of ore and pig lead. Since lead and zinc occur and are mined together, zinc oxide can also be produced from hand picked zinc sulphide ore.

(2) To investigate lead deposits in other areas.

Action to be taken:—(1) Grant of further Rs. 20 lakhs capital issue for which they have made applications. Application is pending for the last several months now. We have supported the application.

(2) Technical help from the Works Minies & Power Deptt. for the proper development of their mines.

(3) To increase their petrol allotment from 800 gallons per quarter to 1,500 gallons per quarter immediately and 3,000 gallons per quarter from March 1948. (All the transport of ore from mines to railhead is through trucks.)

(4) Supply of about 160 tons steel for which orders have been placed and accepted by Tatas. Only 80 tons have so far been received out of a quota of 250 tons previously given. Supply of pipes from Calcutta or Bombay stocks, as it is not possible to get pipes from Karachi stocks.

(5) Regular supply of 200 tons of coke per month to their smelter at Katrasghur.

(6) Most of their trouble is due to inadequacy of wagons for transport. Equipment required for development of mines has been held up either in Bombay or Calcutta. Transport of ore from Zavar to Katrasghur is also held up and ore is accumulating due to shortage of wagons. They require a standing priority for at least 24 wagons per month for the next six months to take care of the backlog in transport. After that they require 48 to 50 wagons per month. Movement of refined pig lead from Katrasghur to Calcutta is also held up due to shortage of wagons.

(7) To encourage prospecting work on lead by private parties with financial and technical help from Government if necessary.

4. ANTIMONY:

No. of plants:—1.

Location: Mines at Chithral (Pakistan); Smelter at Bombay.

Smelter capacity:—300 tons per year.

Present production:—80 per cent. of capacity.

Requirements:—1,200 tons approximately per annum.

Bottlenecks:—Availability of ore and transport of ore. Chithral having acceded to Pakistan, transport of ore has almost stopped.

Short term plan:—To make ore or concentrate available from Burma and other countries and to increase the reduction capacity to 600 tons per year.

Action to be taken:—(1) Government assistance in making available ores from Pakistan, Burma and other countries.

(2) Putting antimony ore in 'Free List' of import.

(3) To double the allotment of caustic soda for production of antimony to 32 tons per month.

(4) Assist in procurement of Steel and other raw materials for additional furnaces.

5. REFINING OF ZINC AND TIN DROSS FOR RECOVERY OF METALS:

Zinc and tin drosses available from galvanising and tinning plants could be processed to recover either the oxides of the metal or the metal itself. Tin or oxide can also be recovered from tinplate scrap. At present there are three small units producing tin oxide and very small quantities of tin from tinplate scrap and tin dross. The main bottleneck is regularity in the supply of tinplate scrap.

There are no units for recovering zinc oxide or zinc from zinc dross. It is feasible to put up a small unit somewhere in Bengal to utilise the zinc dross available from steel Companies. The equipment required would not be elaborate and we are trying to interest some parties to take up the project as a short term plan.

6. SEMI-MANUFACTURES—SHEETS AND STRIPS:

No. of Plants: Major 2, Medium 4, Small 12, Cottage scale units not ascertained.

Under erection:—Major 1 (Bombay), Medium 2 (Bombay), Small 1 (Madras).

Under contemplation: Major 2 (1 in Bombay & 1 in Travancore), Medium 1 (Bengal), Small 1 (U.P.).

Cottage and very small scale units not taken into account.

Present capacity:—20/22,000 tons per year.

Capacity when units under erection completed: 28/30,000 tons.

Additional capacity of the contemplated mills: 12,000 tons.

Present requirements:—50/60,000 tons.

Short term plans:—To complete erection and start production in the contemplated mills within the next three years.

Action required:—To facilitate the import of machinery and supply of raw materials for the erection of building etc. Quantities of raw materials have not yet been intimated to us.

7. ALUMINIUM FOIL:

No. of plants: 1.

Location: Bengal.

Capacity: 600 to 700 tons per year foil for tea chest lining. No capacity for light aluminium foil for wrapping purposes.

Short term plan: To set up a factory for light aluminium foil, bottle caps, condenser foil, etc. in Bengal for which an application for capital issue has already been made.

PAINT INDUSTRY

OBJECTIVES

1. Increased production (doubling of present production).
2. New lines of production.
3. Development of raw materials.
4. Local fabrication of simple grinding equipment & importation of modern oil to varnish Kitchen plant.
5. Organisation of the industry on scientific lines.

Measures.—Assistance to establish manufacturers for raw materials and containers: steel and construction materials for new factories. Complete scheme in respect of an economical unit for production of Paint materials made, available to those who want to instal new factories and technical advice, *re.* formulation in respect of new lines of production. Expect to double production in 3 years. 1946-47 production is about 25 per cent. above 1945-46.

Lithopone.—Establishment of manufacture—2 plants (2000/2500 tons per annum cash). One in Calcutta other in Madras. Calcutta firm M/s. India Alkali Ltd., have completed planning. Madras Government interested and have carried on correspondence with us for 18 months. Blue prints have been given to Madras Government. They should be advised to go forward and add barytes bleaching plant along with it. Priority assistance for construction materials and assistance for coal and procurement of Zinc dross will be required.

Zinc Oxide.—Production monopoly of one firm; extra production of at least 2,000 tons per annum required. A Calcutta firm 'Associated Pigments Ltd.' has been brought in the field. Special priority *re.* Steel, etc., required to be given.

Titanium Dioxide.—Plan is to produce for self sufficiency and export. A Travancore firm Indian Titan Products' is engaged on the project. By end of 1949 hope to produce 1,500 tons. All assistance is being given. Priority assistance in respect of steel required.

Aluminium Paste.—Plan to produce for self sufficiency. Hope to complete project by 1948.

Synthetic Oxide Iron.—Will be able to produce enough for the paint industry by 1950. Samples from M/s. Chemicals Ltd., are being tried by leading firms to eliminate defects.

Chrome Colours.—Plant (i) to utilise surplus bichromate. (2) Present production 500 tons (3) Plan to produce 800 tons.

Cashewashell Oil.—Plant (i) to utilise in industrial finishes (2) except to meet all requirements by 1950.

Oil Modified Alkyd.—Plan (i) to produce 200 lbs. Expect to complete by 1948.

Industrial Nitro Cellulose.—Required to produce nitro cellulose in Ordnance Factories.

4. **Plant and Machinery**—(1) An ideal kettle has been devised. (2) It is being fabricated in U. K. (3) It will revolutionise manufacturing practice in small paint factory with this upto date equipment. Priority assistance on steel and building materials required.

PROBABLE ARRIVALS OF NEW PLANT AND MACHINERY

Grinding mills already licenced in 1946-47 and due to arrive	Value 8 lakhs.
Plant and machinery for 8 new factories envisaged in 1947-50	Value 12 lakhs.
Plant and machinery for expansion of existing factories and replacements envisaged in 1947-1950.	Value 10 lakhs.
Total 30 lakhs.	

Requirements of adjuncts against construction of new factories, expansion of existing factories and installation of the above plant and machinery.

Steel	2,000 tons.
Cement	3,500 tons.
Coal	3,000 (Annual)
Power	900 K.W.

Requirements against two Lithopone Plants of 2,500 tons annual capacity each.

Steel	400 tons.
Cement	700 tons.
Coal	5,500 tons (Annual).
Power	200 K.W.

Requirements of Zinc Oxide Plant (2,000/2,500 tons per annum capacity).

Steel	150 tons.
Cement	300 tons.
Coal	1,500 tons (Annual).
Power	60 K.W.

Requirements of Titanium Dioxide (1,800 tons per annum capacity).

Steel	1,000 tons.
Cement	500 tons.
Coal	900 tons (Annual).
Power	90 K.W.

Requirements of Aluminium Paste Pigment Plant (300/400 tons per annum capacity):

Steel	200 tons.
Cement	400 tons.
Coal	300 tons (Annual).
Power	100 K.W.

Requirements against Synthetic Oxide of iron Chrome colours, Cashewashell Oil and Phthalic anhydride for alkyd resin production.

Steel	250 tons.
Cement	600 tons.
Coal	800 tons (Annual).
Power	150 K.W.

Estimate of total requirements of adjuncts for short term plan (1947-1950) for the Paint Industry is as follows:

Steel	4,000 tons.
Cement	6,000 tons.
Coal	12,000 tons (Annual).
Power	15,000 K.W.

ORDNANCE FACTORIES.

The question of production of industrial nitro cellulose has already been taken up with the Cordite Factory Aravankadu. M.G.O. were investigating the possibility. This matter should be pursued with the Defence Department.

SOLVENTS.

Large amounts of fusel oil are available as a by-product in the fermentation industry, which has been employed as a solvent. M/s. Shadilal Chemical Works are now producing butyl alcohol by fermentation. Their capacity is 2,000 gallons per month. Necessary assistance has been given to them to keep up production.

(b) The present production of acetone in the Cordite Factory is about 400 tons, which is sufficient to meet the requirements of the industry for the present.

(c) Large amounts of benzene and toluene are available from the Ordnance Factories Production, which can be used by the industry as thinners.

PAPER INDUSTRY

1. With the successful execution of immediate plan, it is expected that the production of the indigenous paper industry, which has during the year 1947 dropped to about 95,000 tons, will be raised to its maximum output of 120,000 tons. The next stage of expansion will be the creation of new capacity by the additions and extensions to the existing plants and erection of new mills.

2. *Additions and Extensions to the existing units.*

Out of the 15 existing units of the industry, only 5 viz. Titaghur, Bengal, Sirpur, Orient & Shree Gopal Paper Mills are making sincere efforts to raise their production by affecting extensions to their existing plants. As a result of this, the increase in production within the next three years is expected to be as follows:—

	Tons
Titaghur	8,000
Bengal	2,000
Sirpur	25,000
Orient	10,000
Shree Gopal	10,000
	55,000

For the proposed extensions, machinery for Titaghur, Bengal, Sirpur and Orient has already started coming in and the building work for housing this machinery is being expected. The orders for the extensions to Shree Gopal

Paper Mills have been placed with the manufacturers in the U.K. and Sweden. According to the stipulated delivery period, the machinery is expected to arrive at site by the middle of August 1949. The chief Engineer is shortly proceeding to England and to discuss the final details with the manufacturers. It is expected that if the necessary materials in short supply and transport is made available, it will be possible to obtain the increased output from the first four units by the beginning of 1949 and Shree Gopal Paper Mills will be able to put the additional plant into commission by the end of 1949.

3. Proposed New Mills.

As far as we are aware, only 3 of the 15 units which have been allowed capital issue sanctions against the Paper Panel recommendations of 10 new units in various deficit provinces will be able to go into production by the end of 1950. The production of these three units is expected to be about 27,000 tons per annum. Of these 3 units, M/s. United Paper & Board Mills and Tribeni Tissues have made definite headway. The machinery for the former plant is already on its way and is expected to arrive at site is about 2 to 3 months time.

4. From the above, it will be observed that the total tonnage available by these developments will be about 82,000 tons. It may be stated that this tonnage will not include the newsprint paper for the manufacture of which no various attempt has yet been made. The paper Panel had estimated a consumption of about 280,000 tons of paper including Newsprint in 1951. The normal consumption of newsprint during the pre-war years had been in the neighbourhood of about 40,000 tons and it is expected that the consumption in 1951 will not be less than 80,000 tons. Against the balance requirements of 20,00,000 tons of writing, printing and wrapping varieties, the following tonnage of paper will be available within the next 3 years.

	Tons
(a) Present potential capacity	1,20,000
(b) Extension to the existing units	55,000
(c) New capacity	27,000
Total	2,02,000

5. Later on, as the requirement of paper increases, the other new units will come up which will be included in the long term plan. It is expected that, with the successful execution of these plans, we will be able to meet the whole of our present requirements of writing, printing and other such varieties of paper. The above increased output will also include varieties of paper like coated papers, grease-proof, cheap printings, tissues, specialised lines and other varieties which are not so far manufactured in India.

6. For the execution of these plans, the following assistance will be required:

(i) For purchase of capital goods Exchange facilities for about	Rs. 3 crores.
(ii) Structural steel	7,000 tons.
	In 1948 3,500 tons.
	In 1949 2,500 tons.
	In 1950 1,000 tons.
(iii) Cement	10,000 tons.
	In 1948 6,000 tons.
	In 1949 3,000 tons.
	In 1950 1,000 tons.
(iv) Coal	Additional 4 lakhs tons.
(v) Caustic Soda	Additional 4,000 tons.
(vi) Transport	Movement of 3,200 tons of material (requiring 156 wagons per day for an average distance of 200 miles).

7. It is also suggested that the Ministry of Agriculture should be asked to carry out an immediate survey of at least the known raw materials like Bamboo and Grass (Sabai) in different regions of India, so that arrangements could be made to allot to each unit forest areas large enough to meet individual requirements. The areas allotted to each unit should be nearest to it to avoid long haulage. The leases of these forests should be given on the condition that systematic rotational basis of felling will be employed and the allotted areas will be developed by the paper mills concerned. This will not only ensure regular supplies of raw materials to the paper mills but will also give an impetus to the mills to grow more suitable types of raw materials required for paper manufacture.

8. The systematic regional collection and distribution of other paper-making raw materials like old rags, tailor outtings, old hamp rope, waste paper, etc. will have to be organised. This work in our opinion, should be taken up by the two Associations of the industry.

9. There do not appear to be any chances of this industry being able to utilise the production of Ordnance Factories for meeting their immediate needs. Enquiries made so far by this Directorate General revealed that no surplus capacity exists at present for these jobs.

STRAWBOARD AND MILL BOARD

10. The potential production of this industry is about 30,000 tons per annum, against which the present output is only about 16,000 tons. The bringing up of this production to its maximum capacity has been dealt with in the immediate plan.

11. M/s. Jaswant Board Mills have imported a plant for duplicating their existing unit. This will give an additional 4,000 tons of straw board per annum. Besides this project, we are not aware of any other going into production within the next three years, although 4 or 5 have received capital issue permission.

12. The ban on the use of straw by various Provincial Governments in the manufacture of straw-board has been responsible for the deterioration in the quality and the drop in production.

Newsprint: The question of production of newsprint is being actively pursued but it will take some time before the plans mature, a Nagpur firm has been permitted capital issue sanction for this purpose but their progress is not known. The chief difficulty is the finding of a suitable raw material. Bulk samples of boswellia serrate have been sent to Canada for actual trial in the manufacture of newsprint. In the meantime, sterculia campanulata occurring in the Andamans is being investigated.

PLASTIC INDUSTRY

OBJECTIVES

1. Expansion of manufacture of Plastic goods (by compression and injection moulding, extrusion and lamination methods and machine fabrication.) Doubling of present production.
2. Development of indigenous woodflour as filler.
3. Stabilisation of manufacture of Phenol Formaldehyde Moulding Powder and experimental production of Urea Formaldehyde Plastics.
4. Raw film manufacture.

MEASURES

1. (A) Assistance for the importation of upto date presses where difficulties experience and procurement of modern plastics materials required. (B) Reduction of import duty on plastics materials which are not likely to be produced in the immediate future such as Polystyrene and Poly Methyl Methacrylate, Polyvinyl chloride etc., for a temporary period proposed. (C) Plan to produce moulds in

India Assistance for the importation of special alloy steel required. As the manufacture of moulds is a highly specialised job and services of an expert acquainted with the latest developments in mould design and manufacture on short term contract will also be required by manufacturers who have the necessary tool shop equipment for the purpose. (D) *Policy decision* has to be taken regarding the establishment of a 10-ton plant for the manufacture of urea and an economic plant for the manufacture of synthetic methanol and formaldehyde at Sindhri.

WOODFLOUR

2. Samples of woodflour are being tested by Moulding Powder Manufacturers. Expect suitable material to meet requirements completely will be available by the end of 1948.

MOULDING POWER

3. Production of Phenol Formaldehyde Moulding Powder of satisfactory quality already established. A plan is to stabilise production and increase the full demand of the Moulding Industry. Experimental production of other Phenol Formaldehyde Plastics for Plywood Bonding, Textile, Anticrease and Moulding powders—will be initiated.

4. Plan to produce 8 tons of transparent film per month. The Film casting plant of the Calcutta firm M/s. India Oil Plastics has arrived and is being installed. Production expected by middle of 1948.

PROBABLE ARRIVALS OF PLANT AND MACHINERY

Machinery for compression, moulding, injection moulding extrusion, lamination and Dieshop equipments, licenced in 1946-47 (i) already arrived and awaiting installation (ii) due to arrive. } Value 30 lakhs

Plant and machinery for three big factories, envisaged in 1947-50. } Value 30 lakhs.

Plant and machinery for six medium sized factories envisaged in 1947-50. } Value 15 lakhs

Plant for expansion of existing factories Value 10 lakhs

Total 85 lakhs

Requirements of adjuncts against construction of new factories and expansion of existing factories and installation of the above plant and machinery.

Steel	2,500 tons
Cement	4,000 tons
Coal	
Power	800 K.W.

Ordnance Factories:

1. Investigation of possibilities of making dies in ordnance factories e.g. gun and shell factory Cossipore.

2. Possibility of manufacture of special alloy brass inserts for Bakelite Electrical accessories.

SHORT TERM PLAN (TIMBER)

General:

This plan deals with what can be achieved in the next three years, i.e., end of 1950 with proper planning of the industries. The main industries consuming wood as raw material can be divided into three main categories (1) Plywood, (2) Bobbin factories and (3) sawmilling.

PLYWOOD

The main consumer of plywood is the tea industry. There is a growing demand for other commercial purposes as well.

(i) *Teachests*: The requirement of teachests is indicated below:—

Region	Production of tea (in million lbs.)	No. of teachests required (in millions)	Equivalent sq. ft. (in millions)
North India	490	4.9	86.2
South India	90	0.9	16.2
Total	580	5.8	102.4

As tea production is not likely to increase appreciably, the required quantity at the end of 1950 may, therefore, be taken as 110 million sq. ft. of teachests plywood made up as follows:—

	Million sq. ft.
North India	90
South India	20
Total	110

(ii) *Existing capacity*: The Production from the existing mills is estimated as follows from the actual production figures received so far.

North India

	Million sq. ft.
Assam (2 factories)	16
Bengal (10 factories including 2 mills in Cooch Bihar)	6
Bihar, Orisa & the U.P. (5 factories)	1
Total	23

South India

	Million sq. ft.
Bombay, Madras, Mysore, Cochin & Travancore States (about 20 factories)	17
Total	40

The total deficit in supply therefore stands as follows:

	Million sq. ft.
North India (90—23)	67
South India (20—17)	3

(iii) *Commercial Plywood*: The requirement at the end of next three years may be taken as 50 million sq. ft. against the present production of 10 million sq. ft.

(iv) *Location of new factories*: During the next three years, it may be possible to locate new factories in the following places:

Eastern States (Kalahandy)	1
Central Provinces	1
Andamans	3
Assam	4

Capital issues for Kālghandy and the C.P. factories have been already recommended. M/s. Rohtās Industries, Dalmianagar and Plywood Products, Sitapur have arranged with the Ministry of Agriculture to shift their machinery to Andamans where timber is plentiful. Negotiations are in progress to establish another plywood mill in North Andamans. Besides the two existing factories in Assam, there is room for another four factories mostly in the areas now opened up after the last war.

The estimated production of the different factories proposed above will be as follows:—

	Million sq. ft.
Eastern States	9
C. P.	6
Andamans	40
Assam	40
Total	95

If the above mills can be installed, India will be very nearly self-sufficient in the matter of plywood as will evident from the following:—

The probable demand at the end of '950

	Million sq. ft.
Teachest	110
Commercial plywood	50
Total	160

The estimated production at the end of 1950

	Million sq. ft.
Existing factories	50
New factories	95
Total	145
Less contingencies	15
Nett	130

The deficit of 30 million sq. ft. will be mostly in commercial plywood for which the existing demand for local consumption is not considerable. The commercial plywood requires special glues and before attempting to speed up production of plywood of this category, it is necessary to organise research on the glues.

RAW MATERIALS

(i) Timber

To produce 145 million sq. ft. of plywood, the quantity of timber required will be about 1,45,000 tons. Timber requires special types of wagons and long distance movement of this large quantity of timber by rail to feed factories far away from the sources of raw material, is out of question. When the new mills are located, the factories have to be located as near the source of raw materials as possible to avoid rail movement of logs.

(ii) Glues

Casein glue is in general practice. Some South Indian Factories use protein glues. Besides casein, other chemicals required for the purpose are, Sodium Silicate, Borax, Sodium Fluoride etc. Some Caustic Soda is also

required. To produce 145 million sq. ft. of plywood, the quantitative requirement of the important gradients is indicated below:

Casein	2500 tons—Existing production in India is about 1000 tons. Balance required to be met by use of Protein glues for which enough raw materials exist in India.
Sodium silicæ	40 „ —Available in India.
Sodium Fluoride	250 „ —To be imported.
Borax	60 „ — ditto

(Note.—The ban of the Bombay Government on large scale production of butter in the province has seriously affected by production of casein. It may be necessary to resort to import of casein from Australia, New Zealand and other countries. Dr. Narayanamurti in collaboration with the Bangalore Institute of Science found a formula for groundnut, protein glue and if the shortage continues, this glue may substitute casein in course of time.)

FITTINGS

Materials required for the fittings of the proposed quantity of teachebest plywood is estimated to be:

(a) Black plate, Terne Plates, etc.	4400 tons (to be imported)
(b) Bifurcated rivets	200 „ „
(c) Nails	600 „ „
(d) Staples	250 „ „
(e) Aluminium lining	800 „ „

M/s. Venesta Ltd., Calcutta hold the virtual monopoly of the entire trade, Indian customers have complained of unfair treatment, rightly or wrongly. This can, however, be remedied by introducing some system of licensing of the production.

MACHINERY

Altogether nine new mills have been recommended. This includes two existing mills in a new site in the Andamans. The balance seven will require to be imported from the USA including the value of the additions to the existing factory for improvement, the value of the machinery to be imported is likely to be in the neighbourhood of Rs. 90,00,000 in the next three years.

TECHNICAL PERSONNEL

The Forest Research Institute, Dehra Dun, provides facilities for the training of the technical personnel. Besides, a number of students have been deputed to the USA to acquire up-to-date technical knowledge of this industry who will be available to the industry in a short time.

ACTION TO BE TAKEN

1. The provincial Governments of C.P., Assam and Orissa should be requested to grant lease of forest areas on a long term basis to deserving parties with good financial backing for establishing plywood mills in the respective areas within a specific period.

2. The provincial Governments should be requested to undertake detailed stock taking of timber in the areas which hold out prospect of supporting plywood industries.

3. Establishment of glue research centres in other scientific institutes besides the FRI, Dehra Dun so as to get quick results.

4. Investigate the possibilities of producing various chemicals required for glue and the fittings in the country.

5. Obtain consent of the provinces concerned authorising the DGI & S to import the necessary machines from the USA in advance on behalf of the provinces. The machinery take a long time to arrive and if speedy action is intended, it is essential to make advance arrangements.

6. Arrangements for the fittings and chemicals.

2. BOBBIN INDUSTRY

The figures available so far indicate the India can meet only a small proportion of the total demand. The balance require to be imported and the value of the import annually amounts nearly to a crore of rupees. Handu and Kail timbers have been extensively used for the purpose but they are good enough for heavy type of bobbins but for lighter varieties more suitable timber has yet to be found. The main bottleneck is the availability of suitable timber at competitive prices. Small sized trees can meet the demand of the industry. It may be possible to initiate at this stage a policy of forest plantations of suitable species at the most convenient places. The plantations are likely to mature in about 25 to 30 years, if not yearly.

Some countries such as Australia, Germany etc., are using compressed wood for this purpose. Attempt should be made whether similar industry can be developed to meet this demand in India. If this succeeds, it will utilise a good quantity of veneer which are otherwise wasted in the plywood mills.

ACTION TO BE TAKEN

1. Research in the use of compressed wood for bobbin making;
2. The provinces should be requested to initiate a policy of forest plantations to grow suitable species for bobbin manufacture in the most convenient places, from the point of view of transport.

3. SAWMILLING

The last war has depleted all the accessible areas of the forest of exploitable growing stock. It will now require a very heavy outlay on opening up communications in the remoter areas. Hand sawing has been the rule but the number of sawyers is decreasing, the wages are going high and if the number production has to be maintained at the pre-war level, it will require to be organised on a more systematic scale and the hand sawing has to be replaced by machine sawing. This can be achieved if the provincial government would initiate a sale policy on a long term basis to encourage capital investment on machinery and development of extraction rules.

The number of leave/lead sawmills which were installed during the last war are at present considerably handicapped for not getting any replacement of parts. The number of such mill's is not large and the total demand is not sufficiently big to encourage the ordinary traders to maintain any stock of such spare parts. It will be a help if, by negotiations with different firms in various parts of India, some arrangement is made for importing these machinery parts and keeping a stock of them to meet the day to day demand of the mills.

ACTION TO BE TAKEN

Provincial Governments should be persuaded to agree to a sale policy of forest coupes on a long term basis to encourage sawmills.

2. Establishment of agencies in different parts of India for maintaining a stock of imported woodworking machines and spare parts.

C. PURKAYASTHA,

Development Officer (Timber).

RADIO RECEIVERS

Present Capacity:

The present production capacity of the country for Radio Receivers is 8,000 Nos. of which only 800 Nos. are for large sets while the remainder are for People's sets. Bengal. 1 fy.—800 Nos. Bombay—1 Fy.—1,200 Nos.

Expansion by 1950:

This capacity is expected to be expanded by 1950 to 18,000 Nos. per annum. The regional distribution will then be as follows:—

Province/State	No. of Factories	Aggregate capacity
Bengal	3	5,000
Bombay	2	5,000
Bihar	1	4,000
Mysore	1	3,000
Total	7	18,000

Progress:

The total capital issue for this industry is Rs. 1,62,00,000. As manufacture of Radio Sets will largely mean assembly of imported components for some time to come, no elaborate equipment is needed. It is however intended to undertake progressive manufacture of Radio components except valves in the country in the next three years. A beginning has already been made in this direction. Steel for construction of factory buildings is being licensed in Period I of 1948 to two of the new factories.

Long term Target: 25,000 Nos. per year.

Raw materials:

The present requirements of the principal components and those that will be required by 1950 are given below.

	Present	By 1950
	Nos.	Nos.
Valves	25,600	90,000
Paper Condensers	52,000	1,98,000
Mica Condensers	34,400	1,26,000
Dry Electrolytic condensers	16,600	36,000
Ceramic Condensers	27,200	1,26,000
Resistancers	31,200	3,78,000
Loudspeakers 6"	8,000	18,000
Chasis complete with Tuning condensers, output transformer assembly, I.R. Transformer R.F. Case Washers, Cleats, Clips Knobs, etc.	8,000	18,000

It is proposed to develop manufacture of all these Radio Components in order to put the Radio Industry on a Footing of self-sufficiency.

Manufacture of transmitters and Valves for Radio receivers is a defence industry and immediate steps should be taken to establish, with State help this industry in the country. It is understood that C.S.I.R. has received a small Pilot plant for making Valves.

TELEPHONE EQUIPMENT

The Super Services (India), Bombay, have made considerable progress in connection with the establishment of a large and modern factory to fabricate complete telephone equipment and accessories, and a new public company under the name and title of Indian Automatic Telephone and Electric Co., Ltd. with a capital of one crore and 25 lakhs will be floated in the near future.

There are three factories viz. M/s. Super Services (India), Bombay, M/s. India Electric Works Ltd., Calcutta and Messrs. Telephone Manufacturers Ltd. Dehra Dun, who are at present manufacturing the following telephone components:—

1. Bakelite and Ebonite Ear Pieces.
2. Bell type Receiver.
3. Ringing and Listening Keys.
4. Hand Micro Telephones.
5. Brass Earth-plate for box pattern Telephone.
6. Drop Coils, Heat Coils and Winding Coils.
7. Generator Handles.
8. Receivers and Transmitters.
9. Glass Fuse.
10. Ringer movements.
11. Mouth Pieces. and
12. Certain types of Relays.

There are certain components which are at present not manufactured in India and these are—

1. Permanent Magnets.
2. Soft iron pole pieces.
3. Stalloy Diaphragms.
4. Special types of carbon electrodes, Carbonegranules, Carbon diaphragms.
5. Numbering Dials.
6. Condensers, and
7. Special type of Relays.

The difficulties in manufacturing the above-mentioned components are—

(a) Non-availability of requisite materials. such as: Stalloy, Processed Carbon, required for electrodes and granules and Bakelite moulding powder.

(b) Lack of specialised technique.

Attempts are being made to persuade N.I.C.C. and I.C.C. to take up the manufacture of paper core cable for telephones.

RAYON INDUSTRY

OBJECTIVES

1. Two Rayon factories expected to come into production before 1950.
2. Indigenous production of minor parts of Rayon Plant.
3. Development of pulp for Rayon.

Measures:

1 & 2. (a) Priority assistance for construction of factory and in respect of steel to Indian Engineering firms for fabrication of minor parts of Rayon plant will be required.

(b) Investigation into the possibility of obtaining pulp from sources like Russia and Australia is required, as the supply position on the continent U.K. and America is reported to be not easy.

(c) Exemption of duty on imported plant and machinery and refund of duty on raw materials used in Rayon manufacture required to be given consideration as promoters of Rayon are paying dearly for the technical services from abroad and price of plant is also reported to have gone up considerably.

Following are Stages:

3. Plant for (a) survey of cellulosic materials with a view to get correct data of availability of raw materials required to be carried out by the Forest Deptt. Plan (b) Preparation of pulp from these raw materials and testing their suitability for rayon manufacture. Plan (c) Standardisation of method of manufacture of the pulp from the best suited material and working out of the details so as to arrive at the cost of manufacture of the pulp to be carried out at the Forest Research Institute. Government Pilot Plant if established will be required to be at the Forest Research Institute (Pulping Plant) and at the Rayon Factory which first comes into production (Spinning Plant).

Probable arrival of new plant and Machinery.

Approximate value 3 crores:

Requirements of adjuncts against construction of two factories and installation of the above plant and machinery:

Steel	5,000 tons.
Cement	10,000 tons.
Coal	30,000 tons (Annual).
Power	8,000 K.W.

REFRACTORIES

Present capacity:

The present productive capacity of the country is 2,13,700 tons. This is regionally distributed as follows:—

Province/State	Number of factories	Aggregate capacity (in tons)
Bengal	4	98,480
Bihar	5	86,600
C. P.	2	18,060
Delhi	3	4,800
Morvi	1	8,400
Mysore	1	3,360
TOTAL	16	2,13,700

Expansion by 1950:

This industry is expected to be expanded by 1950 to 2,25,000 tons. The regional distribution will then be as follows:—

Province/State	Number of factories	Aggregate capacity (in tons)
Bengal	4	1,02,280
Bihar	5	84,500
C. P.	2	18,060
Delhi	3	4,800
Morvi	1	12,000
Mysore	1	3,360
TOTAL	16	2,25,000

Progress:

One of the two existing factories in the C.P. area and the factory in Morvi have already started work in putting up two tunnel kilns, while the other two factories intending to expand are now taking steps to finalise their plans.

Long Terms Target: 2,50,000 tons by 1952.

Raw Materials:

The present requirements of Basic raw materials and those that are anticipated by 1950 given below:—

	Present	By 1950
Coal	1,80,000 tons	1,92,000 tons
Bauxite	9,500 tons	10,000 tons
Fireclay	2,10,000 tons	2,30,000 tons
Keyonite	2,100 tons	2,300 tons
Magnesite	5,500 tons	6,000 tons
Silica Stone	32,000 tons	34,000 tons

Estimated Annual Transport Requirements by 1950:

Raw materials	23,71,500 ton/miles (23,715 wagons)
Finished products	11,25,000 ton/miles (11,250 wagons)

RUBBER INDUSTRY

1. At present the Industry consists of:—

Tyre factories	2
Cable factories	2
General mech. goods factories	53
Latex Factories	28

Many new small factories have come into existence and they are mostly run on cottage industry basis.

2. The above factories have the capacity to consume approximately 21,000 tons of rubber per annum. At present due to want of raw materials like coal, chemicals, steel (bead wires) and textile materials, the full capacity is not utilised. With the exception of the tyres, tubes and footwear and a few other items, the entire production of the industry is being utilised against home requirements. The statement showing the capacity and the peak production achieved during 1945-46 in India is placed below (List 'A').

3. We had recommended the applications from about 27 factories for the import of new machinery from U.K. and U.S.A., the total value of which is approximately a crore of rupees. Some of the machinery have already arrived and the rest are likely to reach India before the fourth quarter of 1948. With the installation of the additional machinery under order, it is expected that the production capacity in India will be increased by approximately 30 per cent. Many specialised machinery like Banbury mixing mills, calendars, extruders and spreading machines are required for the rubber industry and it is very difficult to get these perfectly manufactured anywhere in India. Various moulds and dyes can be manufactured in the Ordnance Factories and the matter will be taken up immediately after the new machinery arrives. The majority of rubber goods are required by other industries and hence as industrialisation proceeds in the country, the demand also will proportionately increase and it is expected that this increase will be about 30 per cent. of the present requirements by 1951. At that stage it is expected that there will be an exportable surplus in most of the items. A statement showing the position in 1951 is placed below (List 'B').

4. To house the machinery under the present programme, it is expected that an additional quantity of 6,000 tons of steel will be required. When the factories start working to full capacity, the following will be the additional requirements of raw materials:—

(1) Rubber (a) high grade	4,000 tons per annum.
(b) reclaim	1,500 tons per annum.
(2) Chemicals	2,500 tons per annum.
(3) Coal	24,000 tons per annum.
(4) Textiles (a) cloth	21,45,000 yards per annum.
(b) yarn	6,00,000 lbs. per annum.
(5) Steel (bead wire)	40 tons per annum.

5. **Transport:** The transport facilities that are required at present for the industry is partly made by movement through sea and partly by rail inland. The requirements of the industry per month for the movement to the works and for finished products distribution throughout India is 7,247 tons covering an approximately mileage of about 41,200 per month. When the production increased, it is expected that there will be approximately an increase of about 30 per cent. At present the manufacturers experience great difficulty due to want of railway transport facilities.

6. **Remarks:** The following are some of the important points which, if initiated, now, will facilitate the working of the short term plan.

(i) Some parties who have applied for import of machinery complain that there is much delay in receiving the necessary licence and further delay may result in missing their chance of procuring the machinery which is earmarked for them. Therefore, the Ministry of Commerce must be requested to expedite the issue of the import licence for machinery;

(ii) The factories are to be advised to manufacture goods strictly according to the British Standard Specifications for at a later stage when India has got a large exportable surplus, the goods will have market only in case the quantity is high;

(iii) By the end of 1951, the country will have a large quantity of exportable surplus of rubber goods and in order that the Indian manufacturer may be able to capture the foreign markets, it is necessary that we have to encourage exports in spite of the fact that some items will be in short supply at present in India. This export drive may also give incentive to the manufacturers to step up production;

(iv) Rubber, Alkali reclaim rubber, chemicals and Bead wire have to be imported into the country and hence we have to render all facilities to the manufacturers to procure these.

7. **Conclusion:** The short term plan envisages an increase of production of rubber goods by 30 per cent. of the present production in 1951 and the materials indicated in paragraph 4 above will be required to achieve this target.

RUBBER INDUSTRY.

LIST 'A'

Statement showing the present installed capacity peak production achieved in 1945-46

Items of goods manufactured	Capacity of all factories	Peak production achieved	Country's requirements	Exportable surpluses
Motor car, giant and Aero. Tyre and tubes.	10,00,000 sets	7,00,000 sets	6,00,000 sets	1,00,000 sets
Cycle tyres and tubes	50,00,000 sets	32,00,000 sets	30,00,000 sets	2,00,000 sets
Wrapped hoses	70,00,000 ft.	35,00,000 ft.	50,00,000 ft.	Nil.
Dipped goods (cottage industry)	400 tons	100 tons	300 tons	..
Moulded goods	6,00,000 pcs	3,80,000 pcs	8,00,000 pcs	..
Soles and Heels	2,00,000 gross	16,000 gross	1,50,000 gross	..
Calendered articles	1,000 tons	500 tons	650 tons	..
Extruded Articles	3,000 tons	300 tons	4,000 tons	..
Built up goods rollers	2,060 Nos.	1,400 Nos.	2,400 Nos.	..
Ebonite rods and tube Sheets	150 tons	130 tons	120 tons	10 tons
Surgical Goods	120 tons	120 tons	80 tons	40 tons
Proofed fabrics	42,00,000 yds.	10,40,000 yds.	37,80,000 yds.	..
Football bladders	22,00,000 prs.	19,00,000 pcs.	18,00,000 pcs.	100,000 pcs.
Canvas shoes	2,30,10,000 prs.	1,80,00,000 prs.	1,58,00,000 prs.	22,00,000 prs.
Gum boots	1,50,000 prs.	80,000 prs.	50,000 prs.	30,000 prs.

RUBBER INDUSTRY.

List 'B'

Statement showing the increased capacity of all Factories Home Requirements etc. in 1951

Items of goods manufactured	Capacity of all factories	Home requirements	Exportable surpluses
1 Motor car, giant and aero tyres and tubes.	13,00,000 sets	8,40,000 sets	4,60,000 sets
2 Cycle tyres and tubes	65,00,000 sets	42,00,000 sets	23,00,000 sets
3 Wrapped hoses	91,00,000 ft.	70,00,000 ft.	21,00,000 ft.
4 Dipped goods (cottage industry)	520 tons	420 tons	100 tons
5 Moulded goods	7,80,000 pcs.	11,00,000 pcs.	Nil
6 Soles and heels	2,60,000 gross	2,10,000 gross	50,000 gross
7 Calendered articles	1,300 tons	910 tons	390 tons.
8 Extruded articles	3,900 tons	5,600 tons	Nil
9 Built up goods or other	2,600 Nos.	3,340 Nos.	Nil
10 Ebonite rods and tube sheets	195 tons	168 tons	27 tons
11 Surgical goods	156 tons	112 tons	44 tons
12 Proofed fabrics	54,00,000 yds.	52,92,000 yds.	1,68,000 yds.
13 Football Bladders	28,00,000 pcs.	25,20,000 pcs.	3,40,000 pcs.
14 Canvas shoes	2,99,13,000 prs.	2,21,20,000 prs.	77,93,000 prs.
15 Gum boots	1,95,000 prs.	70,000 prs.	1,25,000 prs.

N.B.—it is gathered that more parties are interested in the import of machinery and so it is expected that the shortage in the items Nos. 5, 8 and 9 will also be met before the end of 1951

SHIP BUILDING INDUSTRY

General:

India's capacity for (Steel) shipbuilding was nil in pre-war days. In the interest of war effort the British Admiralty took initiative in building ships in India during the war period. Within a short period of 5 years the industry has developed to such an extent as to produce nearly 2 lacs gross tons of shipping including two of the worlds largest floating docks 50,000 gross tons each.

Unfortunately, the efforts of British Admiralty was only a means to an end and was not motivated by the idea of developing the industry on a permanent basis, as a result of which the temporary shipyards and the extensions made to the existing yards at enormous cost were dismantled and lost to the country.

Present Maximum Capacity.

At present there are 6 firms (who were engaged in ship-building during the war) capable of undertaking new constructions namely:—

- (1) M/s. Scindia Steam Navigation Co., Ltd., Vizagapatam.
- (2) M/s. Garden Reach Workshops, Ltd., Calcutta.
- (3) M/s. Shalimar Workshops, Ltd., Calcutta.
- (4) M/s. Hooghly Docking & Engg. Co., Ltd., Calcutta.
- (5) M/s. Alcock, Ashdown & Co., Ltd., Bombay.
- (6) M/s. Shaparia Dock & Steel, Bombay.

Out of the above six firms, only M/s. Scindia have a definite programme for building new ships, whereas M/s. Garden Reach have none although they have all the facilities and equipments to take new construction work immediately. The remaining ones are more or less Ship-repairers, but their capacity can be switched to shipbuilding with very little effort. If the capacity of these firms be properly mobilised, then we may expect an average outturn of nearly 10,000 gross tons per annum.

Estimated Requirement.—India's estimated requirements of Mercantile Marine is about 2 millions gross tons, whereas the existing shipping capacity is approximately 2,50,000 gross tons or about 12.5% of the actual requirement.

Our Target.—Although it may not be possible to meet our immediate requirements by building new ships and we will have to depend on buying surplus ships available with other maritime countries, our target should be to produce a minimum average quantity of 50,000 gross tons of shipping per annum at the end of 1950.

The First phase of our Plan is to mobilise the existing units with the object of building 10,000 gross tons of shipping per annum. To achieve this object, the following raw materials and transport will be necessary:—

- (1) Steel (Shipbuilding plates, Heavy Bulb Angles, Rivets, etc.)—4000 tons annually
- (2) Transport—1½ million ton miles on B. N. Rly. B. B. & C. I. Rly. and M. & S.M. Rly

The second phase of our Plan should be to achieve the target figure of building 50,000 gross tons of shipping annually. For this purpose it will be necessary to have at least 50 Nos. Building Berth. Provision for 11 Nos. of Building Berths has already been made by Messrs. Scindia. To lay out the balance Building Berths, it will be necessary to construct 3 more new shipyards preferably at Government initiative. The location of the 3 new shipyards should be at Calcutta, Bombay and it is. This can only materialise within a short period if Government of India is able to obtain shipyard machinery as preparations from Japan for which maximum endeavour should be made.

The estimated requirements for raw materials and transport for the construction of 3 new shipyards are as under:—

- | | |
|------------------------------|--|
| (1) Steel | 8,000 tons in 1949.
4,000 tons in 1950. |
| (2) Cement | 5,000 tons in 1949.
3,000 tons in 1950. |
| (3) Coal Dust to burn bricks | 2,000 tons in 1949. |
| (4) Transport | 15 million ton miles in 1949.
5 million ton miles in 1950.
on B. N. Rly., B. B. & C. I. Rly.
and E. I. Rly. |

It will, therefore, be necessary to make a provision to long-term Plan for steel at the rate of 20,000 tons annually to build 50,000 gross tons of shipping. It is defence industry for the development of which the state should take a large share of responsibility.

SILK

Development of sericultural industry of India

1. Consumption and production of raw silk in 1939 (also please see appendix attached).

- | | | |
|--|---------------|----------------|
| (a) Consumption | Approximately | 3,750,000 lbs. |
| (b) Production | Approximately | 1,500,000 lbs. |
| Deficit in 1939 between production and consumption | | 2,250,000 lbs. |

2. Estimated production and consumption in 1948

- | | | |
|---------------------------|---------------|----------------|
| (a) Estimated consumption | Approximately | 4,000,000 lbs. |
| (b) Estimated production | Approximately | 2,100,000 lbs. |

made up as follows :—

	Charka lbs.	Filature lbs.	Total lbs.
(a) West Bengal Government	350,000	50,000	400,000
(b) Madras Government	100,000	50,000	150,000
(c) Mysore Government	1,100,000	300,000	1,400,000
(d) Kashmir and Jammu Government	...	140,000	140,000
(e) Assam Government	15,000	...	15,000
(f) Bombay Government	...	1,000	1,000
	1,565,000	541,000	2,106,000
Grand total	2,106,000 lbs.		

3. Deficit between consumption and production in 1948.

Approximately 1,900,000 lbs.

4. Short term plans

Targets for 1950.

Mysore, Kashmir, Bengal and Madras are the present 4 big Mulberry silk producing territories. Assam, Bihar and C.P. produce some non-mulberry variety, i.e., silk produced from wild cocoons and are of rather inferior quality. The term raw silk applies to Mulberry raw silk which is the standard quality silk all over the world. Bombay and Assam have, however, already made useful start in producing mulberry silk. The targets which Mysore, Kashmir, Bengal, Madras, Assam and Bombay Governments are now striving to attain, in accordance with their present plans are:—

	Filature: lbs.	Charka. lbs.
(a) Mysore	550,000	1,450,000
(b) Kashmir	250,000	Nil
(c) Bengal	200,000	400,000
(d) Madras	275,000	92,000
(e) Assam	Nil	20,000
(f) Bombay	25,000	Nil
	1,300,000	1,962,000
	= 3,262,000 lbs.	

5. To increase the production up to this target, during the next 3 years, we have to take the following actions:—

- A Central Silk Board should be formed immediately.
- Supply of large quantities of disease-free seeds to cocoon rearers is vitally needed. The Central Sericultural Station at Berhampore should be expanded, and placed under a wholetime. Officer-in-Charge, so that in addition to its research work it can produce annually at least 300,000 disease-free layings. The re-organisation and expansion is likely to necessitate about Rs. 15 lakhs non-recurring expenditure and about Rs. 2 lakhs recurring expenditure.
- All filature raw silk produced in Mysore and Bengal should be canalised through Conditioning Houses (i.e., Silk Test Houses) and for this purpose Warehouse Acts should be enacted and ware-houses established before the end of 1948.
- All the Provinces have got plans for establishment of Regional Research Stations and Central Government to insist that these schemes be expedited so that the regional stations may begin to function before the end of the next year. This should be immediately finalised.

(e) Silk Directorate's present technical staff (the Inspectorate staff of five at present posted in Calcutta), which assist filatures in Bengal to develop their production quantitatively and qualitatively, to be increased as the above mentioned plans materialise by December, 1948, and a Chief Inspector of Conditioning Houses in India, as recommended by the Silk Panel, will have to be appointed and attached to this Directorate by the same period. Although this has a long term aspect, the necessity for initiating it is immediate.

(f) 300 fully equipped, grainages are required to be set up by the various Governments concerned for seed requirement of Indian Sericulture; the cost of buildings and equipment of each grainage would be about Rs. 20,000 each. These to be set up within the next two years, viz. 1948 and 1949.

(g) Development of Spun Silk Industry should also be immediately undertaken.

SOAPS

	Tons
Present capacity	200,000
Present production	85,000
Minimum requirements	200,000
Target of production as suggested by Panel	300,000

It is planned to stabilise production at 200,000 tons per annum during the next 3 years. It is not necessary to increase the present capacity but it is desirable that the industry be rationalised with a view to make the best use of available supplies of raw materials.

Additional requirements of the Industry.

Caustic Soda	14,000 tons	(3,000 tons from indigenous production and 11,000 tons from imports)
Steel	400 tons	(for remodelling and maintenance of existing factories).
Coal	20,000 tons	
Tons mileage	20,000,000.	

SODA-ASH

1. Present Position and Target.—(All figures in tons per Annum)

(i) Existing capacity	55,000	Dargadhra 19,000 Tata Chemi: 36,000 (Just going into prodn.)
		I.C.I. 20,000
(ii) Present Production	12,000	Idle capacity 43,000
(iii) Target (short-term)	110,000	New capacity Planned or to be planned } 55,000

Short Term Plan:

(i) Increase in production planned	98,000	Idle capacity 43,000 New capacity 55,000 98,000
		No. of Units. Capacity
(ii) Plant under erection	Nil	Nil
(iii) Plants for which import licences have been granted	3 36,000	will normally take three years or more to commence production. Please see 3 below.
(iv) Plants for which contact industrialists and interest them	2 of 18,000 each or 1 of 36,000	36,000
	72,000	

(If in two units, at least one could be put into commission in short term.
or 54,000 if only one unit of 18,000 is to be installed.)

The following are the existing plants in different areas.

Area	No. of Plants	Present annual Capacity (Tons)
Bombay	2	55,000

Import licences have been issued to three firms and the plants will be located as follows :—

Area	New Plants	Additional Capacity
Madras	3	36,000 tons

The requirements of various adjuncts for the erection & running of these additional plants will be as follows :—

Area	Requirements of steel (Tons)	Annual requirements of			Ton mileage
		Lime Stone	Coal & Coke		
Madras	6,000	48,000	63,000	30,000	219,40,000

3. What it involves :—

- All assistance are being given to Tata Chemicals to put their plant in commission.
- Active Assistance for procurement of the 3 plants licenced [see 2(iii) above] I.S.M. Washington & India Supply Commission U.K. to be brought into the picture with action to be initiated at Embassy High Commissioner level.
- An industrialist, preferably in West Bengal to be got interested in installation of a plant there to meet Regional requirements of the Eastern Area. West Bengal Government may be asked to participate directly.

Action Required :—

- Above will result in production 36,000 tons more. Most of it may be available in 1948.
- 3(ii) and 3(iii) may result in production maturing only after the expiry of the short-term but action in the short term is required to ensure results thereafter.
- To cancel licences where the parties are not interested in going forward.
- To interest other industrialists and encourage them in the soda ash industry.
- If private enterprise shows slackness in implementing the projects already approved, the Provincial Governments and the Centre should help them with finance and technical advice.

STORAGE BATTERIES

Present Capacity.—The present productive capacity of the country for storage batteries is 172,000 Nos. This is regionally distributed as follows :—

Province/State	No. of Fys.	Aggregate capacity.
Bengal	2	112,000
Bombay	2	36,000
Mysore	1	24,000
	5	172,000

Expansion by 1950.—This capacity will be expanded by 1950 to 272,000 Nos. The regional distribution will then be as follows :—

Province/State	No. of Fys.	Aggregate capacity.
Bengal	2	112,000
Bombay	2	100,000
Mysore	1	60,000
	TOTAL 5	272,000

Progress.—It will be evident from above that the capacity of three out of the five existing factories will be considerably expanded by 1950. The capital issue for the industry up-to-date is Rs. 30,00,000 of which Rs. 20,00,000 will be spent on the short-term expansion under reference. Almost the entire equipment required by the larger of the two factories in Bombay area has arrived in the country with part of it having already been commissioned. A feature of this project is the modernity of the plant which is illustrated by such items as automatic die casting and pasting machines. Assembly line roller conveyors etc. Negotiations with foreign manufacturers are now in progress in respect of the other two factories for the purchase and import of the plant required for the expansion. Besides above, two container plants have been imported for two of the existing of five factories of which one has already its container plant. Possibility of indigenous production of Reclaim Rubber for hard rubber containers is now being investigated.

Long Term Target.—Industry's Capacity by 1950 will be adequate for the country's requirements.

Raw Materials.—The present requirements of basic raw materials and those that are anticipated by 1950 are given below :—

	Present	By 1950
Lead	2,500 Tons	4,000 Tons
Antimony	175 Tons	275 Tons
Red Lead and Litharge	800 Tons	1,300 Tons
Sulphuric Acid	120 Tons	190 Tons
Separators	6,500,000 Nos.	10,500,000 Nos.

Experiments have been initiated with regard to the use of Indian timber for the manufacture of separators which are almost entirely imported at present.

Estimated Annual Transport requirements by 1950.

Raw Materials	6,00,000 ton/mile (40 Wagons)
Finished store	1,700,000 ton/mile (120 wagons)

In the absence of quality control, the present production is of varying qualities. It is absolutely necessary that some form of quality control should be introduced if this industry is to survive competition.

SULPHURIC ACID:

1. *Present position and target* (All figures in tons per-annum)

(i) Existing capacity	100,000
(ii) Present production	65,000
Idle capacity	35,000
(iii) Target (Short-Term)	150,000
New capacity required	50,000

The following are the existing plants in different areas and their capacity.

Area	No. of plants.	Capacity
Assam	1	4,500
Bengal	6	16,000
Bihar	6	21,000
Bombay	6	10,000
Madras, Mysore, Hyderabad and Travancore	4	32,700
Punjab and Delhi	9	9,600
U. P.	6	5,000
Baroda	1	400
	38	100,000

2. *Short-term plans.*

(i) Increase in production planned	85,000
New	50,000
Using idle capacity	35,000
(ii) Plants under erection	2 contact—6,000 production expected shortly.
(iii) Plants for which import licences issued	9 contact—60,000 2 years to commence production.

Some of the new plants are for replacement of obsolete and worn out ones so that the final aggregate capacity still will be 150,000 tons

Import licences have been issued to 9 firms and the plants will be located as follows:—

Bengal	4
Bihar	4
U. P.	1
	9

The requirements of various adjustments for the erection and running of these additional plants will be as follows:—

Area	Requirements of steel	Annual requirements	Sulphur Ton-mileage
Bengal	700	5,500	55,000
Bihar	650	4,500	15,75,000
U. P.	150	1,000	6,30,000
	1,500	11,000	22,60,000

Sulphur imports.—Total 50,000 tons imported sulphur required for existing plants to work to capacity and for new plants when they go into production.

Indigenous gypsum as a substitute for sulphur (experimental).—To minimise dependence on import of foreign sulphur, a situation aggravated by the short supply of foreign exchange, indigenous resources of gypsum have to be harnessed. In this connection, a licence for import of a plant with a Capacity of 10,000 tons sulphuric acid per annum has been granted to Raja Sahib of Venkatagiri. The plant is expected to commence production by 1951, when

results of experiments will be known. The results are for the long term period but the plan itself belongs to short term. A policy decision will also have to be taken for the establishment under Government auspices of a factory at Sindri for the manufacture of 10,000 tons of sulphuric acid per annum from gypsum.

Price.—Existing plants by not working to capacity and by working by absolute process or in uneconomic units produce sulphuric acid at a high cost of production which hinders the consumption of such a basic chemical. Lower consumption leads to a higher cost of production and still lower production and consumption, a vicious circle. Stopping up production is linked with superphosphate manufacture, a major consumer of sulphuric acid. Price question may resolve itself automatically in competitive area.

Action required:

- (1) Chasing up and progressing the firms who have obtained the import licences.
- (2) Active assistance in procuring the plants (ISM Washingtons and ISC, London to be brought into the picture).
- (3) Provisioning of 28,000 tons more of sulphur required for increase in Production. 6000/6000 tons more in 1948 10,000/12,000 tons more in 1948 28,000 tons more in 1950. (i.e. in addition to the present 22,000 tons per annum)
- (4) Provisioning of structural materials, steel, etc. for installing new plants.
- (5) Capacity exists in Ordnance Factories for production of sulphuric acid but the cost is very high due to high overheads. To bring down the general price of sulphuric acid, Ordnance Factories production should be sold to consumers at a competitive price or straight control over the price of sulphuric acid should be established.

SUPERPHOSPHATES

(All figures in tons)

1. *Present position and target*

(1) Existing capacity	60,000 tons
(2) Present production	10,000 tons
Idle capacity	50,000 tons
(3) Target (short-term)	100,000 tons
(4) No. of existing plants	6

Superphosphates are important fertilisers required for increased production of food. This industry is linked up with sulphuric acid industry, the growth of each affecting that of the other. Reasons for short production are

- (a) high price of bones, the main raw material,
- (b) high cost of production of sulphuric acid, the processing raw material
- (c) non-availability of adequate supply of rock phosphate,
- (d) poor off-take by Agriculture. This is the most important factor.

2. *Short-term plan*

Total capacity (idle and new to be put into commission)	90,000
No. of units	Capacity
Plant under erection	1 10,000
Plants for which import licences have been granted	2 20,000
Plant for which capital issue has been sanctioned	1 10,000
Idle capacity	50,000
	90,000

There is enough capacity of sulphuric acid for the purpose as they are actual of potential manufacturers of sulphuric acid having acid plants already or having import licence for them.

The above plan supplements the plan for ammonium sulphate production in the country.

3. What it involves.

- (i) Energetic action by Ministry of Agriculture in effective and efficient collaboration with Provincial/State - Ministries/Departments of Agriculture for lifting and distributing the Superphosphate in consonance with the production schedule of the Ministry of Industry and Supply. Bihar & Madras are understood to have working arrangement for distribution; Bengal and Bombay have shown no interest.
- (ii) Following a provisional decision on (i) above, Ministry of Industry and Supply to outline a production schedule.
- (iii) Following (ii) above, Ministry of Industry & Supply/D.G.I.&S. to estimate the requirements of the raw materials (a) bones to the extent available in the country and (b) imports of rock phosphate for the balance.

Making an assumption of 5,000 tons superphosphate in 1948, 80,000 in 1949 and 120,000 in 1950 and assuming again that only a third of the raw material will be used as bones due to the difficulties of collection transport and high price (and say, half in 1950), the necessary provision for the import of rock phosphate will be 18,000, 27,000 and 30,000 tons per annum in 1948, 1949 and 1950 respectively. The C.S.I.R. and Geological Survey may be asked to take up immediately the possibility of mining & beneficiating the phosphatic oredeposits of Bihar and Trichinopoly for Superphosphate manufacture.

- (iv) Ministry of Agriculture (or preferably at cabinet level) to get Provincial Governments interested in the collection of bones.

- (v) High cost of production of sulphuric acid [please see 1(b) above] will correct itself as the production of superphosphate and the concomitant production of sulphuric acid are stepped up.

The following are the existing plants in different areas:—

Area	No. of Plants	Present annual capacity
Bombay	1	12,000 tons.
Madras, Mysore, Hyderabad and Travancore	4	33,000 tons.
Punjab and Delhi	1	15,000 tons.
		60,000 tons.

• Import licences have been issued to 2 firms and the plants will be located as follows:—

Area	New Plants	Additional Capacity (Tons)
Bombay	1	10,000 tons.
Bengal	1	10,000 tons.

The requirements of various adjuncts for erection and running of these plants will be as follows:—

	Annual requirements (Tons)			Tons mileage.
	Steel	Sulphuric Acid	Bone or rock phosphate	
Bombay	200	3,700	10,000	100,000
Bengal	200	3,700	10,000	100,000

Action required.

- (1) A preliminary meeting of the Ministries of Agriculture, Industries & Supply and Commerce for settling the points raised in 3 above.

(Commerce are concerned with export policy Re: bones and import of rock phosphates.)

- (2) To provide for the raw materials mentioned above.

APPENDIX "A"

The supply position of the following stores is serious as explained below:—

Items	Purposes for which required	Remarks
1. Electrical sheets	Steel Stampings for electric fans & motors and laminations for electric transformers	Our requirements are 5,000 tons per annum, but only about 1,500 tons are available from Tatas. We sought the assistance of the India Supply Commission as well as of the India Supply Mission. We expect to obtain about 600 tons from Belgium through their London Agents & 400 tons from the U. S. A. It is pointed out, however, that Tatas do not manufacture transformer grade electrical steel sheets and we have not yet been able to locate any sources of supply in either the U. S. A. or the U. K.
2. Enamelled cop. per wire	Armature & field windings for electric fans motors etc.	Out of 500 tons required annually only 50 tons can be expected from the plant installed in April/1947. for the remaining 450 tons we have to depend on foreign countries. The results of our approaches to the U. K. & the U.S.A. have been disappointing. We are, however, making arrangements for the installation of a plant for the manufacture of this kind of wire.
3. Nichrome wire.	Resistance wire for domestic appliance and fan regulators.	We want 50 tons per annum and are dependent solely on the U.K. the U.S.A. and Canada. The U.K. is unable to meet our requirements on account of her Rehabilitation Schemes which are understood to absorb all her available supplies. The possibility of manufacturing the right type of alloy is being examined in consultation with the Mining & Metallurgical Deptt. of the Benares Hindu University which have already done some work in this connection.

Item	Purposes for which required	Remarks
4. Caustic Soda.	Manufacture of soap, textile, paper, oil refining, vanaspathi, etc.	Our minimum annual requirements are 54,000 tons and the Indian capacity at present is only 2,000 tons. The local production is expected to be 5,000—8,000 tons per annum by the end of 1947 and it may rise to 15,000 tons by the end of 1948. Facilities to import equipment capable of producing 100 tons a day or 36,000 tons per annum have also been afforded to the interested parties. U.K. is perhaps the only country which can help us. Possibility of obtaining some supplies from Russia is, however, being examined.
5. Soda Ash.	Manufacture of glass, silicate, washing, textile paper, bichromates, photographic chemicals.	Against our annual requirements of 110,000 tons, India is producing only 30,000 tons. By the end of 1947 production is expected to reach 50,000 tons per annum. Importation facilities for the production of 50,000 tons a year have also been granted. The critical situation can be brought under control if the U. K. and East Africa come to our rescue.
6. Zinc Oxide.	Manufacture of paint and rubber.	India's production is 4,000 tons per annum, but requirements are about 6,000 tons per annum, 2,000 tons should be imported. Australia and the U.K. are the possible sources of supply. The Australian Delegation expressed their inability to help us.
7. Arsenious oxide.	Manufacture of glass.	We want 400 tons per annum. There are no workable arsenic ores in India. The possibility of obtaining ores from Chitral has been investigated but the results are not promising. We have, therefore, to depend entirely on imports. Possible sources of supply are the U. S. A. and Australia.
8. Newsprint.	For news printing.	Our requirements are 42,000 tons per annum, but only 30,000 tons are available by imports. We want another 12,000 tons. U. S. A., Canada and the Scandinavia are the principal sources of supply.

Next below in order of importance and urgency came the following items, the present positions being as stated against each :—

Item	Purposes for which required	Remarks
Tin	(1) Manufacture of tin-plates. (2) Tinning utensils and domestic hollow ware and hospital equipment. (3) Manufacture of alloys, e.g., solder white metals, bearing metals bronze, bell metal, type metal, etc.,	Tin is subject to international control and the allocations are made by the Combined Tin Committee in Washington. Our annual consumption is 6,500 to 7,000 tons, but as the result of the efforts of our representatives at the meeting of the Tin Study Group and the Combined Tin Committee, we have been able to get a provisional allocation of 3,263 for the second half of 1947. Adding to this the allotment of 1140 tons for the first half of this year, the total allotment stands at 4403 tons. India is now a Member of the Combined Tin Committee.

Item	Purposes for which required	Remarks
Copper	Copper sheets, brass sheets, strips, rods, pipes, casting, and alloys.	Our annual requirements are nearly 70,000 tons. India's production is only about 7,000 a year, all of which is converted in brass sheets. The main sources of supply are the U. S. A., Canada and Rhodesia. Practically all the copper produced in the British Empire is diverted to the U. K. and we have largely to depend on dollar areas for our requirements.
Lead	Pigment, white metal alloys, sheets, electric batteries etc.	Our annual requirements are nearly 20,000 tons but the indigenous production is negligible. India has, therefore, to depend almost entirely on imports. There is a world shortage of this material. It seems that the capacity of producing countries (U.S.A., Canada, Australia and South Africa) is booked only a fraction of the Australian production is likely to be available to India.
	Brass sheets, zinc sheets, galvanizing for battery manufacture, process, plates, alloy casting, etc.	Our requirements are estimated to be in the neighbourhood of 60,000 tons a year, for which we have to depend entirely on foreign countries. The sources of supply are the U. S. A., Canada, Australia and European countries. Recently Indian importers have reported that Australia will not be able to send us as much zinc as in the past, because she proposes to divert supplies either to the U. K. or the U. S. A.
Antimony	Type metal alloys, bearing metal, antimonial lead for batteries, etc.	Our annual requirements are about 1,500 tons; only about 300 tons per year used to be available from Chitral which is now included in the Pakistan Dominion. Recently some antimony has been imported from melting in Bombay because of the non-availability of supplies from Chitral. China is the only exporting country but she insists on payment in dollars. In the past such an arrangement was permitted by the Ministry of Finance and it is proposed to approach them for sanction of similar arrangements in future.
Hair Yarn.	Manufacture of hair belting	India's requirements are 150 tons a year and she is almost entirely dependent on foreign countries. The U. K. Wool Controller was requested to arrange regular supply of yarn but so far only about 10 tons have been received during this year.
Packing Paper.	Manufacture of coated abrasive paper.	Against our requirements of about 2,000 tons per annum 55 tons have now arrived into the country—45 from the U. S. A. and 10 from Norway. Licences for about 105 tons have already been recommended, but future supplies are uncertain. Attempts are being made by the indigenous paper manufacturers to manufacture this kind of paper to the required specification, but so far no success has been achieved.

Item	Purposes for which required	Remarks
Sodium Bicarbonate.	Bakery	Annual consumption is roughly 6,000 tons and the local production is practically nil. U. K. is the only possible source of supply.
Bleaching Powder.	Textile, paper, Public Health and sanitation.	Our requirements are 10,000 tons year. India's production is a little over 2,000 tons per annum. Arrangements to import 7,700 tons have to be made, U.K. being the only source of supply. Steps are being taken to expand the production capacity in India and it is hoped she will be self-sufficient by 1948.
Phosphorus.	Match industry and alloy industry.	Only about 150 tons are required by India every year. This quantity does not permit the installation of an economical unit in the country. While possibilities of economical working of a smaller unit are being examined, the U. S. As. assistance may be sought in obtaining our requirements. It is a material essential for defence and a small plant which can produce 300 tons per year may be set up in an Ordnance Factory.
Lithophone.	Paint and rubber industries.	Our requirements are 4,000 tons per annum and we entirely depend on the U. K. and the U. S. A. for supplies. Blue prints and flow wheels have been given to the Madras Government for the establishment of a factory. All technical data has also been given to them. It will, however, take some time to establish this industry in India.
Calcium carbide.	Engineering industries.	India solely depends on South Africa and Canada for her requirements—6,000 tons per annum. Facilities have been afforded to Birlas for establishing a factory, but the date on which production will begin cannot be indicated.
Butylamylacetate.	Lacquer industry.	India's requirements are about 40 tons a year. A factory has just come into being and is expected to produce 10 to 15 tons in 1947. We have, therefore, to depend mostly on the U. K. and the U. S. A. for our requirements.
F. F. Moulding Plastics Powder.		India's annual requirements are of the order of 1,500 tons. 600 tons are locally available. 900 tons should be found by imports from the U. K. and the U.S.A.
U. F. Moulding Plastics Powder.		India's requirements are 500 tons per annum. An attempt will be made to produce urea when the Sindri Fertiliser plant starts functioning. In the meantime, efforts should be made to obtain supplies from the U. K. and the U. S. A.

Item	Purposes for which required	Remarks
Borax	Glass industry	India's consumption is estimated to be 4,000 tons, but there are no local sources of supply. The entire quantity has to come from the U. S. A. and Italy. The manufacture of borax from Tibetan tinkal has proved a failure on account of heavy transportation charges.
Tampered masonite, pressed wood, hard boards.	Repairs and construction of railway coaches, ship-building and repairs, House constructions and furniture.	We have received a demand for 800,000 sq. ft. preferably in 1/8", 3/16" and 1/4" thickness on behalf of Railways. Only about 40,000 sq. ft. which were surrendered by the D. G. S. R. are being given to Railways in partial satisfaction of the demand. For the balance of 760,000 sq. ft. we have largely to depend on the U.S.A. The difficulty as pointed out by the India Supply Commission whom we approached, however, is that practically the entire output in the U. S. A. is being consumed within the States in the housing schemes for their returning service personnel and the U. S. Government are rigidly controlling distribution of the material. It seems that unless a special approach is made to the U. S. Government no help can be expected from that quarter. As indicated in column 2, hardboards, are also in great demand in the market. If supplies become available, the public will also buy large quantities for furniture and house building in India. Plans for the manufacture of this material may be taken in hand.
Railway Sleepers	Railway tracks	The demand for 1947 is :— B. G. 15,000 Nos. M. G. 1,800,000 Nos. According to the indication given by the Provincial representatives at the recent Timber Supplies Conference, we will have to seek imports to the extent of 400,000 B. G. Sleepers and 300,000 M. G. Sleepers. Australia is the only country we can look to for help.
Teakwood.	Structural carriage and wagon building, Ammunition boxes and other woodware items.	The demands are of the order of 39,000 tons per annum. Supplies in India are expected to be only about 3,500 tons. For the balance, we have to depend on Burma, Siam and Java.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Friday, 2nd April, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

DECLARATION BY MEMBERS

The following member made the declaration under Rule 20:
Shri Satis Chandra (U. P.: General).

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

PAKISTAN GOVERNMENT'S TREATMENT OF INDIANS HAVING PROPERTY THERE

1175. *Mr. R. K. Sidhva: (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that Indian firms and individual nationals of India who have their moveable and immoveable properties in Pakistan have been treated as "evacuees" by the Government of Pakistan?

(b) Is it a fact that the Government of Pakistan and the Provincial Governments of Pakistan contemplate passing legislations restricting the movements and disposals of properties of the nationals of India?

(c) Do Government propose to draw the attention of the Government of Pakistan that such nationals of India should not be treated as "evacuees"? If not, why not?

(d) Do Government propose to make arrangements for all such properties to be taken over by the High Commissioner for India in Pakistan?

The Honourable Pandit Jawaharlal Nehru: (a) Any property in West Punjab which the owner cannot personally occupy or supervise, or, in the case of corporation, property which forms the assets of any business or undertaking which has ceased wholly or partially to operate owing to the recent disturbances is evacuee property.

(b) If by Indian Nationals is meant non-Muslims belonging to Pakistan areas who wish to come over to the Indian Dominion, the position in West Punjab is that evacuee property cannot be sold or transferred without the Custodian's permission. The law in N.W.F.P. is somewhat similar. An ordinance on similar lines for Sind has been passed by the Legislature, but has not yet been approved by the Governor General of Pakistan.

(c) No. The law similar to West Punjab applies to evacuees from the Indian Dominion.

(d) No. The position is covered by the laws of the two Dominions stated above.

Mr. R. K. Sidhva: Sir, I am afraid the word "evacuees" caused a little complication. My point was that there are certain firms run by Indian nationals who have their branches in Pakistan and their properties also there. I wanted to know whether they are to be treated as evacuees although the original firm was in India before the partition.

The Honourable Pandit Jawaharlal Nehru: Probably there are many border-line cases which are very difficult. We know cases where a great deal of injustice has been done to firms and factories which have not been treated as evacuee property. We have been receiving protests and sending repeated messages and the matter continues to be discussed. In fact a few days ago there was a Conference and many of these matters were discussed and to some extent satisfactory decisions arrived at. Many other matters were not decided. So this thing goes on and it is very difficult to be precise about it. But it is perfectly true that many firms and factories who have branches there have been placed in a very difficult and invidious position.

Shri H. V. Kamath: What is the policy of our Government with regard to Pakistan nationals who similarly hold moveable and immovable properties in the Indian Union?

The Honourable Pandit Jawaharlal Nehru: Nobody quite knows who is a Pakistan national and who is an Indian national; it is vague, except for those who permanently reside somewhere. Those people who are moving from one side to the other are for the moment nationals of both or of neither.

Shri H. V. Kamath: What about permanent residents of Pakistan who hold properties here in the Indian Union?

The Honourable Pandit Jawaharlal Nehru: I have myself not come across any major instance of that type here except the people who have gone away from here leaving some of their properties behind. These properties vest in the Custodian of Evacuee Property.

Prof. N. G. Ranga: Has the attention of Government been drawn to a press statement published in yesterday evening's papers that as many as 20 or 29 special train-loads of people called Meos are moving from Pakistan area to our area? If so, do Government propose to take any action at all to see that such large-scale movements of these people do not take place and create further complications?

The Honourable Pandit Jawaharlal Nehru: Yes; I confess I did not know anything about it till I saw that message in the press. I have no information but shall inquire into it.

Dr. P. S. Deshmukh: In view of the definite partition and the separate existence of the two Dominions, is it not time that we decided and demarcated who are our nationals and who are Pakistan's?

The Honourable Pandit Jawaharlal Nehru: No, Sir; it is definitely not possible.

Shri Mihir Lal Chattopadhyay: What is the legal position with respect to persons who have been coming to the Indian Union from Eastern Pakistan?

The Honourable Pandit Jawaharlal Nehru: I have just said that it is impossible to define the legal or constitutional position of people moving from one side to the other, till things settle down. People move between the two Dominions and one does not know exactly what nationality law applies. So long as both Dominions belong to a larger group called the British Commonwealth group the nationality law does not offer quite so much difficulty as it might otherwise do. But anyhow things are so fluid at the present moment that it is impossible to define finally. All that you can say is that it is for the individual himself to say what he considers himself to be.

Mr. R. K. Sidhva: Will Government pursue this matter with the Pakistan Government that our original nationals who have properties in Pakistan should not be treated as evacuees?

The Honourable Pandit Jawaharlal Nehru: We cannot, because it applies both ways.

Mr. R. K. Sidhva: These original residents or nationals of territory that is Pakistan.....

The Honourable Pandit Jawaharlal Nehru: What is an original national of Pakistan?

Mr. Speaker: I am afraid we are entering into an argument.

Pandit Balkrishna Sharma: May I know if the properties of those people who had their head offices in Karachi and Lahore and whose moveable and immovable properties were also in India are being treated by our Government as evacuee property?

The Honourable Pandit Jawaharlal Nehru: So far as I know, in theory neither in Pakistan nor here are these treated as evacuee property. In practice if a place according to them is deserted or not used, they treat it as such. So the question arises whether the place is functioning or not.

Shri H. V. Kamath: What about the immovable property left behind by Mr. Jinnah himself in the Indian Union?

Mr. Speaker: Order, order; next question.

LICENCES FOR IMPORT OF GOODS FROM FOREIGN COUNTRIES

1176. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Commerce be pleased to state whether import licences for goods from Japan, Germany, Italy, Switzerland, Belgium, America, Russia and other countries are granted to *bona fide* merchants?

(b) If so, under what conditions and what is the monetary limit fixed for goods to be imported from each country?

(c) What is the policy of Government in the issue of import licences to merchants?

The Honourable Mr. C. H. Bhabha: (a) Yes, Sir.

(b) and (c). Attention of the Honourable Member is invited to the Ministry of Commerce Public Notice dated the 12th December 1947, which was reproduced in the *Gazette of India* Extraordinary of the same date, and to the Public Notice, dated the 4th March 1948, issued by the Chief Controller of Imports. They lay down the principles governing the issue of import licences for the half yearly period January-June 1948. The procedure for obtaining goods from Germany is explained in the Press Notes of 13th May 1947 and 2nd September 1947 and 18th February 1948 and that from Japan in the Public Notice dated the 4th February 1948 issued by the Chief Controller of Imports. Copies of all these Press Notes and Public Notices are available in the Library of the Legislature. Monetary ceilings have not been determined for imports from each country separately but they have been fixed for different goods or categories of goods to be imported from dollar and hard currency areas and from non-dollar and easy currency areas. Subject to keeping within the ceiling figures fixed for each article, licences are issued mainly on the basis of reasonable requirements of particular manufacturing concern and of the value of past imports of similar articles and other particulars contained in the applications.

Mr. R. K. Sidhva: Is not it a fact that in several cases licences have been issued to persons other than to *bona fide* merchants?

The Honourable Mr. C. H. Bhabha: I am not aware of that. If my Honourable friend will bring specific cases to my notice they will be investigated.

(c) From the report of the Labour Investigation Committee it would appear that, generally speaking, no such allowances are being paid.

(d) Government feel that the giving of advice would not be enough. As already indicated, they are considering a housing scheme to which, in accordance with resolution on Industrial Truce adopted at the recent Industries Conference, Government, employers and labour will be required to contribute in suitable proportions.

Shri V. C. Kesava Rao: May I know what percent of the labour in the textile category is provided with houses?

The Honourable Shri Jagjivan Ram: A very negligible proportion.

Seth Govinddas: Are the Government aware that in the Chhindwara district of C.P. in the coalfield area the housing conditions of labour are very bad, and is there any scheme for putting up houses in that area?

The Honourable Shri Jagjivan Ram: Yes. I have stated that the housing conditions in the coalfields are also not satisfactory and we have a scheme for constructing houses in the coalfields.

Seth Govinddas: The Honourable Minister said that in Jharia there is a definite scheme of housing. I am asking if there is any such scheme so far as the Chhindwara area is concerned.

The Honourable Shri Jagjivan Ram: I am afraid the Honourable Member has not followed me. There is a scheme for 50,000 houses for the coalminers and the C.P. coalfield will be covered by that scheme.

Shri S. V. Krishnamurthy Rao: Have the Government accepted the recommendations of the Bore Committee that one of the conditions for starting any new industry should be the insistence of housing accommodation for labour by the employers?

The Honourable Shri Jagjivan Ram: That concerns the Ministry of Health.

Shri S. V. Krishnamurthy Rao: The Bore Committee has recommended that before any licence is given for a new industry, one of the conditions will be for the provision of accommodation by the industry for labour. Has that condition been accepted by Government and is it being insisted upon?

The Honourable Shri Jagjivan Ram: The question is still not clear to me.

Mr. Speaker: The Bore Committee had recommended that in the case of starting new industries, no permission should be granted unless there is a condition precedent that certain houses will be put up by the industrialists. Have Government accepted that recommendation of the Bore Committee and are they acting upon it?

The Honourable Shri Jagjivan Ram: As regards the workers' houses, the Government have not accepted that policy. But Government have accepted the policy that in case of new factories, certain conditions as regards health, safety and sanitation should be insisted upon and the industrialists concerned will be given a licence provided they fulfil those conditions.

Shri V. C. Kesava Rao: May I know how much time will be taken to complete the housing scheme for miners?

The Honourable Shri Jagjivan Ram: I have already stated that it is a five year scheme.

Shri T. A. Ramalingam Chettiar: Have the Government decided as to what sort of subsidy they will give to the industrialists who put up houses?

The Honourable Shri Jagjivan Ram: The question is not of giving a subsidy to the industrialist: the question is one of setting up a housing board, and the board will look to the execution and supervision of workers' housing. In what proportion Government, industry and labour are to contribute towards the housing fund is a question which is still under the consideration of the Government.

Shri H. V. Kamath: With reference to part (b) of the question, may I know what is the optimum room or space, according to international health experts, which is required for a human being to maintain himself in proper health?

The Honourable Shri Jagjivan Ram: We have laid down a specific plan for a worker's house, which contains two rooms and two verandahs. The rooms are of the size 12' x 10'.

Prof. N. G. Ranga: How many houses do the Government of India propose to construct in an acre? Is it 15 or 20?

The Honourable Shri Jagjivan Ram: I cannot indicate that off-hand.

MINIMUM SALARY FOR ENGINEERING SERVICES

1178. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state the minimum pay fixed for a qualified Engineer (degree holder) in India?

(b) Are Government aware that in certain non-Indian firms, electrical engineering graduates are employed in the scale of Rs. 85-2½-50-5-75?

(c) Do Government propose to consider the question of introducing a legislation to fix a minimum salary for the engineering services?

Shri Satyanarayan Sinha: (a) There is no minimum pay fixed for qualified Engineers in India. The Central Public Works Department usually offer Rs. 150 p.m. to start with to qualified Engineers who hold degrees in the scale of Rs. 100-300.

(b) I have no information.

(c) No.

ALLOCATION OF BUSINESS PREMISES TO REFUGEES IN DELHI

1179. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether Government have begun the allocation of business premises to the refugees?

(b) On what principles have Government based the allocation of these business premises?

The Honourable Shri K. C. Neogy: It is presumed that the question relates to Delhi.

(a) Allotment of shops is in progress.

(b) Allotment is made in consultation with the Central Advisory Committee on the basis of the length of experience and the kind of business formerly engaged in, as well as the status in relation to the volume of business and investment, the amount of taxes assessed or paid etc. Consideration is also given to the economic need of the locality where business premises suitable for a qualified applicant are available for allotment.

Shri V. C. Kesava Rao: May I know whether any business premises are occupied forcibly by the refugees?

The Honourable Shri K. C. Neogy: Oh, Yes. That is our principal headache. The number of such cases is 3,334.

Mr. Hussain Imam: How many such forcibly occupied houses have been vacated?

The Honourable Shri K. C. Neogy: I am not dealing with houses but business premises.

Mr. Hussain Imam: How many such business premises have been vacated?

The Honourable Shri K. C. Neogy: So far as this category is concerned, none.

گیانی ڈورمکھ سنگھ مسافر : کیا کچھ بزنس پر مسند لٹری کے ذریعہ allot کئے گئے ہیں ۔

Giani Gurmukh Singh Musafar: Have some business premises been allotted by lottery?

The Honourable Shri K. C. Neogy: Not at all.

Prof. N. G. Ranga: How many business premises are there which have not yet been unlawfully occupied and which have been lawfully allotted to any of these poor refugees?

The Honourable Shri K. C. Neogy: Let me give the figures as far as I have got them category by category. First of all there is the category of shops, which were sealed by the Custodian. They are actually available to us for purposes of allotment without any difficulty. There are 125 of them. For these 125 the cases of 56 applicants have been finalised but the allotments have not yet been declared. Then the second category consists of shops in respect of which caretakers were appointed by the Custodian. They are not sealed but they are in the possession of caretakers. Then there is another category of shops wrongfully occupied by local persons and the number of this category is 427. I have already given the number of the category of shops unlawfully occupied by refugees, the number being 3,334.

Prof. N. G. Ranga: Has any shop been allotted to any of these refugees in New Delhi?

The Honourable Shri K. C. Neogy: I have not got the figures separately for New Delhi and Old Delhi. If the Honourable Member wants the figures separately I shall certainly supply them in that manner.

Prof. N. G. Ranga: How many months will Government take to come to a decision about the 56 houses, in regard to which the allotment is being finalised?

The Honourable Shri K. C. Neogy: It is true that they were in possession of the Government for some time but I am afraid I have not been able to convey to the House the complexities of the problem. I have indicated the various considerations that have to be taken into account. Then again there is another consideration which is very important and that is the proportion of shops to be allocated to refugees from different areas. If you want to observe all these various principles it becomes a terribly difficult job. Let me assure my Honourable friend that no avoidable delay has taken place in this matter.

Prof. N. G. Ranga: Then there are the 73 premises which are in charge of caretakers. Does that mean that these 73 are still vacant or caretakers are making use of them?

The Honourable Shri K. C. Neogy: The caretakers are conducting business.

Prof. N. G. Ranga: Are they refugees?

The Honourable Shri K. C. Neogy: Yes, they are.

Dr. P. S. Deshmukh: Have Government under consideration any scheme for the progressive decrease in the number of small shops, as other avocations become available to the refugees?

The Honourable Shri K. C. Neogy: I do not understand what my Honourable friend means by small shops.

Dr. P. S. Deshmukh: Is not the Government aware that there has been an abnormal increase in the number of small shops in Delhi as well as all over the country? Does not the Government consider that the mere increase of them is a non-productive method and something should be done to decrease the number of small shops and utilise the people for other purposes?

The Honourable Shri K. C. Neogy: These shops do not fall under the scheme to which I have referred in answer to this question and the whole matter is being looked into by the authorities of the Delhi Province as also the Municipality.

RESULTS OF RECENT DISCUSSIONS BETWEEN RELIEF AND REHABILITATION MINISTERS OF INDIA AND PAKISTAN

1180. ***Mr. R. K. Sidhva:** Will the Honourable Minister of Relief and Rehabilitation be pleased to make a statement on the result of his recent visit to Lahore to discuss with the Minister of Relief and Rehabilitation, Government of Pakistan the various pending questions between the two Dominions?

The Honourable Shri K. C. Neogy: The Honourable Member is referred to the Press Communique dated the 16th March, 1948, a copy of which is laid on the table.

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

PRESS COMMUNIQUE

RESULTS OF INTER-DOMINION TALKS IN LAHORE

Agreement Reached on Several Matters

The Ministers of Relief and Rehabilitation for Pakistan and India have been holding discussions at Lahore for three days and have examined a great many matters outstanding between the two Dominions, with the assistance of administrative officers concerned.

Three important considerations have influenced the discussions and the decisions taken. The first is that there should be reciprocity on both sides in full and generous measure so that an atmosphere of lasting goodwill may be created. The second is that in so far as possible, both Dominions will use their good offices to persuade States that have acceded to either Dominion to fall in line with the decisions taken during this meeting. The third is that from time to time, complaints have been made by one Dominion to the other in regard to incidents involving hardships and injustice to individuals. It has been agreed that in future whenever there is a complaint, the Dominion concerned will promptly make arrangements to investigate the incident and ask for association with the enquiry of a representative of the other Dominion. The two Ministers have agreed that drastic and exemplary action will be taken against offenders.

The Ministers feel that one of the most important matters which must be dealt with very quickly, concerns the recovery and restoration of abducted women. The machinery that exists for the purpose and results achieved so far have been reviewed and it is recognised that results have fallen short of expectations. An improved machinery is being set up and an all-out effort is called for and would be made. The basis of all efforts hitherto made for the recovery of abducted women has been voluntary in character. If despite the improved machinery, quick and satisfactory results are not achieved, stern Legislation may have to be enacted to deal with the situation.

Exchange of prisoners has been delayed owing to certain legal technicalities. The Pakistan Government is enacting almost immediately a Central Ordinance and it is expected that India will enact similar legislation as soon as the text of the Pakistan Ordinance is available. The Pakistan Government have emphasised the importance of bringing the Delhi Province within the scope of the scheme for exchange of prisoners in respect of cases arising after the 15th August 1947. The Government of India are examining the question in relation to Delhi Province and a decision may be expected shortly. It is hoped that actual exchange of prisoners will be started in the near future. Meanwhile, instructions are being issued to ensure that the prisoners concerned will be treated well and taken care of in the jails, of the two Dominions.

The Government of Pakistan have specially raised the question of discharged Muslim soldiers of the Pakistan forces and their families. The Government of India agreed to use their good offices to secure that these persons are removed from Patiala at a very early date and given the option of staying in India or going to Pakistan. The Honourable Mr. Neogy has assured the Honourable Raja Ghaznafar Ali Khan that he will have this matter treated as one of top priority.

The decision regarding recovery of contents of vaults and safe deposits and banks has been reviewed. It is felt that the work should be expedited and steps are being taken to secure this.

A satisfactory agreement has been reached in regard to transfer of Government securities, certificates, bonds, debentures and shares of Joint Stock Companies held by evacuees in the two Dominions. It is expected that the work of transfer will be expedited.

It has been agreed that licensed arms detained by other Dominion during the process of evacuation will be restored to owners. Machinery has been set up to expedite the restoration and it has been decided that arms licences of evacuees which were valid on 14th August 1947 will be deemed to be valid for this purpose.

It has been agreed that property of evacuees which has been detained in either Dominion during searches or otherwise and for which receipts have been issued by Government officials will be restored to the owners on production of such receipts.

As regards funds of co-operative banks in East and West Punjab Province, the Registrars of Co-operative Societies of the two Governments have evolved an agreed scheme in pursuance of a decision taken at the Conference held in December 1947. It is hoped that the scheme will be implemented immediately. Although the matter is not directly concerned with the agreement between East Punjab and West Punjab Provinces, both Dominions have agreed to use their good offices to secure substantial application of the principles of the scheme to States on either side.

Among other matters discussed were Provident Fund of Government and non-Government employees including teachers, settlement of contractors' dues, extension of period of validity of cheques issued to such contractors and exemption from Customs search and duty of personal belongings of evacuees. For most of these matters, satisfactory solutions have been reached and it is expected that others will be settled shortly.

Three important questions pertaining to property will be discussed by a Committee of Administrative Officers of the two Dominions on the 22nd March. These are:

- (1) transfer of moveable property of evacuees,
- (2) restoration of property to evacuees who wish to return to their homes, and
- (3) an Inter-Dominion settlement in regard to immoveable property.

Ministry of Relief and Rehabilitation,
New Delhi, March 16, 1948.

Mr. R. K. Sidhva: May I know whether as a result of the discussions which the Honourable Minister had with the Pakistan Minister at Lahore they have come to a definite decision? In that communique it is not explicitly stated as to what decisions have been arrived at, whether all decisions have been arrived at and if there are any questions pending whether the Ministers will meet again?

The Honourable Shri K. C. Neogy: The question of implementation of the agreements is pending consideration on both sides, and some of the matters have already been taken up for implementation. Some matters are still being pursued for the purpose of further consideration.

Mr. R. K. Sidhva: At what stage is it today?

The Honourable Shri K. C. Neogy: I am afraid it is a long list of subjects that we discussed at the conference and unless questions are put to me more specifically it is very difficult to give an answer. Take for instance the question of the exchange of prisoners. The exchange is likely to start on the 5th of this month, that is in two days, as between the East and West Punjab Governments. That is a piece of information that has come to us only recently. There are other matters regarding property, rescue of abducted women etc., and some progress has been made in regard to some of these items. In regard to others the matter is still pending negotiation.

Mr. R. K. Sidhva: In regard to the question of property, may I know whether any decision has been reached for exchange of property?

The Honourable Shri K. C. Neogy: That is an issue which was not covered by this conference to which my Honourable friend has referred. That is a matter which was recently discussed by an official committee of the two Dominions. That Committee has made a report and I am glad to be able to tell the House that so far as the officers are concerned they were unanimous in their recommendations on both sides. That report of the Committee

is under careful examination, and within, say, the next few weeks an Inter-Dominion Conference at the Ministerial level is likely to take place for the purpose of considering these recommendations and finalising them.

Mr. R. K. Sidhva: Can the House have some idea of the report?

The Honourable Shri K. C. Neogy: It is expected to be treated as confidential. Apart from anything else, the report is of a Committee of Officers of the two Dominions.

Dr. P. S. Deshmukh: Is it not a fact that there is a world of difference between the spirit in which the Pakistan Government implements the decisions and the spirit in which we implement them.

Mr. Speaker: Order. order. It is a matter of opinion.

Shri Mihir Lal Chattopadhyay: Was the discussion at the conference held at Lahore confined to Western Pakistan and the Indian Union?

The Honourable Shri K. C. Neogy: That was so.

Prof. N. G. Ranga: What is the respective time-lag between taking a decision and enforcing it on the Pakistan side and on our side? Is any count being kept at all?

The Honourable Shri K. C. Neogy: If I have learnt anything since taking over charge of the Ministry, it is the art of patience.

1181. *[With drawn]

IMPORT OF RAW FILMS INTO INDIA

1182. ***Seth Govinddas:** (a) Will the Honourable Minister of Commerce be pleased to state what is the total value of raw film imported into India during the years 1939 and 1947?

(b) Do Government propose to stop the drain on India's foreign exchange due to the importation of raw films?

(c) Have Government considered the feasibility of establishing a raw-film producing industry in the country?

The Honourable Mr. C. H. Bhabha: (a) I lay on the table a statement containing the required information.

(b) Until raw films are manufactured in the country, it will not be possible to stop importing them, particularly as they are an important raw material of the vast motion pictures industry.

(c) Yes. Raw film manufacture is a highly technical and specialised industry. The establishment of this industry will necessitate the establishment of a number of chemicals and inter-mediate which are not produced in the country at present. The most important requirement is gelatine of a very special quality produced by only a few firms in the world. The question of manufacture of industrial nitro-cellulose (required for making raw film) at the Cordite Factory, Aruvankadu, has already been taken up and some success attained in experimental production. The question of production of acetic acid and acetic anhydride required for the manufacture of cellulose acetate has received consideration. One of the stages in the development of the raw film industry is "casting" of the film from solutions. The first "film casting" plant has already been imported into the country and installed by a firm in Calcutta for the production of transparent film. Every assistance is being given to this firm and its progress watched. It is proposed to go further into the question of establishment of photographic film industry after it has had some success on its plant.

Before a plan can be formulated for the production of raw films a large number of auxiliary industries will have to be established.

Statement

Following are the figures of import of raw cinematograph films during the years 1939-40 and 1946-47 and four months ending July 1947 :

	Value Rs.
1939-40	31,02,565
1946-47	54,11,316
April-July 1947	38,15,434

Figures later than July 1947 are not readily available.

Seth Govinddas: Is there any plan before the Government for starting a raw-film producing industry by the state itself?

The Honourable Mr. C. H. Bhabha: No, Sir, there is no such plan at the moment.

Seth Govinddas: Have any private parties except the one to which the Honourable Minister has referred, applied for licence to open such factories in this country?

The Honourable Mr. C. H. Bhabha: I should like to have notice of that question.

Seth Govinddas: With reference to part (b) of the question, are Government aware that most of the films which are produced in this country are of a trash nature and do Government therefore propose to give licences to those concerns only which produce good films?

The Honourable Mr. C. H. Bhabha: As I have said, the film industry is a very important industry in this country. Keeping that in view Government have been issuing import licences.

Dr. B. Pattabhi Sitaramayya: May I know whether the film exporters from foreign countries are bound to supply these films to whomsoever licences are given by the Government of India?

The Honourable Mr. C. H. Bhabha: Not necessarily. Before issuing licence we generally require some proof that negotiations have taken place between the importer and the exporter at the other end regarding the supply by the exporter from that end.

Seth Govinddas: Is it not a fact that these days no licence is required by any film producer for importing these films and they are at liberty to import any amount of film they require?

The Honourable Mr. C. H. Bhabha: No, Sir, that is not correct.

TRAINING COURSES FOR REFUGEE WOMEN

1183. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state the training courses proposed to be started for refugee women and the probable number that can be trained and the duration of such training?

(b) Is the selection of candidates done by a committee?

(c) Are non-officials associated with the committee?

(d) Do Government propose to make use of the training facilities provided by the Ministry of Labour for this purpose?

The Honourable Shri K. C. Neogy: (a) The Ministry proposes to start training courses for 350 refugee women in a variety of subjects. The duration of courses under this scheme varies from subject to subject, but on an average will be 12 months. Besides this scheme, arrangements have been made with the Ministry of Labour for the training of 300 refugee women in a number of vocations. The duration of these courses is about 6 to 8 months. Apart from these

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the Ministry has some women's Homes in Delhi and Kurukshetra where refugee women are taught a number of useful occupations. The number of refugee women benefiting from training at these Homes is 883.

(b) Yes.

(c) Yes.

(d) These are already being utilised.

Shri H. V. Kamath: What are the various subjects, occupations and vocations in which training is proposed to be given to these refugee women?

The Honourable Shri K. C. Neogy: Knitting, embroidery, spinning, tailoring fruit and vegetable preservation, sewing and cutting, crochet work, preparation of food articles, dress-making, soft toy making, cooking, carpet weaving, calico printing, dyeing, fancy leather work, hand embroidery, laundrying, basket making, pottery, clay modelling, art in relation to craft work, art painting etc. I may add that there are courses in shorthand and typewriting which are provided by the Labour Department in their Training Centres which are also being utilised for this purpose.

Shri V. C. Kesava Rao: May I know whether any training is given in nursing and midwifery to these refugee women?

The Honourable Shri K. C. Neogy: There is a regular nursing class at Kurukshetra. It is considered to be a very successful experiment.

Shrimati G. Durgabai: May I know from the Honourable Minister as to what arrangements the Government are making to provide employment for these women after they complete their training?

The Honourable Shri K. C. Neogy: We will have some little time to consider this. And I should very much appreciate if the Honourable the Lady Member were to favour me with her suggestions in this matter.

Dr. B. Pattabhi Sitaramayya: In regard to the training given in cooking is any attempt made to widen the range in cooking so as to include South Indian preparations?

The Honourable Shri K. C. Neogy: I am afraid they may be found to be somewhat too hot.

Seth Govinddas: In view of the fact that there is a great dearth of nurses in this country, is any training in nursing being given to these refugee women?

The Honourable Shri K. C. Neogy: I have already stated that we have got a very successful class in nursing at Kurukshetra.

Shri H. V. Kamath: Are there general literacy classes?

The Honourable Shri K. C. Neogy: I imagine so.

Shri H. V. Kamath: Are there competent teachers in adequate number to impart training in all these various vocations?

The Honourable Shri K. C. Neogy: We are gradually putting on the field adequate number of teachers in all these various vocations.

Shri H. V. Kamath: Both men and women?

The Honourable Shri K. C. Neogy: Yes.

Begam Aizaz Rasul: May I know where these centres are located, and how many?

The Honourable Shri K. C. Neogy: So far as Delhi is concerned, there are the Samsad Manzil and Bal Niketan. And four relief centres are located at Karol Bagh, Subzi Mandi, Paharganj and Babar Lane. Then we have the home at Kurukshetra to which I have already made a reference. Then there are a few other centres which are proposed to be started in Delhi as also at Kurukshetra.

RESEARCH INSTITUTIONS IN DELHI

1184. *Dr. P. S. Deshmukh: Will the Honourable Minister of Works, Mines and Power be pleased to state:

- the number of Research Institutions in Delhi;
- the names and the number of new Institutions like the Central College of Agriculture that are proposed to be started within the next three years; and
- whether Government propose to consider the desirability of starting these Institutions in the rest of India?

Shri Satyanarayan Sinha: The question should have been addressed to the Honourable Minister for Education who has agreed to answer it on the day allotted to his Ministry.

NEPAL'S PRIME MINISTER VISIT TO THAT OF INDIA.

1185. *Mr. R. K. Sidhva: Will the Honourable the Prime Minister be pleased to state the object of the visit of the Prime Minister of Nepal to the Prime Minister of India?

The Honourable Pandit Jawaharlal Nehru: His Highness the Maharaja of Nepal is in India for medical treatment and for rest. The Government of India invited him to visit Delhi as an act of courtesy to the Prime Minister of a friendly neighbouring State with which we have close ties.

GOVERNMENT FURNITURE DUMPS IN NEW DELHI.

1186. *Shri B. Shiva Rao: Will the Honourable Minister of Works, Mines and Power be pleased to state:

- the number of Government furniture dumps in New Delhi;
- the periods for which each of these dumps have existed;
- the estimated value of each of these dumps; and
- the estimated depreciation in the value of each dump?

Shri Satyanarayan Sinha: (a) to (d). The information asked for by the Honourable Member is being collected and will be laid on the table.

VALUE OF ALLOPATHIC AND PATENT MEDICINES AND SURGICAL INSTRUMENTS IMPORTED DURING 1946-47

1187. *Dr. V. Subramaniam: Will the Honourable Minister of Commerce be pleased to state the total value of:

- allopathic medicines and patent medicines imported into our country during the year 1946-47; and
- surgical instruments, and other appliances for medical purposes for the same period?

The Honourable Mr. C. H. Bhabha: (i) and (ii). A statement is placed on the table of the House.

Statement

Showing the quantity and value of (i) Drugs and medicines (excluding chemicals but including proprietary and patent medicines) (2) optical instruments and (3) Surgical instruments imported on private account into British India by sea from abroad during 1946-47

ARTICLES AND COUNTRIES OF CONSIGNMENT	Quantity	Value
I. DRUGS AND MEDICINES (EXCLUDING CHEMICALS)		
1. <i>Alco-</i>		
United Kingdom	Cwts. 1	Rs. 712
Aden & Dependencies	460	26,129
Union of South Africa	104	7,499
Nether lands	21	3,839
TOTAL	586	38,179

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Articles and countries of consignment

Quantity Value

2. *Asfoetida*—

Cwts. Rs.

Maskat Territory		5,050
Trucial Coast	9	1,750
Kuwait	93	11,125
Iran	922	1,29,630
United States of America	9,949	21,908
TOTAL	11,010	1,69,461

3. *Campho*—

Lbs.

United Kingdom	1,740	13,011
Burma	8,204	40,264
Straits Settlements	500	5,045
Hongkong	85,171	1,16,092
Netherlands	2	
China	155,617	6,59,561
United States of America	98,473	2,83,778
TOTAL	349,705	14,17,754

4. *Cocaine*—

Ounce.

United Kingdom	497	12,993
China	1,000	4,540
United States of America	11,600	29,986
TOTAL	13,097	47,519

5. *Codliver Oil*—

Lbs.

United Kingdom	578,575	7,75,898
Commonwealth of Australia	144	154
Norway	1,269	1,293
United States of America	1,872	1,774
TOTAL	581,860	7,79,190

6. *Morphia*—

Ounce.

United Kingdom	3,220	1,29,717
United States of America	27	5,727
TOTAL	3,247	1,35,444

7. Preparations of Opium and morphi.—

United Kingdom	2,17,384
Switzerland	202
United States of America	14,618
TOTAL	2,32,204

At and countries Consignment	Quantity Lbs.	Value Rs.
8. Proprietary and patent medicine.—		
United Kingdom	..	32,96,279
Palestine	..	2,149
Ceylon	..	1,32,457
Hongkong	..	878
Union of South Africa	..	73,378
Canada	..	22,706
Commonwealth of Australia	..	1,39,495
France	..	31,619
Switzerland	..	1,55,719
Italy	..	11,102
United States of America	..	11,65,682
TOTAL	..	50,31,464
9. Quinine Salt—		
(a) Quinine sulphate or bisulphat—		
United Kingdom	25,647	10,32,821
Burma	1,466	85,951
United States of America	681	19,389
TOTAL	27,794	11,38,161
(b) Quinine hydrochloride or dehydr. chloride.—		
United Kingdom	6,103	4,08,174
United States of America	496	19,789
TOTAL	6,599	4,27,963
(c) Other sorts—		
United Kingdom	21,144	11,52,341
Straits Settlements	560	3,750
China	1	90
United States of America	4,132	1,27,510
TOTAL	25,837	13,18,691
10. Sacchari —		
United Kingdom	22,781	2,44,284
Straits Settlements	3,136	1,14,369
Canada	..	2
Commonwealth of Australia	27,290	9,59,662
Netherlands	11,717	3,57,625
Belgium	8,450	2,43,687
France	13,212	2,49,813
Switzerland	21,866	4,29,379
Italy	2,012	23,630
United States of America	37,611	2,72,593
TOTAL	1,48,075	29,00,044

Articles and countries of consignment	Quantity Lbs.	Value Rs.
11. Sarsaparilla and preparations thereof—		
United Kingdom	..	62,777
Br. West India Islands	..	14,639
Commonwealth of Australia	..	763
United States of America	..	63,130
TOTAL	..	1,40,709
12. Storax including liquid storax—		
United Kingdom	..	265
France	49,952	20,331
United States of America	544	3,599
TOTAL	50,761	25,306
13. Other sorts—		
United Kingdom	..	2,24,25,146
Palestine	..	9,003
Aden and Dependencies	..	2,035
Ceylon	..	37,150
Burma	..	13,788
Straits Settlements	..	4,16,924
Federate Malay States	..	1,643
Hongkong	..	1,71,950
Union of South Africa	..	31,693
Zanzibar and Pemba	..	1,715
Kenya Colony	..	59,265
Anglo-Egyptian Sudan	..	373
Canada	..	3,90,036
Br. West India Islands	..	223
Commonwealth of Australia	..	4,12,802
New Zealand	..	1,27,214
Sweden	..	4,238
Norway	..	1,556
Denmark	..	20,512
Netherlands	..	4,07,949
France	..	2,01,302
Spain	..	6,285
Portugal	..	5,003
Switzerland	..	45,88,381
Italy	..	3,28,688
Czechoslovakia	..	4,09,454
Syria	..	2,071
Maskat Territory	..	930
Trucial Coast	..	902
Saudi Arabia	..	26,107
Iran	..	1,87,642
China	..	82,590
Egypt	..	26,170
Morocco (Fr. Protectorate)	..	13,152
United States of America	..	1,30,80,694
Mexico	..	2,791
Brazil	..	51,336
TOTAL	..	5,35,43,613

Articles and countries
of consignmentQuantity Value
Rs.

II. Instruments, Apparatus etc—

(a) Optical—

United Kingdom	...	5,15,148
Palestine	...	6,980
Ceylon	...	21,806
Burma	...	194
Straits Settlements	...	50
Union of South Africa	...	30
Canada	...	5,06,528
Commonwealth of Australia	...	3,534
Netherlands	...	1,516
France	...	4,337
Switzerland	...	2,990
Italy	...	8,404
Czechoslovakia	...	13,067
China	...	81,005
United States of America	...	27,20,572

TOTAL ... 39,13,155

(b) Surgical—

United Kingdom	...	16,39,539
Ceylon	...	918
Burma	...	180
Straits Settlements	...	5,457
Canada	...	46,061
Commonwealth of Australia	...	77,524
New Zealand	...	40
Sweden	...	6,833
Belgium	...	200
Switzerland	...	1,37,774
Italy	...	8,131
China	...	32,624
United States of America	...	11,28,165

TOTAL ... 30,89,446

Shri H. V. Kamath: How many factories are there in this country for the manufacture of surgical instruments, private or state-owned?

The Honourable Mr. C. H. Bhabha: I should like to have notice of that question.

Shri Khurshed Lal: Are Government aware that there is a great shortage of penicillin and such other drugs in this country?

The Honourable Mr. C. H. Bhabha: The Government is fully aware of that and all possible assistance is being given under the direction of the Health Ministry. Whenever the Health Ministry suggests imports from abroad, licences are very freely issued.

Shri H. V. Kamath: Are the surgical instruments manufactured in this country standardized or tested?

The Honourable Mr. C. H. Bhabha: I do not know. This question should be addressed to the Ministry of Industry and Supply.

Dr. V. Subramaniam: May I know the arrangements that are made to request these many companies in India to prepare medicines which are required in India?

The Honourable Mr. C. H. Bhabha: This question does not arise from the previous question at all. The question under discussion is about imports of medicines and surgical instruments from abroad.

SHORT NOTICE QUESTIONS AND ANSWERS

Prof. N. G. Ranga: Prof. Shibban Lal Saxena has authorized me to put his short notice question.

Mr. Speaker: I have once stated that I am not inclined to permit authority except, of course, in cases where a member's absence is due to unavoidable reasons.

Prof. N. G. Ranga: That is how it has happened. He was obliged to go to Gorakhpur on a very important matter because he had a conference there, and he gave me this letter of authority.

The Honourable Shri K. C. Neogy: The Honourable Member, in order to make assurance doubly sure, has also given regular notice of substantially the very same questions. They will come up later.

Mr. Speaker: The other question also falls through since the member is absent.

REFUSAL OF DISTRICT MAGISTRATE MONTGOMERY, TO RESTORE AN ABDUCTED
HINDU GIRL TO INDIAN DOMINION

Prof. Shibban Lal Saxena: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether the attention of Government has been drawn to a news item published in the *Hindustan Times*, dated the 6th March, 1948, stating that the District Magistrate of Montgomery refused to restore a Hindu girl to the Deputy Liaison Officer of the Indian Dominion on the ground that he could not displease the Muslim Zamindar of the *ilaga*, from whose custody the girl had been recovered and the girl was sent back to the Zamindar?

(b) If the answer to part (a) above be in the affirmative, has any representation been made to the Government of Pakistan in this connection?

(c) If so, what has been the result of such representation?

(d) Do Government propose to see that this unfortunate Hindu girl is recovered and restored to her parents?

(e) Are Government aware that a very large number of young abducted Hindu and Sikh women are in possession of Zamindars and other rich and influential men of Pakistan, and that the Government of Pakistan is not prepared to restore them?

(f) Are Government aware of the intensity of feeling in the Indian Dominion on this question? If so, what steps do they propose to take in the matter?

The Honourable Shri K. C. Neogy: (a), (b), (c) and (d). Yes. Government noticed the news item and instructed their representative at Lahore to institute enquiries. All the facts of the case are not yet clear. The woman who is vehemently opposed to being brought out to the Indian Union has now been taken to the Ganga Ram School Camp in order to see whether she can be persuaded to go peacefully to her relations in India.

† Answer to this question laid on the table, the questioner being absent.

(e) Government have received such reports.

(f) Government are aware of and share the intensity of public feeling on the question of the rescue of abducted women and are constantly taking all possible steps for the rescue and restoration of these unfortunate persons.

REPRESENTATION TO PAKISTAN GOVERNMENT re THE LOCATION OF ABDUCTED WOMEN IN FIVE KASHMIR BORDER DISTRICTS AND THE CLOSING OF THOSE DISTRICTS TO INDIAN TROOPS AND CIVILIANS.

†Prof. Shibban Lal Saksena: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether Government are aware that five of the districts, which border Kashmir, are completely closed and neither Indian troops nor civilians can enter them and that most of the abducted women have been kept in these five districts?

(b) Has any representation been made to the Government of Pakistan in this respect?

(c) If so, what has been the result of such representation?

(d) What further steps do Government propose to take in the matter?

The Honourable Shri K. C. Neogy: (a) Five of the districts of West Punjab bordering on the Jammu and Kashmir State are closed to Indian troops functioning elsewhere in West Punjab under the Military Evacuation Organisation. Conditions in these districts are reported to be not such as to enable non-Muslim civilians to go about with any sense of safety or security. It has also been reported that a large number of non-Muslim women abducted from West Punjab as well as from Jammu and Kashmir State are in these districts.

(b) Yes.

(c) Government of Pakistan have undertaken to rescue these women through their own administrative machinery.

(d) The matter is being constantly reviewed and discussed with the Pakistan authorities.

ELECTION TO STANDING COMMITTEE FOR MINISTRY OF COMMERCE

The Honourable Mr. C. H. Bhabha (Minister for Commerce): Sir, I move:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of Commerce, vice Mr. M. A. Sreenivasan, resigned."

Mr. Speaker: Motion moved:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of Commerce, vice Mr. M. A. Sreenivasan, resigned."

Prof. N. G. Ranga (Madras: General): May I know whether this Committee has met at all, and if so how many times, since it was constituted last, and whether it has discussed the proposals that came before the Havana Conference?

The Honourable Mr. C. H. Bhabha: That matter was not discussed. The committee met on one occasion. I am sorry to have to report to the House that out of a total of 10 members on this committee, three members were present on that one occasion and then the fourth member entered but left within five minutes after the beginning of our discussion. Any one of my Honourable

†Answer to this question laid on the table, the questioner being absent.

friends on this committee who was present then will bear testimony to this. Subsequent to that we tried to convene a meeting on several occasions, but it was not suitable to all the members concerned. As a result of that, no meeting has subsequently been held.

Mr. Naziruddin Ahmad (West Bengal: Muslim). The difficulty is that these committee meetings clash with the sittings of this House. Members have to divide their time between the meetings of the Committee and the duties in the House. If times and dates are selected suitably, then of course the members will be able to attend meetings of the committees. Otherwise it is an unnecessary slur on the members to say that they are indifferent.

Shri H. V. Kamath (C.P. and Berar: General): May I request you, Sir, to see that Committee meetings are not called when the House is sitting?

The Honourable Mr. C. H. Bhabha: Government is prepared to accept that, but it was at the instance of the members and according to their convenience that these committee meetings were called before the House actually meets or is in session.

Mr. Speaker: The Chair has its own views about these committees, but I do not think I need express them.

The question is:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of Commerce, vice Mr. M. A. Sreenivasan, resigned."

The motion was adopted.

Mr. Speaker: I have to inform Honourable Members that for the purpose of election by means of the single transferable vote of a member to the Standing Committee for the Ministry of Commerce the programme of dates will be as follows:

Nomination to be filed in the Notice Office upto 12 Noon on Tuesday, the 6th April.

Election, if necessary, will be held on Thursday, the 8th April, in the Assistant Secretary's room (No. 21) in the Council House between the hours of 10-20 A.M. and 1 P.M.

WORKMEN'S STATE INSURANCE BILL—contd.

Mr. Speaker: The House may now proceed with the further consideration of Workmen's State Insurance Bill.

The question is:

"That clause 26 stand part of the Bill."

The motion was adopted.

Clause 26 was added to the Bill.

Clause 27 was added to the Bill.

श्री गोकुलभाई दौलतराम भट्ट : मेरा संशोधन इस माफिक है

Shri Gokulbhai Daulatram Bhatt (Eastern Rajputana States Group): Sir, I beg to move:

"That in part (i) of clause 28 of the Bill, for the words 'has been', the word 'is' be substituted."

The Honourable Shri Jagjivan Ram (Minister for Labour): Yes, it is acceptable.

Mr. Speaker: The question is:

"That in part (i) of clause 28 of the Bill, for the words 'has been', the word 'is' be substituted."

The motion was adopted.

Shri Gokulbhai Daulatram Bhatt: I beg to move:

"That in parts (iv) and (v) of clause 28 of the Bill, for the words 'has been', the word 'is' be substituted."

The Honourable Shri Jagjivan Ram: These are acceptable amendments.

Mr. Speaker: The question is:

"That in parts (iv) and (v) of clause 28 of the Bill, for the words 'has been', the word 'is' be substituted."

The motion was adopted.

Mr. Speaker: Is the Honourable Member moving any of his amendments?

Mr. Naziruddin Ahmad (West Bengal: Muslim): They are accepted on principle, and therefore I do not move them.

Mr. Speaker: I find some of these amendments are amendments involving a change in words. So, even if they are accepted, it will not be competent for the draftsman to change the wording. For example, for the word "including", the draftsman cannot substitute "and towards", as suggested in amendment No. 99. Of course colons and semi-colons stand differently, but for example amendment No. 109 says "for the words and brackets 'cost' (including all expenses), the words 'cost and all expenses' be substituted".

Mr. Naziruddin Ahmad: I am not moving the amendment.

Mr. Speaker: I just invite his attention so that he may not labour under the misapprehension that the draftsman will look into these changes of wording. The draftsman will not look into changes of wording.

Mr. Naziruddin Ahmad: I am not moving any amendment.

Mr. Speaker: The question is:

"That clause 28, as amended, stand part of the Bill."

The motion was adopted.

Clause 28, as amended, was added to the Bill.

Clauses 29 to 39 were added to the Bill.

श्री गोकुल भाई दौलतराम भट्ट : मेरा संशोधन नीचे माफिक है ।

Shri Gokulbhai Daulatram Bhatt: Sir, I move:

"That in sub-clause (3) of clause 40 of the Bill, for the words 'the principal employer shall not be entitled', the following be substituted:

"neither the principal employer nor the immediate employer shall be entitled."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in sub-clause (3) of clause 40 of the Bill, for the words 'the principal employer shall not be entitled', the following be substituted:

"neither the principal employer nor the immediate employer shall be entitled."

The motion was adopted.

Shri K. Santhanam (Madras: General): Sir, I move:

"That for sub-clause (5) of clause 40 of the Bill, the following be substituted:

"(5) The principal employer shall bear the expenses of remitting the contributions to the Corporation."

As the clause now stands, the words "Subject to any regulations made in this behalf", which are at the beginning of the clause, are obviously superfluous and so the revised clause simply deletes this portion.

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That for sub-clause (5) of clause 40 of the Bill, the following be substituted:

"(5) The principal employer shall bear the expenses of remitting the contributions to the Corporation."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 40, as amended, stand part of the Bill."

The motion was adopted.

Clause 40, as amended, was added to the Bill.

श्री गोकुल भाई दौलतराम भट्ट : मेरा संशोधन नीचे माफिक है :

Shri Gokulbhai Daulatram Bhatt: Sir, I move:

"That in sub-clause (2) of clause 41 of the Bill, for the words, figures and brackets 'sub-sections (2) and (3) of section 40', the words, figures and brackets 'the proviso to sub-section (2) of section 40' be substituted."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in sub-clause (2) of clause 41 of the Bill, for the words, figures and brackets 'sub-sections (2) and (3) of section 40', the words, figures and brackets 'the proviso to sub-section (2) of section 40' be substituted."

The motion was adopted.

Shri K. Santhanam: Sir, I beg to move:

"That in the Explanation to clause 41 of the Bill, for the word 'should', the word 'shall' be substituted."

The Honourable Shri Jagjivan Ram: I accept it, Sir.

Mr. Speaker: The question is:

"That in the Explanation to clause 41 of the Bill, for the word 'should', the word 'shall' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 41, as amended, stand part of the Bill."

The motion was adopted.

Clause 41, as amended, was added to the Bill.

Clauses 42, 43 and 44 were added to the Bill.

Shri Gokulbhai Daulatram Bhatt: Sir, I move:

"That in part (c) of sub-clause (2) of clause 45 of the Bill after the word 'factory', the word 'establishment' be inserted."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in part (c) of sub-clause (2) of clause 45 of the Bill after the word 'factory', the word 'establishment' be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 45, as amended, stand part of the Bill."

The motion was adopted.

Clause 45, as amended, was added to the Bill.

Clause 46 was added to the Bill.

Shri K. Santhanam: Sir, I beg to move:

"That in clause 47 of the Bill, for the words beginning with the words 'are payable' and ending with the word 'employment', the following be substituted:

'were payable for not less than two-thirds of the number of weeks during which he shall be deemed to have been available for employment'."

Sir, this amendment has to be taken with the amendment to Clause 48, because they both go together. The essential principle is that those weeks when the worker was not at work should not be counted for "availability" and other considerations. In Clause 48 as it stands, the definition is of "non-availability"; my amendment seeks to convert that definition into one of "availability". It is intended to make the Clauses read more elegant. There is no change in the meaning. Therefore, I move.

Mr. Speaker: I think I had better put Clause 48 first because both have to go together. If the amendment to Clause 48 is carried first, then we shall come to Clause 47.

Shri K. Santhanam: Sir, I beg to move:

"That for clause 48 of the Bill, the following be substituted:

'48. When person deemed available for employment.—A person shall always be deemed to have been available for employment in any week, except when during the whole of such week,—

- (a) he was unable to work on account of sickness which had been duly certified, whether entitling him to receive sickness benefit or not, or
- (b) he was qualified to receive disablement benefit for temporary disablement, or
- (c) in the case of an insured woman, she was entitled to the maternity benefit provided in section 50 or she would have been entitled to such benefit if she had fulfilled all other conditions entitling her thereto."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That for clause 48 of the Bill, the following be substituted:

'48. When person deemed available for employment.—A person shall always be deemed to have been available for employment in any week, except when during the whole of such week,—

- (a) he was unable to work on account of sickness which had been duly certified, whether entitling him to receive sickness benefit or not, or
- (b) he was qualified to receive disablement benefit for temporary disablement, or
- (c) in the case of an insured woman, she was entitled to the maternity benefit provided in section 50 or she would have been entitled to such benefit if she had fulfilled all other conditions entitling her thereto."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 48, as amended, stand part of the Bill."

The motion was adopted.

Clause 48, as amended, was added to the Bill.

Mr. Speaker: I am now placing the amendment to clause 47.

The question is:

"That in clause 47 of the Bill, for the words beginning with the words 'are payable' and ending with the word 'employment', the following be substituted:

'were payable for not less than two-thirds of the number of weeks during which he shall be deemed to have been available for employment'."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 47, as amended, stand part of the Bill."

The motion was adopted.

Clause 47, as amended, was added to the Bill.

Clause 49 was added to the Bill.

Shri Arun Chandra Guha (West Bengal: General): Sir, I beg to move:

"That in sub-clause (1) of clause 50 of the Bill, for the words beginning with the words 'weekly contributions' and ending with the words 'for employment', the following be substituted:

'weekly contributions in respect of her were payable for not less than two-thirds of the number of weeks during which she shall be deemed to have been available for employment'."

The Honourable Shri Jagjivan Ram: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 50 of the Bill, for the words beginning with the words 'weekly contributions' and ending with the words 'for employment', the following be substituted:

'weekly contributions in respect of her were payable for not less than two-thirds of the number of weeks during which she shall be deemed to have been available for employment'."

The motion was adopted.

Shri Arun Chandra Guha: Sir, I beg to move:

"That in the proviso to sub-clause (1) of clause 50 of the Bill, after the word 'or', the words 'in which' be inserted."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in the proviso to sub-clause (1) of clause 50 of the Bill, after the word 'or', the words 'in which' be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 50, as amended, stand part of the Bill."

The motion was adopted.

Clause 50, as amended, was added to the Bill.

Clauses 51 and 52 were added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

- (1) "That in part (ii) of clause 53 of the Bill, for the words 'legitimate or adopted sons' the words 'sons including adopted sons' be substituted," and
- (2) "That in part (ii) of clause 53 of the Bill, the word 'legitimate' where it occurs for the second time, be omitted."

Sir, the purpose of these amendments is to remove the condition of legitimacy to a child in order to get the benefit of a family of a disabled worker. It seems to me that the question of morality or ethics has been mixed with a project which is really not dependant upon that. The question is whether, when a worker is disabled, his family should receive some benefits and there, I submit that an illegitimate son may form part of his family and merely on account of illegitimacy we cannot deny to him the right of protection which the family of the worker is entitled to get.

It may be that man and a woman may live as husband and wife for a long time and there are off-springs of that union. The question is whether we are going to deny them the benefit of this clause. I think whatever irregularities are committed by the parents, the child for all purposes is a most innocent thing that deserves pity and protection. As the matter was raised yesterday in connection with

[Mr. Naziruddin Ahmad]

another clause and the matter was left over for further consideration, I wish to draw the attention of the House to this state of affairs, so that the question of legitimacy as a matter of fact may be entirely eliminated. The other consequence will be that if it is desired to exclude the particular child or particular set of children of any reason whatsoever, it may be suggested that they are illegitimate; it will be extremely difficult to prove that they are illegitimate. These are extremely technical questions of a delicate nature and many difficulties will arise in order to enable a person to prove whether a child is a legitimate or an illegitimate. In any case, I think it will lead to controversy and therefore it is absolutely unnecessary. In these circumstances I beg to submit the children irrespective of their legitimacy or otherwise should receive the benefit which they were having in the hands of their parents, when they are particularly unable to earn. I think the object of the Bill be served thereby by removing the condition of illegitimacy.

Mr. Speaker: Amendment moved:

"That in part (ii) of clause 53 of the Bill, for the words 'legitimate or adopted sons', the words 'sons including adopted sons' be substituted; and that the word 'legitimate', where it occurs for the second time, be omitted."

Pandit Thakur Das Bhargava (East Punjab: General): The amendment says "sons including adopted sons". I beg to suggest that the word "sons" should be substituted by the word "son" as there cannot be more than one adopted son.

Mr. Speaker: I will put it in singular form then when I put the amendment to vote.

The Honourable Shri Jagjivan Ram: The amendment if accepted will create legal complications and therefore I do not accept that amendment.

Shri K. Santhanam: About this amendment I feel that we should not force reforms by the back-door. We have to take things as they are whether good or bad. Where a family exists, the illegitimate child normally will not be living with this man at all. His wife and the other children may also be living somewhere else. In India we do not find people having legitimate wives and illegitimate children all living together and the amendment will break up the family. So I suggest that my Honourable friend's enthusiasm for illegitimate children may wait for some time till the country is ripe for the reform.

Shri T. A. Ramalingam Chettiar (Madras: General): I fear my Honourable friend has misunderstood the amendment. In areas where we have the labourers, it is very difficult to say whether a certain man and woman living together are married or not and to prove a marriage in such cases is a very difficult matter. It is only in view of that it is said 'sons' born to two persons living together will be presumed to be children of the father or of the person who is living with the mother. That is to be the sort of inference or understanding with which, Sir, this law will have to be administered. I know, Sir, a case in which a certain respected gentleman married a certain lady and lived, Sir, for about 20 years with her and even after that the question whether they were married or not was raised and it has taken 2 or 3 years and the matter is not yet settled in the Mysore High Court. Such cases do occur even in cases where respectable people live together and they find it difficult to prove the marriage, but in the case of those labourers who are gathered from different parts of the country, and probably who are not known very much to each other, it will be very difficult indeed to prove legitimacy and illegitimacy. It is in view of that I believe

this amendment is proposed and I think, Sir, in the circumstances of the conditions of the life of the labourers this will be a salutary principle. As regards the legitimate children and the illegitimate children living together that is not the question at all. It is not a case where you have got a family and the man has got a certain woman who may not be his wife that is brought in, but here is a case where a man and woman are living together.

Shri K. Santhanam: What do you do with the other case?

Shri T. A. Ramalingam Chettiar: Even if it is proved that the child is an illegitimate child, of course, it is entitled even under the ordinary Hindu law to a share. The same will be the case if there are both legitimate and illegitimate children. It is only to avoid this conflict and the difficulty of finding out legitimacy and proving the marriage, I think this will be a salutary principle which may be accepted.

Mr. Hussain Imam (Bihar: Muslim): There is no doubt that standards of morality demand that there should be some sort of punishment for illegitimacy. But we have to consider things as they exist. There is no doubt that under the Hindu law the widow re-marriage is not allowed, but no one is better aware than the Honourable Minister himself that there are certain cases in which a kind of widow re-marriage does take place and especially in towns like Janshedpur which is cosmopolitan, containing people from all parts of the country, it would be impossible to find out whether a marriage was a valid marriage or an invalid marriage, a lawful marriage or an unlawful marriage. So it is better that when the benefits are given the only standard should be their dependency. If they were dependent on the labourer then they are entitled to benefits. We are not today deciding the question of succession or other questions in which this big matter arises. What we are really doing is that instead of giving the family the benefit of 'X' rupees, you are giving him Rs. 'X' minus 2 Rupees, and it is not in the interest of the labourer that this kind of discrimination should be made today when we are considering the benefits arising out of this measure. I therefore appeal to the Honourable Minister to reconsider his decision, and if possible, to revise it or let it stand as it is. Dependency should be the only criterion and legitimacy and illegitimacy should not arise.

Shri Ramnarayan Singh (Bihar: General): I support the amendment, Sir, and advise the Honourable Minister to accept it. Here is a question of relief to children in suffering. Supposing if an illegitimate child receives some benefit, there will be no harm. So I think this amendment ought to be accepted by the Honourable Minister.

Pandit Thakur Das Bhargava: Sir, according to Hindu law and according to custom in many places, illegitimate children are dependent on the parents and possess rights of maintenance. They have a right to be supported and they can claim the right of maintenance against the parents under Section 488 of the Criminal Procedure Code. There is no reason to differentiate between legitimate and illegitimate children in this respect. The question of morality or of succession are not germane to the subject; and I submit that the interests of the general welfare of society will be better served if we enlarge the scope of this clause and include illegitimate children also.

The Honourable Shri Jagjivan Ram: Sir, after hearing all these arguments I am convinced that the clause should stand as it is. My Honourable friend Mr. Hussain Imam has raised the question of widow re-marriage among certain castes in Hindu society. My Honourable friend will know that the castes among whom widow re-marriage is prevalent do not regard children after widow re-marriage as illegitimate but regard them as legitimate. As regards labourers, I will point out to Honourable Members, who insist on this amendment that in this country labourers are mostly not permanent settlers in the industrial areas. They have their homes and families in the villages and come to the industrial areas for work. It is possible that they may develop some connection with other women there and have some illegitimate children.

An Honourable Member: There is no harm.

The Honourable Shri Jagjivan Ram: I am coming to that. There is harm. I do not want to disintegrate the family ties of labourers and therefore I am insisting on not accepting this. It will amount to this that the benefit that will accrue to the labourer will go to the illegitimate children to the neglect of the legitimate children who are in this family. Therefore, Sir, I think the clause should remain as it is.

Mr. Speaker: The question is:

"That in part (ii) of clause 53 of the Bill, for the words 'legitimate or adopted sons' the words 'sons including adopted sons' be substituted; and that the word 'legitimate' where it occurs for the second time be omitted."

Those who are in favour of this amendment will rise in their places.

[The following members rose:

Mr. Hussain Imani,

Mr. Naziruddin Ahmad.

Shri Ramnarayan Singh.

Pandit Thakur Das Bhargava.

Pandit Balkrishna Sharma.

Shri T. A. Ramalingam Chettiar, and

Shri Upendra Nath Barman.]

Mr. Speaker: Those who are not in favour of the amendment will rise in their places.

As the number of members who are not in favour of the amendment is overwhelmingly large I do not think it is necessary to count them or to record their names. The Noes have it.

The motion was negatived.

Shri K. Santhanam: Sir, I move:

"That for part (iii) of clause 53 of the Bill, the following be substituted:

"In case the insured person does not leave him surviving any widow or children as mentioned in clause (ii) or in the case of an insured woman if she does not leave her surviving any children as mentioned in clause (ii), dependant's benefit shall be paid to the other dependants of the deceased at such rates as may be determined by the Commissioner appointed under the Workmen's Compensation Act, 1923 (VIII of 1923)."

This is only a verbal amendment and the original clause is only being re-drafted. Sir, I move.

The Honourable Shri Jagjivan Ram: Sir, I accept this.

Mr. Speaker: The question is:

"That for part (iii) of clause 53 of the Bill, the following be substituted:

"In case the insured person does not leave him surviving any widow or children as mentioned in clause (ii) or in the case of an insured woman if she does not leave her surviving any children as mentioned in clause (ii), dependant's benefit shall be paid to the other dependants of the deceased at such rates as may be determined by the Commissioner appointed under the Workmen's Compensation Act, 1923 (VIII of 1923)."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 53, as amended, stand part of the Bill."

The motion was adopted.

Clause 53, as amended, was added to the Bill.

Clauses 54 to 56 were added to the Bill.

Shri K. Santhanam: Sir, I move:

"That in sub-clause (1) of clause 57 of the Bill, for the words 'of such scale', the words 'on such scale' be substituted."

This is purely a verbal amendment.

The Honourable Shri Jagjivan Ram: I accept it.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 57 of the Bill, for the words 'of such scale' the words 'on such scale' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 57, as amended, stand part of the Bill."

The motion was adopted.

Clause 57, as amended, was added to the Bill.

Shri Arun Chandra Guha: Sir, I move:

"That in sub-clause (1) of clause 58 of the Bill, the following be omitted:

"(as out-patient or in-patient as the circumstances of the case may required) at dispensaries, hospitals or other institutions."

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 58 of the Bill, the following be omitted:

"(as out-patient or in-patient as the circumstances of the case may required) at dispensaries, hospitals or other institutions."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 58, as amended, stand part of the Bill."

The motion was adopted.

Clause 58, as amended, was added to the Bill.

Clause 59 was added to the Bill.

Shri K. Santhanam: Sir, I move:

"That in sub-clause (1) of clause 60 of the Bill, the word 'future' be omitted."

The Honourable Shri Jagjivan Ram: I accept it.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 60 of the Bill, the word 'future' be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 60, as amended, stand part of the Bill."

The motion was adopted.

Clause 60, as amended, was added to the Bill.

Clause 61 was added to the Bill.

Shri Gokulbhai Danjiram Bhatt: Sir, I move:

"That in the heading of clause 62 of the Bill, for the word 'Employees' the word 'Persons' be substituted."

Mr. Speaker: I would invite the Honourable Member's attention to the fact that what he is seeking to amend is a marginal note. I have always held the view that the marginal note is not a part of the Statute and the matter may be left to the draftsman, though in the Bombay Assembly recently a different view has been held.

Shri K. Santhanam: This may be taken note of.

Mr. Speaker: Of course it is going down in the proceedings now. So I do not put it to the House.

Shri K. Santhanam: Sir, I move:

"That in clause 62 of the Bill, for the words 'an employee shall not be entitled to', the words, 'no person shall be entitled to' be substituted."

There are persons besides the employees entitled to the benefits.

Mr. Speaker: The question is:

"That in clause 62 of the Bill, for the words 'an employee shall not be entitled to', the words, 'no person shall be entitled to' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 62, as amended, stand part of the Bill."

The motion was adopted.

Clause 62, as amended, was added to the Bill.

Clauses 63 and 64 were added to the Bill.

Shri K. Santhanam: Sir, I move:

"That in part (b) of sub-clause (1) of clause 65 of the Bill, for the word 'or' where it occurs for the first time, the word 'and' be substituted."

The clause will now read:

"(b) both sickness benefit and disablement benefit * * for temporary disablement; and"

Mr. Speaker: The question is:

"That in part (b) of sub-clause (1) of clause 65 of the Bill, for the word 'or' where it occurs for the first time, the word 'and' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 65, as amended, stand part of the Bill."

The motion was adopted.

Clause 65, as amended, was added to the Bill.

Shri K. Santhanam: Sir, I move:

"That in sub-clause (1) of clause 66 of the Bill, after the words 'the Corporation shall', the following be inserted:

"notwithstanding the fact that the employer has paid the weekly contributions due under this Act in respect of such insured person."

The Honourable Shri Jagjivan Ram: I accept it.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 66 of the Bill, after the words 'the Corporation shall', the following be inserted:

"notwithstanding the fact that the employer has paid the weekly contributions due under this Act in respect of such insured person."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 66, as amended, stand part of the Bill."

The motion was adopted.

Clause 66, as amended, was added to the Bill.

Shri K. Santhanam: Sir, I move:

"That in clause 67 of the Bill, for the word 'of' occurring in line five, the word 'in' be substituted."

Mr. Speaker: The question is:

"That in clause 67 of the Bill, for the word 'of' occurring in line five, the word 'in' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 67, as amended, stand part of the Bill."

The motion was adopted.

Clause 67, as amended, was added to the Bill.

Clause 68 was added to the Bill.

Shri K. Santhanam: Sir, I move:

"That in clause 69 of the Bill, for the words 'Provincial Government' wherever they occur, the words 'appropriate Government' be substituted."

Mr. Speaker: The question is:

"That in clause 69 of the Bill, for the words 'Provincial Government' wherever they occur, the words 'appropriate Government' be substituted."

The motion was adopted.

Shri K. Santhanam: Sir, I move:

"That in part (i) of sub-clause (1) of clause 69 of the Bill, after the word 'factory' occurring in line two, the words 'or establishment' be inserted."

Mr. Speaker: The question is:

"That in part (i) of sub-clause (1) of clause 69 of the Bill, after the word 'factory' occurring in line two, the words 'or establishment' be inserted."

The motion was adopted.

Shri K. Santhanam: Sir, I move:

"That in part (ii) of sub-clause (1) of clause 69 of the Bill, for the words 'condition is' the words 'conditions are' be substituted."

Mr. Speaker: The question is:

"That in part (ii) of sub-clause (1) of clause 69 of the Bill, for the words 'condition is' the words 'conditions are' be substituted."

The motion was adopted.

Shri K. Santhanam: Sir, I move:

"That in sub-clause (3) of clause 69 of the Bill, after the word 'factory', the words 'or establishment' be inserted."

Mr. Speaker: The question is:

"That in sub-clause (3) of clause 69 of the Bill, after the word 'factory', the words 'or establishment' be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 69, as amended, stand part of the Bill."

The motion was adopted.

Clause 69, as amended, was added to the Bill.

Clauses 70, and 71 were added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 72 of the Bill, for the word 'merely' the word 'only' be substituted."

The usual word is "only" in such circumstances. It is only a verbal change.

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in clause 72 of the Bill, for the word 'merely' the word 'only' be substituted."

The motion was adopted.

Shri K. Santhanam: With your permission, Sir, I beg to move my two amendments together:

"That in clause 72 of the Bill before the word 'discontinue' the words 'except as provided by the regulations' be inserted; and the words 'except as provided by the regulations' occurring at the end be omitted."

Mr. Speaker: The question is:

"That in clause 72 of the Bill before the word 'discontinue' the words 'except as provided by the regulations' be inserted; and the words 'except as provided by the regulations' occurring at the end be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 72, as amended, stand part of the Bill."

The motion was adopted.

Clause 72, as amended, was added to the Bill.

Clauses 73 to 84 were added to the Bill.

Shri K. Santhanam: Sir, I beg to move:

(1) "That for part (c) of clause 85 of the Bill, the following be substituted:

'(c) in contravention of section 72 reduces the wages or any privileges or benefits admissible to an employee, or';" and

(2) "That for part (d) of clause 85 of the Bill, the following be substituted:

'(d) in contravention of section 73 or any regulation dismisses, discharges, reduces or otherwise punishes an employee, or'."

Mr. Speaker: The question is:

(1) "That for part (c) of clause 85 of the Bill, the following be substituted:

'(c) in contravention of section 72 reduces the wages or any privileges or benefits admissible to an employee, or';" and

(2) "That for part (d) of clause 85 of the Bill, the following be substituted:

'(d) in contravention of section 73 or any regulation dismisses, discharges, reduces or otherwise punishes an employee, or'."

The motion was adopted.

श्री गोकुलभाई दौलतराम भट्ट : माननीय सभापति जी, मेरा सुझाव नीचे
मुद्रांकित है :—

Shri Gokulbhai Daulatram Bhatt: Sir, I move:

"That in part (g) of clause 85 of the Bill, for the word 'regulations', the words 'rules or the regulations' be substituted."

Mr. Speaker: The question is:

"That in part (g) of clause 85 of the Bill, for the word 'regulations', the words 'rules or the regulations' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 85, as amended, stand part of the Bill."

The motion was adopted.

Clause 85, as amended, was added to the Bill.

Clauses 86 to 94 were added to the Bill.

Shri Arun Chandra Guha: Sir, I beg to move:

"That for sub-clause (1) of clause 95 of the Bill, the following be substituted:

'(1) The Central Government may, subject to the condition of previous publication, make rules not inconsistent with this Act for the purpose of giving effect to the provisions thereof'."

Mr. Speaker: The question is:

"That for sub-clause (1) of clause 95 of the Bill, the following be substituted:

'(1) The Central Government may, subject to the condition of previous publication, make rules not inconsistent with this Act for the purpose of giving effect to the provisions thereof'."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

(1) "That in sub-clause (2) of clause 95 of the Bill, before part (a), the following new part be inserted and the existing parts be re-lettered accordingly:

'(a) the manner of the incorporation, regulation and winding up of the Corporation;';" and

(2) "That in sub-clause (2) of clause 95 of the Bill, after part (a) the following new parts be inserted:

'(aa) the restoration of the membership of the Corporation, the Standing Committee or the Medical Council of any person who has ceased to be a member by operation of section B;

'(aaa) the fees and allowances of members of the Corporation, the Standing Committee or the Medical Council;

'(aaaa) the limit of the funds which may be spent for the improvement of the health and welfare of insured persons and for the rehabilitation and re-employment of disabled and injured persons;

'(aaaaa) salaries and allowances of the Principal officers;';"

These are taken from some of the clauses which we have accepted in the Bill. They empower the Central Government to make rules for these subjects. They are not covered by the clause. That is why I have attempted to incorporate them. Though it is said in the appropriate context that the Central Government may make rules, still it is customary to incorporate them in one clause where all the powers are collected for the sake of convenience. It is for that reason that I have attempted to incorporate them. If it is argued that, as the original section provides for the rule-making power for the Government it is not necessary to incorporate them, that would be an argument for deleting this appropriate clause altogether. It is always the custom in all Acts to incorporate the powers specifically and enlist them in a particular clause so as to draw pointed attention to the powers. I may draw the attention of Honourable Members to the various clauses where these powers are specifically given—if that is wanted. But I can assure Honourable Members that they are taken specifically from different clauses. They are not mentioned here, and I have attempted to incorporate them in the place in the proper sequence where they should be. If the question of principle is accepted then of course the further verification of the powers may be proceeded with. For the time being I would request the Honourable Minister to tell us whether he is agreeable to accept the principle. In that case the actual verification of the wording and the actual powers may be proceeded with. For the sake of saving time I suggest this.

Mr. Speaker: Amendments moved:

(1) "That in sub-clause (2) of clause 95 of the Bill, before part (a), the following new part be inserted and the existing parts be re-lettered accordingly:

'(a) the manner of the incorporation, regulation and winding up of the Corporation;';" and

(2) "That in sub-clause (2) of clause 95 of the Bill, after part (a) the following new parts be inserted:

'(aa) the restoration of the membership of the Corporation, the Standing Committee or the Medical Council of any person who has ceased to be a member by operation of section B;

'(aaa) the fees and allowances of members of the Corporation, the Standing Committee or the Medical Council;

'(aaaa) the limit of the funds which may be spent for the improvement of the health and welfare of insured persons and for the rehabilitation and re-employment of disabled and injured persons;

'(aaaaa) salaries and allowances of the Principal officers;';"

Shri K. Santhanam: The first part is covered by clause 95 (1). I do not see how it can come in again. This will be merely duplicating what is already provided.

Mr. Naziruddin Ahmad: It is already provided but it is not in the appropriate place.

Mr. Naziruddin Ahmad: It is already provided, but it is not in the appropriate power is provided. What the Honourable Member was stating as a general rule of collecting together all the sub-sections which give powers, does not apply to this particular case. That is the point which Mr. Santhanam is making and perhaps making with force.

The Honourable Shri Jagjivan Ram: I have already indicated it to my friend Mr. Naziruddin Ahmad that I am not accepting these amendments.

Mr. Speaker: Does the Honourable Member want to withdraw his amendment or does he want me to put it to the House?

Mr. Naziruddin Ahmad: It may be put to the House.

Mr. Speaker: The question is:

(1) "That in sub-clause (2) of clause 95 of the Bill, before part (a), the following new part be inserted and the existing parts be re-lettered accordingly:

'(a) the manner of the incorporation, regulation and winding up of the Corporation;';"

and
(2) "That in sub-clause (2) of clause 95 of the Bill, after part (a) the following new parts be inserted:

'(aa) the restoration of the membership of the Corporation, the Standing Committee or the Medical Council of any person who has ceased to be a member by operation of section B;

(aaa) the fees and allowances of members of the Corporation, the Standing Committee or the Medical Council;

(aaaa) the limit of the funds which may be spent for the improvement of the health and welfare of insured persons and for the rehabilitation and re-employment of disabled and injured persons;

(aaaaa) salaries and allowances of the Principal officers;';"

The motion was negatived.

Mr. Naziruddin Ahmad: I beg to move:

"That part (p) of sub-clause (2) of clause 95 of the Bill, be omitted."

The Central Government may make rules in regard to some of the subjects, and part (p) says:

"Any matter which is required or allowed by this Act to be prescribed by the Central Government."

I submit, Sir, this clause (p) is redundant. It assumes that power is already given. If power has been already given in different clauses to the Central Government to make rules on particular subjects, then the matter is already covered in the sections. I wanted to insert some of the omissions in the amendment which has just been lost. It has appeared in some of the recent Bills, but a provision like this never appeared before. I submit that if any power is there which is not incorporated in the list, it should be specifically stated in the list as a specific item. Perhaps this incorporation of item (p) is due to a nervous fear that perhaps something will be left out. I submit, Sir, in the way in which part (p) is worded, it is absolutely unnecessary. If any power is already given in any sections, then it should be particularly mentioned for convenience. It is for this purpose that I seek deletion of part (p).

Mr. Speaker: Amendment moved:

"That part (p) of sub-clause (2) of clause 95 of the Bill, be omitted."

The Honourable Shri Jagjivan Ram: I do not accept the amendment.

Mr. Speaker: The question is:

"That part (p) of sub-clause (2) of clause 95 of the Bill, be omitted."

The motion was negatived.

Mr. Speaker: The question is:

"That clause 95, as amended, stand part of the Bill."

The motion was adopted.

Clause 95, as amended, was added to the Bill.

Shri K. Santhanam: I beg to move:

"That in part (e) of sub-clause (1) of clause 96 of the Bill, the word 'such' be omitted."

The Honourable Shri Jagjivan Ram: I accept the amendment.

Mr. Speaker: The question is:

"That in part (e) of sub-clause (1) of clause 96 of the Bill, the word 'such' be omitted."

The motion was adopted.

Mr. Naziruddin Ahmad: I beg to move:

"That part (h) of sub-clause (1) of clause 96 of the Bill, be omitted."

The operating part (h) runs thus:

"(h) any other matter which is required or allowed by this Act to be prescribed by the Provincial Government."

The word "prescribed" has been defined, that is prescribed by rules made by the provincial government, and it is also clearly stated in appropriate places as to the subjects where a provincial government may prescribe or make rules. The addition of sub-clause (h) is due to the same nervousness, that something perhaps may be omitted, but the inclusion of part (h) does not improve matters. It is far more satisfactory to find out what matters have been provided for, for rule-making power and to incorporate them straightaway. Nothing is gained, but rather a kind of weakness is shown by providing a part like this. I therefore suggest that it should be omitted.

The Honourable Shri Jagjivan Ram: I do not agree with the amendment.

Mr. Speaker: I am putting the amendment to the vote of the House.

The question is:

"That part (h) of sub-clause (1) of clause 96 of the Bill, be omitted."

The motion was negatived.

Mr. Speaker: The question is:

"That clause 96, as amended, stand part of the Bill."

The motion was adopted.

Clause 96, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in sub-clause (1) of clause 97 of the Bill, the following be added at the end:

'and may from time to time alter and amend the same as it thinks proper and expedient'."

In this case the passage occurs in clause 97 which provides for the Corporation making regulations. According to the General Clauses Act, if any power is given by any Act or rule, any power may be exercised from time to time, but as the House has taken some fancy for this expression that it should be incorporated anywhere and everywhere, on possible and impossible occasions, I have taken courage to incorporate it, but there is the risk that as it is being moved, it may be opposed. So I submit that the power to alter and amend should also be given, although according to the General Clauses Act, the power is not necessary. I submit that as the General Clauses Act is being respected by being thoroughly ignored at every place, so in order to make things complete, this should also be incorporated here. If we do not do it, there is a risk. If we do not say this here, and if we say this in other places, quite unnecessarily the effect of that may be that the General Clauses Act is no longer binding to the interpretation of any law in free India because this condition is attached here and there, and is not done in other cases. So, the meaning would be that where the condition is incorporated it may be understood that the power may

[Mr. Naziruddin Ahmad]

be exercised from time to time and the rules may be corrected from time to time and altered from time to time; and in other places where it is not mentioned, that there is no such power.

It is in order to avoid this risk that I ask the House to face the consequences of its adoption of a particular line of draftsmanship. It is simply to show the possible danger of misleading the public that I have drawn the attention of the House to this state of affairs.

Mr. Speaker: Amendment moved?

"That in sub-clause (1) of clause 97 of the Bill, the following be added at the end:

'and may from time to time alter and amend the same as it thinks proper and expedient'."

The Honourable Shri Jagjivan Ram: Sir, I am afraid, my Honourable friend Mr. Naziruddin Ahmad has argued more for the non-acceptance than for the acceptance of his amendment. I am afraid I cannot accept it.

Mr. Naziruddin Ahmad: Sir, I am not guilty of inconsistency. I have asked for the correct method of draftsmanship but I have been repeatedly turned down. I am consistent. I have taken the decision of the House with respect and I ask the House to stick to its decision—there is no inconsistency on my part.

Mr. Speaker: After all each Statute will be interpreted on its own language and sections, and not with reference to what has been provided for in other Acts.

The question is:

"That in sub-clause (1) of clause 97 of the Bill, the following be added at the end:

'and may from time to time alter and amend the same as it thinks proper and expedient'."

The motion was negatived.

श्री गोकुलभाई दौलतराम भट्ट : माननीय सभापति जी, मेरा सुझाव यह है ।

Shri Gokulbhai Daulatram Bhatt: Sir, I move:

"That in part (xi) of sub-clause (2) of clause 97 of the Bill, the words 'to an employee' be omitted."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in part (xi) of sub-clause (2) of clause 97 of the Bill, the words 'to an employee' be omitted."

The motion was adopted.

Shri Arun Chandra Guha: Sir, I move:

"That in part (xxii) of sub-clause (2) of clause 97 of the Bill, the word 'and' be added at the end."

The Honourable Shri Jagjivan Ram: Sir, I accept it.

Mr. Speaker: The question is:

"That in part (xxii) of sub-clause (2) of clause 97 of the Bill, the word 'and' be added at the end."

The motion was adopted.

Shri Arun Chandra Guha: Sir, I move:

"That part (xxiii) of sub-clause (2) of clause 97 of the Bill be omitted and the subsequent part be re-numbered accordingly."

Mr. Speaker: The question is:

"That part (xxiii) of sub-clause (2) of clause 97 of the Bill be omitted and the subsequent part be re-numbered accordingly."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 97, as amended, stand part of the Bill."

The motion was adopted.

Clause 97, as amended, was added to the Bill.

Clauses 98 and 99 were added to the Bill.

The Assembly then adjourned for Lunch till Half-Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock.

Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Mr. Speaker: The question is:

"That Schedule I stand part of the Bill."

The motion was adopted.

Schedule I was added to the Bill.

Shri Arun Chandra Guha: Sir, I beg to move:

"That in paragraph 2 of Schedule II to the Bill, the word 'not' occurring in lines five and six be omitted."

Mr. Speaker: The question is:

"That in paragraph 2 of Schedule II to the Bill, the word 'not' occurring in lines five and six be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That Schedule II, as amended, stand part of the Bill."

The motion was adopted.

Schedule II, as amended, was added to the Bill.

Mr. Speaker: We may now resume clause 2, sub-clause (11) where we left it, before I go to Clause I, the Preamble and the Title. Has any decision been reached in regard to the definition of "family" in sub-clause (11)?

The Honourable Shri Jagjivan Ram: The question was only about the "parents". My friend Mr. Ayyangar has drafted an amendment.

Mr. Speaker: I hope it is a substantially agreed amendment.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, I submitted my amendment to the Honourable Minister and he has agreed with me. My amendment runs as follows:

"That in part (11) of clause 2 of the Bill, the following be added at the end:

'and where the insured person is a male, his dependent parents'."

Sir, "family" means the spouse and minor legitimate and adopted children dependent upon the insured person. This morning illegitimate children were voted out. Therefore I continue the clause as it is and add the following at the end, namely, "and where the insured person is a male, his dependent parents." The difficulty is that the insured person may be a male or a female. If he is a male, he maintains his parents and if he has a family and he has married a woman, it is no good putting on his widow an obligation which is not now borne in joint Hindu families. We all know that when a man dies, if he has left some children the woman goes and lives with her father-in-law and mother-in-law. But I do not want to impose the obligation of maintaining the father-in-law and mother-in-law on a widow with a number of children. It is enough if her earnings go to maintain her own children. Therefore, I want to make a distinction between a case where the spouse is a male and the insured is a female, and a case where the spouse is a female and the insured is a male. For our purposes

[Shri M. Ananthasayanam Ayyangar]
this is the only beginning. We do indicate by this amendment that we are not restricting this word 'family' situated as we are in India and most of us have got the ancient custom of maintaining our parents. By this means the parents are not ignored: it is for that purpose, Sir, I have put in a restricted amendment. I hope the House will kindly accept it.

Mr. Speaker: Amendment moved:

"That in part (11) of clause 2 of the Bill the following be added at the end:

'and where the insured person is a male his dependent parents'."

Shri K. Santhanam: Sir, I do not know whether my friend Mr. Ananthasayanam Ayyangar has realized exactly what he has been doing. This amendment of the definition does not give any right whatsoever to the dependant parents to any benefit, because the dependant's benefit is regulated by Schedule II and so long as Schedule II is not amended the position of the parents will be exactly as it is. As a matter of fact even without the definition, paragraph 5 of Schedule II says:

"In case the deceased person does not leave a widow or legitimate child, dependents' benefit at such rates as may be determined by the Commissioner appointed under the Workmen's Compensation Act, 1923 (VIII of 1923), shall be payable as follows:—

- (a) to a parent or grand parent, for life;
- (b) to any other male dependant, until he attains fifteen years of age;
- (c) to any other female dependant, until she attains fifteen years of age or until marriage, whichever is earlier, or if widowed until she attains fifteen years of age."

The only advantage of his amendment may be that in case the Corporation extends the medical benefits to the family, then the aged parents may get a medical benefit. If this was his intention, then it is all right, but his enthusiasm that the sons should support their parents has not been carried out by his amendment.

The Honourable Shri Jagjivan Ram: It is only medical facilities that they may get when these facilities are extended by the Corporation. Even if we include "parents", it does not confer on them any right for cash benefits.

Shri M. Ananthasayanam Ayyangar: Whatever little benefit, by some grace, it is possible to get, let me get. I thought my friend Mr. Santhanam would enable me to amend Schedule II also, but he is trying to detract what I have said. Let me now be satisfied with whatever I am able to get.

Mr. Speaker: The question is:

"That in part (11) of clause 2 of the Bill, the following be added at the end: 'and where the insured person is a male, his dependent parents'."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Shri Jagjivan Ram: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

Shri M. Ananthasayanam Ayyangar: I have not spoken at any stage of the Bill. I thought that this measure of social insurance is absolutely necessary and similar measures ought to be brought. I would give one concrete instance. A person enters service in the Government of India and he has to work 30 years before he is entitled to get any pension. The bigger men, that is, those who are getting more than Rs. 400 may have saved during their lifetime, but if a

labourer dies at an early age, his dependants are absolutely left in the cold, and they are not entitled to get anything at all.

Now clerks and other non-gazetted officers suffer under this disability. If he lives after 30 years and gets a pension, he is able to commute and leave something substantially behind him, even though he will pass away soon after retirement. I would urge upon the Honourable Minister who is interested in all round social measure for the entire community—step by step only, I am not asking him to jump all of a sudden, there might be an institution by which every Government servant as soon as he enters service should compulsorily insure his life so that when he dies, his wife and children may be protected. That must be State Insurance. The Postal Insurance is sufficiently big but every employee of the Government must have his life insured for a minimum sum as soon as he enters service. The entire contribution may come from his salary or the Government may find ways and means of contributing a portion as they are contributing to the Provident Fund.

In other employments also the same principle may be adopted, wherever the salary is below Rs. 400 for the reason that they may not be able to save much during their life-time; this money alone will come to them and can be relied upon after a period of years of service. I hope the Honourable Minister will take early steps to expand the benefits that may come within the purview of this scheme and some legislation may be brought into existence that will relieve to a large extent the inconveniences, and hardships felt by the middle-class people who are in employment either in Government service or outside. Otherwise, Sir, this is a bold scheme that has been introduced. I heartily support the Honourable Minister and I am sure that very soon these measures will be implemented by the Provinces to whom power has been given. I wish this scheme all success.

Shri Biswanath Das (Orissa: General): Sir, I heartily congratulate my Honourable friend for having piloted the Bill and also carried it through. In the Select Committee I have found all along that he was not only sympathetic, but was also helpful. That makes me feel that his enthusiasm and anxiety to help the people, especially the under-dog, in all social security measures is no less than ours. The fact still remains, however, that we have yet to begin social security measures. Let me state clearly that the measure we have just passed touches a fringe of our population; it is only about 3 million people who are engaged in labour to whom this legislation will apply. And you have more than 30 crores of people still left to be taken care of. And here I am specially thinking of agricultural labour which forms more than half that figure, i.e., more than 15 crores. My Honourable friend Mr. Ayyangar spoke of Government servants. By all means go ahead in the case of service-holders also; but I want you to compare them with the unfortunate people who live in your five lakhs of villages in India who do not get anything in the shape of medical aid. I have often stated that this is an unfortunate country where Ayurvedic drugs are rotting and people are suffering. These conditions were tolerated so long as we had a foreign administration ruling in India; but now the conditions have changed and people have a right to demand that this aspect of the question should be immediately attended to. Sir, social security is meaningless unless the health and welfare of the people is attended to: and you cannot attend to it if you forget the people who are engaged in the biggest industry in India, namely, agriculture. In this House I very often see sympathies flowing for industrial labour. My sympathies also are there, but at the same time I want to stress the need for our thinking population about the agricultural population and specially agriculturist labour. In the agricultural industry there is very

[Shri Biswanath Das]

little difference between agricultural labour and the agriculturist himself; if there is any, it is very thin and negligible. The agriculturist himself is very often the agricultural labourer. Sir, if you think of social security, if you think of keeping people away from disease and death you cannot do better than attend to their medical needs as also think of securing work for them. It is a known fact that there are dead seasons when very many agricultural labourers do not get work; these are the months from March to the middle of June. A mighty source of human power is thus being wasted; and how can you think of the health and the welfare of agriculturists and of agricultural labour if you cannot afford to provide work for them and therefore their meal? Sir, your professions of sympathy for agriculture as also in the direction of Grow More Food will be of no avail either to your country or to your agriculturists in the villages unless you devise some scheme for providing work for the rural population during this dead season so as to contribute not only to their welfare but also to their health. In these circumstances let me hope that my Honourable friend in collaboration with the Finance and other allied Ministries will devise a scheme by which he can provide work for the agriculturists and agricultural labour during the dead seasons, i.e., the period beginning with February and continuing till the end of June as also the months of October and November.

Sir, I again thank my Honourable friend for the very necessary steps that he took in this regard to safeguard the interests of labour and the health of labour which I am sure will add to the prosperity not only of labour but also of capital and ensure greater production.

Shri B. Shiva Rao (Madras: General): Sir I should like to make one or two observations on the third reading of this Bill, apart from paying my tribute of admiration for the unceasing efforts of the Labour Minister in the cause of labour. While we have been discussing the provisions of this Bill on the floor of this House, there has been a conference on the numerous problems of plantation labour in another part of this building under the chairmanship of his able and experienced Secretary. Now that the Bill is out of our hands and will shortly be on the statute-book, I should like to take this occasion to support the views expressed yesterday by my Honourable friend Mrs. Ray about the implementing of this measure. I can recall the time when the Workmen's Compensation Act was first placed on the statute-book. In Madras we found that it remained almost a dead letter until some of us who were at that time working actively in the trade union movement put into simple Tamil the main provisions of that Act and broadcast it among the industrial workers in Southern India. And that, I suggest to the Labour Minister, is very necessary, particularly in regard to a complicated measure like this, because in social legislation one of the main factors in bringing it into operation is the spreading of the knowledge of the rights which workers obtain under any particular measure. I hope that aspect will not be ignored even after the measure has been placed on the statute-book.

I should like also to endorse the remarks made by Mrs. Ray about the necessity for the Central Government to formulate a set of model rules to be sent round to the different provinces. Again speaking from my experience of the manner in which the Workmen's Compensation Act was brought into force, I can say that sometimes Provincial Governments take months, if not more than a year, to frame the necessary rules, and thus delay a particular measure being brought into force. I hope that that too will not be ignored by the Labour Minister after this measure has been placed on the statute-book.

Lastly, Sir, I should like to say one thing, although it may seem surprising that such an observation should come from me. When I think of public health conditions, particularly in the industrial areas, and think of the incidence of diseases like malaria, tuberculosis and leprosy. I am a little apprehensive about

the likely burden on industry if this measure is brought into force in the right spirit in existing circumstances. I do not mind confessing that as a member of the Bhore Committee I expressed the view—on the principle that first things must come first—that the Government of India's first attention should be devoted to industrial housing; because I am convinced that until this problem has been properly tackled and workers have been provided with decent housing in all the industrial areas, the conditions of public health cannot be expected to improve appreciably. I am therefore looking forward to the early publication of the details of the housing scheme which the Labour Minister has promised. But I have no doubt that he will press forward with that scheme in the same liberal spirit which he has shown in bringing forward this measure and placing it on the statute-book.

Prof. N. G. Ranga (Madras: General): There is one point which my Honourable friends Mrs. Ray and Mr. Shiva Rao have made and which

3 P.M. rather struck me both yesterday and today. They seem to be under the impression that the Provincial Governments have not changed in their character towards labour within the last 20 or 25 years. I wish to assure them—rather I wonder why they have not taken into consideration the change that has come over our own Provincial Governments during the last two years: indeed even when the Congress Ministries were in existence for nearly 2½ years on the previous occasion.

Isn't it a fact that the Madras Government has taken the lead in organizing maternity benefit for their workers? And isn't it a fact that the Madras Government was the first to offer this facility—and that was the Congress Government? Isn't it a fact, and are not my friends aware of the fact, that when the Disputes Act was not really given effect to by the Central Government at that time, it was the Madras Government, and its Labour Minister, our common friend and an ex-Member of this House, Mr. Giri, who appointed the maximum number of Arbitration Courts and got the largest number of most favourable awards for labour during his regime of 2½ years as Labour Minister? Isn't it a fact that only recently in the Industries Conference our friend, Dr. Suresh Banerjee, himself a labour leader, when he became the Minister for Labour in the West Bengal cabinet had told us that in every case where and when there was a labour dispute, he took care to appoint the necessary conciliation machinery and saw to it that the awards that were given, which were all favourable to workers, were enforced by the Government? Similarly, only recently, the Central Government, under the leadership of my friend, Shri Jagjivan Ram, got an Act passed for the compulsory recognition of trade unions. Isn't it a fact that years ago the Bombay Government took care to make the necessary provision not for compulsory recognition of trade unions but for the recognition of trade unions by employers and by Government provided certain conditions were satisfied?

One could quote a number of instances like these. So it cannot be maintained today that most of the Provincial Governments are in any way less progressive than the Central Government. And what is more, there are in the provincial legislatures as many people interested in labour as we find in this House. Therefore, it is as well that this House should have this confidence in the provincial legislatures as well as in the Provincial Governments as they have come to be today, and trust their labour *bona fides* and expect them to give as early and as satisfactory effect to the various provisions that we have made in this particular Bill and where we have left the initiative to the Provincial Governments alone.

I wish to add another word, and that is in regard to agricultural labour. Sir, if we have in the Indian Union about 500 lakhs of villages, I am sure there are not less than 10 farm servants in each village, employed on a monthly or annual contract, who really will have to be legitimately brought under the aegis of this Bill. In that way then you will get about 5½ million workers. Can anybody say that any other industry can boast of half as many permanent

[Prof. N. G. Ranga]

workers as there are today in the agricultural industry and who will be brought under the aegis of this particular Act? My Honourable friend, Shri Jagjivan Ram has sought to bring these 5½ million—that is the minimum number: the maximum may run into 8 to 10 million—workers under the direction of this Act. That I consider to be a very progressive thing indeed.

I have been labouring for this for the last 15 years, and at last it has come to be a matter of fact today and it is accepted wholeheartedly by the House and therefore I am very glad about it. That is why I yesterday hastened to congratulate my Honourable friend and I began to think that this is indeed a revolutionary and progressive proposal—bringing 5½ million workers, spread over the whole of this country in all our villages under the direction of this particular Act, and then to provide them with the necessary medical benefits that are now envisaged.

Undoubtedly, it is going to be really a very huge administrative responsibility and it will certainly inaugurate a veritable revolution in the social conditions of our villages. If these 10 or 15 workers of a village have to be provided with all these benefits, certainly there must be a hospital or dispensary for every ten villages within a distance of 6 or 7 miles from any one of these villages.

Therefore it will be the responsibility of the Provincial Governments to prepare their plans for a chain of hospitals and dispensaries all over the country. Can it be done? Is it reasonable on our part to expect them to discharge this responsibility within a year or within two years unless the Central Government themselves are quite prepared to go more than half the way and then offer the necessary financial assistance to these Provincial Governments in order to provide all these facilities? I know the Central Government has not this plan at present, but I am glad that this particular provision is made in this Act, because once this is done, we have a fixed sort of outside limit that is three years. Within this particular three-year period either the Central Government goes forward to help the Provincial Governments and all together give effect to this thing, or on both sides, both these parties will have to confess bankruptcy of statesmanship. But I feel sure they will not certainly declare themselves bankrupt. They will be willing to make the provision in regard to medical facilities and thus give effect to this Act within three years.

This may be a very good beginning indeed for the greater and more expansive medical facilities that our villages are so badly in need of and for which all our villagers themselves are crying.

Therefore, Sir, with this full confidence in the *bona fides* of the Provincial Governments, and with this confidence in the Central Government and the ability of my Honourable friend to persuade the other colleagues in the cabinet to place sufficient funds at the disposal of the Provincial Governments, and in the hope that somehow or other this House, the public outside and all the provincial legislatures and provincial ministries will co-operate with one another in order to make it possible for this Act to be fully implemented, I accord my wholehearted support for this Bill in the stage that it has now reached.

Shrimati Renuka Ray (West Bengal: General): Mr. Speaker, it was not my intention to take part in this debate at this stage but for some of the remarks that Prof. Ranga has made. He has suggested that, I as well as my Honourable friend, Mr. Shiva Rao, seem to be unaware of the fact that there are as great changes in the Provincial Governments as in the Centre.

I am not unaware of the fact that Congress Ministries are functioning and that we have quite different expectations of them in the provinces. I am not challenging their *bona fides* either. But, Sir, Congress Ministries have functioned before and would my friend, Prof. Ranga, agree or not that in all provinces they have not always functioned with an equal amount of vigilance and equal zealotry particularly in regard to labour legislation. I did not

mention it yesterday, but the question of uniformity in regard to labour legislation, or rather in regard to its implementation, was also in my mind when I suggested that the Labour Minister should see to it that these provisions of this Bill are implemented in the provinces. I do feel that there may be provinces which are very go-ahead with regard to labour legislation and there may be other provinces which may be go-ahead in regard to some other things. If we want alertness and vigilance in these matters it is the responsibility and the duty of the Honourable the Labour Minister to see to it that the implementation of legislation does take place in all provinces quickly and alike. There are many things about which the provinces themselves will agree that they have not been alert or watchful. Take the question of children working under disgraceful conditions in factories. What has been done about it? Is it not a scandal that the problem has not yet been tackled? It is no use being blind to what is happening. We have got to be alert. I think every one in this House is convinced that the Labour Minister is enthusiastic and keen about this legislation and if that is so, the duty devolves on him to take further interest and see that the provinces do not delay in putting through such legislation in whatever way they can.

I have no desire to say anything more about the provisions of this Bill as I talked about it yesterday. I do feel, as I said, that in this we have the nucleus of social insurance code, a comprehensive code that will come in later. We have had to go slower than we would desire, because of so many administrative difficulties but at the same time, whatever little we do, let us see that it is done in reality and let it not remain a mere piece of paper legislation on the statute books a minute longer than is absolutely necessary. Prof. Ranga has spoken about Madras: I might be equally provincial and speak about West Bengal but I do not desire to do so.

Prof. N. G. Ranga: I paid a compliment to West Bengal.

श्री गोकुलभाई दौलत राम भट्ट: माननीय सभापति जी, आजकल का जमाना मजदूरों की प्रवृत्ति के प्रति ज्यादा जागृत रहने का है, क्योंकि जहाँ देखो वहाँ मजदूर वही साधन है जो कि प्रचार के लिये बहुत बड़ा है, मुकम्मिल साधन माना जाता है और अगर किसी हकूमत के विरुद्ध कुछ काम भी करवाना हो, तो मजदूरों को आगे रखा जाता है। ऐसी हालत में हमारे हिन्दुस्तान में मजदूरों के प्रति क्या नीति रहनी चाहिये, वह हमें ठन्डे दिल से और ठन्डे दिमाग से सोचना होगा।

हम जरूर यह चाहते हैं कि सब की सब चीज हम आज इस बजट सेशन में मंजूर कर दें। लेकिन मंजूर करने से तो क्या होता है? फिर यहाँ से हम अंकसूत्र का उच्चार करते हैं। सूत्र यह एक सिद्धान्त प्रतिपादित करता है। उसको जब व्यवहार में लाना पड़ता है या उसका अमल करना पड़ता है तो प्रान्तों की ओर निगाह दौड़ानी पड़ती है और बात भी यह है कि यहाँ से वेद व्यास की तरह एक मन्त्र का उच्चारण हो जाय और प्रान्तों को उसका अमल करना है, उसको कार्यान्वित करना है। तो हमें यह देखना चाहिये कि हमारे प्रान्तों की क्या हालत है, क्या गुंजाईश है। हर एक प्रान्त में अलग अलग परिस्थिति रहती है। भले ही यह कोई कह दे कि मदरास में ज्यादा काम हो रहा है। कोई बंगाल की हिमायत करे और कोई बम्बई की तारीफ करे लेकिन जो कुछ हो रहा है वह नेकनीयती से हो रहा है और सब का इरादा वैसा

[श्री गोकुल भाई दोलतराम भट्ट]

है कि हमारे जो मजदूर भाई हैं, उनकी हम पूरी तौर से मदद करें। मैं किसी एक प्रान्त को लेकर चर्चा नहीं कर रहा हूँ और ऐसी चर्चा करने को यह मौका भी नहीं है मैं यह जरूर कहना चाहता हूँ कि हमें इस चीज़ का बराबर ख्याल रखना होगा, जब कि कई प्रकार की पार्टियाँ देश में मजदूरों का काम लेकर बाहर आ रही हैं और मजदूरों की संस्था कायम करने में वह अपना गौरव समझती हैं। मजदूरों की संस्था के जरिये वह अपनी इज्जत भी बढ़ाना चाहती हैं और मजदूरों की समस्या से वह भी आगे आना चाहते हैं और शायद सत्ता भी काबिज करना चाहते हैं। तब हमें ऐसी नीति बतानी चाहिये जो नीति सच्ची हो और जिस नीति पर हम बराबर अमल कर सकें और हमारे सूबे भी इस पर अमल कर सकें। हमारी गति यहां मध्यस्थ सरकार की कैसी रही है उसका अगर हम एक दो सूत्रों में अवलोकन करें तो मैं यह कह सकता हूँ कि हमारे सामने जो Minimum Wages Bill, वगैरह आगये Dockyard Workers Bill आगया और सबसे ज्यादा और बड़ा अच्छा बिल अगर कोई कहा जा सकता है तो वह यह बिल है जो एक प्रकार से मजदूरों की रक्षा करने वाला है और वह रक्षा करने में मध्यस्थ सरकार ने सिर्फ एक मन्त्र का उच्चारण नहीं किया है लेकिन सेन्टर ने अपनी तरफ से भी उसको अमल करवाने के लिये, या उसको संचालन करने में दो तिहाई रकम भी देने की मंजूरी दे दी है। तो हम यहां बैठे हैं प्रान्तों के पास से जो अपेक्षा रखने हैं, प्रान्तों का जो हम ख्याल रखते हैं, कि आप भी इस चीज़ को जहां तक हो सके आगे बढ़ायें। जल्दी आगे बढ़िये, क्योंकि जमाना ऐसा है कि हम लोग अगर माफ़ करें कांग्रेस में काम करने वाले कुछ ऐसे डीले बन गये हैं, आलसी बन गये हैं। मैं मानता हूँ कि हमारा सब कुछ काम होगा तो हमें प्रचार करने का तरीका बराबर मालूम नहीं है। हमारे कोई दूसरे मेम्बर हैं, नई पार्टियाँ बनाने वाले, वह प्रचार को बहुत समझते हैं और प्रचार इस तरीके से करते हैं कि उनकी छोटी सी चीज़ बड़ी मालूम होती है और यहां की बहुत बड़ी चीज़ बनाकर रखते हैं लेकिन वह प्रचार के अभाव में छोटी और नाचीज़ मालूम होती है और हम को समझ में नहीं आता कि कांग्रेस इतना कुछ काम करने जा रही है मकसद इतना अच्छा रख रही है तो भी कांग्रेस के लिये इतनी हमदर्दी नहीं है और कांग्रेस के बारे में क्यों लोगों में ग़लतफ़हमियाँ पैदा हो रही हैं। लोगों का जो प्रचार है, वह सच्चा प्रचार होना चाहिये हम कभी ग़लत प्रचार नहीं कराना चाहते। जो अच्छी चीज़ बनती है, जो तत्त्व वाली चीज़ बनती है, उसका भी प्रचार नहीं करते हैं। उसको लोगों तक मजदूरों तक पहुंचाते नहीं हैं और जिनके साथ वह हैं उनके कानों तक हम पहुंचाते नहीं हैं। इसलिये हम मानते हैं कि हम

बहुत पीछे रह रहे हैं और अगर इस तरीके से चलेंगे तो हम बहुत पीछे चले जायेंगे और पीछे रहेंगे। हमारी गति जिस प्रकार की है हमारा प्रचार भी वैसा होना चाहिये, मैं मानता हूँ कि हम सब इस भवन में बैठे हैं, हम कैसे प्रचार करें। मैं जरूर यह जानता हूँ कि जो कुछ हम बना रहे हैं, जो ज़िज्ज कर रहे हैं, उस चीज़ को गांव तक और लोगों तक पहुंचाने का तरीका वह सच्चा तरीका कौन सा हो सकता है, वह हमारे मिनिस्ट्रों को सोचना चाहिये और हमारी हकूमत इस चीज़ को सोचेगी, ऐसी मैं जरूर आशा करता हूँ।

यह चीज़ इतने सालों के बाद आई है। Maternity Benefit Act और Workmen's Compensation Act के बाद यह चीज़ आ रही है। इस में बीमारी की हालत में उनके आश्रितों को क्या देना चाहिये, उस सिलसिले में हमने एक बहुत बड़ा कदम उठाया है और इसकी मैं जरूर सराहना करता हूँ। यह दो बातें रखने से इस बिल की गुंजाईश बढ़ गई है और यह बिल और ज्यादा मुफीद और लाभकारी बन गया है।

दूसरी बात जो आगयी है वह जैसा पहले भी मैंने अर्ज किया था वह (Workmen) शब्द की जगह (Employee) शब्द को बदल कर रखना था। मुझे यह (Employee) शब्द बहुत पसन्द है और मैं जरूर कहता हूँ कि इसमें हमने गुंजाईश बढ़ा दी है और हमारा जो क्षेत्र है, वह विस्तृत होगया है। तीसरी बात जो है वह यह है कि सिर्फ कल और कारखानों में काम करने वालों के बारे में हमें ज्यादा हमदर्दी है। यह शिकायत है। जहां कल कारखानों में लोग बैठ कर काम करते हैं वहां की हवा भी ऐसी होती है कि आदमी वहां दस, पन्द्रह साल अपना जीवन घटा देते हैं। ऐसी जगह हमें देखना चाहिये कि वहां काम करने वालों को ज्यादा सहूलियत देनी चाहिये। यह बात ठीक है कि किसान लोग हैं, खेत में काम करने वाले लोग हैं, उनकी तरफ हमें हमदर्दी बहुत है और ज्यादा रखनी चाहिये।

यहां जो power factories हैं, वहां उनकी हालत ज्यादा खराब है, बमुक़ाबिले उन लोगों को जो खेतों में काम करते हैं, या बाहर काम करते हैं। उनको बहुत खुली हवा मिलती है, इन आदमियों का जीवन बढ़ता है, क्योंकि यह खुली हवा में काम करते हैं। तो यह जो एक नई चीज़ है, उसकी भी सराहना करना चाहिये और मैं मानता हूँ कि इस तरह से यह जो बिल बना है वह ठीक गति से चल रहा है और हमारी गति जैसी होनी चाहिये, उसी गति से हम चल रहे हैं। हम गति में कूदते नहीं हैं, हम दौड़ते भी नहीं हैं जिससे हमारे प्रांत हमारे साथ न रह सकें और हमारी जो मंशा है उसको पूरा न कर सकें। इस बिल में जो कुछ गुंजाईश जो कुछ सहूलियत ज्यादा दी गई है, उससे उनको अड़चन आने वाली है। ऐसा मुझे नहीं लगता है। ऐसी मैं जरूर आशा रखता हूँ।

[श्री गोकुल भाई दौलतराम भट्ट]

अब मैं इन चीजों के अलावा एक दो चीज की तरफ अपने मंत्री महाशय का ध्यान खींचना चाहता हूँ। अपने मजदूर भाइयों की housing facilities के बारे में हमें ज्यादा सोचना पड़ेगा और जल्द सोचना पड़ेगा। इस housing facilities के बारे में जब मैं विचार करता हूँ तब मुझे यहाँ के क्या और जगह के बड़े बड़े बंगलों में, बड़े बड़े मकानों में जो outhouses होते हैं या जो हमारे नौकरों के लिये खोली या कमरे रखे जाते हैं उसकी तरफ जब मैं निगाह करता हूँ तो मुझे ज़रूर आश्चर्य होता है और मुझे यह कहना पड़ता है और कहूँगा कि अब जो outhouses हम बनाएँ या अपने नौकरों के लिये जो जगह रखें वह वैसी जगह न रखें जो टट्टियों के पास हों या ऐसी जगह न रखें जहाँ वह न रह सकें। हम गर्मी के दिनों में पंखे चला लें और उसमें सोते रहें, और वह गर्मी के मारे मरते रहें। लेकिन सेठ साहूकारों को बड़े-बड़े आदमियों को इसका कोई खयाल नहीं है। अब हमारा दृष्टिकोण बदलना चाहिये। हमारे जो नौकर हैं चाहे वह हमारे रसोइया हो चाहे दूसरे प्रकार के नौकर हों कोई भी हों उनको भी वही सहूलियत दी जानी चाहिये जैसी सहूलियत हम खुद अपने लिये चाहते हैं। जेलखाने में हम चाहते हैं कि हमारे लिये एक सौ क्यूबिक फीट जगह चाहिये। लेकिन जब हम अपने नौकरों के घर देखते हैं उनकी परिस्थिति देखते हैं तो हमें सोचना चाहिये कि हम लोग अपने मजदूरों के लिये और हमारे दूसरे मित्रों के लिये जो सारा भोजन पैदा करते हैं, जो मेहनत मजदूरी करते हैं, जो हमारे आदमी हैं उनके लिये किस तरह की सहूलियत दे रहे हैं? इसकी तरफ हमें ज्यादा खयाल करना चाहिये और हमारा सेन्टर इस तरफ सोचे और कदम उठाए ऐसा मैं मानता हूँ।

और ज्यादा बातें न कहते हुए मैं इस बिल की सरहाना करता हूँ और जो चीज हमारे सामने आई है उसकी मंशा के अनुसार उस पर अमल करने की जल्दी से जल्दी कोशिश करें। इतना कहते हुए मैं मंत्री महाशय को धन्यवाद देता हूँ।

(English translation of the above speech)

Shri Gokulbhai Daulatram Bhatt: Mr. Speaker, in the present times we should be very conscious about the tendency of labour because every where it is made to act as an important instrument of propaganda. Labour is placed in the forefront whenever any action is required against a Government. We will have to consider dispassionately and with a cool head what policy we have to adopt towards Indian labour under these circumstances. We do wish we could agree to everything during this Budget Session. But what can mere acceptance do? We then introduce legislation which embodies a principle. While enforcing it we have to look to Provinces. Like Ved Vyas' 'Mantras' which were chanted at one place and recorded at another the legislation enacted here is to be enforced by the Provinces. We have therefore study the position of our Provinces to see what we can expect from them. Conditions vary in each Province. One may say that more work is being done in Madras; another may support Bengal while still another may praise Bombay. But is all this

being done with good intentions? Do all intend giving real help to labour? I am not referring to any particular Province; and this is not the occasion for it either. But I must emphasise that we cannot afford to ignore it especially when various parties are coming forward to advocate the cause of labour and acquire importance by establishing labour institution. Through labour institutions they want to increase their prestige, and to come into limelight by sponsoring labour problems and perhaps aiming also at securing power. It is therefore imperative for us to adopt a correct policy which both the Centre and the Provinces can follow.

If we review the policy which the Centre has hitherto adopted in one or two Province, I can say that of all the Bills such as the Minimum Wages Bill, the Dockyard Workers Bill etc., which have come before us, this is perhaps the best which in a way aims at protecting labourers. For this protection the Centre has not merely chanted a *Mantra* but it has even decided to bear two thirds of the cost required in implementing this law. We, who are sitting here, should therefore not merely expect the Provinces to do it but must also try to push it forward as much and as quickly as possible.

Forgive me if I say that today we Congressmen have become slack and slow. I admit that we will do all this but we do not know the real art of propaganda. There are some of us whose aim is to create new parties. They know really how to make propaganda. They do the propaganda in an artful way and exaggerate their mole hills into mountains; but belittle our great and important things by their propaganda. When Congress is out to do so much, when its ideals are so noble, I fail to understand why it is losing the sympathy of the people; and why they misunderstand it. Our propaganda work is not conducted as it should be. Real Propaganda on right lines is lacking and we do not want a false propaganda either. We do not do propaganda even for good and substantial things. We do not even convey it to the masses and the labourers nor do we acquaint their party members of it. We must therefore admit that we are lagging behind others and if we follow this policy we are bound to remain backward. Our propaganda must keep pace with our movement. I admit that it is not possible for us who are occupying these benches to do propaganda. Nevertheless I know that it is for our Honourable Minister to find out the right way to acquaint the masses and the villagers with the work we are doing and the plans we are making. I hope it will receive the consideration of our Government.

This has taken years to come. It is coming after the Maternity Benefit Act and the Workmen's Compensation Act. Through this Bill we have taken a very big step towards helping the dependents of workman in case of sickness. I emphatically commend it. The provision of these two things has enlarged the scope of this Bill and it has become more beneficial.

The second point as I have already suggested is that the word 'workman' should have been replaced by the word 'employee'. I heartily approve of this word 'employee' and I must say that the inclusion of this word would widen and enlarge the scope of the Bill.

Thirdly it is complained that we have more sympathy with the factory labour and the mill workers. The atmosphere of the factories and mills is such that the life of the labourers employed there is cut short by ten to fifteen years. We must see that in such places labour gets greater facilities. It is true that there are *kisans* who work in the fields and they have our sympathies. We have consideration for them and we should have more of it. The condition of labourers employed in the factories run by power is worse than that of workers in the fields or in other open places. They have ample fresh air to breathe. Their life is prolonged because they work in the open. This new measure therefore, deserves praise and I admit it is a right step in the right direction. We

[Shri Gokulbhai Daulatram Bhatt]
are moving as we should. We are not leaping or galloping and the Provinces can not lag behind and will keep pace with us to achieve our object and. I hope the provisions of the Bill will not entail difficulties.

Now, apart from this I want to draw the attention of the Honourable Minister to one or two things. We must hasten to consider the provision of housing facilities for the labour class. When I think of this problem of housing facilities, I am reminded of the houses and servant quarters attached to big bungalows and palatial buildings not only here but also in other places. I am much concerned and must emphasise that in future the outhouses and servant quarters which we build should not be situated near latrines nor should they be built at places which are uninhabitable. We sleep under fans but these poor people suffer in the heat. The wealthy and the rich do not care for this. We must change our outlook now. No matter whether it is a cook, or any other servant, we must give them the same facilities as we wish to have ourselves. In prisons we want to have one hundred cubic feet space but when we see the quarters of our servants and their condition, we must also consider what amenities we should provide to our labourers and other fellowmen who toil and produce food for us. To this we should pay greater attention and hope the Centre will consider over it and take steps in this direction.

Without dilating further I commend this Bill and hope immediate action will be taken to enforce the real object of the Bill. With these words I express my gratitude to the Honourable Minister.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri K. Santhanam (one of the Panel of Chairmen.)]

श्री राम नारायण सिंह : सभापति जी, अभी मेरे कुछ मित्रों की सलाह हुई कि मैं हिन्दी में बोलूँ। तो सबसे पहले मैं उस कानून का स्वागत करता हूँ। और अपने मित्र भाई जगजीवन राम को बधाई देता हूँ। लेकिन उनको इतना कहूँगा कि भाई सन्तोष की बात अभी नहीं है। सब से पहली बात तो इस वक्त यह होनी चाहिये कि जितने कानून मजदूरों के सम्बन्ध में बनाए गए हैं उस कानून का प्रचार सारे देश में गांव-गांव में हो जाना चाहिये। जिससे प्रत्येक गांव का प्रत्येक मजदूर और और लोग भी समझ जायें कि हमारे लिये अमुक अमुक कानून बनाया गया है।

जैसा इस कानून में है कि बहुत सी बातें करनी हैं प्रांतीय सरकारों को —

श्री एम० अनन्था सायनम आयंगर : हमें करनी पड़ेगी।

श्री राम नारायण सिंह : प्रांतीय सरकारों को मालूम होना चाहिये कि उनके बारे में किसका क्या खयाल है, उनको भी इस विषय में कुछ करना जरूरत है कि उनको भी मालूम हो।

आनरेबल श्री जगजीवन राम : आयंगर कहते हैं एम-एल-ए (M.L.A.) लोगों को करना है।

श्री राम नारायण सिंह : अब इस वक्त यह जरूरी बात है कि केन्द्रीय सरकार को इसमें नेतृत्व लेना है। प्रांतीय सरकार से उनको ही काम लेना है। जब तक यह सचेत नहीं रहेंगी तब तक मुझे कम भरोसा है कि प्रांतीय सरकार के लोग जो काम, जरूरी काम जो मजदूरों के लिये करना है वह करेंगे। देखिये, हमारे देश में इसमें

शक नहीं कि बहुत प्रकार का अन्याय भरा हुआ है। देहातों में एक कहावत है:

“रट मरे बर्धा बैठा खाय तुरंग”। जिसका मतलब सब लोग जानते हैं। उसका अंगरेजी में अर्थ होता है Bullock toils and horse sits and enjoys.

हमारे देश में अगर हिसाब किया जाय तो कितने लोग धन पैदा करने वाले हैं और कितने लोग उसका उपभोग करने वाले हैं। तो मालूम होगा कि पैदा करने वालों की संख्या बहुत ही कम है। हमारे देश की स्त्रियों की संख्या जितनी है वह प्रायः कुल आबादी की आधी है तो जितनी स्त्रियां हैं उनमें से कुछ लोगों को छोड़ कर प्रायः सभी कंज्यूमर्स (Consumers) भोगने वाली हैं। याने हम अपने समाज को दो हिस्सों में बांट सकते हैं। एक भोगने वाले और दूसरे काम करने वाले। याने कंज्यूमर्स एंड प्रोड्यूसर्स (Consumers and producers)। तो जितनी स्त्रियां हैं करीब करीब सब भोगने वाली हैं। अब लीजिये बच्चे और बूढ़े। वह करीब करीब भोगने वाले हैं, वह भी कमाने वाले नहीं हैं। अब समाज को लीजिये तो समाज में साधू लोग हैं, ब्राह्मण लोग हैं, भिखमंगे हैं, जो बड़े राजे महाराजे हैं, जमींदार लोग हैं सब भोगने वाले ही हैं कमाने वाले नहीं। और इतनी बड़ी सरकार जो है वह भी कंज्यूमर (Consumer) ही है। याने खाने वाली ही है। सारी सरकार के जितने करोड़ों की तादाद में मुलाजमान हैं खाने वाले हैं।

The Honourable Shri Jagjivan Ram: What about legislators

श्री राम नारायण सिंह : वह भी खाने वाले हैं। इस तरह सारे समाज का हिसाब किया जाय

पण्डित ठाकुर दास भार्गव : कोई ऐसा भी है जो कंज्यूम (Consume) नहीं करता ?

श्री राम नारायण सिंह : अगर हिसाब किया जायेगा तो पता लगेगा कि हमारे देश में धन पैदा करने वालों की संख्या दस प्रतिशत से ज्यादा नहीं होगी, बाकी सब खाने वाले हैं।

सभापति जी, हमारे देश में एक बात बहुत अच्छी है कि हमारे देश के लोग गौओं की पूजा करते हैं—इसका कारण है कि गऊ पर मुल्क का जीवन अनेक तरह से निर्भर करता है। हमारा जीवन जो है इस गऊ के जीवन पर निर्भर करता है, तो यह बहुत वाजिब बात है कि हम उसकी पूजा करते हैं। यह जमाना आया है कि इसी तरह सरकार को मजदूरों की पूजा करनी चाहिये, और जब तक सारी सरकार और सारा समाज मजदूरों की पूजा करने वाली प्रवृत्ति नहीं प्राप्त करेगा तब तक लोग धोर अन्याय करेंगे।

[श्री राम नारायण सिंह]

अब तो इसमें बात यह है कि हमारे मजदूरों को मालूम होनी चाहिये यह जो काम कर रहे हैं जैसा मैंने कल कहा था यहां तो आप देश के हित का कानून बनाते हैं लेकिन मोके पर जो वर यदि देखें कि देश में क्या हो रहा है तो मालूम होगा कि वहां कुछ नहीं हो रहा है। पहले तो हम मकान बनाते हैं और क्या क्या होता है उसके बनने में कुछ अर्सा लगता है। पहला सवाल तो इस वक्त यह है कि जो आपके कल पुर्जे बने हुए हैं सरकार की जो मशीनरी है उसके बारे में मालूम होना चाहिये कि वह किस जमाने की मशीनरी बनी हुई है। जो सरकारी कल पुर्जे इस देश में हैं, वे देश के लोगों को दबाने के लिये थे। उनके पक्ष में अधिक से अधिक कहा जा सकता है कि वे शासन के लिये थे। शासन करने वाले पुर्जे सेवा नहीं कर सकते। आपको नये कल पुर्जों का प्रबन्ध करना होगा। हां पुराने लोगों को अभी कुछ दिन रहने दिया जाय, धीरे-धीरे उनको हटाने के साथ साथ नये लोगों को उनके स्थान पर लाना चाहिये। आपको दूसरी संस्था कायम करनी होगी, और ऐसी ताकत पैदा करना होगा जिसमें कुछ धर्म हो। उनमें एक ऐसा भाव पैदा करना होगा कि सेवा करना धर्म है। अभी तो सरकार है जिसकी तरफ से हम लोग काम कर रहे हैं, मंत्रीजी काम कर रहे हैं यह गवर्नमेन्ट कहलाती है और जितने लोग हैं वह कहते हैं देश में शासन करने वाले हैं। उनको सेवा से क्या ताल्लुक। लेकिन यह सेवा करने का भाव हर एक में उत्पन्न करना होगा। लेकिन जो वर्तमान सरकार के कल पुर्जे हैं उसमें तो यह भाव उत्पन्न करना हमारे लिये बहुत कठिन कार्य मालूम होता है और शायद वह हो न सकेगा। इसके लिये दूसरी मशीनरी बनाएं और ऐसे कार्य करें कि लोगों के दिल में सेवा भाव उत्पन्न हो। देश की सच्ची सेवा वही है जो मजदूरों की सेवा है।

इसमें बातें तो बहुत कहनी हैं लेकिन कहने के लिये अभी अवसर नहीं है और न कहने की जरूरत है। लेकिन मैं इतना ही कहूंगा कि हम मजदूरों की पूजा करें।

बहुत से दल के लोग बहुत तरह की बातें कह कर मजदूरों के बीच असन्तोष पैदा करते हैं, और हड़ताल कराते हैं, क्या क्या होता है लेकिन हमारी सरकार को ऐसा यत्न करना चाहिये जिसमें ऐसा कोई कारण न रह जाय जिसके कारण लोगों के दिलों में असन्तोष हो। कल एक बात श्री रंगा साहब ने जमशेदपुर के मजदूरों के बारे में कही है कि वह loyal हैं पर इस का यह मतलब नहीं है कि उनके दिल में सन्तोष भी है। मगर देखना यह है कि सन्तोष का कार्य सरकार की ओर से हो रहे या नहीं। मजदूर के लिये कुछ नियम पास तो हो गए कुछ ही सही, लेकिन देश की परिस्थिति जिस तरह से भयानक हो रही है उसमें जल्दी इन कानूनों के मुताबिक काम होना चाहिये ताकि मजदूरों का भला हो और उनके दिल में सन्तोष यह

कहते हुए फिर भी मैं लेबर मिनिस्टर साहिब (Labour Minister) को बधाई देता हूं और इस कानून का स्वागत करता हूं। और आशा करता हूं कि मजदूरों का शीघ्र भला होगा।

(English translation of the above speech)

Shri Ramnarayan Singh: Sir, some of my friends have advised me to speak in Hindi. I welcome this measure and congratulate my Honourable friend Shri Jagjivan Ram. I may however point out to him that we should not rest content with this. First of all, all the labour legislation passed should be given a very wide publicity in the whole country so that every labourer in every village and others may know fully well the existence of such laws.

As has been provided in this Bill there are many things which the Provincial Governments have to do.

Shri M. Ananthasayanam Ayyangar: We will have to do them.

Shri Ramnarayan Singh: It is for the Provincial Governments to find out what opinion people have of them. They should also know that they have to do something in the matter.

The Honourable Shri Jagjivan Ram: Mr. Ayyangar says the M.L.As have to do this.

Shri Ramnarayan Singh: It is essential, therefore for the Central Government to give the lead; and get work from the Provincial Governments. So long as they are not quite alert, I have very little hope that their men will do any bit of important work required for the labourers. Doubtless there is injustice on many sides in this country. There is a well known saying in villages:—

“रट मरे बर्धा बैठा खायै तुरंग”

which means that: The bullock toils and the horse sits and enjoys.

If we calculate the number of consumers and producers in our country we shall find that the number of producers is very small. Women who form about half the population of this country with the exception of only a few are all consumers. We can therefore place our society in two groups (1) consumers and (2) producers; and nearly all the women are consumers. Similarly all the children and old men are also consumers. Of the rest of our society Sadhus, Brahmins, beggars and wealthy Rajas and Maharajas, and Zamindars are all consumers and not producers. The mighty Government itself is also a consumer, and the millions of its employees are also consumers.

The Honourable Shri Jagjivan Ram: What about legislators?

Shri Ramnarayan Singh: They are also all consumers. If we take into consideration the entire society.....

Pandit Thakurdas Bhargava: Is there any one who does not consume?

Shri Ramnarayan Singh: If actual figures are obtained on this matter it will be found that hardly 10 per cent. of the people are producers, all others are consumers.

Sir, it is very good indeed that the people of this country worship the cow. They do so because the life of this country depends mostly on the cow and they are quite justified if they do so. Time has now come, when the Government should worship the labour because, so long as the Government and the society do not have a regard for the workers people are bound to do grave injustice to it.

Our workers ought to know now—as I said yesterday, that while legislation is passed here for the good of the country nothing practical is done at the spot. We first build house and do so many things in that connection but it takes some time to build them. The question that now arises is how old is this machinery of our Government and its parts? The officials comprising this machinery were meant for oppressing the people and it can be said in their favour that they were

[Shri Ramnarayan Singh]

mostly governing the country and as such they could not be expected to serve the people. You have now to arrange to replace these parts of this machinery. The existing incumbents may be allowed to continue for some time more, but they should be replaced gradually by fresh persons. You have to establish a new system and have to produce a force with a yearning for righteousness and service. We have a Government today whose representatives we are and in whose behalf the Ministers are working but the people think that they are ruling over them and have no idea of service. The spirit of service will have to be inculcated into the minds of every one. But it is difficult for us to do so in the case of the present machinery of Government; and we may not be able to do so. We should, therefore, set up a new machinery and take measures to foster the disposition for service. Service of the labourers is the best service to the country.

In this connection I want to say many more things, but there is no time for it neither any necessity for it and I will only add that we should worship labour.

It is indeed at the instigation of other classes of people that dissatisfaction is found in the ranks of labour resulting in strikes. Government must devise means to remove the causes of discontent. Speaking about the labour conditions in Jamshedpur the Honourable Shri Ranga said yesterday that labour was very loyal there, but it does not mean that the labour is contented. To satisfy the labour, therefore, we should find out if the Government are doing everything in this direction. No doubt, some measures have been passed for the benefit of labour, but they should be put into practice immediately, considering the present alarming conditions in the country, so that the workers may feel satisfied and contented. With these words I congratulate the Honourable Minister for Labour and welcome this Bill, hoping that the workers will soon be benefited by it.

Shri Kuladhar Chaliha (Assam: General): May I speak in Assamese as I am not well up in English?

Mr. Chairman: I cannot possibly object, but I suggest, since the other members have to understand something, the Honourable Member may speak in English.

Shri Kuladhar Chaliha: I find a refreshing change in the fact that Mr. Ranga who formerly used to charge provincial governments for never implementing anything, is a great defender now of provincial governments. On the other side Mr. Shiva Rao who was in those days a free lance and used to criticize and also appreciate the Congress is now trying to find fault with us because he suspects that provincial governments which are run by Congress, will not implement these rules and statutes. I trust there must have been some very good reasons for Mr. Shiva Rao changing like this and I hope he will be able to explain the reasons for the suspicion on some future occasions. Both Mrs. Ray and Mr. Rao who have made the charges will, I hope, be able to explain the reasons for their suspicion. But Provincial Governments are drawn from our ranks and there is no reason for the suspicion. Any way we are thankful to the Labour Minister for the excellent Bill which he has brought forward, and indeed so far as Assam is concerned, he will be benefitting about 8½ lakhs odd labourers, and on them depend another 8 lakhs who will also be benefited from this Bill, and Assam will be benefited greatly by this measure. I am speaking subject to correction, but I think 1,415 tea estates covering an area of 4 lakh acres under tea and about 14 lakhs of acres under the coffee, will reap the benefit. I hope the Labour conference which has been going on in the Council House on the other side of this Assembly Hall will be able to come to such agreement in the matter of wages as will benefit them. I think they

are going to fix the lowest minimum wage and they are very thankful that the Labour Minister is very accommodating and is in a conciliatory mood, and they trust that he will do his best. This measure will benefit mostly the tea plantations of Assam, Bengal and Mysore and he has done a great justice to them by bringing this measure. As regards industrial labour in the great cities they are more vocal, and there are so many labour leaders, real or supposed, who bolster up imaginary grievances and exaggerate them that sometimes I feel that the peasants have been forgotten and are out of the picture. While these measures have been taken for the amelioration of the labourers, I trust a time will come when Government will be able to take such measures for the benefit of the agriculturists and peasants who live in villages for whom no body cares and for whom there is not a drop of medicine.

In Assam the difference between the agricultural labourer and a worker in the tea plantations is very great. While the plantation workers have a chance to live, the agriculturists lie on the damp floor; they have very little medical help whereas a plantation labourer always gets the necessary medical aid, and even his itches and sores are attended to quickly because it is in the interest of the tea-planters that the labour should be properly attended to, whereas from malaria and from malnutrition thousands of people in the villages of Assam and other places die—they have nobody to attend to, nor have they any hospitals. I think a time will come when we will have the necessary resources and shall be able to bring in a measure by which all the people of our country, including the peasants, will be helped.

I congratulate again the Labour Minister for the very sympathetic attitude in which he has carried this measure through, and the members of the Standing Committee—not forgetting Messrs. Ranga's and Shiva Rao's change as well.

Mr. R. K. Sidhva (C. P. and Berar: General): Sir, while making certain observations yesterday on this Bill, I made a suggestion to the Honourable Minister that in order to give proper medical relief the Provincial Government should be requested to establish separate hospitals and dispensaries for the employees. To that my friend Mr. Shastri yesterday objected and he considered that it would mean secluding a class of people, and he opposed the suggestion on that ground.

Sir, by making that suggestion it was never my intention to exclude, but when such an exclusion is necessary I would certainly advocate it. It was unfortunate that because I made that suggestion, these workers were compared with the Scheduled classes and the depressed classes and the Harijans; it was far from my mind. I made this suggestion from the practical experience that I have had as regards the treatment of these labourers in the hospitals. I would like to mention that at present when these labourers go to their hospitals or dispensaries, they hardly get that treatment which is due to them. Apart from the treatment meted out, they are placed furthestmost in a large hospital. If there are nearly 200 out door patients waiting, the labourer is put at the end and at times his turn hardly comes by the time the hospital hours are over. I know of instances where a labourer had to come on the following day for getting his medicine from the doctor. As regards the indoor patients, the situation is still worse. I know of instances where the labourer was admitted for a very acute disease, and for want of accommodation he was thrown on the verandah. Many a time they are asked to go because there was no accommodation, and at times when they had very acute disease they were thrown on the verandah, without a cot being provided, on the floor.

Sir, I can say this with personal experience. From that point of view I made the suggestion that while this very beneficial measure is being enacted, its object may not be frustrated by the Provincial Government whose duty it is now to establish separate hospitals and give the workers proper relief. I would not have taken much notice of any other member who made such a remark,

[Mr. R. K. Sidhva]

but Mr. Shastri is the President of the I.N.T.U.C. and I therefore thought that it may not be understood that the labourers do not desire such a treatment or that it will be considered something like a scheduled class—separate—treatment. I am very glad that Prof. Ranga is with me on this matter. He advocated that separate hospitals are absolutely necessary. He said it openly, and I had a talk with him privately as well. So, you can see, Sir, that I had to rise simply to emphasise this point; I had no mind to speak on the Third Reading. But I do feel very strongly as far as the present treatment given to the labourers is concerned and I thought that by an objection from a responsible member representing the labourers, the Honourable Minister may not be carried away by the view that the necessity for a separate hospital is not desirable.

I therefore emphasise my point. From my experience—and the Honourable Minister must have experience himself—I can quote a number of instances where these labourers have been treated in the manner that I have described. After all they are general hospitals and you know in the hospitals what kind of favouritism goes to a patient; those who have got power, those who have got patronage, those who have got the purse, they get the preference. What would be the fate of the poorest of the poor men who goes for treatment?

While this nice measure is introduced, it is our duty to see that the relief, particularly the medical relief, which is really sought to be given to this class of people should be thoroughly fulfilled. Therefore, Sir, I again advocate my suggestion. The Honourable Minister must be alert about it and he may not be carried away by the objection that was raised by my friend. I hope that he will see—not only see, but if it could be done, he should make with rule-making power, a clause that the Provincial Government must establish separate hospitals for these labourers. After all, the number of workers will be increasing. It is very necessary that it may not be misunderstood by this class of people that after all, this very good measure has been made on the paper but as far as you go to implement it, the same treatment and the same difficulty and the same hardship which they were undergoing in the hospital still exist. Let that impression be removed; let that impression not exist among the labourers with the effective measure that is being passed today in this House.

With these words, Sir, I again welcome this measure. I again congratulate the Honourable Minister, I again congratulate the members of the Select Committee, for having expanded the scope of a measure for which we were aspiring for a number of years. I hope, Sir, when such a good measure is passed its object should be thoroughly fulfilled.

Shri S. V. Krishnamurthy Rao (Mysore State): Sir, I know the scope of the Bill even as it is expanded, is very limited. It applies only to certain classes of industrial labourers and it only applies so far as disablement, maternity and sickness benefits are concerned. Also, it only applies to Provinces. In fact, I thought my Honourable friend Mr. Gokulbhai Bhatt would speak, and suggest that Minister as he is in an important State.....

An Honourable Member: Not yet, but very soon.

Shri S. V. Krishnamurthy Rao: Yes, very soon he will be. I was saying that he would suggest that such legislation will be implemented in the States also. I know this House cannot legislate for the States, but a great responsibility rests upon our popular Minister and he can use his good offices and see that such legislation is implemented in the States also. I know some States have already passed such legislation. In Mysore, wherefrom I come, this year we have passed the Minimum Wages Bill, the Shop Assistants Bill and a Canteen and other amenities Bill, and I am sure this legislation also will be passed in Mysore. But there are states where there is no such legislation at all. I have come to know that in a Northern Indian States whose income is Rs. 8 lakhs a

year the Prince made about Rs. 9 crores during the period of the war. That is because some of our industrialists took shelter and started industries in these States just to escape labour legislation and also income-tax legislation. I hope the Honourable Minister will have an eye upon such people and use his good influence to see that this social legislation is implemented in the State as well, because unless there is uniform labour law both in the Provinces and in the States, the condition of labour in the States will certainly not improve and the industrialists will see their way to find shelter in the States and escape the effect of this legislation. I hope the Honourable Minister will use his influence to that effect.

Further, I only hope, just as Prof. Ranga and others did, that this may be extended to the agriculturists also. I hope this is a forerunner of that legislation and that this measure will expand in its scope for old age pensions, unemployment benefit, funeral expenses and also children's education. Just as in England where they have got an insurance scheme, for all people from the cradle to the grave. I do hope that from this beginning, it will expand and improve, and benefit the entire labour population of India.

With these remarks, I support the Bill.

The Honourable Shri Jagjivan Ram: Mr. Chairman, it gives me great pleasure that the Bill has been welcomed from all sides of this House and I must also thank the Honourable Members for the way in which they have expedited the passing of the various clauses of this Bill.

Several points have been raised about the implementation of the various provisions of this measure. I do not understand why there is so much mistrust of the Provincial Governments in this House.

An Honourable Member: You know it.

Mr. R. K. Sidhva: They have a history of the past.

The Honourable Shri Jagjivan Ram: As my friends in this House are aware, most of the matters concerning labour fall under the provincial sphere. Some of them are in the Concurrent List and only a very few in the list of the Central subjects. The constitutional position being such, we have mostly to depend upon the Provincial Governments for the implementation even of those measures on subjects which fall in the Concurrent List and for which we legislate in this House. So we will have to depend upon the Provincial Governments for the implementation or execution of such measures as they have got to administer. But we certainly do take utmost care to see that there is uniformity in the Provinces and Provincial Governments do make honest efforts to give effect to the various measures adopted by this House to the best of their ability, capacity and resources. In this matter as well, we have been always keeping the Provincial Governments in touch. We have always been consulting them on the various provisions of this measure from the very beginning, from the time the idea of having a social insurance scheme was mooted by the Central Government, and I am glad to inform the House that most of the Provincial Governments have welcomed it and have promised to give effect to it to the best of their resources. So there is no cause for any misapprehension or mistrust of the Provincial Governments. I will not enter into details as my friend Prof. Ranga has done and enumerate the activities of the various Provincial Governments in the matter of labour legislation and labour administration. But certainly I do admit that the times have changed and the Provincial Governments have begun to take more and more interest in labour welfare and labour legislation.

The other point has been raised about making necessary publicity of and acquainting the workers with the provisions of the various measures that are adopted here. We do something in that matter, I want to take this opportunity to say that labour leaders and labour workers owe a responsibility in

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this matter as well. It has been a rather unfortunate experience in this country that most of the labour leaders and labour workers only want to exploit the workers for their purposes. In any country—and especially in India, where most of the workers are ignorant, illiterate and unsophisticated,—it is very easy to exploit them for reasons other than economic, and this is the reason why even when very useful and beneficial measures are adopted by the Government—Central or Provincial—workers are kept deliberately unaware of those measures by the interested parties so that they may go on creating dissatisfaction among the workers and go on exploiting them for their own political and party purposes. It does not lie entirely on the Government to acquaint the workers with the various measures that Government adopt for them. It rests on the Honourable Members of this House as well as other public workers to take advantage of the beneficial and good measures that are adopted by the Government—legislative or otherwise—and acquaint the workers of those measures.

Prof. N. G. Ranga: They should be printed and published in the local languages.

The Honourable Shri Jagjivan Ram: I am coming to that, my friend.

If the whole thing is left to the Government, friends like Prof. Ranga are not unaware that those labour leaders and workers who today want to exploit the working classes for their own purposes, will take advantage of this fact as well. The propaganda on behalf of the Government is likely to be utilised against the Government and the labourers may be exploited on that score for purposes other than economic. It is not always safe to set up propaganda machinery on behalf of the Government. You cannot leave everything to Government. Those labour leaders, workers and public workers who today feel that in the interests of peace and order in the country, in the interests of an ordered Government in the country, and in the interests of an ordered economic development of the country, the workers should be kept under control and right leadership, it is up to them to come in the field and explain to the workers their rights and their responsibilities. You cannot throw the entire responsibility on the Government. You cannot say today that the workers may be loyal to the Government but they are not satisfied. I for one feel that the condition of the workers of this country desires much to be improved, but all the same one cannot say that the present Government has done nothing for the workers. And, the workers may not be fully satisfied, but steps have been taken by the Government which will amply justify the claim that the Government is sincere in their professions, for improving the condition of the working classes. But if you want to leave workers entirely on the mercy of those groups and parties and individuals who want to exploit them for either their party purposes or political purposes or their selfish motives, you will be just throwing the labourers and the working classes to the wolves. And I am afraid you will be creating an impediment in the way of ordered economic progress of the country.

Shri M. Ananthasayanam Ayyangar: May I ask if the Honourable Minister thinks it desirable early or late to prevent non-workers from being in the executive of any of the organizations? Because we find that sufficient time has been given to that—about 20 years.

The Honourable Shri Jagjivan Ram: Prof. Ranga has raised the question that all these legislations should be published in the Provincial languages. As a matter of fact, Sir, we have been examining that as to how best we can publicise the various steps that we take for the improvement of the condition of the working classes, but it is also up to the provinces and leaders of the Unions to do some constructive activity for improving the condition of the workers. We will certainly get them publicised, but the real propaganda can be made by public workers better than through Government agencies.

As regards the point just raised by my Honourable friend, Mr. Ananthasayanam Ayyangar, I do admit, Sir, that the Trade Unions Act was passed so far back as 1926 and looking to the backwardness of the working classes in this

country, it was though desirable that non-workers or outsiders may be given a place in the Trade Union. That act is in vogue at present. I have not closely examined that question as yet, but I will certainly do look into that and see whether the stage has been reached when we can eliminate outsiders from Trade Unions, but I cannot say anything definite on that point at this stage.

Sir, the health of the workers depend upon so many factors; it depends upon nutrition; it depends upon housing conditions; it depends upon the sanitary conditions, their work-places and their surroundings. When we have to think of the health of the workers, we certainly will have to think about their housing condition; we will have certainly to think about the condition of sanitation and safety measures in their work places and in their surroundings. And all these questions are inter-mixed and intertwined. We can not think in isolation on each of these factors; and each of this item is a colossal problem from the point of view of the entire country. As Prof. Ranga has very ably explained, Sir, when we take up this five million agricultural labourers, I am afraid, their number is far greater, we will have to set up a chain of hospitals throughout the country and one can just imagine what a colossal task it is; but we have certainly to do that; it is a question of time; it is a question of resources; it is a question of trained personnel and as every member in this House is aware, today we are short of all of these things; the question of finance is there, but suppose we can anyhow manage to raise the necessary finance, we cannot overnight solve the question of shortage of building materials; we cannot solve overnight the problem of qualified personnel—all these things have to be taken into consideration. While considering the question of a comprehensive housing programme for the working classes or whether considering the question of making medical facilities available not only to the working classes, but to every man and woman in this country—all these factors have to be taken into consideration.

Then with this the question of nutrition is linked which depends upon the diet and consequently upon the wages that a worker gets. In this connection we will have to think about the Minimum Wages Act and the other Acts that we have adopted. All these Acts are inter-linked and each one will produce an effect which will ultimately contribute to the good health of the worker. These are the measures that we have been taking; these are the lines on which we are proceeding and the cumulative effect which all these measures will produce in the improvement of health not only of the workers but of the whole country should be kept in view.

Then, Sir, there is this question of implementation. My valued friend Babu Ramnarayan Singh has raised this question that here we pass some legislation which are not implemented. I do not agree with him, Sir that most of our labour legislations are dead letters. Even in the coal fields, Sir, the example of which he quoted yesterday, I may explain to my honoured friend that we are proud of the work that we have done there and today if he can go to the coal fields, he will find better workers, more contented than they were before. Sir, if I have been able to do any thing substantial for the working classes, I have been able to do most for the workers in the coal fields. We are soon going to have, (Interruption).

I am coming to this. I wish my friend could have analysed himself the causes of the strikes in the coal fields. If he would have analysed that, he would not have put that question to me. The Labour Minister is not responsible for that. The working condition is not responsible for those strikes, but the struggle for supremacy over the workers in the coal fields by the various political parties is responsible for that. And as I have said, Sir, it is very easy in this country where the workers are illiterate and ignorant to exploit them and that is what is happening in the coal fields. Various parties and groups knowing

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that coal is the basic thing on which the entire economy of the country rests, want to have full control over the workers in the coal fields in order that they may paralyse the Government of the country at any moment and it is up to the public workers to see to that. We have created very satisfactory conditions in the coal fields, but still there are troubles. I enter into this question, Sir, because my friend, Babu Ramnarayan Singh raised that issue yesterday. I want to tell him that in the Advisory Committee of the Coal Welfare Fund, there are representatives of the workers. It is just possible that some representative of the workers from any particular district or any particular coal field may not be there because we consult their organizations and they suggest the names of their representatives on that Committee and according to their recommendations we nominate their representatives on the Advisory Committee. There are representatives of the workers on the Welfare Fund. We have taken steps to construct houses for the workers in the coal fields. We are going to have a chain of Central and Regional Hospitals in the coal fields of Bengal, Bihar and C.P. We have just started a contributory Provident Fund in the coal fields. So I do not think the workers in the coal fields are in any way worse than workers in other categories. Today I can say, Sir, that workers in the coal fields are better in many respects than workers in many of the organised industries in this country.

My Honourable friend Mr. Ayyangar raised the question of insurance for Government servants getting a salary of less than Rs. 400. I think that is a matter for the Finance Ministry, but I will certainly take up this question with my Honourable colleague and see what we can do in this respect.

My Honourable friend Mr. Sidhva was very emphatic yesterday and even today as regards the establishment of separate hospitals for workers. Let me explain how we think the scheme should work. It is like this. We do not think that in each and every case a separate hospital for workers alone should be established; that I think will be an undesirable proposition. We think that where a hospital exists the Corporation may get a number of beds reserved in that hospital for the workers, and the Corporation will pay the provincial Government or the authorities of that hospital for those beds. But where we find that there is no hospital, it is certainly our intention to establish a hospital which will not be exclusively for the workers. We cannot deprive the population round about that hospital of the benefits of that hospital; but certainly insured persons will get better facilities and better attention at the hands of the hospital authorities than the others will get. We cannot create scheduled hospitals for the workers themselves. As a matter of fact we have not in our country such cities or towns which may be regarded as entirely industrial cities in the sense that only working classes live there. There are other people interspersed with the industrial population, and therefore we cannot have hospitals only meant for workers and not for others. That is our scheme; and I think if Mr. Sidhva will further think over this question he will agree with me that it is better to have hospitals for the entire population in a locality to ensure better facilities and attention for the workers in those areas rather than have hospitals for the workers alone, which will be undesirable and not to the advantage of the workers themselves.

Then the question is also raised about giving these facilities to people engaged in agricultural pursuits, and the point has also been made that efforts should be made to find full employment for the agricultural population. These are things which are constantly before Government. Government are anxious not only to find employment for those who are engaged in agricultural pursuits but also to find avenues of suitable employment for every able-bodied man and woman in this country. But that depends upon the development of the country

and that will certainly take some time. Honest efforts are, however, being made in that direction and we hope we will be in a position to solve that question in due course.

My Honourable friend Mr. Krishnamurthy Rao raised the question of similar legislation in Indian States. We hold periodic conferences of Labour Ministers of the provinces and States, and we do take up with the Labour Ministers of the States the question of taking similar actions in the States. I have some satisfaction in informing the House that in some of the advanced States there are similar legislations. But there are some States where they are very backward, and up till now we had no constitutional authority to force them to adopt similar measures; of course we used to persuade them. One or two Labour Ministers of the States have so far come to see me in connection with this Bill and they have promised that they are soon going to have similar measures in their States. I will try my best to see that at least in those States which are industrially advanced similar measures are adopted. Now the times have changed and in most of the States we are going to have popular Assemblies and popular Ministries; and I am sure these Assemblies and these Ministries will not lag behind the Indian provinces and will have suitable labour laws similar to those adopted here in the centre and in the provinces.

Sir, I do not propose to take up any more time. I think this Bill opens a new chapter in the history of labour legislation in this country; it is the beginning of social security measures. As many Honourable Members have remarked, it is limited. I admit that; but there is, as you are aware, Sir, a provision in the Bill itself by which the benefits of this measure may be expanded and extended to any extent in order to cover the various categories of working classes in this country. I am sure the Corporation, the provincial Governments and the Central Government will take the earliest opportunity to extend the scope of this Bill as soon as conditions permit.

Sir, I hope the Bill will be passed as amended.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Saturday, the 3rd April, 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Saturday, 3rd April, 1948

The Assembly met in the Assembly Chamber of the Council House at Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

ELECTION TO STANDING FINANCE COMMITTEE FOR RAILWAYS

Mr. Speaker: I have to inform the Assembly that upto 12 Noon on Friday the 2nd April, 1948, the time fixed for receiving nominations for the Standing Finance Committee for Railways, eleven nominations were received. As the number of candidates is equal to the number of vacancies, I declare the following members to be duly elected: (1) Shri Khandubhai K. Desai, (2) Shri L. S. Bhatkar, (3) Shri Satyanarayan Sinha, (4) Srijut Rohini Kumar Chaudhuri, (5) Mr. Frank R. Anthony, (6) Shri Ramnath Goenka, (7) Pandit Lakshmi Kanta Maitra, (8) Shri Balkrishna Sharma, (9) Shri K. Santhanam, (10) Mr. Naziruddin Ahmad, and (11) Shri Jaspal Roy Kapoor.

INDIAN LAC CESS (AMENDMENT) BILL

The Honourable Mr. Rafi Ahmed Kidwai (Minister for Communications): Sir, I beg for leave to introduce a Bill further to amend the Indian Lac Cess Act, 1930.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Lac Cess Act, 1930."

The motion was adopted.

The Honourable Mr. Rafi Ahmed Kidwai: Sir, I introduce the Bill.

INDIAN AIRCRAFT (AMENDMENT) BILL

The Honourable Mr. Rafi Ahmed Kidwai (Minister for Communications): Sir, I move:

"That the Bill further to amend the Indian Aircraft Act, 1934, be taken into consideration."

The purpose of the amending Bill has been explained in the aims and objects. The scope of the Act has been extended to the States that have acceded so that we may take up the control of aircraft and aerodromes situated in the States that have acceded to the Indian Union.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Indian Aircraft Act, 1934, be taken into consideration."

Mr. R. K. Sidhva (C.P. and Berar: General): May I know the meaning of the Latin words "proprio vigore" in the statement of objects and reasons?

Mr. Speaker: Is the Honourable Minister in a position to satisfy the Honourable Member?

Mr. Naziruddin Ahmad (West Bengal: Muslim): Something vigorous!

Mr. Speaker: The question is:

"That the Bill further to amend the Indian Aircraft Act, 1934, be taken into consideration."

The motion was adopted.

Shri K. Santhanam (Madras: General): I want to know what exactly is the scope of clause (b).

"to British subjects and servants of the Crown in any part of India where'er they may be:"

Why are "British subjects" included? Is it because we have no definite Indian citizenship?

Mr. B. K. Sidhva: That is so.

Mr. Speaker: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

The Honourable Mr. Rafi Ahmed Kidwai: Sir, I move:

"That in clause 3 of the Bill, for the words 'British India', the words 'the Provinces' be substituted."

Prof. N. G. Ranga (Madras: General): I am glad that at least in regard to this particular matter our friends are willing to drop this obnoxious word "British". The Government have been drawing upon our goodwill to accept or to agree with them whenever any of these Bills are introduced here to put up with this indignity of having to say "British subjects", British this and British that. I would like to suggest very seriously that the Government should take an early opportunity of bringing forward a suitable amending Bill for the General Clauses Act, so that it will be possible for them to avoid a repetition of these words any longer in our legislation.

Shri Biswanath Das (Orissa: General): May I know why this was not taken up in the Adaptations? This could have been done there and the whole problem would have been over.

Mr. Speaker: The Honourable Member will have noticed that this was not a case of Adaptation. We are here amending another Act and the amendment at present is that, in place of the words "British India" the words "the Provinces" should be used, because the amendment is wherever "British India" occurs "India" should be substituted. It seems that in the Act sought to be amended, the word must have been "Provinces" but the draftsman here, perhaps through oversight, instead of putting the words "the Provinces" has put the words "British India". That is what I imagine has happened. Therefore, I shall put the amendment to the House.

The question is:

"That in clause 3 of the Bill, for the words 'British India', the words 'the Provinces' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That Clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Mr. Rafi Ahmed Kidwai: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

DISCUSSION OF NON-OFFICIAL RESOLUTION ON A DAY ALLOTTED FOR OFFICIAL BUSINESS

Mr. Speaker: Before I call upon the Honourable Minister, I should like to announce to the House that the second session of today's meeting is reserved for the consideration of private Resolutions. So the legislative business will go on up to 1 P.M. and in case we are able to finish it earlier, I will immediately take up the resolutions. In case the legislative business is not finished by 1 p.m. the discussion on the resolutions will start from 2-30 P.M. to 5 P.M.

Haji Abdus Sattar Haji Ishaq Seth (Madras: Muslim): Sir, may I make a submission? This day was set down as an official day. We never knew that this half day is going to be available for non-official members. If we had known it we could have given notice of resolutions. Is it the Government which is giving us half a day or is it given by the Chair?

Mr. Speaker: It is by agreement with Government that they are taking up certain private Resolutions for discussion.

Haji Abdus Sattar Haji Ishaq Seth: The arrangement is between the movers of the resolutions and the Government and not with the House and the Chair.

Mr. Speaker: The Chair was requested to allot sometime and the Chair has consented.

Haji Abdus Sattar Haji Ishaq Seth: If we had known about it we could also have tried to bring up our Resolutions.

Mr. Speaker: This was not allotted by the Chair as a private day. Certain Resolutions had been tabled by certain members. Any business could be taken up on any Government day with the consent of the Government. That is the position, not that it is a private day.

Haji Abdus Sattar Haji Ishaq Seth: How does the Chair come in?

Mr. Speaker: The Chair comes in because without the consent of the Chair no kind of business can be placed before the House.

Haji Abdus Sattar Haji Ishaq Seth: I quite understand that the Government can give half a day. There is no difficulty about that but when the Chair comes in, it ought to have informed us also.

Mr. Speaker: Even the day to day agenda is coming to the Chair for its consent or approval. I am not concerned with what business the Government is placing before the House but so far as the allotment of time for Government business is concerned, the Chair has certainly a hand in it. It is for the Chair to allot the days.

Haji Abdus Sattar Haji Ishaq Seth: The announcement that the Chair made just now was only the effect of an arrangement between the Government and the Members, not that the Chair is going to fix a day.

Mr. Speaker: It has come in with the consent of the Government: that is all I can say.

The Honourable Pandit Jawaharlal Nehru (Prime Minister and Leader of the House): As I understand it, it is an official day today. Normally we do not sit on a Saturday but because of a number of holidays, etc., it was decided to meet on this day as an official day. It is not a day normally reserved

11 A.M. for non-official business but in view of the fact that over a hundred members of this House approached me for time to discuss a certain Resolution we decided to give part of the official day for the Resolution. It has nothing to do with any Resolutions on any other subject. It is not a non-official day but in view of the desire of a very large number of members of this House, Government decided to give part of an official day for this purpose and we approached the Honourable Speaker.

The Honourable Dr. B. R. Ambedkar (Minister for Law): Sir, I move:

"That the Bill further to amend the Provincial Insolvency Act, 1920, as reported by the Select Committee, be taken into consideration."

Sir, I should like to explain to the House what exactly the Select Committee has done to the Bill, as it was introduced originally in the House. The Bill, as the House will remember, is intended to correct a decision of the full bench of the Madras High Court which held that under the Provincial Insolvency Act the son's interests did not pass to the official assignee or to the official receiver, a proposition which according to Government and according to all other High Courts in India was not within the ambit of the original intention of the Act itself. As proposed in the original Bill what was intended to be done was to incorporate into the Provincial Insolvency Act the provisions contained under Section 52 of the Presidency Towns Insolvency Act, so that the two Acts would be absolutely on a par so far as this question was concerned.

When the Select Committee met, the Committee examined the provisions contained in Section 28 of the Provincial Insolvency Act and Section 52 of the Presidency Towns Insolvency Act, which was to be inserted as Section 28A to the Provincial Insolvency Act and the Committee found that a large number of the provisions contained in Section 28 of the Provincial Insolvency Act were absolutely the same as the provisions contained in Section 52 of the Presidency Towns Insolvency Act. Consequently, if the original purpose of the Bill had been carried out, *viz.*, to bodily incorporate in toto Section 52 of the Presidency Towns Insolvency Act, there would be a considerable repetition in the Provincial Insolvency Act when compared with Section 28 of that Act. It was found therefore that all that was necessary to incorporate was that part of Section 52 of the Presidency Towns Insolvency Act which related to the capacity of the insolvent over his own property as well as his power of disposal over the property of others for his own benefit. The Committee, therefore, came to the conclusion that instead of adopting the original provisions in the Bill all that was necessary was to introduce a new Section 28A, embodying nothing more than that part of the section 52 of the Presidency towns Insolvency Act, which dealt with the capacity to transfer property. That is, therefore, the first change that the Committee has made, as members will see from the report on the new draft of the Bill.

The House will also remember that at the time the Bill was introduced it was not the intention of the Government to give that Bill retrospective effect. The Committee, however, on a fuller consideration of the matter decided that it was desirable and necessary to give this particular provision, *viz.*, Section 28A, retrospective effect. Consequently the Committee used the words, as stated in the report, that this shall always be deemed to have been the law.

These are the two principal changes which the Select Committee has made in the original draft of the Bill. The Committee also felt that it was necessary to limit the effect of this retrospective clause in certain respects. As a matter of fact the retrospective effect had to be limited only to cases that have been decided after the year 1942, the year of the full bench decision of the Madras High Court.

The Committee also felt that this retrospective effect should not give rise to litigation which would have the effect of reopening cases which have been decided earlier than the amending Act, *i.e.*, before 1942. Therefore the two provisos which have been introduced by the Select Committee have the effect, firstly that any litigation which has been closed shall not be reopened and secondly, the retrospective effect shall not be given to any transactions that have taken place after the year 1942, so far as Madras Province is concerned.

These are the provisions in the Bill as amended by the Select Committee and I hope the House will accept the Bill as reported by the Select Committee.

M. Speaker: Motion moved:

"That the Bill further to amend the Provincial Insolvency Act, 1920, as reported by the Select Committee, be taken into consideration."

Pandit Lakshmi Kanta Maitra (West Bengal: General): I want to know from the Honourable the Law Minister whether the opinion of the High Court of Madras and other High Courts was obtained on this provision for giving retrospective effect.

The Honourable Dr. B. R. Ambedkar: So far as the other High Courts were concerned their opinion was not taken because their decisions were always in accord with the previous Act. With regard to the Madras High Court I cannot say that it was consulted, but I can tell my honourable friend that the Select Committee was packed with Madras lawyers—Shrimati Durgabai, Mr. Ananthasayanam Ayyangar and Mr. Alladi Krishnaswami Ayyar. I think they would very perfectly reflect the opinion of the Madras High Court.

Shrimati G. Durgabai (Madras: General): Sir, I rise to welcome the Bill as it has emerged out of the Select Committee. I would not have had any necessity to speak on this but for the fact that there is another Bill here pending before the Assembly the principle of which has been accepted by the Select Committee when incorporating the clause which sought to give retrospective operation. With regard to cases of retrospective operation I need not say much because I have already placed my views before the House in my attempt to make out a case for retrospective operation of the Bill. Therefore I do not wish to say much on this point.

The point raised by my Honourable friend Pandit Maitra was answered by the Honourable the Law Minister partly. There is also a decision of the Madras High Court in a case reported. Second Appeal No. 1307 of 1945 in which Justice B. Somayya had delivered his judgment in the following words, and I do not think it would be out of place if I read a few sentences from that judgment. He said:

"The sales which took place between 1900 and 1943 were affected by that decision (1943, Madras, 83, Full Bench) and in most cases purchasers would have no remedy, whatsoever particularly as there is no warranty of title in cases of sales held by the official receiver. It was high time that the legislature moved or was moved in the matter and necessary legislation made in order to protect the title that has been acquired between 1900 and 1943 and thereafter. It was regrettable that in spite of the defect being pointed by a Full Bench of the High Court as early as 1942, the legislature should not have acted during all these four years to set the matter right."

This was the judgment delivered by the Madras High Court Judge, Justice B. Somayya. From this it is clear that in regard to the titles which were acquired between 1900 and 1943 till this Full Bench ruling which made a wide departure from practically a long chain of decisions which were practically unanimously on this point, though the son's share as such does not vest in the Official Receiver the father's power to dispose of the son's share does vest as such. That was the law which was held unanimously for two decades and a half. This long chain has been departed from by this Full Bench decision of the Madras High Court in 1943. Therefore, unless this Bill is given retrospective operation it would purely remain academic and a statutory directive for the future. I, therefore, sought in my Bill to give that effect of retrospective operation to the Bill introduced by the Honourable the Law Minister. I am glad that the Select Committee after full consideration of the case law on this subject examined this point which was raised and amended their Report accordingly.

[Shrimati G. Durgabai]

I have nothing further to add except to say that the case for retrospective operation was ably made out because of the suffering involved here by a number of creditors and purchasers who have purchased the property in the belief that the Official Receiver had the right in this matter. Therefore they had paid full value and they would suffer and lose the property if the retrospective operation is not there. It is these titles which were uprooted by the Full Bench decision which were sought to be protected. And by this retrospective effect those would be protected.

I congratulate the Honourable the Law Minister and also the other Members of the Select Committee who have fully considered this point and amended their Report accordingly. I welcome the Bill as it has emerged from the Select Committee.

Dr. B. Pattabhi Sitaramayya (Madras: General): Mr. Speaker, the House must be somewhat surprised that a mere saw bones should be taking part in a legal discussion. I may at the outset say that I was not one of the Madras lawyers with whom the Select Committee was packed, nor was I on the Select Committee. But sometimes the legal sense of High Court Judges and lawyers is so acute that it runs counter to commonsense altogether. That was why on a previous occasion when the Constituent Assembly appointed an Expert Committee of three eminent lawyers in order to make a report upon citizenship I requested that in addition to the three lawyers of legal sense a man of common sense may also be added to it. As I anticipated, they made a report relating to the citizenship of persons born after creation of the Union, but they never spoke about those who were born before the creation of the Union. Their report had to be sent back to them. The technical sense of lawyers and judges is so amazing that they lose the forest in the trees.

In this particular case it is an extraordinary circumstance that the Madras High Court in a Full Bench ruling should have given a decision opposed to the catena of decisions of Bengal, Allahabad, Bombay, Lahore, Patna etc. Why they suddenly discovered a flaw in the Provincial Insolvency Act passes my understanding. But they have done something which is still more extraordinary. They gave a decision upon a point which was not before them. The point before the Madras High Court in 1942 was . . .

Mr. Speaker: I may just invite the attention of the Honourable Member to the fact that, the judgment of the Madras High Court is not a subject matter for discussion before the House; nor should there be any discussion on that.

Dr. B. Pattabhi Sitaramayya: It is that decision which has given rise to this amendment. And in respect of that decision, it is open to me. I submit, to say what was the issue before the High Court and what was the judgment; and in the judgment they have gone farther than the issue.

Mr. Speaker: I am afraid it is not open for argument here. We have to take the judgment as it is and find out what remedy can be had to rectify what we think to be a wrong thing.

Dr. B. Pattabhi Sitaramayya: Any way I can summarize the judgment I believe.

Mr. Speaker: But there should be no criticism as to whether the judgment was right or wrong.

Dr. B. Pattabhi Sitaramayya: Now, the manager of a joint Hindu family could not sell away the shares of nephews or coparceners. But the judgment added that the father in a joint Hindu family could not part with the property of the sons. That is the bone of contention now. The Honourable Member

Pandit Maitra has raised a pertinent point whether the Judges of the Madras High Court have been consulted in this matter. It would have been but fail to do so. But that was unnecessary for the reason that the Judges themselves have added a rider in their judgment. There is one redeemable feature in this Full Bench decision, namely, that the Judges have expressly held that their view is only technical, based upon supposed defects in the language of the Act, and that it is really necessary that the Official Receiver should be vested by an express section in the Act with the power to sell sons' shares also; and they have added that the Central Legislature should remedy the defect by passing an Act incorporating a provision in the existing Act of 1920 enabling Official Receivers to sell sons' shares.

This must set at rest the doubts of my Honourable Friend, Pandit Maitra. That being the case, what has the Central Legislature done? It has tried to remedy the defect without curing the disease. Therefore, the Select Committee's recommendation that retrospective effect should be given to pending suits after 1942 remedies the situation and that is why we support this amendment. Of course, for the future no safeguard is necessary because our present Act will itself guide the future. It is for the past and the intermediate periods that it is necessary to provide remedies. After the judgment of 1943 so many cases have been filed in the District Courts of Kistna and Guntur in which the claim to the properties of fathers which have been sold away by the official assignee has been challenged and the property is sought to be recovered by the sons who say that their shares cannot be appropriated in this manner. Of course it was open to the creditors to have brought them to a civil court, but the official assignee being the custodian as it were of the properties under debt and his duty being to sell the properties and apportion them among the creditors thought that he had the power to sell the sons' shares also. Now this has been upset by the Madras decision and, therefore, the Bill now on the tapis makes provision to give retrospective effect to all cases pending subsequent to 1942.

Shri C. Subramaniam (Madras: General): Sir, in my view giving retrospective effect to the clause as it stands is likely to lead to a certain amount of difficulty. It is a well known fact, Sir, that in Hindu law the father has got the right to sell the sons' shares for his own debts i.e. his personal debts, provided they are not immoral or illegal. And apart from the father the Manager of a Hindu family has got the right to sell other co-parcener's shares for debts binding on the family, debts incurred for a legal necessity. As far as the Manager is concerned, he has got certain restricted powers to transfer properties belonging to the joint family and the father has got a higher right to sell the son's shares for his own personal debts also, provided they are not immoral or illegal. These factors have to be kept in mind.

Now in the Provincial Insolvency Act property is defined as follows in Section 2 (d):

"Property" includes any property over which or the profits of which any person has a disposing power which he may exercise for his own benefit."

Sub-section (2) of section 28 of the same Act reads:

"On the making of an order of adjudication the whole of the property of the insolvent shall vest in the Court or in a receiver as hereinafter provided, and shall become divisible among the creditors . . .

Now it had been held in a long series of decisions by all the High Courts prior to 1942 that because of the wording of section 28 the power of the father as well as the power of the Manager vests in the Official Receiver for the purpose of selling the joint family properties. It has got to be borne in mind that it has been held throughout that not only the father's powers, but the

[Shri C. Subramaniam]

Manager's powers also vested in the official receiver. Now, the Select Committee has recommended the insertion of a new section which runs as follows:

"The property of the insolvent shall comprise and shall always be deemed to have comprised also the capacity to exercise and to take proceedings for exercising all such powers in or over or in respect of property as might have been exercised by the insolvent for his own benefit at the commencement of his insolvency or before his discharge."

It is important to note the words "for his own benefit" Sir, this would restrict the scope of the Bill only to father's power to the exclusion of the manager's power, because a manager cannot sell joint family property for his own benefit, while a father, except in cases where the debt is immoral or illegal, can sell the shares of his sons in the family property for his personal debts. Now, Sir, up to 1943, I will take it for granted that it had been held by all the High Courts the father's powers over the sons' shares and the Manager's powers over the joint family property vested in the official receiver. Many persons might have made purchases in the belief that not only the father's powers, but also the Manager's powers in the joint family property vested in the Official Receiver. Now by bringing in this amending Bill you are giving retrospective effect only to father's powers. You are protecting the purchasers in respect of the father's insolvency. What about the cases of persons who have purchased property from Manager; in the belief that they would be entitled to the co-parceners interests also. Why should the Select Committee make a distinction between the two classes of purchasers?

Shri M. Ananthasayanam Ayyangar (Madras: General): May I ask if it is the intention that today if a Manager is adjudged insolvent his power over the joint family should vest in the receiver?

Shri C. Subramaniam: My Honourable friend, Mr. Ananthasayanam Ayyangar wants to know whether as a matter of fact Manager's powers also vested in the official receiver. That was so. As a matter of fact, if my honourable friend would look to the decision in 1943 Madras, he will find that this principle has been accepted till it was reversed by that decision. I would also refer my honourable friend to the decision in 52 Madras (page 246). It was the decision of a Bench consisting of two Judges and because there was a difference of opinion it was referred to a third judge who held that under the law as it stood the power of the Manager also vested in the official receiver.

My question, therefore, is this. If you are going to protect one class of purchasers why should you make a distinction in the case of the other class of purchasers. What is the justification for that distinction? I hope the Honourable the Law Minister will give an answer to this.

The Honourable Dr. B. R. Ambedkar: If my Honourable friend will allow me to do so at this stage, I will answer his point. I think his point was that the Bill only seeks to protect the transferees as against the father and not against the manager. Now my friend has entirely misunderstood what the Bill proposes to do. The Bill has really to do with section 2, sub-clause (d) which deals with the definition of property. The definition of property as given here is:

"Property includes any property over which or the profits of which any person has disposing power which he may exercise for his own benefit."

The important words are "for his own benefit." Under Hindu Law the father alone can exercise any disposing power over the interests of his son for his own benefit. The manager does not and cannot. The manager can provide it is for the family as a whole, not for his personal benefit. We are dealing with the case of the father. We are dealing with the manager. That is the reason why the Select Committee confined itself to the case of the father.

Shri C. Subramaniam: That was my complaint that you deal only with the father's power and not with the manager's power.

The Honourable Dr. B. R. Ambedkar: He has no such power at all. I was just going to put that question to the Honourable Member. The father has got certain exceptional power in addition to the powers of the manager, and in so far as the manager manages the joint family property, there are certain limitations and restrictions within which he can do it as manager but not because of the relationship of his being manager or of being a member. A father, by the very fact of being father, is vested with certain further rights. But I have not read the Full Bench judgment. The Full Bench judgment raises the question of the father's special powers and it is with a view to remedy what the Full Bench has done that this Bill has been brought.

Shri C. Subramaniam: No, Sir. The Full Bench decision deals with manager's power.

Mr Speaker: That is the complaint which the Honourable Dr. Pattabhi has made, that it is *obiter dictum* by the High Court.

Shri C. Subramaniam: I thought I had made the distinction clear between the manager's power and the father's power when I began my speech, that as far as the manager is concerned, he can sell property only for debts binding on the family incurred for a legal necessity, but the father can sell property of his sons even for his own personal debts provided they are not immoral or illegal. The Honourable Minister said referring to section 2(d), that the definition in 2(d) refers to the father's power of disposal over the son's property. Section 2(d) says:

"Property includes any property over which or the profits of which any person has disposing power which he may exercise for his own benefit."

Evidently the Honourable the Minister for Law is under the impression this includes father's power of disposal over the son's share. Unfortunately in the series of decisions by the various High Courts it has been held that 2(d) does not cover the case of a father's disposing power over the son's share because that power is limited as in the case of immoral or illegal debts, he cannot sell the son's property. Therefore father's power of disposal cannot come under the definition of 2(d). That is the view of the Madras High Court and also the other High Courts. Therefore the vesting of father's power could not come in under section 2(d). It is only a limited power vested in him that in certain circumstances he can sell the property of his son. Therefore it was held it would not come under the definition of 'property' in Section 2(d); but it had been held that under section 28, even though father's power does not come under the definition of 'property' under 2(d), because of the wording of section 28, even the power of the father and the power of the manager would vest in the Official Receiver for the purpose of sale of the joint family property to be distributed among the creditors. Therefore it is wrong for my learned friend the Law Minister to say now that 2(d) deals with the father's power of disposal over the son's share. It does not deal with the father's power. It is only because of this the Privy Council held in 17 Lahore that the power either of the father or the manager would not come under the definition of 'property'. And section 28 says 'the property of the insolvent vests in the Official Receiver.' Once power of father is not property, certainly it cannot be held for the purpose of section 28 that power to be property so as to vest the power in the Official Receiver. Therefore they said in the absence of a provision like section 52 of the Presidency Towns Insolvency Act it has got to be held that power either of the manager or of the father could not vest in the Official Receiver. That is the decision in 17 Lahore.

[Shri C. Subramaniam.]

Therefore we are now considering the effect of 1943 Madras decision. Up to 1943 Madras decision or rather up to 17 Lahore decision in the Privy Council it has all along been held that the father's power as well as the manager's power vested in the Official Receiver and he can exercise that power. My point was this. There has been a long series of decisions to that effect. Therefore people went and purchased in the insolvency court in the case of the father's insolvency as well as in the insolvency of the manager, they purchased the property under the impression that they would be getting the son's share in the case of the father's insolvency and the co-parceners' interests in the case of the manager's insolvency where the debts are binding on the family. Apart from that limitation, there was no other limitation even as far as the manager was concerned. That the debt was binding on the family was a condition precedent. Purchasers certainly would have purchased with the belief of purchasing the other co-parceners' interests also. Therefore up to this decision, since it has been held that the powers of the manager and the father vested in the Official Receiver, all the purchasers went and purchased in that *bona fide* belief. Now by this Act you are giving relief to one class of purchasers whereas you do not try to protect the other class of purchasers. My honourable friend the Law Minister pointed out that the difficulty arose because there was no corresponding section which corresponded to section 52 of the Presidency Towns Insolvency Act. It has been held that the power of the father or the power of the manager could not vest in the absence of such a provision. Therefore my contention is this—that you are making discrimination in favour of one class of purchasers as against others. You are prepared to protect purchasers in the case of the father's insolvency, but you are not prepared to protect purchasers in the case of the manager's insolvency where it was intended that other co-parceners' interests also should pass to the purchaser. By passing this legislation, as a matter of fact you recognize that there was a *lacuna* here in the Provincial Insolvency Act that the power of the father and the power of the manager could not have vested and you are prepared by an Amending Act to vest the father's power alone. Therefore, Sir, it is my respectful submission that in view of the fact that you are legislating only in respect of the father's power, leaving the manager's power, you are not taking into consideration a body of purchasers where the manager was adjudged insolvent and the property was sold for debts binding on the family. That is my first point. My second point is this: Certain provisos have been made to this section:

"Provided that nothing in this section shall affect any sale, mortgage or other transfer of the property of the insolvent by a Court or receiver or the Collector acting under section 60 made before the commencement of the Provincial Insolvency (Amendment) Act, 1948 (acting under section 53) which has been the subject of a final decision by a competent Court:

Provided further that the property of the insolvent shall not be deemed by reason of anything contained in this section to comprise his capacity referred to in this section in respect of any such sale, mortgage or other transfer of property made in the Province of Madras after the 28th day of July, 1942, and before the commencement of the Provincial Insolvency (Amendment) Act, 1948."

Now, take a class of cases which would come under the following analogy. Suppose a sale was made in the year 1940 by the Official Receiver and the son's share also was sold, and a certain person had purchased it. The effect of the full bench decision delivered on the 28th July 1942 by the Madras High Court would be to make the sale, as far as the son's share is concerned, void. Therefore, every person was entitled to take it for granted that that sale, as far as the son's share was concerned, was void even though the Official Receiver had purported to sell the son's share also. Because of this decision, a third person goes and purchases *bona fide* the son's share from the son because the Official Receiver's sale of the son's share was void.

Here is a conflict of interests. In the year 1940 the Official Receiver had sold the son's share. After this decision in 1942 a third person goes and purchases from the son because he *bona fide* believes that there is a full bench decision which declares the sale as void. Should we not protect this third person who made a *bona fide* purchase from the son believing that this full bench decision is going to be operative. Even in the Legislature when this Bill was introduced it was not said that the amendment would have retrospective effect. So the purchaser could not have contemplated, even after the introduction of the Bill, that it is going to be retrospective. Even after the introduction of this Bill in the Assembly the purchasers were of the *bona fide* opinion that as far as the amending legislation is concerned it is going to be prospective, and that the sales made prior to the amending Act would not be effected in any way by this legislation. They were quite satisfied that they were quite safe under the circumstances in purchasing the son's share from the son himself. Then, should we not protect the case of these third persons? If we are anxious to protect *bona fide* purchasers in the Official Receivers' sales, what about these third class of persons? There is absolutely nothing in the provisos which contemplates these cases at all.

After the full bench decision of the Madras High Court, thousands of cases had been disposed of and final decrees passed. No doubt they are protected, but what about the other cases which had been filed under the *bona fide* belief that this amending legislation is going to be prospective? They have filed suits in courts thinking that this Act will be only prospective in effect and that it will not affect sales prior to the amendment of this Act. A large number of cases are still pending in the High Court and other courts. What about them? At the time the suits were filed, they were justified in filing those suits. Even the Bill introduced in the Legislature, as it stood, was only prospective. What about these cases pending in the High Courts and other courts. Who is to bear the costs? Therefore, by giving retrospective effect, you are creating a large number of difficulties, rather than solve the difficulties.

In this connection, I would refer to certain series of decisions on the position held by the High Courts. Even in 1924-25, in—6, Lahore case, the Privy Council definitely laid down that 2(d) cannot include the power of the father or the power of the manager. But the learned Law Minister wanted to contend that 2(d) would include the father's powers also. The Privy Council definitely held that it would not come under the definition in section 2(d). Again in the year 1936 in 17 Lahore case they gave a decision. There is section 2(e) of and section 17 of the Presidency Towns Insolvency Act; the wording of these is almost identical with sections 2(d) and 28 of the Provl. Insolvency Act though there are slight differences in the language of section 17 of the Presidency Towns Insolvency Act and section 28 of the Provincial Insolvency Act—that does not affect the matter in any way. The Privy Council held that the power of the father does not vest because of 2(e) or because of section 17 of the Presidency Towns Insolvency Act; that power was available to the Official Assignee only because of section 52; and there was no section corresponding to section 52 in the Provincial Insolvency Act. Therefore, in 1963 the Privy Council clearly laid down that in the case of Provincial Insolvency Act there was no question of the power of either of the father or the manager vesting in the Official Receiver. For the first time it came up for consideration in 1942 before the full bench in the Madras High Court. What would be the effect of that.....

M. Speaker. May I make a suggestion to the Honourable Member? The matter is highly technical and I am afraid all the points that he is trying to make out are very difficult to grasp in all their details and to come to a conclusion immediately. As I have understood it, his grievance has been that while

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one kind of purchaser is being protected, the other is not. That seems to be his grievance and that, to that extent, the Bill is defective.

Shri C. Subramaniam: That is my first objection.

Mr. Speaker: That seems to be his first objection. He has raised a number of difficulties which happen to fall on purchasers who he assumes to be bona fide purchasers. It is possible that many people may have filed suits or purchased property in a litigious spirit, but that is a different matter.

So far as the first point is concerned, I may suggest to him that, instead of arguing the matter here, it would be better if he could convince the Law Minister, by argument outside, to put it in the hands of legal experts and to bring in a fresh Bill to supplement the defect which he points out, if it really exists. Otherwise, we shall be taking up a lot of the time of the House. I do not mean to say that it is wasting time, but the argument is practically going over the heads of lay men. That is how I feel and that is why I make this suggestion, with a view to save time and to have the case effectively examined.

Shri C. Subramaniam: Sir, I would be as brief as possible and would try to appeal to the lay men as far as possible. The point is this: It is said that after 1942 there might have been speculative purchases. My case was that even prior to 1942 there were speculative purchases. As lawyers we know what sort of advice we were giving to the intending purchasers, in the Insolvency Court. We always had this as a doubtful point and we were also advising our clients so. Therefore, it is only with the full knowledge that they were only purchasing litigation, even prior to 1942, the purchases were being made. After the Privy Council decision in 1936 we were saying that the Privy Council has now decided and that therefore that position would have to be reviewed. All the purchases in the Insolvency Courts subsequent to 1936 therefore were nothing but speculative. So, after 1936 every person who went and purchased the son's share or the other co-parcener's share purchased it for much less value because there was doubt on this point. That is why I say we are protecting a particular class of people who were only speculative purchasers. A pronouncement by the Privy Council said that the father's power and the manager's power could not vest, in the absence of a section like 52 of the Presidency Towns Insolvency Act. That was the advice given to clients; we know it. Therefore, now by giving retrospective effect, if you are protecting any class of purchasers you are protecting a class of speculative purchasers. That is my point. Therefore, my suggestion is that in such cases it is better and just that we give prospective effect only instead of retrospective effect.

Another thing also you will be pleased to find. Even if those cases where the sons had gone and filed suits for the purpose of getting their shares holding that the Official Receiver's sale of their shares was void, it had been held even in the Madras High Court that the sons should pay the proportionate share of the debt. Therefore, when a share is allotted to the son by holding that the Official Receiver's sale of the son's share is void, in equity the son is asked to pay the proportionate share of the debt. Therefore, by leaving the decision in 1943 Madras as it is without affecting it, by giving it retrospective effect no injustice is being done, because even when the sons go and file suits for the purpose of getting their shares, it has been held that they should pay a proportionate share of the debt. Hence these speculative purchasers in the Insolvency Court would not in any way be affected. Under those circumstances, I would suggest that giving retrospective effect to this amendment would create more difficulties and we would be only protecting the interests of certain elements among the capitalists namely, the money lenders. I am not going to say by this that my friend Mr. Ananthasayanam Ayyangar wanted

to protect the money lending class or that he had any sympathies with the money lending class, but the effect in practice is that these money lenders, who are mostly the purchasers in the Insolvency Courts are being protected as against the poor debtor's sons.

Dr. P. S. Deshmukh (C.P. and Berar: General): Sir, as the members of the House must have seen, I have signed the report of the Select Committee subject to a minute of dissent. My Honourable friend Mr. Maitra made two very pertinent enquiries. The first one was whether the High Court Judges were consulted in regard to the draft amendment that is before the House now and secondly, he wanted to know the number of cases that were going to be affected by this amendment. I am afraid, Sir, that those were precisely the grounds on which I dissented from the majority. We were working in the dark somewhat. We did not know how many people would be affected either way. We did not know what were the number of cases in which sales had finally been held which included the son's share of the property; how many cases there were in which the sons had filed suits as a result of the decision in 1943 re-claiming the shares that had been sold under the older decisions of the Madras High Court; and so, we did not exactly know the extent to which the decision of the Madras High Court in 1943 had led to the reopening of the previous decisions and transactions.

Secondly, Sir, as may be observed, the amendment which was proposed originally, although it is not fundamentally different from the one that is now before the House, does differ a good deal.

The third question worthy of consideration is to what extent retrospective effect has been given by this amendment. On the one hand, the Honourable Shrimati Durgabhai wanted a wholesale retrospective effect, whereas the Select Committee has modified the retrospective effect by adding two provisos so as to see that in those cases where sales have been held, and the son's share has passed to the purchasers, should not be re-opened. On the other hand, the Bill, as amended, seeks to see that in those cases wherein the share of the son has been let off as a result of the decision of 1943 neither the Official Assignee nor the creditors should be able to get hold of it so as to oust the son. So it is the intention of these two provisos to regulate the retrospective effect and minimise reopening of closed transactions. Subject to these provisos, I find myself in agreement with the Bill as I consider it unobjectionable.

But I would still urge that, in view of the fact that we do not know how many cases there are which are likely to be affected; in view of the fact that we have had no time to consult the High Court Judges; in view of another one or two points which have been just raised as to the position of the Manager's authority, and how far his authority has been affected, and to what extent this Bill will enable a creditor or an Official assignee in an Insolvency case to get hold of joint family property which a Manager of a Hindu family has a right to dispose of—in view of all these considerations, it is far better to leave it to the Madras Legislative Assembly to deal with this matter as the representatives there will be in a far better position to know and judge the position correctly. But perhaps it is too late for me in the day to urge this point and the Honourable the Law Member may probably not accede to my request. If he does not, I do not mind supporting the Select Committee's report. But I would still urge that in view of the special difficulties that I have pointed out, there is every reason for leaving this matter for being considered by the Madras Legislative Assembly, because nowhere else has there been any trouble except the Madras Presidency and it is the Madras High Court's decision which has led to this trouble and to the amendment that we are seeking to make. This is all, Sir, that I have to say.

Shri M. Ananthasayanam Ayyangar: Sir, the principle is that a father can dispose of certain sons' property also for debts which are necessary for the purposes of the family as also for his personal debts. That is the principle of the Hindu law whereas the Manager cannot dispose of Joint family property except for the purposes of necessities arising out of the family. That has been the distinction between the father's power and the Manager's power all along. It is also the duty of the son to discharge his father's debt, provided they are not illegal or immoral. Let us see how far these have been carried out and what the objection of my friend Mr. Subramaniam is.

In 1943, this matter came up in a Full Bench decision of the Madras High Court where the power of a father to dispose of his son's share also or Manager's power to dispose of the right of the other members of the family in case the Manager is declared insolvent, whether the Manager had the right to extend it to the rights of the son or to the rights of other members of the family, was considered. The matter arose particularly in 1943 regarding the right of a Manager to dispose of the rights of other members of the family in the family property. Incidentally, the father's right also came up for consideration. Their Lordships found so far as the Manager's right was concerned, even so early as 1928 there was a difference of opinion in Madras. Two Judges differed. One said that the Manager's right of disposal could be exercised for his own benefit apart from the question whether it was property which would vest in him or not under that clause. That Division Bench of two Judges who disagreed regarding this matter referred it to a third Judge who agreed with the Judge who said that the Manager's right to dispose of the property of the junior members also vested in the Official Receiver. But in the same judgment he said that this is a matter which is not free from doubt and that it must be considered very soon. That was so in 1928. He was not himself convinced about the propriety of allowing the right of a Manager to dispose of certain property of junior members of the family.

Shri C. Subramaniam: He mentions, about "father's" power also not merely about the Manager's power in that judgment.

Shri M. Ananthasayanam Ayyangar: So much the better, for the reason that if even in the case of the father's power, they held like that, it should be more so in the case of the Manager. They went to the length of saying that even in the case of a father they had found so early as 1928 that if the power vested in the Official Receiver to dispose of the property, they did not agree with it. But the Judge said that for the time he agreed with the other Judge that it vests in the Official Receiver but he said "I myself am not convinced that this law as it stands should stand as a good law for all time." In 1936 the Privy Council decision came. In 1943 the matter was considered by the Full Bench of the Madras High Court. I want the Honourable Members of this Assembly to consider this as a matter of principle. I am not in favour of this Bill at all for the reason I am opposed to the power being vested under the Hindu Law either in a Manager or in the father of the Joint Hindu Family to dispose of property. That discretionary power is vested only in particular persons. The Official Receiver cannot stand in the shoes of either the father or the manager for all purposes. That is a special right.

As a matter of principle I am for this that this right shall not vest with the Official Receiver whether the father becomes insolvent or the Manager becomes insolvent. A wholesome principle was enunciated in the Hindu Law by protecting the rights of minor sons lest a vagrant father might dispose of his properties for his own benefit. The son after attaining majority can file a suit to set aside the alienation on the ground that it is made for immoral or illegal purposes. That provision is in the Hindu Law. The father can as a general rule dispose of the property. That position for the right of the father to take

away the right to sell the son's share even in certain cases, I consider that is no ground for the Official Receiver not to exercise that right. To that extent I agreed in the Select Committee that the father's right alone might vest in the Official Receiver to dispose of the son's share also. The son is liable to pay his father's debt and a creditor can file a suit against the son for recovery of that property and attach his property and sell it away. It is only to avoid multiplicity of suits that we agreed to that but the matter rests on an absolutely different principle so far as the Manager is concerned. He cannot exercise any rights for his own benefit even under the existing law. It was misunderstood in 1928; in 1936 it must have been set right; it took 1943, seven years more for that matter to be settled. I am not in principle agreeable to this clause of restoring sales by Official Receivers and in case the Manager becomes an insolvent, he ought not to be clothed with the right to sell away those powers. Even the Hindu Law must be modified. So far as a lacuna has already occurred we are entitled to take advantage of this and we ought to see that the right of sale of Managers ought not to be restored. Of two things we accepted only one. The judgment of the Madras High Court of 1943 was not accepted in full. We accepted the suggestion only so far as the father's alienation is concerned. It was open to us to have not accepted even that suggestion, but in as much as the principle is there in the Hindu Law that the father can dispose of the share we said that the power may vest with the Official Receiver and to extend that power to the Manager also. By this I fear, the very principle of the rights of property would be affected. I would not advise the Honourable the Law Member to bring in another piece of legislation. (Interruption)

Certainly I wanted in Madras to safeguard the rights of those persons who purchased property after 1943 and before this Act comes into existence. The Full Bench decision of the Madras High Court was that any purchaser would have purchased only that property of the father himself and not the share of the son. The Full Bench decision is clear that the share of the son does not vest in the Official Receiver who would have purchased the share of the father. The further proviso is not made—it is an omission—that though he purchased the father's share, it would also include the son's share. That would mean if there is no proviso here that the entire property of the father and the son also would be sold away. We should have made that provision. Mr. Subramaniam says that we have made that provision that wherever the Official Receiver has sold, we have restricted it only to the share of the father. But after 1943 if a son taking advantage of this decision has sold away his share to some other person, why should we not protect it. It is likely that this retrospective portion if the cases are pending they might upset sales in favour of *bona fide* purchasers. That is no doubt a matter which requires some consideration, but I would say that even from 1943 to 1947 it is not likely that many a sale would have happened. It is not that absolutely fool proof legislation can be made or legislation which would not affect anybody under any circumstances whatever. The balance of convenience has to be taken; some legislation would affect some people and the majority of the people would not be affected in this case. On that ground also no further alteration need be made in this Bill. In the Bill as it emerges from the Select Committee, ample provision has been made for safeguarding the interest of all *bona fide* purchasers of certain property and it is also intended not to clothe him with a larger right than what he has bargained for. I therefore think this motion for consideration may be accepted.

The Honourable Dr. B. R. Ambedkar: Sir, I think the points raised by Mr. Subramaniam would not have been raised if he had really considered the question in general terms as it stands. He has in mind the consideration of the father and the manager of the family. Personally, I have no such consideration in my mind at all. I am looking at the whole thing in general terms. We

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have got in the definition clause the definition of property. That definition includes two classes of property, property as such owned by him and over which he has physical possession. Secondly it includes what is clear dominion or power to dispose of it for his own benefit. The question that has arisen is this, whether under the Provincial Insolvency Act the power to dispose of vests in the Official Assignee. The answer given is that it does not vest because there is no such clause in the Provincial Insolvency Act analogous to section 52 in the Presidency Towns Insolvency Act. In the Presidency Towns Insolvency Act there is special provision in one of the parts of section 52 that wherever there is power which an insolvent possesses by which he can dispose of another person's property for his own benefit that power will vest in the Official Assignee. Unfortunately the Provincial Insolvency Act did not contain such a provision and that is the reason why this difficulty has arisen. What the Bill seeks to do is to provide a remedy which says that wherever there is such a power under the Provincial Insolvency Act that power shall vest in the Official Assignee. The question about the father and about the Manager of the Joint family to my mind are irrelevant and quite out of consideration. They come in only because they happen to be fitting in as illustration of the proposition that we are dealing with I am very sorry to say that Mr. Subramaniam bothered himself so much about case law which I believe is the wrong method of studying law; most of the case laws are so bad that even the sneezes of the judges are apt to be reported. Therefore, my submission is that that we are not considering the case of the 'father' or the 'Manager' at all. Here is a definition of property given in the Provincial Insolvency Act. The question is: "Is there a provision which permits the vesting of that property?" The answer is that there is no such provision, which permits automatic vesting. As my honourable friend Mr. Ananthasayanam Ayyangar quite rightly pointed out that even if there was no such provision it would be perfectly open for the Official Assignee to proceed against the son's property and take his share, separately but at I say and as he rightly pointed out, we do not want the multiplicity of prosecutions of such suits and claims. That is the reason why we are providing an automatic remedy. Therefore one of the points that he made as to why we are not providing for the Manager's cases is beside the point and as you, Sir, very rightly pointed out, if he made out a case that there was a case for such protection, there is nothing in this Bill to prevent a separate Bill to be brought in for the purpose of dealing with the cases my honourable friend has in mind. With regard to the point that he made that we are protecting only certain classes of purchasers and not others, I would have thought that if instead of taking the time of this House on this occasion he had reserved his remarks on the amendment which he has got, much economy in time would have been effected. I do not propose to say anything on that point at this stage but I will certainly try to give him a reply when he moves his amendment on that particular point.

Mr. Speaker: I may say that I do not propose to allow the Honourable Member to repeat his arguments when he moves his amendment. Practically he has spoken in the points raised by his amendments and the Honourable Minister can say all that he has got to say, about those points.

The Honourable Dr. B. R. Ambedkar: With regard to the point made by my Honourable friend Dr. Deshmukh that such a Bill should be left to be brought in the local legislature, I should have thought that this was a matter of an all-India character: it affects title. One does not know who would be the purchaser of a property in Madras, whether he would come from Bombay or from any other province; and I think questions of title ought to be protected by central legislation. His point was that we had not been able to collect a number of cases that have arisen in matters of this sort in order to justify an all-India legislation. It seems to me a most extremely difficult proposition

for the Central Government to enter upon a census of all cases that have occurred in different parts of India. It is enough for the Central Government if its attention has been drawn to a serious *lacuna* by so important a High Court as that of Madras, and that would justify legislation of this sort being undertaken.

Dr. P. S. Deshmukh: Sir, on a point of explanation, it is an admitted fact that this situation has not arisen in any province or in any High Court at all except in Madras.

The Honourable Dr. B. R. Ambedkar: It is not an admitted fact. Although generally it is true, I am not prepared to say that we have examined every case in every province so as to give a categorical answer that there may be no such case requiring protection.

With regard to the observations of my Honourable friend Dr. Pattabhi Sitaramayya, I do not suppose he expects me to take them very seriously. I know he has a grudge against lawyers and never misses any opportunity to have a dig at them. But I should like to say that lawyers all over are very humble people. They undoubtedly exercise such skill as they possess in drafting legislation and in giving judgments, but they are always ready and prepared to submit the results of their labour to a body of laymen, irrespective of the question whether they possess common sense or do not possess it. They are quite prepared to abide by the decision of a body of laymen, and this is what I have done. I do not suppose, therefore, that Dr. Pattabhi Sitaramayya would have any grudge in a matter of this sort where, although the Madras High Court may have bungled or the Government Law Officers may have bungled, they have already agreed to submit it to the decision of this House.

Shri L. Krishnaswami Bharati (Madras: General): Sir, on a point of clarification, I should like to know whether under the Presidency Towns Insolvency Act as it is today the manager insolvent's property vests in the Official Receiver.

The Honourable Dr. B. R. Ambedkar: As I said, I am not concerned with that. As I stated in this House repeatedly, I am concerned with the general proposition. There is a definition of 'property' which is identical in both Acts, and property includes power of disposal that one owns for his benefit. The *lacuna* is that one Act contains power to vest and the other does not.

Mr. Speaker: The application of that definition to Hindus is only part of the whole thing; it is not intended only for Hindus.

The question is:

"That the Bill further to amend the Provincial Insolvency Act, 1920, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Shri C. Subramaniam: Sir, I do not propose to move my first two amendments but I would like to know the attitude of the Honourable Minister with regard to my alternative amendment about the rights of the transferees in Madras for consideration prior to this Act of any property over which the insolvent had only a disposing power.

The Honourable Dr. B. R. Ambedkar: Sir, the amendment does not on the face of it express what the objective of the amendment is. But I have spent some time in trying to give it a concrete shape in order to understand what is exactly the objective behind it. I will give you an illustration like this. Suppose A is the father and B is the son; C purchases and then A becomes insolvent. C purchases—he is purchaser of the interests of the father and the son and he is purchaser in the year 1941. I have taken that deliberately, it

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is one year before the Madras decision. Then the sons after the Madras decision sell their property to another purchaser by name D in the year 1943. The question according to this amendment, as I understand it, is this. C is of course protected; the question is whether D should be protected. My submission is that the man who has purchased the property after 1943, after the decision of the Madras High Court, should not be protected for the simple reason that his sale is a purely speculative sale. First of all he is not a bona fide purchaser because he had notice of a previous sale which had already taken place in 1941. Secondly, I take it that ordinary procedure, namely, to file a suit for a declaration that this property is free of all encumbrances and of all previous claims, has not been adopted, and he has therefore on an off-chance taken the property in the hope that the decision given by the Madras High Court would be applied to this case. Therefore I think that such a speculative purchaser should not be protected.

Then, Sir, I should like to say in a general way that where cases of this sort arise, my Honourable friend will agree that it is extremely difficult to adjust two equities to the satisfaction of everybody. Some one must suffer and I think the speculative purchaser should suffer in cases of this sort.

Mr. Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. B. R. Ambedkar: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

JUNAGADH ADMINISTRATION (PROPERTY) BILL.

Mr. Speaker: Who is moving the Bill with regard to the property belonging to the State of Junagadh?

The Honourable Dr. B. R. Ambedkar (Minister for Law): I am

Mr. Naziruddin Ahmad (West Bengal: Muslim): I have a point of order with regard to the legality of this Bill. I am seeking the direction of the Chair as to the proper stage at which I might rise on this point of order. Is it after he moves it, or after he speaks?

Mr. Speaker: What is the point of order? I would like to know, if I may, the nature of it.

Mr. Naziruddin Ahmad: The point of order is to the effect that the Bill relates to certain properties standing in the name of the Nawab of Junagadh and these properties are now alleged to be the properties of the State, though they stand in the name of the Nawab of Junagadh State which has perhaps acceded on certain terms to the Dominion.

My point of order is that the subject matter of this legislation with regard to that State is beyond the terms of the Instrument of Accession, if any, and to that extent it is not within the competence of this Legislature to deal with it. That in short is the nature of the objection that I am putting forth.

With regard to the merits, I will not raise it at this stage. That will be dealt with later on.

Mr. Speaker: May I know the Honourable the Law Minister's views on this point of order?

Mr. Naziruddin Ahmad: I have not fully argued my point. I only want to know at what proper stage I should come in.

Mr. Speaker: I should first have clarification on the facts. I understand on the 9th November 1947 the Indian Union was requested to take over the administration of Junagadh. The Administrator has been in possession from that date. So far as the Accession is concerned, I do not know whether there has been any formal agreement by now, or whether any instrument has been executed or not. I am not clear on those facts.

The Honourable Dr. B. R. Ambedkar: This Bill has really nothing to do with the question of Accession. The two main things in the Bill are these:

The Administrator found himself in the possession of certain property which is believed to be belonging to the State of Junagadh and standing in the name of the Nawab, or the Dewan, or the Private Secretary and so on.

What we are concerned with is that the Administrator has found himself in the possession of certain properties—notes, bank deposits and so on. The Administrator must be clothed with legal authority so that his possession of those assets may not be challenged in a Court of Law: so that he may not be regarded as a thief, or a robber or a dacoit. That is the first point in this Bill, namely, that the possession of the Administrator is being sought to be clothed with the law, so that his possession under this Act would be regarded as lawful possession, and nobody would be entitled to question it.

The second main point is that certain securities which are mentioned in the Schedule are being dealt with under the Government of India Act dealing with public debt. The bank is authorised to issue new securities to the Administrator under certain circumstances.

These are the two principal points. I am not dealing with the minor ones. These two points can be dealt with under the ordinary Indian law without reference to the question whether Junagadh has acceded or not, and therefore my submission is that the point of order is not a point of order at all.

Mr. Speaker: In view of the fact that, the Honourable Member said that he did not fully set out his case—I think I have sufficient facts now—if he has anything further to say now he might say it.

Mr. Naziruddin Ahmad: The main point in this Bill is whether certain property mentioned in the Schedule, parts I, II, and III do really belong to the State. My Honourable friend is certainly right in saying that he is dealing with certain securities which are subject to the jurisdiction of the Government of India. But the main purpose of this Bill is to declare that these are properties of Junagadh State. You will be pleased to consider the second paragraph of the preamble:

"And whereas it is necessary to provide for the vesting of certain property belonging to the said State,"

What is attempted by this Bill to declare is that the properties set out in the three parts of the Schedule do really belong to the State. This is the gravamen of the whole Bill, and it is sought to make out, although in ambiguous language, that the properties really belong to the State. Therefore, the Administrator as representing the State should be clothed with authority. It is not the clothing of the Administrator that is the gist of the Bill, nor is it what I object to. The important objection is to deal with it as part of the State property. From that point of view we are really legislating for a subject which must be covered by the Instrument of Accession, otherwise we have really no jurisdiction to deal with it in this way. This is the first point.

[Mr. Naziruddin Ahmad]

The other point is that we are preventing the authority of the Court from deciding the matter. The question is

Mr. Speaker: That will be a point which the Honourable Member might urge when we come to Clause 7.

Mr. Naziruddin Ahmad: Yes, it can be deferred. But then we have no right to debar Courts from any jurisdiction to look into the matter. We are by the draft Constitution providing that anyone has the right to approach the highest Court in the land.....

Mr. Speaker: The draft Constitution will not apply.

Mr. Naziruddin Ahmad: The point will arise in this way.

Mr. Speaker: The Honourable Member may raise his point when we come to Clause 7.

Mr. Naziruddin Ahmad: Can we oust the jurisdiction of Court?

Mr. Speaker: We have done it, in this way on many occasions when we give authority and then wish to protect the officers concerned in respect of things done by them in the discharge of their duties.

Mr. Naziruddin Ahmad: This is affecting fundamental rights.

Mr. Speaker: That is a different matter. This Bill is not the Constitution. To my mind, the first point is very clear and it has been explained by the Law Minister. It is not a question of accession. At the request of the Junagadh Government themselves, the administration was taken over. When it is taken over, it becomes necessary to invest all those who are carrying on the administration with full legal authority on behalf of the Government of India: otherwise the Administrator will not be able to claim from the banks these various securities, deposits, etc., and perhaps it will not be also competent for the banks to pay to the Administrator or to recognise him as the proper legal person, who is entitled to administer the affairs of Junagadh.

So far as the other question is concerned, whether it is competent for the Junagadh administration or the Dewan to hand over the administration to the Indian Union, or whether it is competent for the Indian Union to take over the administration, I think it is a matter which is practically beyond the scope, decision and discussion of this House. So we need not go into those questions at all.

The third point mentioned by the Honourable Member is that he seems to dispute the fact of the ownership of the property.

Mr. Naziruddin Ahmad: That has been assumed.

Mr. Speaker: To that, the reply may be that the Honourable Member is assuming that it is not the State property. As a matter of fact, if it be not the property of the State, then whosoever's property it legally is, he can take any steps he likes whether in a Court of law or outside.

Mr. Naziruddin Ahmad: That is barred by this Bill.

Mr. Speaker: If the legality of the whole Bill is accepted, then the question of ownership may be barred. If the very power of the Indian Government to treat this property as the property of the Junagadh State is challenged, or if the fact of the property belonging to the Junagadh State is challenged, I do not think this Bill seeks to bar the private rights of His Highness the Nawab Sahib. He can take such steps as are open to him.

Pandit Lakshmi Kanta Maitra (West Bengal: General): How can it be a point of order?

Mr. Speaker: Therefore this can hardly be called a point of order. Any opinion expressed in this House is not going to affect the final decision, whether it be by the Federal Court or by the U.N.O. or any other authority. We are not concerned with that.

The Honourable Dr. B. R. Ambedkar: Sir I beg to move:

"That the Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government, be taken into consideration."

The Statement of Objects and Reasons makes clear the grounds why this Legislation has become necessary. To put it simply when the administration was handed over to the Government of India on the 9th November, 1947, the Government of India and the Administrator came into possession of certain properties which were handed over to the Administrator for purposes of administration. The powers of the Administrator and the vesting of this property in him were regulated in the beginning by an Ordinance, Ordinance No. 30 of 1947. That Ordinance will now come to an end on the 24th June, 1948. It is therefore necessary to replace the Ordinance by this Bill.

Mr. Speaker: The question is:

"That the Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government, be taken into consideration."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Shri K. Santhanam (Madras: General): Sir, there is an amendment to clause 2 in my name which has been passed over.

Mr. Speaker: I am sorry I missed it: the Honourable Member also does not seem to have been alert. But is the amendment really necessary?

The Honourable Dr. B. R. Ambedkar: I do not think it is necessary.

Shri K. Santhanam: If there be any gap in the office of Administrator it only helps the Government.

The Honourable Dr. B. R. Ambedkar: I have no objection to the amendment.

Mr. Speaker: The difficulty that has arisen is that clause 2 has been put to the House and adopted. It is now sought to move the amendment.

Shri K. Santhanam: I will not press my amendment, Sir.

Mr. Speaker: If it is really necessary we might then consider as to what the position would be.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (1) of clause 3 of the Bill, for the words 'Notwithstanding anything contained in any law', the following be substituted:

"Subject to the provisions of the Indian Independence Act, 1947, the Government of India Act, 1935, as adapted by the Indian Independence Order, 1947, any other similar subsequent Orders, and of the provisions of the Constitution of Free India that may hereafter be passed by the Constituent Assembly of India (Constitution), and notwithstanding any other law."

Sir, clause 3 is of a very drastic nature. It says that properties mentioned in the different parts of the Schedule really belong to the State and on that footing clause 3 makes provision for vesting of that property in the Administrator. That in short is the substance of clause 3. It is also provided at the beginning "notwithstanding anything contained in any law for the time being in force". We should be particularly careful what the laws are over which we are riding roughshod.

[Mr. Naziruddin Ahmad.]

Before proceeding further I should at the outset make one point clear, viz. that the personality of the Nawab of Junagadh or his personal interest in the properties is a matter of insignificance to me. I take it that he is an individual and apart from that I have no sympathy for the great Nawab who acted in a dubious fashion in these transactions.

Shri K. Santhanam: Sir, on a point of order, this amendment as it stands is not quite proper. One part of it refers to the constitution under which the legislature is functioning and that is altogether superfluous. The other half is speculative, in that it refers to the constitution which might hereafter come into existence. The amendment is improper. It is either superfluous or improper and the amendment is not valid.

Mr. Naziruddin Ahmad: I am prepared to answer my learned friend's point. Before proceeding further I should say that the question which is before the House is one of constitutional law. It is from that point of view that I have ventured to stand before the House. A point of order has been raised with regard to the drafting of this amendment. It is said that it is speculative to this extent that it has also attempted to survey a field of legislation which has not yet come into being. I should submit that it is a fact that the Constituent Assembly has sat for three sessions and it has passed certain resolutions. It has appointed a drafting committee of which the Honourable Minister in charge of the Bill was the President and a Bill has been drafted. It has been circulated to all and it is before the Members. The exact nature of the Constitution which the Constituent Assembly would pass is a matter for speculation but the fact that they will pass a Constitution is provided in the Indian Independence Act. The point arises in this way that if this Bill is enacted into law it bars all laws, not only the existing laws but laws which may come into being in the future. We have to guard against effect being given to this Bill to bar all laws. We can take it that some sort of constitution is coming. It is necessary to guard against the application of the Bill to the exclusion of a great constitution which we are going to have. In this way both the existing laws as well as the future laws, to my humble mind, come into the picture. We must guard against both. From the beginning of clause 3 there are attempts to prohibit the application of every law, whether existing or which may be passed hereafter. On the basis that we are going to pass a constitution it would be proper for this House to guard against the exclusion of the great constitution which we are going to pass. It is from this point of view that I have drafted the amendment. But the point which I am going to submit before the House is a matter of general importance.

Mr. Speaker: I may just inform the Honourable Member that the words "Notwithstanding anything contained in any law" do not seem to be intended to refer to any constitution or constitutional provisions but they seem to govern the particular law under which the banks are holding the deposits or the public Debts Act dealing with securities. Is that the position?

Shri M. Ananthasayanam Ayyangar (Madras: General): Yes.

Mr. Speaker: If those statutes provide anything which casts any responsibility on the banks or prevents the recognition of the Administrator as the legal holder in his dealing with the banks, under the Public Debts Act in regard to the securities, such provisions in the other Statutes shall not be taken into consideration. That seems to be the only point in having the words "Notwithstanding anything contained in any law", it does not refer to the constitution or to any political position.

Mr. Naziruddin Ahmad: I should have been extremely happy if that was clearly apparent to me.

Mr. Speaker: The Honourable Member may read the further words, after "Notwithstanding anything contained in any law for the time being in force", namely, "the property described in the Schedule.....shall be deemed on and from the 9th day of November 1947 to have vested in the Administrator". That is the effective part of the whole provision.

Mr. Naziruddin Ahmad: I submit that the gravamen of this clause is the vesting of certain properties mentioned in the Schedule in the Administrator notwithstanding any law, that is any law which may come into force hereafter and not merely the existing laws connected with the subject like properties, securities, banking and other laws. I submit that the vesting of the property in the Administrator notwithstanding any law contravenes certain provisions of the Government of India Act and certain other Acts and the constitution which will be passed. It is necessary to guard against this. I am trying to do nothing more than seeing that we guard against the exclusion of any such laws. The language of the clause is so wide that it is difficult to restrict it to laws affecting securities, banking, contract and other things only. It seems to me that it should be clarified that 'any law' does not include the constitutional law of the country. Although that point of view may appear to be so, on a consideration of its wider implications I submit that it is necessary for us to guard against the constitution. We do not know how far we would have the power to set aside the constitution, the Government of India Act or the future Constitution which may be passed. If we have the power it will lead to serious results. In fact, in trying to vest certain property in the Administrator we would be contravening the application of the Constitution where rights of third persons are involved. When we remember that we are trying to bar the jurisdiction of all courts in deciding these matters I think we should be particularly careful. It is not here alone that the matter is touched; it is touched also in clause 6. They are parts of the same subject, and once we commit ourselves to clause 3, I am afraid we will be partly committed to clause 6 also. That is the fear which induced me to guard against the exclusion of constitutional rights. It is a matter of some complexity and I am grateful to you for giving us the light. I submit that my fears are not absolutely unjustified. What the constitutional position will ultimately be it is difficult to say at present.

Prof. N. G. Ranga (Madras: General): Is the Honourable Member arguing on the point of order or on his own amendment?

Mr. Speaker: I am allowing him to argue both—and even clause 6 as he feels that that is connected. Any way the discussion can take place only once.

Mr. Naziruddin Ahmad: I do not want to repeat the contention that the constitutional point being of great importance should be thoroughly discussed. I ask you, Sir, to tell me on a point of order as to whether the clause does not exclude the present constitution,—the Government of India Act and the Indian Independence Act—or whether it will not bar the Constitution when it comes into effect. It may be that in effect they will not be barred because the section might be *ultra vires*. In that case the best thing is not to pass the law at all. I will ask you to give me a ruling. But my fear is that a mere ruling, however binding on the House, will not bind the question of interpretation by the Federal Court.

Mr. Speaker: Therefore it is no use trying it.

Mr. Naziruddin Ahmad: Then the point becomes absolutely clear that if the ruling will not bind a court of law, it is far better to be cautious and introduce the amendment which I am seeking to introduce. The question does not depend upon drafting or upon any speculative nature of the matter; it arises rather on a general point of view. In this way the question is should we, impliedly even, attempt or pretend to bar the constitutional law of the country. That is the object of the amendment. I submit that the amendment on its principle should

[Mr. Naziruddin Ahmad.]

be accepted. I say "Subject to the provisions of the Indian Independence Act, 1947, the Government of India Act, 1935.....and of the provisions of the Constitution of Free India that may hereafter be passed by the Constituent Assembly of India..." It may be that within a month or two, or three months, we may have a new law and the question may then arise as to whether by the operation of clause 3 the application of that law is barred. If it is doubtful as to whether it will or will not bar it, and if it is intended not to bar the law at all, it is better to state it. As to the exact wording of the draft, that is not the point I am canvassing. I am canvassing before the House the general question whether we should not guard against the exclusion of the constitutional law.

That being the position, I think, Sir, the matter should be clarified by the insertion of this amendment or some other suitably worded amendment. At present I am concerned with the principle whether we should really exclude the application of the law irrespective of consequences. In these circumstances I submit that the principle of the amendment should be accepted, but if it is sought by a careful wording of this draft to shut out the constitutional law, that is a different matter. This question of point of order does not arise, but if it is not really desired to shut out the law, what is the harm in making that also clear? I think, Sir, the matter should be clarified in the interests of a large number of the litigant public. Our laws should be absolutely clarified, there should be no ambiguity or room for argument, and I think there is something more than room for argument. I am not absolutely clear whether the Honourable Minister for Law really wants to shut out these things. If he does not really want to shut out the application of those laws, this along with clause 6. then of course we should be on our guard.

Mr. Speaker: Amendment moved:

"That in sub-clause (1) of clause 3 of the Bill, for the words 'Notwithstanding anything contained in any law', the following be substituted:

"Subject to the provisions of the Indian Independence Act, 1947, the Government of India Act, 1935, as adapted by the Indian Independence Order, 1947, any other similar subsequent Orders, and of the provisions of the Constitution of Free India that may hereafter be passed by the Constituent Assembly of India (Constitution), and notwithstanding any other law."

First of all, I deal with the point of order raised. I am not inclined to hold that this particular amendment is necessarily out of order, because of certain alleged speculative elements therein or because of a contradictory nature. That is a question more or less of the merits of the amendment and not of its admissibility. So far as the merits of the amendment itself are concerned, I do not think it is, in my province to express an opinion, but I have just told the Honourable Member what I felt about the meaning of the words "Notwithstanding anything contained in any law"; and as regards the other points that he has raised, I may invite his attention to the provisions of section 6, sub-section (2) of the Indian Independence Act, which says:

"No law and no provision of any law made by the Legislature of either of the new Dominions shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of this or any existing or future Act of Parliament of the United Kingdom, or to any order, rule or regulation made under any such Act, and the powers of the Legislature of each Dominion,"

When the constitution makes any provision, it will always be supreme, in pursuance of some provision which the Constitution itself will make. We need not worry ourselves on that question. The other questions are on merits. I need not discuss the merits. I am merely deciding that the amendment is admissible.

Shri M. Ananthasayanam Ayyangar: I am afraid my Honourable friend has the knack of smelling a rat where there is none. Here it consists of two portions: Whatever legislation we pass is always subject to the Independence Act and the Government of India Act 1935, as adapted, and also when we pass a law here, do we not amend it tomorrow? Do we say we prevent our successors and posterity from doing anything which is contradictory to what we do? He wants to avoid the existing law; he wants to safeguard future law. In his own amendment he says "and notwithstanding any other law". Therefore whatever we may do now is not going to upset the present or future constitution. That constitution itself can be modified by another constitution. So far as this law is concerned, certainly it can be modified by either a constitution Act or any other law.

Mr. Speaker: Does the Honourable Member want the amendment to be put to the House?

Mr. Naziruddin Ahmad: Yes, the amendment may be put to the House, but the Honourable the Law Minister has not replied.

The Honourable Dr. B. R. Ambedkar: I cannot accept this amendment and for two simple reasons. One is this, that the clause as it stands intends that the vesting of the property in the administrator shall be absolute so far as this Legislature can confer on him absolute vesting. Now the amendment moved by my Honourable friend makes the vesting contingent and I am therefore unable to accept that amendment on that ground.

With regard to the second fear which he has expressed that by putting forth this clause we are really setting aside the various constitutional statutes to which he refers such as the Indian Independence Act and also the future Constitution, I must say that his fears are not only completely unfounded, but he seems to have altogether missed the very important point that constitutional law always overrides the ordinary law of the Legislature. If there is any provision in the Indian Independence Act which affects the legislative power of this House, or if there is any provision in the new Constitution which affects the power of the Legislature to make law such as the one we are making, it is quite obvious that that law will be declared by the judiciary to be *ultra vires*, and therefore that sort of fear is absolutely unnecessary and the provisions that he is trying to introduce are therefore uncalled for.

Mr. Naziruddin Ahmad: May I point out one thing? You have just now pointed out that under the Indian Independence Act, section 6, sub-section (2), this Legislature has power to set aside any law of the British Parliament. Now the Government of India Act and the Indian Independence Act are statutes passed by the British Parliament.....

Shri M. Ananthasayanam Ayyangar: Has the Honourable Member the right of reply?

Mr. Speaker: He is just inviting attention to one more point.

Mr. Naziruddin Ahmad: The point is that you have rightly pointed out that this House has the power to set aside those laws. Supposing that we cannot set aside our own laws, we can set aside at least the Government of India Act and the Indian Independence Act.

The Honourable Dr. B. R. Ambedkar: I would like to suggest to my Honourable friend, even if such a clause was introduced and if the Legislature has power, how can it prevent the Legislature from making law?

Mr. Speaker: Any conclusion that we come to will be subject to the judicial power outside this House. Therefore it is no use our taking time in that discussion, however interesting it may be.

Does the Honourable Member want the amendment to be put to the House?

Mr. Naziruddin Ahmad: Yes, Sir.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 3 of the Bill, for the words 'Notwithstanding anything contained in any law', the following be substituted:

'Subject to the provisions of the Indian Independence Act, 1947, the Government of India Act, 1935, as adapted by the Indian Independence Order, 1947, any other similar subsequent Orders, and of the provisions of the Constitution of Free India that may hereafter be passed by the Constituent Assembly of India (Constitution), and notwithstanding any other law'."

The motion was negatived.

Mr. Speaker: What about the Honourable Member's other amendments?

Mr. Naziruddin Ahmad: I shall move them.

Mr. Speaker: Except No. 9, which is only about punctuation, I suggest the three amendments be combined into one.

Mr. Naziruddin Ahmad: I beg to move:

(1) "That in sub-clause (1) of clause 3 of the Bill, the words 'His Highness the Nawab of Junagadh, or' be omitted;"

(2) "That in sub-clause (1) of clause 3 of the Bill, the following be omitted:

'or the Private Secretary to His Highness the Nawab of Junagadh'; and

(3) "That in sub-clause (1) of clause 3 of the Bill, the words 'or any other person whatsoever' be omitted".

Sir, in this case it is necessary to draw attention to the nature of the different kinds of properties set out in the Schedule. You will be pleased to see that in Part I of the Schedule, there are certain bank deposits. Item (3) is deposit in the National Bank of India, Ltd., Bombay, in the name of the Private Secretary to His Highness the Nawab of Junagadh. With regard to the other three, they are in the name of certain officials of the State as such. That is the great distinction between the two classes of property mentioned in Part I, item (3), and the other items. My contention would be that "standing in the name of the Private Secretary to His Highness the Nawab of Junagadh" should be presumed to be the private property of the.....

The Honourable Dr. B. R. Ambedkar: Sir, may I rise on a point of order? It would save time. My friend has not understood at all what he is doing. All these phrases such as "His Highness the Nawab of Junagadh and his Private Secretary" are merely descriptions of the property, intended for the purpose of identification—they do not involve any question of right, title or interest.

Mr. Naziruddin Ahmad: Sir, I am extremely sorry that the Honourable Minister is in the habit of saying that Members do not understand things. Though as a lawyer I am perfectly agreeable to accept the description that I am a humble man, still I am not incapable of understanding the thing. It is quite apparent to the House that they are descriptions but they also indicate the title.

The Honourable Dr. B. R. Ambedkar: Not at all. For the moment they do not indicate any title at all. They merely describe the property which was found by the Administrator. Without these phrases it would be quite impossible to identify which is which property.

Mr. Speaker: The point which the Honourable Member is making seems to me to be that, if a property stands in the name of a particular person, then *prima facie* that particular person is the owner of the property, and he argues from that. His point seems to be that is so far as property which stands in the name of the Dewan of Junagadh or any other public officer of the State, is concerned, it may be State property, but that, properties standing in the name of the Nawab Sahib or his Private Secretary should be presumed to be the Private property of the Nawab and therefore should not be treated as properties of the State and should not be the subject matter of legislation.

The Honourable Dr. B. R. Ambedkar: My submission is that this section 3 is not a section dealing with evidence at all and it is not a question whether it is raising a presumption or not, nor is it a section which deals with right, title or interest. All that the section does is, this. Certain properties were found in the books of certain Banks and they were identified as properties standing in the name of so-and-so. All that we are doing is to incorporate the descriptions in the various Banks and in the various securities and mentioning them for the purpose of defining them as to what exactly is the property that is being vested in the Administrator.

Mr. Naziruddin Ahmad: Sir, I am extremely sorry to be unable to agree with the Honourable the Law Minister.

The Honourable Dr. B. R. Ambedkar: The whole trouble is this. My Honourable friend has completely misunderstood the Bill. The reason why I say he has misunderstood it is to be found in the amendment which he sought to be moved in section 1. He says, "This Act may be called the Junagadh Suppression of Rights (Property) Act, 1948". It is nothing of the kind. All his amendments are motivated by that misunderstanding.

Mr. Naziruddin Ahmad: I beg to submit, Sir, that the Honourable the Law Minister is suffering not from misunderstanding but a little of haste.

Mr. Speaker: Is the Honourable Member likely to finish in half a minute? I think he will take some time?

Mr. Naziruddin Ahmad: Yes, Sir. But may I take this point and say that it was not misunderstanding on my part, but which as you have correctly pointed out is a serious fact, which if the Honourable the Law Minister listens with patience he will agree with me.

Mr. Speaker: Order, order. It is time for the House to adjourn for Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

RESOLUTION RE. ELIMINATION OF COMMUNAL ORGANIZATIONS

Mr. Speaker: Before I call upon any of the members who have given notices of Resolutions, I should like to say something about the time-limit. I find from the nature of the Resolutions and the list of speakers submitted to me that, a large number of Honourable Members are eager to speak. There are two Resolutions and we have two and a half hours at our disposal. So each Honourable Member may take up ten minutes except in the case of the Mover. (*An Honourable Member:* "Only ten minutes!"). I was saying ten minutes normally, but if an Honourable Member is really making any point, the matter will be seen. But then, if Honourable Members are to the point and short, it will give an occasion to other members to cover ground over such important subjects.

Haji Abdus Sattar Haji Ishaq Seth (Madras: Muslim): Before you call upon the Mover, Sir, may I point out that in the old rules, the time given is 15 minutes for Resolutions. I think it is mandatory and every Honourable Member has a right to speak for 15 minutes. I think the rule states: "The time shall not exceed 15 minutes".

Shri M. Ananthasayanam Ayyangar (Madras: General): It has been changed under the new rules.

Mr. Speaker: So far as Adjournment/Motions are concerned, the time-limit is very specific. It shall not exceed even by a single second beyond 15 minutes. As regards others, it is not that every member has got a right to speak for 15 minutes. It is not so. But as I said, I am entirely in the hands of the House.

Mr. Ayyangar may now move his Resolution.

Shri M. Ananthasayanam Ayyangar: Sir, I beg to move:

"Whereas it is essential for the proper functioning of democracy and the growth of national unity and solidarity that communalism should be eliminated from Indian life, this Assembly is of opinion that no communal organisation which by its constitution or by the exercise of discretionary power vested in any of its officers or organs, admits to or excludes from its membership persons on grounds of religion, race and caste, or any of them, should be permitted to engage in any activities other than those essential for the *bona fide* religious and cultural needs of the community, and that all steps, legislative and administrative, necessary to prevent such activities should be taken."

Sir, India is an old nation but is a young State. We are in a world torn by factions and camps and unless in a very short period of time India consolidates herself and progresses into a strong and homogeneous State, we will be nowhere and the freedom that has been won will be only transitory. Religion was a binding force in a primitive community. But religion today has egregiously failed in that purpose of binding man with man. The last two Great World Wars have demonstrated unequivocally that religion is no longer a binding force in the world. Christian nations fought amongst themselves. Before this, as a result of the last War, the *Khilafat* was not accepted by one of the premier Muslim nations. Today, there is war going on between one community and another in Palestine. Is there any hope that religion will bind us once again, and prevent the wars, and bring God nearer to man?

In our own history, Sir,—permit me to take you through some of the milestones and epochs which took place in it—our history must start from the days of Indian independence, the battle of Indian independence, so early as 1857. After the Moghul Emperors left, Hindus and Muslims joined together, and hand in hand fought to get rid of the foreign rule. They fought together.

No communalism prevailed. In 1884 the Congress was started and both Hindus, Muslims and all other sections and communities in this country stood in the same platform for achieving the independence of this country. Our white masters then did not like this coming together and uniting against themselves. As everyone is aware, in 1903-05, Lord Curzon tried to split us again. He wanted to effect a partition of Bengal, divide the Hindus and Muslims, and he did so. But ultimately he had to get back, eat his own words and annul the partition which was settled. The settled partition was no longer settled. In 1906 a Pact was entered into which was concluded and finalised in 1916, giving separate electorates with some reservations. So the Britishers played between the two communities successfully and started a game of Divide and Rule, which ultimately ended in the partition of Mother India. Sir, after 1916, finding that once again we have come together and agreed upon a common course of action—I am referring to the adoption of the Lucknow Pact in 1916—which was an eye-sore to the Britishers—they immediately ran from the North to the South and started trouble,—not inter religious, but sub-communal—setting one section of the Hindu community against another. This went on for a period of ten years and more till the 1931 Round Table Conference. Then they found another easy opportunity for dividing the country. They set the Scheduled Castes against the non-Scheduled Castes. Not that I say that we have been treating these various communities very well, but nothing was in our hands till then. The Britishers could have easily introduced compulsory education for all classes and masses in this country and brought them to the same level. But they were the first persons who with one hand suppressed the toiling millions of this country, and in the other breath went about saying that we stood in the path of progress, and divided our country. Later on, Sir, everyone knows that Mahatma Gandhi was almost determined to sacrifice his life to bring about amity between the various sections of the Hindus at least. We know of the various fasts that he undertook, the *Khilafat* movement etc. which he undertook for bringing about communal harmony in our country between all communities. Then, Sir, in 1940, Lord Linlithgow played another trick. Till then the Hindu Mahasabha was not recognised as a political party. He recognised the Hindu Mahasabha as a political entity and tried to pat the Mahasabha sometimes and the Muslim League sometimes and he wanted to throw them both overboard. In 1942, Cripps came and introduced the element that each province of this country would have to proceed on the principle of self-determination. In 1945-46, we know that inspite of attempts to group all parties together, they tried their best and ultimately separation is the result. Have we succeeded in bringing the people—the hearts of the people—together? Separation is there still. I am afraid it continues in our midst.

Now, Sir, with this history before us, let us ask: "Is it all right?" Is it all right that we should pursue the same course and not turn a new leaf and try every means of bringing about unity amongst the various sections? I say, Sir, a stronger bond and greater cementing force than all the religions has to be found. It is not that human brain or human ingenuity is wanting. I do say humanity must be our religion and service our worship. Nothing short of that. Before we attain to that high pedestal, we are all members of the human race—not only of the human race, but the entire creation—we must be one limb of the entire universe, of the entire order of the universal soul, of which we are all parts. It is that *summum bonum* that I am trying to achieve and attain but before we attain to that step, there is the earlier step—the attainment of a nation State, a secular one, which is our object to build.

Every man in India must feel another man as his own brother. I wish if it were possible for me to persuade all my brethren in this country who say that he belongs to this sect or that sect, this creed or that creed that he must only say: "I am an Indian first and I am an Indian last". I hope sooner than

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ever a day will come when I will say: I am merely a human being and nothing short of that and nothing more. That day will certainly come. Let us usher in that day and remove the obstacles in the path of this kind of consolidation. That consolidation is necessary now. I will urge upon all persons who have read history that other countries in the world have attempted and succeeded in that. It is not necessary for me to relate the history of various other countries in the world. The two outstanding examples are the U.S.A. and the U.S.S.R. The U.S.A. today, Sir, is composed of various persons who moved from various parts of the European Continent; there are Spaniards, the Italians—they could not have on account of their large growth of population lived in that country—the Swedes, the French and the Englishmen and a host of others have lived together for three generations and one might still remember when they originally left their homes to settle there, but today they are proud of America and they are citizens of the U.S.A. They would not barter away—to whatever community they belonged originally—their freedom on account of either racial or religious feelings. That is the kind of state which I have in my view and it is for that purpose in my humble view I have set out some methods by which we can attain that purpose. We have to take both positive steps as well as steps to prevent abuses or of such tendencies as are likely to separate man from man and community from community in this great country. The U.S.S.R. is another outstanding example. Now, Sir, to those persons who would like to build a State here on purely religious grounds I would ask them if it is physically possible or it is at all possible? We will assume that the great Hindu community wants to create a Hindu community state in this country. We are alone; let all Hindus know that we are orphans in this world; we have no relations; there is no other Hindu nation in the world; we are all alone. And therefore, if we build up a Hindu state in this country, can we claim as neighbours or relations with any other Hindu state of the world? Therefore that kind of compartment will fail in its purpose. In times of dire necessity we may not be able to get another friend merely because he is a Hindu and we have to find other courses of friendship and other bonds of fellowship. Therefore, so far as the minorities in this country are concerned, if they press for a separate minority organization and want to get themselves as a minority, they will be defeated in their purpose. A minority based on religion can never hope to convert a majority into that religion. I was born a Hindu but not out of my choice, nor am I going to keep it because I want to stick to it. There is a kind of prestige in it. Anybody who claims he is born in any particular community is not on account of his choice, let him be a Hindu, a Muslim or a Sikh. We do not know where we have come from and we do not know where we will go to. This mortal existence has been given to us. Let us all make the best of it; let us all come together behind these apparent differences and find the eternal unity. There is divinity in man if we accept the tenets of Hinduism:

बहूनाम् जन्मनामन्ते ज्ञानवान् माम् प्रपद्यते
वासुदेवा सर्वमिति समहत्मा का सुदुर्लभा ।

If we believe in the wisdom of our ancients and seers, after a cycle of births and deaths the wisemen realized that whatever exists is God. There is divinity in man. There is only a spark that motivates the entire universe. Let us realise the divinity. Islam preaches brotherhood of man. Even according to the tenets of Islam no difference can exist between man and man. The fatherhood of God and sonship of man is an old great teaching of the other great religion. Really in those religions there is nothing which separates man and man. Man as an individual is the compatriot, is the fellow brother of another man. In spite of these religions we are warring merely for the purpose of protecting those religions. I say, Sir, if the minorities insist upon

continuing these religions, they would not be able to convert the majorities into their own religions merely on religious or racial grounds. But there is another chance; if on political grounds or economic issues they differ, then certainly it is open in a democracy to convert the majority into a minority. I will assume the Muslims or other communities in this country want to run a Government of Muslims, is it at all possible that the Hindus will agree to become Muslims? Democracy stands or falls on a party system. Do my friends or whoever may stand for these communal organizations hope early or late to convert the majority Hindu community into their own Muslim fold? I do not believe it is so. If they do, they will be defeating their purpose.

Now, Sir, even from a secular point of view there is the advantage in an Assembly where there are 500 who have come here a minority of 20 or 30, unless it mixes freely with the other communities and evokes their sympathy may not be able to gain its point. If any of our friends who belong to any religious group want to have some decision taken for the betterment of their community, unless the majority community accedes to that request, nothing in this world can possibly help them. Therefore, in their own interest I would advise them not to insist upon these organizations. These organizations developed recently. I am bound to say that they did not stop with the major religions, but the canker has permeated into even sub-sections and sub-castes and creeds of the entire continent. Villagers have been burnt and like water drawn from a high level finds its way to a low level, likewise differences based on religion or community reach all sections. The logical conclusion is that we will find that only condition is possible difference between man and woman. Therefore there is no purpose even if the majority community is converted into the minority community. They may further feel assured that it cannot be easily dislodged on the grounds of religion, because it belongs to a bigger religion. It is open to a minority community to make one of their members the Premier of the Federation of India, an independent State, but so long as a minority community bases its claim upon religion, I assure them and so long as they are also living here, unless the minority community wants to dominate the other communities in this country, they will never reach the top level in the administration of this country.

Therefore judged from any point of view, it is unwise to continue religions on grounds of religion or community. Lastly even from the point of view of religion, I think the time has come when religion ought to be divorced from politics. It is not in the best interests of religion when it is linked with politics.

So far as Muslim faith is concerned Kabir was there who even today is worshipped by large sections of Hindus. Kabir is not merely the saint of Muslims but honoured as a saint of the Hindus. In my part of the country there are temples built to Muslim saints and our children are called *Pirgar*. *Pir* is a Muslim name but we do not hesitate to give them this name. There is also in my part of the country a temple where the Prophet Muhammad is worshipped. Now various attempts were made to extend religion, but when once a political complexion is given to religion there is an end to all progress in that religion. Even if I take the tenets of Islam in my own heart of hearts, if it encroaches on my civic rights, at once I close the doors of my heart. Therefore even from the point of view of expansion of religion all great teachers are scientists. I have not quarrelled with Marconi merely because he has torn and revised so many things. But now there is a ray of hope and our people are veering round. I find from the deliberations of the Hindu Mahasabha that they have resolved to give up all activities other than *bona fide* religious and cultural activities. I find a similar attitude on the part of the *Akali Dal* which has merged itself in the non-religious and secular body of the Congress. I find also that resolutions were passed by the *Jamiat-ul-Ulema*, the *Ahrars* and others in the Muslim community that they want to

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 give up their political activities and confine themselves to the limits of religious preaching. It may be asked then as to what the need for this resolution is if it is like that. I say that in the case of those institutions and communities who have themselves given up all political activities in the name of religion, this only endorses what they have done. With all thankfulness this resolution endorses that. But still there are some who want to bring religious differences in the field of politics; they have still the ambition to have these organisations based purely on religion or culture. To them there is an appeal; if they do not yield to the interest of the larger section they must be made to yield. Lastly I make an appeal in the name of all the Prophets that have gone, the saviours of humanity who wanted to bring all sections of the world together and who preached love and peace. War is not an end in itself, it is the beginning or a step towards peace. In the name of all great saviours of the world, in the name of Mahatma Gandhi who shed his blood and sacrificed his life for the cause of humanity and for the cause of the teeming millions of this country, for the cause of the solidarity of the country, I beseech the House to pass this Resolution with such modifications, if necessary, as the House may think necessary from the social and cultural point of view. It is not intended that social activities are to be banned; all *bona fide* social and religious activities should be allowed. Each religion has to put forth its best efforts; but when it enters politics there is a danger. The clouds of war are thickening in the sky and I do not know when they will burst. Let us stand firm and solid like a rock, separate the armies and preach peace to them. That is the mission of India and to that end and objective I appeal to the House to pass this Resolution.

Mr. Speaker: Resolution moved:

"Whereas it is essential for the proper functioning of democracy and the growth of national unity and solidarity that communalism should be eliminated from Indian life, this Assembly is of opinion that no communal organisation which by its constitution or by the exercise of discretionary power vested in any of its officers or organs, admits to or excludes from its membership persons on grounds of religion, race and caste, or any of them, should be permitted to engage in any activities other than those essential for the *bona fide* religious and cultural needs of the community, and that all steps, legislative and administrative, necessary to prevent such activities should be taken."

The Honourable Pandit Jawaharlal Nehru (Prime Minister and Leader of the House): Sir, before this debate proceeds any further I should like to indicate the attitude of Government in regard to this Resolution. Government welcome this Resolution and desire to say that they wish to do everything in their power to achieve the objective which lies behind this Resolution. After the eloquent speech of the Honourable Mover I need not say much about the desirability of this Resolution; as a matter of fact it is an inevitable policy which an independent country must adopt. There might have been in the past various reasons which came in the way of such policy being given effect to, although I think that even in the past those of us who accepted any measure of communalism erred and acted unwisely, and we have suffered greatly for our unwisdom. However, in the past conditions were different; but when a country is functioning independently there is no alternative except to follow this. The only alternative is civil conflict. We have seen as a matter of fact how far communalism in politics has led us; all of us remember the grave dangers through which we have passed and the terrible consequences we have seen. In any event now there is no other alternative; and we must have it clearly in our minds and in the mind of the country that the alliance of religion and politics in the shape of communalism is a most dangerous alliance, and it yields the most abnormal kind of illegitimate brood. We have talked a great deal about politics being allied to ethics; that is something which I hope we shall always stand for. During the last quarter of a century or more Mahatma Gandhi taught us to place politics on an ethical

level. How far we succeeded it is for the world to judge and for future generations to decide. But it was something at least that we placed that great ideal before us and tried in our own weak and halting way to give effect to it. But the combination of politics and of religion in the narrowest sense of the word, resulting in communal politics is—there can be no doubt—a most dangerous combination and must be put an end to. It is clear, as has been pointed out by the Honourable Mover, that this combination is harmful to the country as a whole; it is harmful to the majority, but probably it is most harmful to any minority that seeks to have some advantage from it. I think even the past history of India will show that. But in any event a minority in an independent State which seeks to isolate and separate itself does some injury to the cause of the country, and most of all it injures its own interests, because inevitably it puts a barrier between itself and the others, a barrier not on the religious plane but on the political plane—sometimes even to some extent on the economic plane; and it can never really exercise the influence which it legitimately ought to aspire to exercise, if it functions in that way. Now the future constitution of India is being hammered out in the Constituent Assembly and no doubt it will give shape to it in the course of the next two or three months and finalise it, and any Resolution that we may pass is not going to alter that constitution as it is finally adopted. But after all the constitution making body is more or less this body; there is not much difference. And if this House thinks in terms of this Resolution I have no doubt that the constitution making body will also think in terms of this Resolution. Further, from such evidence as we have got of the working of that constitution making body, it has already gone a long way in terms of this Resolution. It has put aside many of the dangerous features of our old constitution which led to communalism. Whether other features will remain or not I cannot obviously guarantee. But as far as I am concerned, I think the less we have of any form of communalism the better it is for our constitution and for the practical working of our Government.

Now, Sir, so far as this Resolution is concerned, as I said, we warmly welcome the objective underlying it and the spirit behind it. But this Resolution mentions administrative and legislative measures to be taken to give effect to it. Exactly what those administrative and legislative measures might be, it is impossible to say straight-off; it will require the closest scrutiny, certainly the legislative part of it. And presumably the right course for Government will be—if this Resolution is passed, as I feel sure it will be—to consider this matter and see what administrative and—more specially—what legislative measures are necessary to gain this end; and then later when this House meets again for another session, to consider any recommendations in that respect so far as legislative measures are concerned. Meanwhile, no doubt our new Constitution will have taken shape also and it will help us 3 P.M. then to consider those legislative measures in terms of that new Constitution. But we need not wait till then. The point is so far as the Government is concerned that we should function as closely as possible in accordance with the spirit of this resolution. Further, the purpose of this resolution, I take it, is also to give a lead to the country in this matter, so that the country may realize as clearly as possible that the only right way for us to function is to do away with communalism in its political aspect in every shape and form. That we accept. Now there are at the present moment, as some Members may later point out, in the draft Constitution that has been proposed certain definite communal elements. For instance, I believe that there is a proposal that although there should be joint and common electorates, still there might be some reservation of seats for minorities or for the scheduled castes on more or less, I take it, the population basis. Now what the final decision will be about that I cannot say. I hope personally that the less reservation there is the better, and I think that is so mostly even

[Pandit Jawaharlal Nehru.]

more from the point of view of the group or the minority that might have that reservation than even more so from the point of view of any other group or majority.

There is another aspect of this matter which must be remembered. We talk about democracy and unity and all that and I hope we shall rapidly have more and more democracy and more and more unity in this country. A democracy is not purely a political affair. The nineteenth century conception of democracy that is each person having a vote was a good enough conception in those days but it was incomplete and people think in terms of a larger and deeper democracy today. After all there is no equality between the pauper who has a vote and the millionaire who has a vote. There are a hundred ways of exercising influence for the millionaire which the pauper has not got. After all there is no equality between the person who has got tremendous educational advantages and the person who has had none. So educationally, economically and otherwise, people differ greatly. People will, I suppose, differ to some extent. All human beings are not equal in the sense of ability or capacity. But the whole point is that people should have equality of opportunity and that they should be able to go as far as they can go.

Now it is patent in India today that there are huge differences between certain groups, classes and individuals. There is a big hiatus between those at the top and those at the bottom. If we are to have democracy it becomes necessary and essential for us to not merely bridge that gap but to lessen it very greatly: in fact to bring them closer together so far as opportunities are concerned, so far as ultimately as general living conditions are concerned and in so far as the necessities of life are concerned, leaving out for the moment luxuries and the rest, though ultimately there seems to me to be no particular reason why any particular group or class should be favoured even in regard to the luxuries of life. But that is perhaps a rather distant picture. Now, because there are such great differences in India, it becomes incumbent upon us, not only from humanitarian reasons but from the standpoint of the fulfilment of democracy to raise up those people who are low down in the social, economic and other levels and to bring to them every opportunity of growth and progress, national and otherwise. That has been the general accepted policy of this country and it is the accepted policy of this Government. Now in pursuance of that policy, certain reservation of seats was granted, for instance to the scheduled castes, and various scholarships and educational amenities, etc., have been granted and no doubt will be granted still more, not only to the scheduled castes but there may be other backward groups in the country. There are tribal people and others who require every help. It is no good for us to say that we have given a vote to the member of a tribal folk and we have done our duty to him; having for hundreds and thousands of years not done our duty to him, by giving him a vote we consider ourselves absolved of all further duty. Therefore, we have to think always in terms of raising the level of all those who have been denied opportunities in the past. I do not personally think myself that the best way to do that on the political plane is reservation of seats and the rest. I think the best way, and the more basic and fundamental way, is to advance them rapidly in the economic and educational spheres and then they will stand on their own feet. There is a great danger whether you deal with an individual, group or community, of giving certain props to that community which gives it a false sense of strength which does not belong to it, which does not come out of its own strength, but which is external to it and which when removed suddenly makes it weak. A nation ultimately ought to stand on its own feet. So long as it relies on some external prop it is not strong. It is weak. So these external props, as I might call them—that is reservation of seats and the rest—may occasionally be helpful possibly in the case of the backward groups, but they produce a false sense of the

political relation, a false sense of strength, and ultimately therefore they are not so nearly as important as real educational, cultural and economic advance, which gives them inner strength to face any difficulty or any opponent. However, I can conceive that in the present context of affairs in regard to these unfortunate countrymen of ours who have not had these opportunities in the past, special attempts should be made of course in the educational and economic field and even in the political field to see that they have a proper place till they find their own legs to stand upon without any external aid.

So I accept this resolution on behalf of Government, but in accepting it I should like to make it perfectly clear again that so far as the implementation of it is concerned, more especially in regard to the legislative aspect of it, will have to be very carefully considered and will ultimately have to come before this House.

Mr. Speaker: I was told that only one or two amendments were going to be moved. If there are any other amendments to be moved, I have no objection to them. The Members concerned will just move their amendments and then I will call upon them.

The Honourable Pandit Jawaharlal Nehru: I have no objection on behalf of Government to accept the addition of the words "social and educational" which are mentioned in one of the amendments on this resolution. It would read:

"... should be permitted to engage in any activities other than those essential for the *bona fide* religious, cultural, social and educational needs of the community, and

Mr. Speaker: Let the amendments now first be moved.

Haji Abdus Sattar Haji Ishaq Seth: Sir, I shall move all the four amendments in my name, as they are really one. I move:

(1) "That the word 'communal' be omitted";

(2) "That for all the words beginning with the words 'which by its constitution' and ending with the words 'or any of them', the following be substituted: 'preaching violence and communal hatred';";

(3) "That for the words 'engage in any activities other than those essential for the *bona fide* religious and cultural needs of the community', the word 'exist' be substituted"; and

(4) "That for the words 'such activities', the following be substituted: 'the existence of such organisations'";

Mr. Speaker: In fact three amendments are all one asking for certain changes to be made in the resolution.

Amendments moved:

(1) "That the word 'communal' be omitted";

(2) "That for all the words beginning with the words 'which by its constitution' and ending with the words 'or any of them', the following be substituted: 'preaching violence and communal hatred';";

(3) "That for the words 'engage in any activities other than those essential for the *bona fide* religious and cultural needs of the community', the word 'exist' be substituted"; and

(4) "That for the words 'such activities', the following be substituted: 'the existence of such organisations'";

Mr. Mohd. Tahir (Bihar: Muslim): Sir, I move:

"That the words 'those essential for the *bona fide*' be omitted."

Mr. Speaker: Amendment moved:

"That the words 'those essential for the *bona fide*' be omitted."

Shri H. V. Kamath (C.P. and Berar: General): Sir, I move:

"That the word 'and' occurring after the word 'religious' be omitted and after the word 'cultural', the words 'social and educational' be inserted."

[Shri H. V. Kamath]

This is the amendment accepted by the Honourable the Leader of the House.

I move the other amendment as well:

"That the word 'race' be omitted."

Mr. Speaker: I will put it to the House as one amendment but in two parts.

Amendment moved:

(i) "That the word 'and' occurring after the word 'religious' be omitted and after the word 'cultural', the words 'social and educational' be inserted."

(ii) "That the word 'race' be omitted."

सेठ गोविन्ददास : सभापति जी, मैं इस प्रस्ताव का हृदय से समर्थन करता हूँ। हमारा देश कितना प्राचीन देश है और हमारे देश का इतिहास कितना प्राचीन है इस सम्बन्ध में प्रस्ताविक महोदय ने कुछ बातें कही हैं। मैं आपका ध्यान बहुत पुराने समय की ओर ले जाना चाहता हूँ। इस देश के दुर्भाग्य के कारण इस देश पर सदा विदेशियों का आक्रमण होता रहा। जब जब यह आक्रमण हुआ तब तब जातियता और साम्प्रदायिकता का प्रश्न इस देश के सामने उपस्थित हुआ। परन्तु आज चाहे इस देश के सामने साम्प्रदायिकता की और जातियता की समस्या सारे संसार के देशों से अधिक हो। परन्तु इसमें सन्देह नहीं हो सकता कि इस देश में आरम्भ से ही इन समस्याओं को हल करने का प्रयत्न किया गया।

मैं आपका ध्यान जिस समय इस देश पर यूनानियों का आक्रमण हुआ उस समय की ओर ले जाना चाहता हूँ। उस समय यूनानियों में और भारतीयों में कोई झगड़ा न रहे दोनों एक हो जायें इस उद्देश्य से चन्द्रगुप्त मौर्य ने सेल्युकस की कन्या से विवाह किया था। उसके पश्चात् जब यहाँ पर शक और हूण आये तब फिर यह कटुता आयी इस बात का प्रयत्न हुआ कि शक हूण और आर्यों में कोई भेद न रहे। आज कोई यह नहीं जानता कि हम में से कौन शक है और कौन हूण है और कौन आर्य है। उसके पश्चात् जब बौद्धों और हिन्दुओं का संघर्ष हुआ उस समय सम्राट हर्ष वर्धन ने बौद्धों और हिन्दुओं के पारस्परिक सहयोग का प्रयत्न किया यह बात इतिहास से सिद्ध है कि सम्राट हर्ष समय समय पर शिव, सूर्य और बुद्ध तीनों की प्रतिमाओं को इकट्ठा कर उनकी सार्वजनिक पूजा की या करते थे। मुसलमानों के आने पर सम्राट शेरशाह सूरी और अकबर ने इस सम्बन्ध में जो प्रयत्न किया वह आज भी हम लोगों का मार्ग प्रदर्शक हो सकता है। कहने का मतलब यह है कि यह देश इतना प्राचीन है, इस देश का इतिहास इतना प्राचीन है और इस देश के इतिहास में साम्प्रदायिकता और जातियता की एकता का प्रयत्न इतना प्राचीन है कि आज भी यदि हम उससे शिक्षा लेकर इस बात का प्रयत्न करें जो कि इस समय किया जा रहा है तो हम अपने प्रयत्न में सफलता प्राप्त कर सकते हैं।

इस समय की साम्प्रदायिकता का अधिक जोर लखनऊ की सन् १९१६ की कांग्रेस लीग योजना से आरम्भ होता है। इससे पहले हिन्दू मुसलमान दोनों बहुत समीप आ गये थे। यद्यपि एक मन्दिर में प्रार्थना करता था तो दूसरा मसजिद में इबादत पढ़ता था तथापि एक दूसरे का सुख-दुःख का सम्बन्ध था। जितने त्यौहार और दूसरी बातें होती थीं एक दूसरे का उसमें योग रहता था। मुझे अपने बाल्यावस्था की ऐसी बातें याद हैं। मुहर्रम और दशहरा के दिनों में हमको यह नहीं जान पड़ता था कि ये किस के त्यौहार हैं मुसलमानों के या हिन्दुओं के। तो उस समय हिन्दू मुसलमान इतने समीप आ गये थे परन्तु उस कांग्रेस-लीग योजना से जो पृथक् निर्वाचन क्षेत्र हुए और जिन्हें मार्ले-मिंटो रिफार्म के समय भी स्वीकार किया गया फिर से साम्प्रदायिकता का जो बीज बोया गया वह तरु बना फिर उसमें पल्लव फूँप आये और उसमें से पाकिस्तान के रूप में फल निकला। पाकिस्तान हो गया और महात्मा गांधी जी की हत्या हुई।

यदि हम इस वैमनस्य के इतिहास को देखें तो हमें जान पड़ता है कि शेरशाह सूरी और अकबर ने जो प्रयत्न आरम्भ किया था वह कांग्रेस और लीग योजना से विफल हो गया। साम्प्रदायिकता की भावना का अभी पूरा २ नाश हो गया यह बात मैं नहीं मान सकता। अभी हाल में अलीगढ़ युनिवर्सिटी में जो चुनाव हुए उन चुनावों से हम देखते हैं कि जो साम्प्रदायिकता को मानने वाले थे उन्हीं को बहुमत से चुना गया। मैं आपसे यह कहना चाहता हूँ कि केवल शब्दों की वफादारी से या मुसलिम लीग को बन्द कर देने से या हिन्दु महासभा अब राजनैतिक बातों में हस्तक्षेप नहीं करेगी, यह कह देने से काम नहीं चल सकता। हमको साम्प्रदायिकता की जो जड़ें हैं उस को खोद कर फेंक देना पड़ेगा और तब जैसा इस प्रस्ताव में कहा गया है कि हमारे प्रजातंत्र और हमारी जातियता की एकता इस देश में स्थापित हो सकेगी इसके लिए इस प्रस्ताव में सुझाव किये गये हैं और मुझे हर्ष है कि अभी माननीय पं० जवाहर लाल नेहरू ने हम से कहा कि इन सुझावों को कार्य रूप में परिणत करने का प्रयत्न किया जायगा।

मैं अन्त में एक बात और कहना चाहता हूँ। आज भी एक ही कुटुम्ब में एक हिन्दु निवास करता है जो वेद को मानता है और उसी कुटुम्ब में एक भिन्न निवास करता है जिस का वेद से कोई सम्बन्ध नहीं। एक ही कुटुम्ब में वेदों को मानने वाला हिन्दु रहता है और वेदों को न मानने वाला जैन। इसी प्रकार क्या एक ही कुटुम्ब में हिन्दु और मुसलमान नहीं रह सकते? मैं कहना चाहता हूँ कि वह समय आयेगा जब हम इस साम्प्रदायिकता और जातियता को नष्ट कर इस देश में ऐसे समाज की रचना करेंगे जो समाज जाति और सम्प्रदाय पर अवलम्बित न रहकर सच्ची राष्ट्रीयता पर अवलम्बित रहेगा। तभी जैसा इस प्रस्ताव

[सैठ गोविन्ददास]

में कहा गया है हम सच्चे प्रजातंत्र की स्थापना कर सकेंगे और हमारा जो राष्ट्र होगा वह एकता और दृढ़ता का राष्ट्र होगा। मैं इस प्रस्ताव का समर्थन करता हूँ और मैं आशा कर हूँ कि तत्प्रधान मंत्री जी इस प्रस्ताव के अनुसार कुछ न कुछ कार्य करने का शीघ्र प्रयत्न करेंगे।

(English translation of the above speech).

Seth Govinddas (C. P. and Berar: General): Mr. Speaker, I heartily support this Resolution. The Mover of the Resolution has already stated in the course of his speech that India is an old country and it has ancient history. I want to draw your attention to the old times age. Unfortunately, this country has been the victim of frequent raids by foreign invaders. Whenever these invasions took place, this country was confronted with communal problems. Although the present day communal problems rife in this country have assumed far more serious proportions as compared with other countries in the world, yet there can hardly be any doubt that efforts had been made to solve these problems from their very inception.

I would like to draw your attention to the times when the Greeks invaded this country. With a view to eliminate the possibility of any conflict between the Indians and Greeks and to promote mutual unity, Chandergupta Maurya married the daughter of Seleucus. After this, when the *Sakas* and *Huns* came to this country, this bitterness again arose. Efforts were made to remove all sorts of racial discrimination between the *Sakas*, *Huns* and *Aryans*. None amongst us can distinguish today as to who are the *Huns*, *Sakas* and *Aryans*? Afterwards when *Buddhists-versus-Hindus* controversy arose, King Harsha-Vardhana tried to establish mutual amity between the two communities at that time. This fact is supported by the history that King Harsha used to worship in public the three Gods *vis.*, *Shiva*, *Surya* (Sun) and *Buddha* together. On the advent of Muslim rule, the efforts made by the Emperors Shershah Suri and Akbar in this direction can even today serve as our guide. What I mean to say is that ours is an old country with ancient history. The growth of communalism in this country dates back to the ancient days and since then efforts have been made to achieve national unity and solidarity. If we learn a lesson from this even today and make earnest efforts in this direction—as is being done now—we are sure to succeed in our object.

The present day communalism owes its origin to the Lucknow Congress-League Pact of 1916 after the conclusion of which it gained strength. Prior to this, the Hindus and Muslims had become very close to each other. Although the one worshipped in the temple and the other prayed in the Mosque, yet mutual goodwill prevailed. They used to celebrate and observe their festivals and ceremonies together. I remember of many such occasions during the days of my childhood when on *Muharram* and *Dussehra* festivals we could hardly say to which particular community they pertained. The Hindus and Muslims had become very near to each other in those days. But the principle of separate electorates agreed upon in the Congress-League Pact and which was also subsequently accepted at the time of the introduction of Morley-Minto Reforms, sowed fresh seeds of communalism. This resulted in the growth of a tree which later on bore fresh sprouts and flowers and yielded fruit in the form of Pakistan. The state of Pakistan was established and Mahatma Gandhi was assassinated.

If we trace the history of this communal malice and hatred then it would be observed that the efforts made by Akbar and Shershah Suri were rendered infructuous by the Congress-League Pact. I cannot believe that communalism

has been completely wiped off. We find from the result of the recent elections held in the Aligarh University that those who believe in communalism were elected with a majority. I would, therefore, like to tell you that no useful purpose would be served either by owing lip allegiance or in the mere assurances that the Muslim League would be dissolved and the Hindu Mahasabha would not now participate in the political activities. We shall have to destroy the very roots of communalism and then only we would be able to establish democracy, national unity and solidarity in our country as envisaged in the Resolution. I am glad to say that the Honourable Pandit Jawaharlal Nehru has just now informed the House that efforts will be made to implement and achieve the objective which lies behind this Resolution.

In the end, I would like to say that even today—a Hindu and a Sikh live in one family—the former believes in *Vedas* and the latter has nothing to do with them. Cannot thus the Hindus and Muslims live together in one family? I might tell you that time will come when we will destroy this evil of communalism and establish a society in this country which would be based on true nationalism instead of communalism. Then only we would be able to establish democracy in the real sense as visualised in this Resolution, and our State would be a symbol of unity and solidarity.

I support this Resolution and hope that the Honourable the Prime Minister will take early steps to implement it.

Haji Abdus Sattar Haji Ishaq Seth: Sir, I have moved four amendments to the Resolution. As they may be rather confusing I shall read the Resolution as it will stand if my amendments are incorporated. If my amendments are accepted the Resolution would read thus:

"Whereas it is essential for the proper functioning of democracy and the growth of national unity and solidarity that communalism should be eliminated from Indian life, this Assembly is of opinion that no organization preaching violence and communal hatred should be permitted to exist and that all steps, legislative and administrative, necessary to prevent the existence of such organizations should be taken."

This is how the Resolution would read if my amendments are accepted by the House. Sir, so far as the objects that my Honourable friend Mr. Ananthasayanam Ayyangar has in mind when moving this Resolution are concerned I accept them wholeheartedly and *in toto*. My amendments do not really try to alter a single word of his preamble. As I said, I am wholeheartedly with him in this objective. The difference is only with regard to the method by which this objective could be achieved. I know in the present conditions of the country, and placed as I am in this country, it is not only delicate but rather dangerous for me to rise today to propose an amendment to what has been described as a unanimously accepted position in this House. The Honourable the Leader of the House rising in his responsible position in this House has accepted this Resolution. Probably many of my Honourable friends thought that after what the Leader of the House has said I will not move the amendments. In getting up to move these amendments, facing all these dangers and the delicate situations, I hope the House will grant me the honesty of my own convictions. I really and sincerely feel that what my Honourable friend Mr. Ananthasayanam Ayyangar and the Honourable that Leader of the House wish to achieve will not be achieved by the means that Mr. Ananthasayanam Ayyangar is proposing.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen)].

I have sufficient experience of public life in this country. Mr. Ananthasayanam Ayyangar also has. Incidentally, if I may with great respect offer my heartfelt thankfulness for the very careful terms in which my Honourable friend spoke today, I shall be very glad if he will accept it as coming from a sincere person. In future, whenever such occasions arise I hope he will speak with the same restraint and in the same spirit.

[Haji Abdus Sattar Haji Ishaq Seth.]

Coming to my amendments, before I go into the details, may I remind the House and may I take the liberty of reminding the Honourable the Prime Minister that exactly this was the opinion of the Government of which he is the head? Immediately on the great loss that this country suffered by the death of that great man, Mahatma Gandhi, this Government met together and they unanimously passed a Resolution, and that Resolution was issued in a Gazette Extraordinary. What did they say then? They said—I am reading from that Resolution—"There is no place today in India for any organization preaching violence or communal hatred . . . No such organization will therefore be tolerated." That was the deliberate decision of the Government of this country; and that too was immediately after the grave tragedy that had taken place in this country. They realized then that the only remedy that can meet the situation that has arisen in this country is to put down violence and communal hatred with a heavy hand. And what is my friend Mr. Ananthasayanam Ayyangar now seeking to do? He is seeking to put down what he calls communal organizations dealing with politics. The object, as set forth in the preamble of the resolution, is the establishment of democracy and the growth of national unity and solidarity. Now, Sir, so far as Mr. Ayyangar is concerned, if I start today an organization the membership of which I do not confine to any particular caste, community or race, and yet I preach violence, I preach communal hatred, so far as this resolution is concerned, he will not object to that. I am mentioning the resolution only. I am pointing out the weakness in the resolution. The Government of India say that for putting down communalism the remedy that they have thought of, after deliberation on a very solemn occasion, is the putting down of the preaching of violence and of communal hatred. But so far as my friend Mr. Ananthasayanam Ayyangar is concerned, he has nothing to do with that. He would be happy and satisfied if organizations which confine their membership to one community or one race or one religious group alone are put down if they deal in politics; and therefore, Sir, I say to this House with great respect that I have every right to feel that our ways differ. I consider my way the better, and I am in distinguished company.

Let me now tell the House that so far as the elimination of communalism is concerned, while I have the greatest regard for the masterly analysis that was put before the House by my friend Mr. Ananthasayanam Ayyangar and by Seth Govinddas, I find that they have missed one point. They have blamed the separatist tendencies, the League-Congress Pact of 1916, and agitation, and so on.

Pandit Lakshmi Kanta Maitra (West Bengal: General): We are in the year of grace 1948. There are two independent states in one geographical unit of India.

Haji Abdus Sattar Haji Ishaq Seth: Please do not anticipate what I am going to say. Mr. Ayyangar analysed the sequence of events and blamed everything to the separatist tendencies that the British wanted to create in this country. I agree with him to a certain extent; but I want him to search his heart and to say whether he is not also responsible, just as I am perhaps, for what has happened. I want to take him back to 1937. I believe the Honourable the Prime Minister in one of his publications agreed that the Muslims were not treated in the manner in which they ought to have been treated in 1937. The Mussalman felt that he was dealt a very injurious blow.

Prof. N. G. Ranga (Madras: General): Wrongly of course.

Haji Abdus Sattar Haji Ishaq Seth: From that date up to today, I want Mr. Ayyangar to get up and say after searching his heart, whether anything was done to undo that wrong. Day by day, year after year, this hatred, this desire

to put down the Mussalman was there at least among the back-benchers. My position today is very much different to what it was before the 15th August 1947. Today I am not here to create trouble. Today I am here to see that the Government in this country runs smoothly; but when you sit down to analyse the position, I want that the blame should be placed where it ought to be placed—where it is deserved. Here also I am in very distinguished company. I have got the resolution of the Working Committee of the Congress. That also was passed immediately after the great tragedy that had taken place in our country. What did they say? They said "the Working Committee calls upon all Congressmen and organizations to initiate and carry on an intensive drive against communalism by removing the causes of friction—(I repeat—by removing causes of friction)—by ensuring to all minorities equal rights of citizenship, and by organizing fraternization among members of all communities." Since this resolution was passed . . .

An Honourable Member: What is the date?

Haji Abdus Sattar Haji Ishaq Seth: February 7, the first meeting after Mahatma Gandhi's death. How much was done, may I ask of the Congress people, to remove causes of friction? How much was done in this House, how much was done outside? Therefore, Sir, I think that the remedy suggested by my friend Mr. Ananthasayanam Ayyangar is not the real thing to achieve the object that I and he and everyone else has at heart in this country, including the Prime Minister.

Apart from the communal organizations, apart from what the puny Mussalman can do in this country, what are you facing? You are facing great dangers. The communists are coming up. There is this menace from Russia and yet today, in this House, Mr. Ananthasayanam Ayyangar can think of nothing but the puny communal organizations here and there—even those have given up their politics—just to hang them all and to put this Government, whose energies should be employed on bigger things, to the need of providing the means of banning these puny associations. I say let him give all this up and let the country take the advice that I have given in my amendment—put down violence wherever it exists and is preached, and also put down the preaching of communal hatred. People have talked of this or that. I can also talk of this or that. But that will not lead us to anything. Therefore, Sir, my strong advice is, if you want to eradicate communalism from this country, the only way is to get all the communities satisfied. With these words, I move my amendment.

Shri H. V. Kamath: Mr. Chairman, Sir, while moving my amendments, let me at the outset make it clear that I yield to none in my desire to see the early liquidation of those communal organizations which have promoted or are still promoting communal illwill, malice and hatred, which have become a cancer eating into the vitals of our body politic, which have rent our motherland in twain and which have led to the martyrdom of Mahatma Gandhi. These calamities have overtaken us because these communal organizations have functioned on a political plane.

Therefore, I should have welcomed a Resolution which straightly prohibited all communal organisations from indulging in or engaging in any political activity whatsoever. Political activity I would define as any activity which aimed at or aspired after the capture of political power or influence. But the Resolution that has come before us today permits certain activities on the part of communal organisations. Therefore, Sir, I had to send in my amendments.

Aristotle said that man is a political animal, but, unfortunately for all of us, he is not wholly and solely a political animal. He engages in other activities to satisfy his other needs—the other needs of his mind and spirit, to satisfy

[Shri H. V. Kamath]

the requirements of the human organism as constituted by his Maker. Therefore, Sir, I sent this first amendment as regards *bona fide* educational and social activities. I would have liked, Sir, to include spiritual activities too, because I am not convinced in my own mind that religious activities are synonymous or coterminous with spiritual activities. A person can be religious without being spiritual and also be spiritual without being religious in the accepted or conventional sense of these terms. Names occur in history, names of great men who have been religious without being spiritual and of men who have been spiritual without being religious. In our own time we have had Guru Dev Rabindranath Tagore who certainly was a great spiritual personality, but nobody would say he was a religious personality. Then, Mahatma Gandhi. I would say Mahatma Gandhi was more a spiritual than a religious personality.

Some Honourable Members: Both.

Shri H. V. Kamath: And, Sir, in history there have been famous names. In Europe we have had great men who have been spiritual without being religious. Guiseppe Mazzini was a great spiritual political figure but nobody would say he was a religious figure. Romain Rolland, Tolstoy and among poets Shelley in England, were spiritual men but not religious. In our own time, Netaji Subhash Bose was a spiritual figure but hardly a religious one. Therefore, spiritual activities can be distinct from religious activities. There is a well known *sloka* in Sanskrit:—

*Ijyādhyāyamadānāni tūpah satyam dhritih kshamā
Alobha itī mārgoyam dharmasyāṣṭavidham smritam
Tātra pūrvāṣṭatvargō dambhārthamāpi sevayate
Uttavastu chaturvargō mahātmanyeva tishthati*

That means the first four qualities, *Ijya*, *adhyayana*, *dana* and *tapas* can be part of religion, but certainly *satya*, *dhriti*, *kshama* and *alobha* these can come only under truly spiritual activities. We have had great Sufi mystics. There was the famous Mansoor; he was not a religious but a great spiritual personality, a mystic. He said in one of his great exhortations:—

*Na mar bhookha na rakh rōza na jā masjid na kar sijda
Wazu ki tod de kooji sharābe shauk pitā jā*
Again

nal hak tu kahātā jā

And he also said:

*Kahe Mansoor mastānā hak mai ne dilme pehuchānā
Wahi mastōnka maikhānā usi ke beech ātā jā*

This, Sir, is certainly spiritual; nobody would call it religious in the conventional sense of the word. But, Sir, I think and I have been told on high authority that religious and cultural activities can together comprise spiritual activities. That is why, Sir, I do not press this amendment as regards the spiritual part of it. I would ask for an assurance on the floor of this House from the Mover of this Resolution that the spiritual and cultural activities do include and are synonymous and coterminous with religious activity. For, tomorrow if I start an organisation for promotion of spiritualistic research, it may not admit people who don't believe in re-birth or life after death on religious tenets. Also, *yogic* research is not religious nor is it cultural, but I can certainly exclude from it, or include, certain communities or sections. Any way, I do not want to labour this point because if "religious" is construed in a true sense, in its full and vital sense, and also "cultural" in its comprehensive sense, then they can comprise spiritual activity.

As regards the other two, social and educational, so long as our society is what it is today, we have to make allowance for social and educational activities, because we all know that we have got, for instance, Hindu law and Mohammedan law. I wish, as one of my friends said in this House the other day, there would be only one law, Indian law, but nevertheless there are at present Hindu law and Mohammedan law. We have got Hindu law of inheritance and Hindu law of marriage; we have got Mohammedan law of inheritance and Mohammedan law of marriage, and what not. So long as these things are there, organisations to promote the social welfare or the social needs of a particular community have got to be tolerated—you may not welcome them but you have got to tolerate them until you do away with all this Hindu law and Mohammedan law and bring in only one law, human law or Indian law.

Then, Sir, as far as educational needs are concerned, the Honourable the Prime Minister said in accepting the Resolution that there are certain backward castes or classes or tribes in this country who have got to be catered for more than other castes or communities so far as their educational needs are concerned. Therefore, at this stage it is very necessary that we permit the existence and functioning of organisations who cater to the educational needs of particular castes or sections of communities, though they might be communal in their constitution. Therefore, this amendment relates to these two activities which I want to be included in this Resolution, namely, the social and educational activities.

Then, Sir, the second amendment is a very brief one; it is only for the purpose of clarification that I want the word "race" to be omitted, because to my mind there is only one race in India. I do not feel that Muslims or Christians or anyone else, not even Anglo-Indians, are a separate race. Therefore the question of race should not arise in India so far as Indians are concerned. The resolution deals with Indian life, and so far as Indian life is concerned I think we should all stick to this proposition that we are all one race and one nation. Therefore the word "race" must be deleted. But if the Mover of this Resolution thinks that on ethnological grounds there are so many races—there are the Seythians, the Dravidians, the Aryans, the Mongolians, etc.—If that be the case I have no objection. But to my mind—it is my conviction and I have held it all along—there is only one race in India, the Indian race, and all these ideas of Hindu, Muslim, Christian and Jewish races must be relegated to the limbo of forgotten things, if we aspire to build a sound and strong Indian State.

Sir, my friend Mr. Ananthasayanam Ayyangar said that religion should bring God nearer to man. But today it has not brought God nearer to man. I wish, Sir, that he had said that religion had taken man nearer to God, the God within and without; and if that had been the case, we would not have been in the sorry plight that we are today. We should promote a religion, the religion of humanity, the Universal Religion of our great poets, our saints, our sages, and our seers; that religion we shall promote, the religion of man, neither of a Hindu nor of a Muslim, neither of a Christian nor of a Jew; the Religion of Man in its highest sense. Let us promote that and let us strive for unity, for peace, for equality, for fraternity, on that basis. And let us rebuild our unity, the unity of our motherland, because, Sir, this communal hatred and division has been responsible not only for the vivisection of our motherland but also for the martyrdom of Mahatma Gandhi. Let us go back to the true religion of our Maker. Let us usher in the glorious day when all of us will belong to one Religion. Whether Hindus, Muslims, Jews or Parsis, let us forget our little religions. Let us go to the fountain-head, the source of all religions—the consummation of all, and achieve true Liberty, Equality and Fraternity. Let us usher in a new democracy based on this wider principle, a democracy rooted firmly in spiritual equality. Let us, Sir, usher in this New Order, bathed in the refulgent light of a Himalayan dawn.

کیانی گورنمنٹ سلگہ مسافر : سبھا پتی جی ! میں اصل ریزولوشن کے حق میں بولنے کے لئے کھڑا ہوا ہوں۔ میں سمجھتا ہوں کہ ہمارے مانیفیسٹ پر ایم منسٹر جو ہماری پارٹی کے لیڈر بھی ہیں کی تقریر کے بعد کچھ زیادہ بولنے کی ضرورت نہیں ہے۔ لیکن میں اس کے سوا دھرم میں ایک دو چھوٹی چھوٹی تجویزیں اس ہاؤس کے سامنے آپ کی وساطت سے رکھنا چاہتا ہوں۔ بعض دفعہ چھوٹی چھوٹی تجویزیں بھی کسی بڑی تجویز کو عمل میں لانے کے لئے اچھی ثابت ہو سکتی ہیں۔ یا مددگار ہو سکتی ہیں۔

ہمارا دیس ایک دھارمک دیس ہے۔ پرانی مائتر کا بھلا چاہنے والے اچھے اچھے کامل گورو بزرگ اور بھگت اس دیس میں پیدا ہوئے۔ کانگریس کئی سالوں سے کمیونلزم کے خلاف اس دیس میں پرچار کرتی چلی آ رہی ہے۔ ایک بہت بنیادی غلطی جو کہ عوام کی سمجھ میں نہیں آتی ہے کہ دھرم اور کمیونلزم جو کہ بالکل دو متضاد چیزیں ہیں انکو ملا دیا گیا ہے اور بعض موقعوں پر دھرم اور کمیونلزم میں تمیز بھی نہیں ہو سکتی۔ ایک طرف تو دھرم کو کمیونلزم سمجھا جاتا ہے یعنی جو صحیح معنای میں دھرمی ہو اسکو کمیونلسٹ کہ دیا جاتا ہے۔ اور دوسری طرف کمیونلزم کو ہی دھرم سمجھ لیا جاتا ہے یعنی دھرم کے پردے میں بدترین قسم کے کمیونلزم پرچار کیا جاتا ہے۔ یہی وجہ ہے کہ ہم کمیونلزم کو بٹے دیس سے اب تک دور نظر نہیں کر سکے۔

مذہب کو میں نے تھوڑا بہت Study کیا ہے۔ مجھے کسی مذہب میں یہ نظر نہیں آیا کہ ہم دھرم کی بنا پر آپس میں لڑیں اور جھگڑیں۔ گورو نانک جی نے ہم سے پہلا ایڈیٹر جو مسلمان کے گزیر میں آکر دھرم کی خاموشی کے بعد ڈالا وہ یہ تھا کہ نہ کوئی ہندو نہ مسلمان اللہ رام کے پات پرانے یہ سب سے پہلا ایڈیٹر تھا۔ صاحب صدر ! گورو جی کی بانی سے میں آپ کو ایک شدید سناتا ہوں جس سے پتہ لگے گا کہ دھرم اور کمیونلزم میں کیا فرق ہے اور جس فرق کو ہم اب تک نہیں سمجھ رہے ہیں۔

جگت جلیندا رکھلے اپنی کرپا دھار

جگت دروازے ابھرے تھے لین ابھار

جس کا مطلب یہ ہے کہ اے ایشور چلتے ہوئے جگت کو اپنی کرپا سے بچالے اور جس دروازے کوئی نجات پاسکتا ہے اسکو اسی دروازے سے پار کر دے۔ یعنی جس راستے کوئی آتا ہے۔ اسکو منزل مقصود پر اسی راستے سے پہنچا دے اور اس کی مکتی کر اور ان کو پار کر اس طرح سے میں سمجھتا ہوں کہ جو اتنا فرائضی ہے دھرم کا پرچار کیا جاتا ہے۔ اس کا صاف یہ مطلب ہے کہ صحیح معنوں میں کوئی دھرم یہ بات نہیں سمجھتا کہ ہم آپس میں جھگڑا پیدا کریں۔ اور آپس میں لڑیں اور ایک

دوسرے سے نفرت کریں۔ باہمی نفرت کی وجہ سے ہماری غلامی کی زنجیریں لہوئی ہوئی تھیں باوجود اس کے کہ ہمارا دیس دھارمک دیس ہے جیسا کہ میں نے کہا ہے یہاں پر اچھے اور دھرماتما لوگ پرانی مائتر کی بھلائی کے لئے پرچار کرتے رہے۔ اس کے باوجود دھرم بڑھتا گیا جوں جوں دوا کی۔ یہ مرض ہمارے دیس میں کیوں بڑھتا گیا۔ اس کی ایک وجہ تو صاف ہے۔ اور وہ یہ اب تک ہمارے دیس میں بدیشی حکومت تھی۔ غیر ہمارے دیس پر راج کرتے تھے۔ انکا رویہ کچھ ایسا تھا کہ جب انکو اپنا کوئی مطلب ہوتا تھا۔ تو وہ ہندو مسلمان اور سکھ کا آپس میں اتفاق کر کے گاؤں دیس کرتے تھے۔ اور اسکا پرچار بڑے بڑے تصویروں اور قراموں کے ذریعہ سے کرتے تھے۔ پچھلی لڑائی میں بڑے بڑے شہروں میں بڑی بڑی تصویروں عام گزرگاہوں میں لٹلائی گئیں اور ہزاروں کی گنتی میں تقسیم کی گئیں جن میں ہندو مسلمان کے ہاتھ میں ہاتھ ملائے ہوئے دکھایا اور سکھ کو مسلمان کے گلے ملاتے ہوئے دکھایا بدیشی حکومت کا ان تصویروں سے یہ دکھانا مقصود تھا کہ ہندو سکھ مسلمان سب مائتر ہمارے لئے لڑیں اور ہمیں بچائیں مگر دوسری طرف اس وقت اُدھر مشرق میں جب ہندو مسلمان اور سکھوں نے اکٹھے ہو کر ایک آزاد ہند فوج بنالی تو یہ پرچار کرنا شروع کیا کہ آپ کا آپس میں کیا واسطہ ہے۔ سکھ کو کہا گیا کہ تمکو مسلمان سے کیا واسطہ ہے۔ وہ تو حلال کھانے والا ہے اور تم چھٹکا کھانے والے ہو۔ ہندو کو کہا گیا کہ تم مسلمان سے کیسے مل سکتے ہو۔ وہ تو گئے بھٹک رہے ہیں اور تم گڈو رکھتے ہو۔ خیر یہ ایک لمبی بات ہے۔ میرے پاس وقت بہت تھوڑا ہے۔ اسلئے میں اس کی دلائل میں نہیں جاؤں گا بہت دیر پہلے میں نے ایک کویتا لکھی تھی۔ جس کا ایک بلد یہ ہے۔

سکھ جینی پارسی ہندو یا مسلمان بن

بن جو مرضی او بن انسان پر انسان بن

اب کچھ حالات بدل گئے ہیں۔ اب ہماری اپنی گورنمنٹ ہے کمیونلزم کو زیادہ پھیلانے والا جو Separate electorate کا زہر تھا۔ وہ اب ہمارے ودھان سے نکالا جا رہا ہے۔ اس وجہ سے فضا کچھ صاف ہو گئی ہے۔ دوسرے ہمارے اپنے جوش بھی تھلنے ہو گئے ہیں۔ ہمارے مسلمانوں کا جوش اس وجہ سے بھی تھلنا ہو گیا ہے کہ وہ جس پاکستان کی رٹ لگاتے تھے۔ وہ آؤ مل گیا ہے۔ اب جو ہمارے دیس میں مسلمان بھائی ہیں وہ ہندوستان کے citizen ہیں۔ اور ہندوستان کو اپنا دیس سمجھ کر ان کو یہاں رکھا ہے۔ سکھ جو مسلمانوں کے رویہ کی وجہ سے اور ان کی ریتیں میں اپنا علیحدہ نعرہ لگاتے تھے۔ انہوں نے بھی اب اپنا سب کچھ چھوڑ کر واجبی طور پر دیس کی مشترکہ جماعت کانگریس میں اپنے آپ کو ملا دیا ہے اور کہہ دیا ہے۔

سپر دم بتو مایہ خویش را

تو دانی حساب کم و بیش را

[گہائی گورمکھ سنگھ مسافر]

کمپونلزم ہو ایک میں تھوڑا بہت چلتا آیا ہے ہندوؤں میں بھی ہے۔ ہاں کسی میں تھوڑا ہے اور کسی میں زیادہ کسی میں aggressive اور کسی میں subtle قسم کا لیکن اب جو حالات یہاں پر پیدا ہو گئے ہیں۔ ان کی بنا پر میں یہ تجویز کرتا ہوں کہ جو کچھ بھی اس میں تھوڑی بہت کسی ہے اس کو بھی دور کر دیا جائے۔ یعنی اس وقت جس طرح سے separate electorate کو دور کیا جائے گا اسی طرح سے ہر کمیونٹی کے لئے علیحدہ reservation کی کوئی ضرورت نہیں ہے۔ اور جب تک ہم اس کو اٹھا نہ دیں اس وقت تک ہم ایک دوسرے کا اعتبار حاصل نہیں کر سکتے۔ اعتبار تب ہی ہو سکتا ہے جب ہم یہ سمجھ لیں کہ ہمیں ایک ہو کر رہنا ہے اور ایک ہی بات پر مرنے اور جینا ہے۔

جس طرح ہم فخر کرتے تھے کہ ہم ہندو ہیں، ہم سکھ ہیں، ہم مسلمان ہیں، ہم راجپوت ہیں، ہم عیسائی ہیں، یہ سب کچھ دھتے ہوئے بھی ہم کو اس بات پر فخر کرنا چاہئے کہ ہم ہندوستانی ہیں۔ ہمیں ہندوستان کے لئے جینا ہے ہندوستان کے لئے مرنے ہے۔ اس کے ساتھ میں ایک تجویز کرنا چاہتا ہوں آپ سمجھیں گے کہ چھوٹا ملہ اور بڑی بات ہے۔ لیکن میں سمجھتا ہوں کہ چھوٹی چھوٹی باتوں میں بھی تک ہمارا نکتہ نگاہ change نہیں ہوا ہے۔ منسٹر صاحبان کی حالت میں بعض دفعہ دیکھنے میں آتا ہے کہ کسی سیکٹری وغیرہ کے چلنے کے وقت اسی پراونس اور مذہب کے آدمی کو ترجیح دینے کا خیال کیا جاتا ہے۔ جس صوبہ یا مذہب کا منسٹر یا اس کا کوئی بڑا سیکٹری ہو۔ ہو سکتا ہے کہ کام کی آسانی کے لئے ایسا کیا جاتا ہو۔ اور کسی وجہ سے نہ کیا جاتا ہو یہ بات کسی حالت میں ٹھیک بھی ہو سکتی ہے۔ کام میں آسانی ہو سکتی ہے۔ لیکن ہمیں اس چیز کو بدلنا ہے۔ عوام کی ذہنیت کو بدلنے کے لئے کچھ انقلابی باتیں کرنی پڑتی ہیں۔ میں چاہتا ہوں کہ ہمارا کمیونل نکتہ نگاہ بالکل بدل جائے۔ چھوٹی چھوٹی باتوں میں بھی ہمیں کہیں کمیونل دکھائی نہ پڑے۔ اگر ہم کسی منسٹر کے آفس میں جائیں تو ہمیں صاف نظر آئے کہ یہ ہندوستانی منسٹر کا دفتر ہے نہ کہ کسی ہندو، مسلمان یا سکھ منسٹر کا یا کسی پارسی یا عیسائی منسٹر کا دفتر ہے۔

ایک بات اور میں کہنا چاہتا ہوں کہ جتنی جلدی ہو سکے ہمارا لباس اور ہماری زبان ایک ہونی چاہئے۔ جب ہمارا لباس اور ہماری زبان ایک ہوگی تو ہمارا نکتہ نگاہ بھی ایک ہوگا۔ جس طرح ہماری شکلیں ایک جیسی نہیں ہیں اسی طرح ہماری عقلیں تو ایک نہیں ہو سکتیں۔ اس لئے اختلاف رائے تو رہے گا۔ عقیدہ بھی علیحدہ علیحدہ ہو سکتا ہے مگر اختلاف رائے اور ان سب باتوں کے باوجود جو باتیں ہماری مشترک ہو سکتی ہیں ان میں ہم کو ایک ملت کے لئے بھی دیر نہیں کرنی چاہئے۔

پنڈت تھاکر داس بھارگو جو اس وقت صدارت کے فرائض سر انجام دے رہے ہیں نے ایک انٹر میریج (inter marriage) کا نکتہ نگاہ پیش کیا تھا وہ تو بہت بڑی بات ہے۔ شاید وہاں تک ابھی ہمارا دیکھ جانے کے لئے تیار ہو یا نہ ہو۔ مگر جو باتیں میں نے ابھی پیش کی ہیں ان کو عرض کرنے کے بعد میں یہ امید کرتا ہوں کہ ہم اگر اس نکتہ نگاہ سے کام کریں گے تو کسی حد تک کمیونلزم کو سوسائٹی سے نکالنے میں کامیاب ہوں گے۔ ہمارا نظریہ یہ ہو:—

ہندو ہیں سب اچھے نہ مسلمان ہیں اچھے

دل نیک ہیں جن کے وہی انسان ہیں اچھے

(English translation of the above speech).

Giani Gurmukh Singh Musafar (East Punjab: Sikh): Mr. Chairman, Sir, I rise to support the original Resolution. I feel that after the speech of the Honourable the Prime Minister who is also our party Leader, it seems hardly necessary to say anything more. But I want to place before the House through you one or two small proposals. Sometimes minor suggestions prove useful and helpful in the adoption of more important ones.

Ours is a spiritual country. Many eminent religious teachers, devotees who always strived for the good of mankind were born in this country. Congress has been carrying on propaganda against communalism in this country for the last so many years. The one fundamental mistake which the people cannot understand is that religion and communalism which are two incompatible things have been combined, and on many occasions it becomes difficult to distinguish between these two. On one side religion is regarded as communalism i.e., a man who believes in religion in the real sense is treated as communalist; and on the other communalism is taken as religion. In other words the worst cult of communalism is preached in the garb of religion. This is the reason that we have not as yet been able to wipe off communalism from our country. I have had some study of various religions but have not been able to find out anything in any religion to incite us to wrangle and quarrel amongst ourselves in the name of religion. The first message which Guru Nanak gave after a brief period of silence in the world was that there is no such thing as Hindu or Muslim and that one God is for them all. Sir, I will recite a *Shabda* (a hymn) from the sayings of the Great Guru which would show what the difference between 'dharma' (Religion) and communalism is, and which we have not been able to understand uptil now:

"Jagat jalanda rakh le apne kirpa dhar,
Jit dware ubhra tite lein unbar."

(O' God: Have mercy and save this burning world and grant salvation in the way in which the implores).

In other words, whatever path a man may choose and take to reach God, May God grant him success to reach his destination and liberate and emancipate him. It is quite obvious from this that the religion which is preached in such a liberal manner clearly indicates that in reality no religion teaches that we should quarrel and hate each other. The bonds of our slavery were strengthened on account of our mutual hatred. In spite of all this, ours is a spiritual country. Just as I have stated, virtuous persons and saints had been preaching in this country for the good of mankind. But in spite of constant medical treatment the disease went on increasing. What led to the aggravation of this disease in our country? One reason for this is quite apparent and is that we were uptil now under foreign domination and we had an alien Government. They played a double game. They preached Hindu-Muslim and Sikh unity when it suited them and conducted propaganda

[Giani Gurmukh Singh Musafar.]
 in this behalf through pictures and dramatic performances. In the last war, many large pictures showing Hindus and Muslims shaking hands and Sikhs and Muslims embracing each other were displayed in public places and distributed in thousands among the people in large towns. By displaying these pictures, the foreign Government wanted to show that all the Hindus, Muslims and Sikhs should combine and fight for their cause and protect them. But on the other side in the East where the Hindus, Muslims and Sikhs jointly organised the Indian National Army, then they started preaching that these communities had nothing common with each other. The Sikh was told that he had nothing in common with a Muslim who takes *Hilal* meat whereas he eats *Jhatka* meat. The Hindu was told that he could not mix with a Muslim who devours a cow whereas he protects and worships a cow. Any way, this is a long tale and I have very little time at my disposal. Therefore, I shall not indulge in any arguments. Many years ago, I wrote some poetry, a couplet of which ran as follows:

*"Sikh-Jaini-Parsi-Hindu ya Musalman ban,
 Ban jo marsi oh ban insan per insan ban."*

(You may be a Sikh, Jaini, Parsi, Hindu or Muslim, you may adopt any religion you like, but you must be a man above all).

Conditions have now changed. We have now our own Government. The venom of separate electorates which accentuated the spread of communalism is now being removed from our constitution. This has to some extent cleared the murky atmosphere. Moreover our own passions have cooled down. The establishment of the Pakistan State for which the Muslims had been clamouring has also calmed their passions. The Muslims living in our country are the citizens of India and have to live here and adopt India as their homeland. The Sikhs too who like the Muslims raised their own separate slogans have now forsaken their political entity and merged themselves into the fold of Congress, which represents all the classes in the country. They have said:

*"Sapurdam bato maya khwesh ra,
 Tu dani hasab kamo besh ra"*

Communalism to some extent is present in almost all the religions—amongst the Hindus as well. Of course, it varies in extent and degree. In some religions it exists in an aggressive and in others in subtle form. But in view of the changed circumstances which have now cropped up in this country, I propose that we should take steps to remove whatever shortcomings exist in it. Consequent on the abolition of separate electorates there would hardly be any necessity for separate reservation for each community, and unless we remove this we cannot repose trust in each other. Confidence can be restored only when we realise that we have to live as one entity and have to sink and swim together. We take pride in being Hindus, Sikhs, Muslims, Rajputs and Christians, but keeping all this in view, we should be proud of the fact that we are Indian and we have to live and die for India. Along with this I would like to submit a proposal. You may not take it seriously coming as it is from a humble man like me, but I feel that we have not yet changed our angle of vision even in petty matters. It has been frequently noticed that while making selection for the posts of Secretaries, etc., the Honourable Ministers prefer to appoint those persons only who belong to his community and hail from his Province or that of his Principal Secretary. It is possible that this might be due for the sake of administrative convenience and not for any other reason. This may be desirable in some cases if it facilitates the conduct of business, but we have to overhaul this system. Certain revolutionary steps have to be taken to change the outlook and mentality of the masses. I wish that our communal viewpoint should be changed altogether. We should not find the vestige of communalism

even in petty things. If we happen to visit the Office of any Honourable Minister, it should present the outlook of the Office of an Indian Minister and not that of any Hindu, Muslim, Sikh, Parsi or Christian Minister.

One thing more which I would like to say is that we should try to introduce uniformity in our dress and language as early as possible when we have a common dress and language, we will be able to have a common outlook. Just as we have got individual difficulties, similarly we cannot develop common intellect, and for this reason, there will remain some difference of opinion. We may have separate convictions, but in spite of this difference of opinion and all other factors, we should not delay a single minute in fostering things that can be common to all of us.

Pandit Thakur Das Bhargava who is at present occupying the Chair had presented the view-point as regards inter-marriages. It is a very large issue. Perhaps our country may or may not be prepared at present to advance to such an extent. In view of what I have stated above, I hope that if we act upon the suggestions made and view-point placed by me, we will be able to eradicate communalism from our society to some extent. Our view-point should be:

*"Hindu hen sab ache nan Musalman hen sab ache,
 Dil nek hen jinke wahi insan hen ache."*

(Neither all Hindus nor all Muslims are good. Only those who possess pious hearts are good).

The Honourable Dr. Syama Prasad Mookerjee (Minister for Industry and Supply): Mr. Chairman, Sir, I desire to associate myself with the Resolution which has been moved by my Honourable friend Mr. Ananthasayanam Ayyangar. Sir, it is not my intention to refer to past history except for

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a very few brief moments. As the Prime Minister himself has explained our attitude in the past was influenced by considerations over which we had not had sufficient control. Communalism did play a very large part in the political life of India. There was the British factor, the policy of divide and rule, which was enunciated nearly about 50 years ago and which came into the forefront in the days of Lord Minto, when he accepted the principle of separate electorate. On the other hand, there was also a policy of concession and appeasement, made sometimes with the best of motives, as the Mover himself referred to including the 1916 Lucknow Pact; the communal award, parity and so forth. Unfortunately all these concessions did not lead to the results which the representatives of the people thought they would achieve. The result has been Pakistan; and even Pakistan has not solved the communal problem. It has indeed given rise to new problems which now almost baffle solution. But, Sir, we have got to look at this great problem from a new angle of vision since 15th August 1947. We are now the masters of our country. There is no third party ruling over our country today. It is for us, therefore, to lay down principles, bearing in mind what happened in the past and also bearing in mind what may happen in the future. What happened in the past, Sir? Why is it that India lost her freedom during the last so many centuries? Something or other happened which divided the people of India from one part of the country to another; there was sectionalism; there was provincialism; there was narrowness from various points of view and the result was that we never learnt the wisdom of standing together as sons and daughters of one common motherland and fighting the common enemy which was out to destroy the political liberty of our country. That is what happened in the past. We could not stand together. We were thinking in terms of interests peculiar to sections, groups or provinces. During the British period there were other influences at work which explained with disastrous consequences. We have now to see that history does not repeat itself. So far as political activities are concerned, there is no reason whatsoever why we cannot stand on one common platform as sons

[Dr. Syama Prasad Mookerjee.]

and daughters of Bharatavarsha. Different parties may of course have different political and economic programme. That is the fundamental thing, but of course, it cannot be achieved by coercion or by force. We have got to take into account certain factors which have come into existence in our land. There are sections and communities whose interests have to be protected. On the plea of protecting minority rights, the majority must not become a minority. The Resolution indicates that so far as social, cultural, educational or religious rights of groups or communities are concerned, they will be amply protected; there will be no ban put on the rights of any community to do whatever is lawful for the advancement of such rights, but here again, Sir, I would just sound a word of caution. We have referred to religious rights, cultural rights, social rights. It is quite possible that in relation to every one of these spheres matters may come before the Legislature. What will be the position then? Is it in contemplation that when a particular legislative measure which affects the social or cultural or religious rights of a community or of a particular section of the people comes up for consideration, will they be prevented by law or by administrative fiat the right to put forward their point of view or canvass support for the purpose of influencing the decision of the Legislature? At the time of election will they be able to set up or support candidates who, if selected, would champion them rightly. These are matters which have to be considered very carefully. I believe, Sir, what is intended in the Resolution is that politically there will be no communal parties as such. There is no question of introduction of any religious principle in politics. That is a sound principle and I believe, Sir, that there can be no opposition from any quarter to the acceptance of this principle. I know, Sir, that people are worried about the way in which things are happening in Pakistan. I know, Sir, that events happening in Pakistan may have a repercussion in India. But here the policy of the Government has been that vital matters must be left to the Government of the country. And obviously no Government—which can only rest on the good-will and co-operation of the people at large—can go against the declared will of the vast majority of the people. That Government cannot exist which cannot reconcile itself to the declared will of the people of this country. Here, Sir, there is one matter which has been hinted by the Prime Minister, and I should like to emphasise that point. It is no use our merely passing a pious Resolution; if we are really anxious to uproot communalism from the political sphere in India altogether, we shall have to see that there is no place for communalism of any kind whatsoever in the constitution of our country. You cannot justify reservations on grounds of religion or caste and in the same breath say that you want to banish communalism from the political life of India. I say that the two are entirely contradictory to each other. I know that legitimate apprehensions may be felt by certain minorities who may feel that by taking away the rights which they had so long enjoyed the majority might be trampling under foot the rights of such minorities. But, as the Prime Minister so clearly explained, with no British power to look up to, every minority in India today must obviously look up to the majority for protection. That good will must come, otherwise the minority cannot exist. We have to consider in consultation with minorities as to how protection is to be given in the constitution so that whoever may be backward—no matter what his religion may be—is given equal opportunities. That must not be a provision on paper; it is no use for us who have been more fortunate in life to say that we shall be prepared to treat the minorities equally, unless in actuality we are prepared to lend them a helping hand to come up to the proper level. Every representative of the minority communities will therefore be entitled to ask for such guarantees in the constitution as will give them equal educational facilities, or perhaps more for some years to come, until they reach the proper standard. We have

also to raise their economic standard, remove all social inequalities which are a blot on the good name of this country, and thereby create a society where there will be no difference between man and man, merely because of caste or religion.

My Honourable friend the Mover of the Resolution became very eloquent and referred to equality in the domain of humanity at large. I am afraid I cannot emulate his example entirely; I want equality so far as humanity goes, but let us not forget that we in India have also to organise ourselves and stand on our own feet. If my Honourable friend carries to the logical conclusion his dictum that every one is equal throughout the world, I believe he will have to be a party to extending facilities and privileges to people coming from outside India and carrying on trade, commerce or other transactions in this country to the detriment of the interests of our country. Let us look to our own country first; let us try and organise India in such a way that the freedom which we have got may be maintained and not lost. Let us look round and see where our enemies are lying and the preparations they are making. Every one who lives in this country,—whether Hindu or Muslim, Christian or Sikh,—so long as he is prepared to identify himself with the real national interests of India, he need not be afraid of the authority of Government. Government will give equal protection; but let us not encourage the growth of fifth columnists, who may masquerade under various names and do various things openly or secretly which may be inimical to the country as a whole.

As I said at the beginning, so I say at the end, that we need not be apprehensive of the future. We are masters of our own destiny today; the people of the country are there to decide how the country will be governed in the future. We are out to establish a secular State, but that does not mean that the ancient glorious heritage of this country will be destroyed. Obviously a country where 85 per cent., of the population are Hindus will be governed according to standards which will be acceptable to the vast majority of the people. But there again, Sir, the vast majority of the people will not do anything which will go against the legitimate interests of any minority community; that goes without saying. That is against our best traditions. We want not to follow copy-book maxims; we want that our newly born freedom should be developed in such a way in the social, economic and political fields, that we can carve for ourselves our own place in the comity of free nations of the world, proud of what we have done in the past and hopeful and confident of what we may achieve in the future.

श्री एच. जे. खंडेकर: सभापति महोदय, मेरे मित्र श्री अनन्तसायनम आयंगर ने जो रेजोल्यूशन इस हाउस के सामने रक्खा है उसके समर्थन में खड़ा हुआ हूँ। यह जातीयता की बात इस देश में करीबन चालीस साल हुए अंगरेजों ने चलायी। जिस वक्त लार्ड मिंटो साहब यहां गवर्नर-जनरल थे उन्होंने कुछ हमारे मुसलमान दोस्तों को यह मंत्र दिया था, मैं तो उसे विष मंत्र कहूंगा कि वह अपनी जाति के लिये separate electorate मांगें अंगरेजों ने अपनी भेद नीति के अनुसार, मुसलमान भाइयों ने जब separate electorate मांगी तो अंगरेजों ने उन्हें separate electorate दे कर हिन्दुस्तान में जाति जाति में द्वेष फैलाया और झगड़े बढ़ा दिये। इसके बाद जैसे मेरे एक मुसलमान दोस्त ने कहा कि १९३७ में जब मुसलमान नाराज हो गए, या उनकी मांग उनको नहीं दी गई उस वक्त उनकी मांग देने की किस प्रकार की कोशिश की गई। मुझे बड़ा ताज्जुब मालूम होता है इस बात पर कि जितनी हमारे मुसलमान भाइयों ने demands पेश कीं कांग्रेस और स्वाम

[श्री एच० जे० खांडेकर]

कर हमारे पूज्य महात्मा गांधी जी उन की उन मांगों पर बराबर विचार करते रहे। अबकी १२ प्वाइन्ट्स (points) जिन्ना साहब ने मांगे, कल १५ प्वाइन्ट्स (points) मांगे, परसों १६ प्वाइन्ट्स (points) मांगे और वह मांगें इतनी बढ़ती गई कि आखिर देश के दो टुकड़े हो गए। अब एक ही बाकी मांग देनी थी और वह यह कि अगर जिन्ना साहब यह कहते पाकिस्तान मांगने के पेश्वर कि पाकिस्तान नहीं सारे हिन्दुस्तान में रहने वाले मुसलमान बन जायें। यह एक और demand और वह पेश कर देते तो सारा मसला तय हो जाता !]]

तो मेरे कहने का मतलब यह है कि यह communal organisations communal बातों से हिन्दुस्तान का इतना नुकसान हुआ। करोड़ों आदमी मारे गए। करोड़ों जायदादें लुट गई। और देश के टुकड़े हो गये। और क्या क्या होगा यह कहा नहीं जा सकता। आज भी देश से जाति की बात नष्ट नहीं हुई और उसको नष्ट करने के लिये और इस देश में सिर्फ एक हिन्दुस्तानी का ही वातावरण पदा करने के लिये मेरे दोस्त अनन्तशायनम आयरंगर ने इस हाऊस के सामने प्रस्ताव रक्खा और Leader of the House ने उसे accept कर लिया। इस resolution के पास होने के बाद इस देश में कोई भी जाति-वादी संस्था जो कि politics में भाग लेगी, नहीं रह सकेगी और यह ठीक बात भी है। इस देश में ऐसी कुछ संस्थाएं हैं कि इस resolution के पास हो जाने के बाद सरकार को उनको जिन्दा रखने का विचार करना होगा। वह संस्था उन जातियों की हैं जो हजारों साल से पिछड़ी हुई हैं। हजारों साल से जिनको हर हालत में, बुरी हालत में हैं, उसका दोष मैं अन्य जातियों पर नहीं दूंगा जो पिछड़ी हुई हैं। इसका सारा दोष उस हिन्दू समाज पर है। जिस हिन्दू समाज ने उन जातियों और खास कर अछूतों को हजारों साल से नीचा दिखा कर उनका सामाजिक जीवन, उनका धार्मिक जीवन, उनका राजनैतिक जीवन, सारे का सारा जीवन नष्ट कर दिया। यह तो ईश्वर की कृपा थी कि महात्मा गांधी इस देश में पैदा हुए और उन्होंने १९२० से लेकर लगातार मरते दम तक हरिजनों के उद्धार के लिये उन्होंने कोशिश की। अगर महात्मा गांधी इस देश में पैदा न होते तो मैं यह समझ सकता हूं कि जैसा पुराने काल में, पुराने जमाने में अगर किसी अछूत ने वेद का मंत्र सीख लिया तो सीसा गरमा कर कानों में डालते थे। इस तरह के resolution और कानून प्रांतों में पास हो गए। मैं अपने प्रांत की बात, सभापति जी, आपके सामने रखूंगा। सी० पी० (C.P.) जिस प्रांत से मैं आता हूं जो डिसएबिलिटी (Disability) कानून पास होने से पहले थी वह अब भी मौजूद है। तो इस प्रकार के कानून पास होने से हरिजनों का उद्धार होगा मैं यह नहीं समझता हूं। मुझे हरिजनों में काम करते करते बीस या पच्चीस

साल हो गये और मुझे इस बात का अनुभव है कि कास्ट हिन्दू (Caste Hindu) भाई सुधरे हुए हैं, पिछड़े हुए नहीं अगर हमारे डाक्टर अम्बेदकर साहब की किसी कास्ट धर्म वाले के साथ शादी करा दें तो इसका मतलब यह नहीं है कि सारे अछूत समाज का उद्धार हो गया। सामाजिक उद्धार तो रहने दीजिये एज्युकेशनल में आपके सामने रखता हूं तो सी० पी० और दूसरे प्रांतों में गवर्नमेंट आफ इण्डिया (Govt. of India) में हमेशा हमारे यहां के मेम्बरों से यह कहा गया कि उनकी सोशल, (Social) एज्युकेशनल (educational) और रिलिजियस (religious) उनको रियायतें दी जायेंगी। यह सब बातों ही में होता है करने में नहीं आती है। आज गवर्नमेंट आफ इण्डिया में हमारे लिए रिजर्वेशन आफ सीट्स (Reservation of seats) सर्विसेज (service) में दिया गया है मगर मैं पूछना चाहता हूं कि जो प्रतिशत और १२ प्रतिशत जगहें दी हैं तो इनको किस हद तक हरिजनों को देकर पूरा किया है। अगर यह प्रस्ताव पास हो जायेगा तो हरिजनों की जो संस्थाएँ हैं वह खत्म हो जायगी। सभापति जी मैं आपको बतलाऊंगा कि पिछले चुनाव में जितनी रिजर्वेशन आफ सीट्स (Reservation of seats), हरिजनों के लिए थी उतने ही प्रांतों में चुनकर आसके हैं ऐसा कोई प्रांत न था जिसमें हरिजन जनरल सीट से आया हो।

सभापति जी, मैं दो मिनट और लूंगा जिसमें एक दो अहम मसले बतलाऊंगा। अभी बहुत से मेम्बरों ने कहा कि रिजर्वेशन आफ सीट्स खत्म कर दिया जाय। पूना पैक्ट के अनुसार हरिजनों को सीट मिली हैं कई व्यक्तियों ने इस प्रकार के भाषण दिये कि वे सब खत्म कर दिये जायें। सभापति जी, मैं समझता हूं कि रिजर्वेशन (Reservation) खत्म होने के बाद कोई भी हरिजन इस देश की प्रांतीय असेम्बली या केन्द्रीय असेम्बली में चुनकर नहीं आ सकता है? बिल्कुल नहीं आ सकता है। अगर यह हो गया तो मुझे शक है कि मिलनी वाली सीटों पर हमारे कास्ट हिन्दुओं की जो आंख है वह भी चली जायगी। हम कभी रिजर्वेशन (Reservation) आफ सीट्स नहीं मांगते। मगर हमारी हालत ऐसी है कि आज भी हम देवल में नहीं जा सकते हैं। कुओं से पानी नहीं निकाल सकते हैं। देवल में जाने से हमारी जान का खतरा है। इस तरह के दुख हमारे लिए हैं। हिन्दुस्तान की स्वतंत्रता प्राप्त करने के लिए जितने कांग्रेस वाले जेलों में गये या त्याग किया उतनी ही हमारी संस्था के मेम्बरों ने भी वही दुःख बरदाश्त किये और जेलों में गये। उस संस्था का एक object यह था

“One of the objects of the Depressed Classes League is to promote good feelings between the Depressed Classes and the Caste Hindus.” इस का मतलब यह है यह संस्था हिन्दुओं और अछूतों में झगड़ा फैलाने की कोशिश न करें। मैं सरकार से यह प्रार्थना करूंगा कि इस संस्था को बैन (Ban) न करें।

[श्री एच. जे. खंडेकर]

दुसरी बात सभापति जी, मैं आप के ध्यान में लाना चाहता हूँ वह यह है कि देश का वातावरण ऐसा हो गया है कि कोई नहीं कह सकता है, कि इस देश का क्या होगा। काश्मीर का मसला हमारे सामने है हेदराबाद का मसला हमारे सामने है एक तरफ़ सोशलिस्ट (Socialist) कांग्रेस से निकल पड़े हैं। ऐसी परिस्थिति में सरकार को इस रिजोल्यूशन (Resolution) के पास होने के बाद यह भी ध्यान रखना होगा कि जितनी भी संस्थायें गैर कानूनी करार होंगी उन संस्थाओं का ध्यान शायद इस पार्टी की तरफ़ न जाय यह point में सरकार के ध्यान में दिलाना चाहता हूँ और सरकार को ध्यान रखना होगा।

(English translation of the above speech)

Shri H. J. Khandekar (C.P. and Berar: General): Mr. Chairman, I rise to support the resolution moved by my friend Shri Ananthasayanam Ayyangar. The communal question in this country was started by the British about 40 years ago. Lord Minto, who was the Governor-General of India at that time gave advice—I would not call it an advice for it was full of poison—to some of our Muslim friends that they should demand separate electorate for their community. When the demand was made the British in conformity with their policy of divide and rule accepted this demand, spreading hatred and enmity between the two communities and accentuated differences. Later in 1937, as one of my Muslim friends said when the Muslims were not feeling satisfied as their demands were not met and great efforts were being made to meet them. I am really surprised to find that when the Muslims making their demands the Congress and particularly our respected Mahatma Ji were all along considering them. Mr. Jinnah made his twelve-point demand, next day came a 15 point demand, and the third day came a 16 point demand. Thus their demands increased day by day and assumed such proportions that ultimately the country was divided into two parts. After this there perhaps remained only one demand for Mr. Jinnah to make before the demand for Pakistan namely that the entire population of India should accept Islam. If this was demanded then a solution to the entire problem would have been found.

Therefore what I mean to say is that India has suffered enormous losses due to communal organisations and communal talks in this country. Crores of people have been killed. Property worth crores of Rupees has been destroyed; and the country divided into two parts and yet we do not know what may happen later on. Communalism is still persisting in this country. Therefore to destroy this feeling and to create an atmosphere of goodwill and fellow feeling my friend Mr. Ananthasayanam Ayyangar has placed a Resolution before the House, which has been accepted by the Leader of the House. With the passing of this Resolution no communal bodies taking part in politics should be allowed to exist in this country and that is the right course. (But there are certain other bodies too which deserve the consideration of the Government for keeping them alive. They are the organisations of the backward classes who are living in a backward condition for thousands of years. I would not blame them for this: it is our society that should be blamed for this. Our Hindu society has kept down these poor men particularly the Harijans for thousands of years and has virtually robbed them of their spiritual, political and social life. Thank God that a person like Mahatma

Gandhi was born in this country who since 1920, strived incessantly for the uplift of these classes and worked for their welfare until the day of his death. I am sure if Mahatma Gandhi was not born in this country the treatment meted out to Harijans would have been the same perhaps today as it was in the olden days when for the fault of learning Vedic hymns hot lead was poured into the ears of Harijans.

Such resolutions and legislations have been passed in the Provinces. Mr. Chairman. I will quote an instance from my own Province C.P.—the province to which I belong—the disabilities noticed before the passing of the legislation are still persisting and I do not think this legislation will ameliorate the condition of the Harijans. I have been working for the Harijans for over 20 or 25 years now, and I can say from experience that our caste—Hindu brethren are advanced people, they are not the backward people now. If Honourable Dr. Ambedkar marries a caste-Hindu lady it does not follow that the entire Harijan society will be benefited. Leaving aside the question of social uplift I do bring to your notice the question of their educational advancement. In C.P. and in some other Provinces our people were told by the Government of India that they will receive concessions in social, educational and religious matters. These have not yet been translated into action. The Government of India have further reserved seats for us in the services but may I know out of the 16 per cent. or 12 per cent. seats reserved for us how many have been filled by Harijans?

If this Resolution is passed then all organisations of Harijans will surely come to an end. Sir, I beg to say that in the last election only as many Harijans were elected in Provinces as there were seats reserved for them. There was not a single Province where a Harijan was elected from a general constituency.

Mr. Chairman, I shall take only a couple of minutes more—to place before you one or two other important matters. Several Honourable Members have said just now that the system of reservation of seats should be abolished. Seats were allotted to Harijans under the Poona Pact, but many Honourable Members have said in their speeches that this must be abolished. Sir if reservation is abolished I feel no Harijan would be able to compete for election of seats for Provincial or Central Assemblies. He has absolutely no chance of being elected. If this is done away with, then I am afraid we might lose the seats reserved for us and on which the Caste Hindus have set their eyes. We never demand for reservation of seats, but we are placed in a sad plight. We cannot enter temples or draw water from the wells. Our life will be in danger if we enter temples. Such misfortunes are in store for us. The sacrifices made by our community in undergoing imprisonment and hardships for the attainment of India's freedom are no less appreciable than those made by the Congressmen. One of the objects of the Depressed classes League is to promote good feelings between the Depressed classes and the Caste Hindus.

It follows from this that this institution will not try to create dissension between the Hindus and the depressed classes. I would, therefore, request the Government not to ban this society.

Mr. Chairman, another thing which I would like to bring to your notice is that the conditions in this country have assumed such proportions that no one can say what might happen. We are faced with the problem relating to Kashmir and Hyderabad. On the other side the Socialists have left the Congress.

Under such circumstances, even after passing this Resolution, the Government should keep in view that the attention of the institutions which are declared as unlawful is not drawn towards this Party. This point I would like to bring to the notice of the Government and the Government should look to it.

مسٹر محمد طاہر: جناب صدر! میں چند الفاظ میں اس تجویز کی تائید کرتا ہوں۔ پہلی ترمیم کے متعلق چند باتیں کہونا - ہندوستان میں آزادی حاصل کرنے کے بعد ہندوستان کے ہر ایک بچے کا اس کے ذریعے اور اس کے درویشوں کا مقصد اگر ہے تو یہ ہے۔ کوئی خواہش اگر ہے تو صرف یہ ہے کہ ہندوستان دنیا کے تمام ملکوں میں زیادہ بلند زیادہ طاقتور اور زیادہ اونچے ہو۔ اور اپنے اثر سے وہ دنیا کے تمام غلام ملکوں کو آزاد کر سکے۔ اور اگر یہ ہماری آزادی کا مقصد نہیں تو میں سمجھتا ہوں کہ ہماری آزادی بالکل بے کار ہے۔ میں سمجھتا ہوں کہ ہمارے دوست مسٹر اننتھا سیٹھم آئینگو کی تجویز اس مقصد کو حاصل کرنے کی راہ میں پہلا قدم ہے لہذا میں چاہتا ہوں کہ اس مقصد صرف کاغذی روپ میں نہ لایا جائے بلکہ اس پر عمل کیا جائے ایسا ریزولوشن پاس کرنا مشکل نہیں ہے۔ یہ بہت جلد پاس ہو سکتا ہے۔ لیکن اس ریزولوشن کا جو spirit ہے - ہمیں چاہیے کہ ہم اس کے پیش نظر یہاں اور سارے ملک میں عمل کریں اور ان کو اپنے دلوں میں جگہ دیں اگر آپ ایسا نہ کریں گے تو آپ اپنے ریزولوشن کو کامیاب کرنے میں کامیاب نہیں ہو سکتے ہیں لیکن اس کے بعد میں چند الفاظ صرف اپنی ترمیم کے متعلق کہونا۔ میری ترمیم یہ ہے کہ religion word کے قبل الفاظ "those essential for bona fide" کے الفاظ آتے ہیں۔ میرا خیال ہے کہ یہ ہے کہ جہاں تک religion کا تعلق ہے - میں سمجھتا ہوں کہ ہر چیز جو اس کے متعلق ہے وہ essential اور bona fide ہے لہذا آپ جب ایک طرف religious organization کی اجازت دیتے ہیں لیکن دوسری طرف اس کو qualify کر رہے ہیں - تو گویا اس طرح سے آپ religion میں interfer کرتے ہیں - جو آپ کو نہیں کرنا چاہیئے اس لئے میری گزارش یہ ہے کہ اگر آپ religious organizations کی اجازت دیتے ہیں تو آپ سچے دل سے دیں اور اسکو qualify کرنے کی کوشش نہ کریں - اس لئے میں یہ عرض کروں گا کہ ان الفاظ کو اس ریزولوشن سے اٹھا دیا جائے مجھے اُمید ہے کہ میرے دوست اس تجویز کو مانیں گے اگرچہ موجودہ حالات میں میں یہ سمجھتا تھا چونکہ ہمارا نیا constitution آنے والا ہے - اور اس کے پیش نظر یہ ریزولوشن قابل غور نہیں ہوگا۔ لیکن ہمارے معزز برائے منسٹر نے فرمایا ہے کہ جو constitution ہماری constituent Assembly پاس کریگی اسکی روشنی میں موجودہ ریزولوشن کو عمل میں لایا جائیگا تو اس طرح فی الحال میرا شک دور کیا تو ان حالات میں میں پھر ایک بار عرض کرتا ہوں کہ آپ religious organization کی اجازت دیتے ہوئے اس میں کسی qualifications کو عاید نہ کریں - اگر آپ ایسی qualification کو عاید کرتے ہیں تو آپ اس میں interfere کرتے ہیں جو ہر صورت جائز نہیں اس لئے پھر یہ کہونا کہ ان الفاظ کو اس ریزولوشن سے اٹھا دیا جائے۔

(English translation of the above speech;

Mr. Mohd. Tahir: Mr. Chairman, Sir, in supporting the motion I would say only a few things about my amendment. After the attainment of freedom for the country, every child and every animate or inanimate object here, has but one object in view that India should be the greatest and the most powerful country of the world, and that through its influence it may bring freedom to other slave countries of the world. If that is not the aim of our freedom I think our freedom has absolutely no meaning. I consider, the motion moved by our friend Mr. Anathanasayanam Ayyangar is the first step to achieve that object. I wish that the object is not left on paper only, but is given a practical shape. It is quite easy to adopt such a resolution. It can be passed very soon, but keeping the spirit of this Resolution in our view we should act upon it, and respect it. If you cannot do so, you cannot make it a success. After this, I have to say only a few words about my amendment. I have moved that the words, "those essential for bona fide," preceding the word 'religious' should be deleted from the Resolution. So far as religion is concerned I personally think that anything connected with religion is essential and bona fide. Now, on the one hand you are permitting religious organisations and on the other you are qualifying them which means you are interfering with religion. This should not be done. I, therefore, beg to say that if you are permitting religious organisations you should do that with open heart and not try to qualify it. I would, therefore, request you to remove the words from the Resolution. I hope my friends will accept my amendment. Under the present circumstances, and in view of the fact that our new constitution was in sight, I thought that this Resolution would not be considered. But our Honourable Prime Minister has stated that this Resolution will be brought into practice in the light of the constitution which our Constituent Assembly passes. Thus my suspicions have been removed for the time being. I, therefore, again, under these circumstances beg to state that while permitting the religious organisations no qualifying word should be introduced. If you qualify it you are interfering with religion which is in no way permissible. I, therefore, repeat my request that these words should be deleted from the Resolution.

Mr. Tajamul Hasain (Bihar: Muslim): Sir, in my opinion, no country in the world is entitled to call itself civilised unless it has in it equality and fraternity and is non-communal. If my view be correct, then I am ashamed to confess that we are uncivilised. I can quote numerous instances and give concrete examples to show that in this country there is no equality and it is full of communalism. Take the case of the ruling princes and the tillers of the soil. Is there any equality or fraternity among them. Even in sports there is communalism. In all the civilised countries you will find that there is no communalism in sports but in this country what do we find. There are the Bombay Yacht Club and the Bombay Gymkhana. Both are meant exclusively for Europeans and non-Europeans are not allowed to enter them. Then there is the Pentangular Cricket. You have got teams on communal lines. You have the Muslim team, the Hindu team and the Parsee team and so on and so forth. In Bengal when you play football you have the team known as Mohammedan Sporting, etc. I want that all these distinctions should be abolished.

We see inequality in social life also and there is no fraternity but there is communalism in it. For instance there is the Bengal Club in which only Europeans are admitted and non-Europeans cannot get in. Then there are the Brahmin Clubs, the Bengalee Association and the Marwari Association. Even in business in this country you have got the Chamber of Commerce for the Muslims and another for the Hindus. In the political sphere there is the Hindu Mahasabha. Of course recently it resolved that there will be no politics in it but in spite of that it is a communal body into which no non-Hindu can

[Mr. Tajamul Hasain]

get admission. Then there are the Momin Conference, the Depressed Classes League and the Muslim League. All these are exclusive or communal.

In this country there are class distinctions. There are the *Brahmins* and the *Sudras*. There are the *Syeds* and *Momins*, the *Maulanas* and *Pandits*. Why should Hindus be addressed as Babus and Muslims as Maulvis. In every civilised country there is a family name but in this country there is none. You can find out what religion a man professes by his name, which does not happen in any other country. The moment you hear the name Ram Parshad you know he is a Hindu and the moment you hear the name Asaf Ali you know he is a Muslim. A Sharma is a Brahmin, a Mukerjee is a Bengalee Brahmin, a Menon is a Madrassee. All this is peculiar to this country. Such distinctions should be removed.

Look at the railway compartments. There are five classes,—Air-conditioned, First class, Second class, Intermediate and Third class. Is this equality? In England and Europe there was no uniformity in dress at one time but by law it was made uniform. In this country there is no uniformity of dress. Some are in *dhoties*, some in *pyjamas*, some in coats and some in *sherwanies*. You will not find in any civilised country visible signs to show that a man belongs to a particular religion. I say that if there is a sign on the forehead showing that the man belongs to a particular class let every one have that sign and so remove the class distinction or have no sign. Of if a man has a pigtail or teek let every one have the same or none at all. Why should a particular sign indicate his caste or religion? Why should any visible mark or sign be connected with religion? Religion is a personal matter. Why should it be made a show?

In every country there is one language. In this country there are hundreds of languages. There should be one language and one script. Among lawyers, there are barristers, Advocates, vakils, pleaders and mukhtiaris. The law of inheritance is different. There is one law by which women inherit and another by which they do not. There must be a common law of India like the Common Law of England.

The most important thing is common food. On the railways formerly we had Hindu and Muslim refreshment rooms. Now they have been changed to orthodox and unorthodox—orthodox for Hindus and unorthodox for Muslims. The communal distinction is still there. Only name is changed. I can appreciate that there should be vegetarian and non-vegetarian food. But there must be one kitchen and there must be one refreshment room in which food should be served—both vegetarian and non-vegetarian, for Hindu, Muslim, Christian, and anybody who goes there must be able to have his food. Take drinking water. There is Hindu water and Muslim water, and orthodox and unorthodox. I cannot understand it. You may have vegetarian dishes but how can you have vegetarian water. Still you find such communal distinction.

I should like to say one word about inter-marriages. This is absolutely essential in this country. There must be inter-marriages. Unless you have that this country cannot progress. If husband and wife can have two different political views why can they not have two different religions.

I am giving only the points because you have given me only one or two more minutes. As regards reservation of seats, I would like to say that England which is a very advanced country had no reservation except one for University and even that they have recently abolished. The moment you have reservation the same thing will happen. You know how people are fighting with one another under the reservation of electorates—Muslims, Depressed Classes and the like. Something was said by an Honourable Member that reservation is necessary in the case of the Depressed Classes because we want to bring them to a higher level. This is a wrong policy. If you want to bring them to a

higher level, give them general free education up to the Matriculation Standard. Let everybody be educated so that the Depressed Classes may come to the same level as the others. There should be no reservation at all. You will be playing with fire if you reserve seats for any class. It will be communal.

I am afraid that our position is the same now as that of the Europeans was before the Renaissance. Before the Renaissance they were an uncivilized people; they used to kill one another; the Jews used to be burnt alive; the Roman Catholics and the Protestants persecuted each other. The same thing has happened in India—Hindus and Muslims fighting and killing each other. But just as the Renaissance came in Europe it will come to India. I say this is the transitory period in India. We were ruled by the British. They have all now gone away. These were the domes of the British. A time will come when all the communal thing will go away all the difference would be abolished, and we will become the greatest country in the world. I would have liked to say much more but my time is over.

Dr. P. S. Deshmukh (C.P. and Berar: General): Sir, there has been considerable discussion on this Resolution and very many speakers have spoken in favour of the Resolution. My friend from C.P., Mr. Khandekar, of course struck a different note. The Resolution as it stood in the beginning was not quite up to my liking. I am however very glad that two more words have been added to it and a good deal of my objection to the Resolution has been removed.

My attitude to this Resolution, I am not sorry to say, is somewhat different from that of many Members. I look at this Resolution firstly from the point of view of the liberty of association of the people of India. We have already passed certain Resolutions and certain items regarding the fundamental rights that the citizens of India are supposed to enjoy. I have before me the draft clause 13(c) which gives to every citizen in India a justiciable right of forming associations or unions. I quite agree that we have to aim at the abolition of communalism. Although we might not be able to reach the heights preached by my Honourable friend Mr. Ananthasayanam Ayyangar, of *Advait Vedant*, still every one of us is desirous of doing our utmost for the eradication of this poison from the community. Even, so, I would like the House to look at this Resolution from a somewhat different angle, namely whether we are not—after we have solemnly decided upon the fundamental rights, and we have resolved to confer these fundamental rights on the people of India—circumscribing those rights already, and whether it is not somewhat premature for us to give such a blank cheque to the executive government of the country. I think the wording of the Resolution is vague and indefinite in many respects. The vagueness which is apparent did I think bother and was present before the mind of the Honourable the Prime Minister himself. When he referred to the words 'legislative and administrative measures' which figure in the resolution we found that he had a certain amount of difficulty in trying to tell us what the promoter or the acceptor of the Resolution meant by it, because under the name of legislative and administrative steps almost anything in the world can come in. It was easily noticeable that the Prime Minister did halt and hesitate although only for a moment. In my opinion the Resolution does constitute a certain amount of encroachment on the fundamental rights which we have decided upon. Even so I would have been prepared to accept it if it had been clearly and precisely limited to political activities alone. That was how I had worded my Resolution of which I had given notice and which wanted to be substituted in place of the one before the House. It would have been far to my liking if it positively restricted the political activities and political activities only of any particular group or community. The Resolution as we have it before us is an exclusive one, that is, it excepts certain activities and bans all the rest. I have a certain amount of administrative experience and I believe—I may probably be at variance with the tenets or principles according to which the

[Dr. P. S. Deshmukh]

present members of the government are acting—but I would have tackled communalism in the country and the activities of communal organisations in a more direct fashion. I would have preferred to ban all those activities and all those associations whose organisations are a menace to the country and its tranquility and therefore deserved to be condemned. It is not up to my liking; very much that we should evolve a very vague and an all-pervading sort of a formula and then try to apply it to one organization or the other. I personally feel that it is one of the defects of the way in which we have started managing our affairs in India that we are more fond of abstruse formulas rather than precise acts of administrative policy. The amendment that has been accepted makes the Resolution much less objectionable than it originally was, nonetheless I am constrained to point out that the approach I have suggested would have been more prudent and administratively advantageous.

My Honourable friend who proposed the Resolution referred to America and said that slavery had been abolished and America is now a very fine country. Slavery was abolished by an Act of the legislature. Even so we know the persecution which is still prevalent there against the Negroes.

As my time is short I will only briefly indicate one or two other points and I will finish. The word 'communalism' has been used more than once in the Resolution. Communalism was understood to have a somewhat specific meaning so far. We all knew what it meant, what it predicated. But I am afraid there is at the moment a tendency in some parts of the country to ban, under the name of communalism, certain activities which cannot properly speaking be styled as communalistic. I would therefore caution the Government that the terms of the Resolution should not be so interpreted at any time as to rub on the wrong side some people or groups or castes who are not communalistically inclined or whose aim is not to encourage any fissiparous tendencies or to create any trouble or encourage quarrels between one caste or community and another. But rather their endeavours are directed towards their own uplift and progress. Then, Sir, it should also be understood that the real remedy against communalism lies in our mental approach. Communalism is a thing which cannot really be abolished by rules and regulations, and if we are going to rely merely on legislative enactments and administrative orders, I feel certain we will be sorely disappointed. We have very great faith in, and we are all devoted to, the Honourable the Prime Minister, and whenever we find that he has agreed to a certain thing, when he approves of a certain matter, we are very reluctant to say anything that may hinder in what he wishes to do. Nonetheless it should be the care of everyone of us that no group or community in India should be rubbed on the wrong side so that the devotion and loyalty which all of us owe to him personally and as the Prime Minister of India may not be strained to any particular degree. That should be the care of every one of us, and if these few warnings and cautions that I have made bold to indicate briefly are borne in mind, any harm that may flow from the passing of this Resolution, may be reduced to the absolute minimum.

Kazi Syed Karimuddin (C.P. and Berar: Muslim): Mr. Chairman, Sir, At the very outset, because the time is very short, I assert that the objective of the Resolution which has been moved by the Honourable Member Mr. Ananthasayanam Ayyangar is acceptable to me and it should be acceptable to every member of the House. Sir, in India we have reached that stage in political life when communalism is positively injurious to the higher interests of the nation. Sir, the Honourable Member Mr. Ishaq Seth has said that there is absolutely no difference between the objective of the amendment that he moved and the objective of the Resolution that has been moved by my Honourable friend Mr. Ananthasayanam Ayyangar, and that there is only a difference of method and not of principle. I dare say that between the amendment and the Resolution there is a difference of fundamentals and not only that of method.

What Haji Ishaq Seth wants is that communal organisations may be allowed to continue, but no organization should be allowed to preach violence and hatred. My Honourable friend Mr. Ayyangar has never stated that he is for preaching violence and hatred, and violence and hatred cannot be taught or preached on any account according to the law of the land. It has not been the policy of the government and it is not necessary that many more things which are prohibited already should be mentioned in the resolution.

Now, Sir, it has been stated, and with great vehemence by many of the speakers, that in the past communalism has done great harm to the country. In my opinion this is not the time to refer to what has been happening or has happened in the past except that we should draw historical inferences from the events that took place before the 15th August. Now, Sir, there is civil strife facing the country, there is an impending international war; there is the huge problem of rehabilitation and development of the country; there is loot, murder, arson and killing going on in some places in the country. It is necessary to stop all this and India should stand as one man against all aggression, against all communalism and against all civil strife in the country that is there. Now looking to these dangers, Sir, my submission is that this is one occasion when it should be the unanimous verdict of this House that communalism should go from the body politic. India has been declared a secular state. It is in the interests of the minorities of this country that this secular state should exist. If any community wants to say that there should be communalism or that communal activities should be allowed to be practised, then the majority cannot be prevented from preaching communalism which will go to the great detriment of the minorities in this country.

Sir, with regard to the second part of the resolution, I have no difference of opinion, but as the Prime Minister said, it is very difficult to give an indication as to what would be the legislation which has been referred to in the resolution. My submission is that, more than anything else, the atmosphere of this country can be cleared by creating goodwill and harmony instead of making legislations in which the activities will be suppressed and will not be voluntarily liquidated. The measure of joint electorates that is to be introduced is bound to kill communalism in this country. In France and other European countries there were Roman Catholic parties: there were Protestants, but by creating necessary public opinion and by proving the futility of such communal organizations in Europe, they have been uprooted and no more is heard of any communal parties in Europe. In India also, Sir, this is one occasion when we should abolish all communal parties in this country. I hope this communalism will be uprooted and the sons and daughters of India will stand as one man and woman against all aggression and against all communalism.

Sir, I want to clear one misunderstanding which has been referred to by Seth Govinddas. He said that the elections in the Aligarh University were decided on the slogans of League and communalism. It is not correct. I have personal knowledge to say that there were differences between communism and the rest, and the communists have been defeated because their programme was not acceptable to the students in Aligarh. Therefore, Sir, I appeal to this House to pass this resolution with a unanimous verdict.

Shri Satyanarayan Sinha (Bihar: General): I move:

"That the question be now put."

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

An Honourable Member: The Mover has the right of reply.

Mr. Chairman: I would request Mr. Ayyangar to waive his right of reply.

Shri M. Ananthasayanam Ayyangar: I will be very brief in my reply. Sir, I thank the Honourable the Prime Minister and the Cabinet for having accepted this Resolution, of course with the limitations which the Honourable Prime Minister has been pleased to lay before the House. The Honourable Premier has shown by his very example how he could work as a team with all those others who were leaders of various communal organizations. The Cabinet is working as a team in one spirit. I do want that that pattern should be followed in the rest of India. Everyone of my friends—Dr. Syama Prasad Mookerjee, Dr. Ambedkar, Dr. John Matthai, and all others have come and have agreed to work with him, for the building up of a good, secular State in this country, a homogeneous one.

Sir, I am obliged to all the other Members of the House who spoke and supported the Resolution that I brought. I accept the amendment moved by my Honourable friend Mr. Kamath to add the words social and educational after the word 'religious'. So far as the word 'race' is concerned, I do not accept it. The word 'race' ought to be there; the omission of that word will lead to a number of conflicts. We find in the United States of America a conflict is even today going on between the one race, the Negroes, and the others. It is as essential as it is dangerous if we omit it.

There has been almost a unanimous acceptance of this Resolution barring the single dissentient note of discord by my friend Mr. Ishaq Seth. I have got the greatest regard for him. I and he were living together in Simla for many a long months. We were calling ourselves 'gangsters'. I knew no difference between him and myself; every Sunday we will meet and have dinners by rounds. We were living as brothers, as members of the same family. But unfortunately events so happened that he went into one group, I continued in the same old group—I did not change. Now, Sir, my friend said that he, in moving this amendment, fears, and in spite of dangers ahead he is moving this amendment. I tell him, today he is more safe in this country than the Honourable the Prime Minister. The Prime Minister has to go about with a number of men around him. We also know the difficulties for persons who cry for peace in this country between warring communal elements; their life is in danger. I am like a drum which is beaten on either side—that is my position. I am not accepted wholly because I am not a rabid Hindu, nor am I welcomed by my friend Mr. Ishaq Seth. I know he is a pious Muslim, I also claim to be a pious Hindu. Still, I feel that he and I can live together as members of a body-politic—our religions need not stand in the way. I assure him that the greatest difficulty is for those persons who want to bring about a reconciliation between the erstwhile warring elements. Now that the third party has gone there would be absolutely no difficulty for us to come together. I wish, and we must all wish, that this Government must continue and the Honourable the Prime Minister will fulfil the huge task that he has undertaken, of welding all the warring elements into one, and placing this country on the high pedestals of the world.

I once again thank the Honourable Members for kindly accepting this Resolution.

I do not accept the amendment of my friend Mr. Ishaq Seth.

Mr. Chairman: I shall now put the amendments to the House. I shall first put the amendments moved by Haji Abdus Sattar Haji Ishaq Seth.

The question is:

- (1) "That the word 'communal' be omitted";
- (2) "That for all the words beginning with the words 'which by its constitution' and ending with the words 'or any of them', the following be substituted: 'preaching violence and communal hatred';";

(3) "That for the words 'engage in any activities other than those essential for the bona fide religious and cultural needs of the community', the word 'exist' be substituted" and

"That for the words 'such activities', the following be substituted: 'the existence of such organisations'."

The motion was negatived.

Mr. Chairman: I shall now put the amendment of Mr. Mohd. Tahir.

The question is:

"That the words, 'those essential for the bona fide' be omitted."

The motion was negatived.

Mr. Chairman: Then there are Mr. Kamath's amendments.

Shri H. V. Kamath: May I ask, Sir, for leave of the House to withdraw my amendment No. 13 regarding the word "race"?

Mr. Chairman: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"That the word 'and' occurring after the word 'religious' be omitted and after the word 'cultural', the words 'social and educational' be inserted"

The motion was adopted.

Mr. Chairman: The question is:

"Whereas it is essential for the proper functioning of democracy and the growth of national unity and solidarity that communalism should be eliminated from Indian life, this Assembly is of opinion that no communal organisation which by its constitution or by the exercise of discretionary power vested in any of its officers or organs, admits to or excludes from its membership persons on grounds of religion, race and caste, or any of them, should be permitted to engage in any activities other than those essential for the bona fide religious, cultural, social and educational needs of the community, and that all steps, legislative and administrative, necessary to prevent such activities should be taken."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Monday the 5th April 1948.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Monday, the 5th April, 1948

The Assembly met in the Assembly Chamber of the Council House at quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

BORROWED SILVER FROM UNITED STATES OF AMERICA

1188. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Finance be asked to state what is the amount of silver borrowed from the United States of America during the war and at what rate was it borrowed?

(b) Has all the silver under the above arrangement been received from the U. S. A.?

(c) How much balance of the silver actually received is still with Government?

(d) At what rate was silver disposed of by Government and what was the gain made therefrom?

(e) How is it proposed to return the silver?

(f) Has this silver been paid for? If not, in what shape have the sale proceeds been kept or invested by Government?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b): 226 million ounces of silver were obtained from the U.S. Government during the war on an understanding that the entire silver would be returned in kind, ounce for ounce, within 5 years from the date on which the U.S. President declared the state of the emergency.

(c) It would not be in the public interest to disclose this information.

(d) Part of the silver was utilised for coinage and a portion only was sold on the market. The average sale price of the portion sold was Rs. 127-0-3, per hundred tolas. Until the silver is actually returned, it is not possible to say whether the deal will ultimately result in a financial gain or loss.

(e) This will be considered at the appropriate time.

(f) There is no question of payment of value to the U.S. Government as the silver has to be returned in kind. The proceeds of silver sold were credited to the Central Government and merged in Government's balances.

Mr. R. K. Sidhva: In what year was the emergency declared?

The Honourable Shri R. K. Shanmukham Chetty: The President of the United States has not yet declared that the emergency is over.

EXCHANGE OF FILES OF INCOME-TAX CASES OF MIGRATING ASSESSEES BETWEEN INDIA AND PAKISTAN

1189. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Finance be asked to state whether it is a fact that the Government of India have approached the Government of Pakistan with a view to having the income-tax cases (files) of those persons who have migrated from Pakistan to India and vice versa transferred to the respective Dominions?

(3153)

(b) If not, do Government propose to do so?

(c) What is the number of such assesseees who have come from Pakistan to India?

(d) Is it a fact that all income-tax recovered for the period ending 31st March 1948 is to go to a joint pool account?

(e) If so, what objections have Government in transferring such cases?

The Honourable Shri R. K. Shanmukham Chetty: (a) No, Sir.

(b) No, Sir.

(c) Government have as yet no information.

(d) No, Sir. The divisible revenue consists only of that portion of the collections made between 15th August 1947 and 31st March 1948 as are in respect of (i) assessment pertaining to 1946-47 and earlier years and corresponding chargeable accounting periods, and (ii) assessments pertaining to other year on which assessment orders were passed before 15th August, 1947.

(e) The Honourable Member is presumably referring to the transfer of case files by the Government of India to Pakistan in respect of those assesseees who have left India for Pakistan. If so, the Government do not propose to transfer such files as (i) in case the business of the emigrant still continues in India the file ought to be retained here and (ii) in case the owner of the business has left and the business here has ceased to exist this Government is no longer interested. I may add for the information of the Honourable Member that an agreement has been reached between the two Dominions to the effect that no *ex parte* assessment of absentee assesseees from West Punjab, East Punjab and Delhi will be made in either Dominion till 30th June 1948.

Mr. R. K. Sidhva: My point was: In view of the difficulty that will be experienced by the persons who have come out to India, what facilities Government intend to give for the purpose of assessment?

The Honourable Shri R. K. Shanmukham Chetty: It has been stated in reply. It has been arranged between the two Dominions that no *ex parte* assessments will be made until 30th June 1948. Until 30th June the assesseees concerned or affected will have an opportunity of presenting their case.

Mr. R. K. Sidhva: The point is: Will they have to go to Pakistan? If that is so, would it be possible for them to do so, and what arrangements Government propose to make?

The Honourable Shri R. K. Shanmukham Chetty: If it is a case within the competence of the Pakistan authorities, there is no other go. Then assessee must take some steps to see that he is represented before the Income-tax Authorities in Pakistan. The same happens in the case of people who have to give an account to the Indian Dominion. It is a reciprocal arrangement.

Shri Deshbandhu Gupta: May I know, Sir, whether it is a fact that the Government of India had given certain facilities to assesseees who had evacuated from Burma, and if so, have Government considered the desirability of extending the same facilities to these refugees from West Punjab and other parts of Pakistan in respect of assessment etc.

The Honourable Shri R. K. Shanmukham Chetty: Sir, we can give any facility so far as our own Income-tax Authorities are concerned, but where an assessee has to be assessed by the Pakistan Authorities there is really nothing that we can do. We have made a reciprocal arrangement.

Shri Deshbandhu Gupta: May I know whether the Honourable Minister realises that there are assesseees who have got their common business in both the West Punjab and the East Punjab and in respect of such assesseees will Government consider the advisability of extending the same facilities to them, because

they have lost heavy assets there and they deserve some relief on the same lines as was given to Burma evacuees?

The Honourable Shri R. K. Shanmukham Chetty: No question of relief arises in this case. It is purely a question of the procedure of assessment.

Shri Deshbandhu Gupta: What I want to know from the Honourable Minister is: whether in the case of firms which have lost their account books, and assets in Pakistan, consideration will be shown to them in the matter of valuation of those assets and such like matters, and whether they will be given the same facilities as were given to the Burma evacuees?

The Honourable Shri R. K. Shanmukham Chetty: In other words, the Honourable Member is referring to those assesseees who will come within the jurisdiction of our Income-Tax Authorities and who have lost their property . .

Shri Deshbandhu Gupta: Yes.

The Honourable Shri R. K. Shanmukham Chetty: Certainly. We will give the utmost consideration to these cases.

PAYMENTS TO PERSONS FOR POSTAL CASH CERTIFICATES AND INTEREST-FREE BONDS LOST DURING DISTURBANCES AT KARACHI

1190. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Finance be pleased to state whether Government are aware that several persons in Karachi have lost their Five Year Postal Cash Certificates and Government of India Five Year Interest-free Bonds, during the disturbances on the 6th and 7th January, 1948?

(b) What arrangements do Government propose to make for the payment of these amounts to the owners of the bonds and certificates, even where numbers are not available?

The Honourable Shri R. K. Shanmukham Chetty: (a) Government have no information.

(b) Does not arise.

Mr. R. K. Sidhva: In the event of such things happening, what steps Government intend to take?

Mr. Speaker: That would be a hypothetical question at this stage.

Mr. R. K. Sidhva: Can Government suggest any way by which.....

Mr. Speaker: No further question on a hypothetical basis.

REMODELLING OF PRISON SYSTEM IN CENTRALLY ADMINISTERED REFORMATORIES

1191. ***Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Education be pleased to state whether Government have considered the question of remodelling the prison system in the centrally administered Reformatories on more humane lines?

(b) Is it proposed to appoint a committee to investigate into the present system?

The Honourable Mr. Rafi Ahmed Kidwai: (a) and (b). The question is not quite clear. The Ministry of Education is not concerned with the Prison system.

Shri Deshbandhu Gupta: May I know whether this question has been passed on to the Ministry of Home Affairs?

The Honourable Mr. Rafi Ahmed Kidwai: Yes.

PRE-CADET TRAINING INSTITUTIONS IN INDIA

1192. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Defence be pleased to state the number of institutions and their location where pre-Cadet training is carried out?

(b) Do Government propose to open any additional schools for pre-Cadet training and if so, where are they to be located?

The Honourable Sardar Baldev Singh: (a) There are no institutions in India now specially engaged in carrying out pre-Cadet training.

(b) No.

RAILWAY FACILITIES FOR GOVERNMENT EMPLOYEES UNDER PAY COMMISSION RECOMMENDATIONS

1193. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Home Affairs be pleased to state what steps Government have taken to carry out the recommendations of the Pay Commission to provide railway facilities for Government servants and their families?

(b) Has this recommendation been accepted by the Provincial Governments?

(c) What is the additional expenditure likely to be incurred by the Government of India to implement this recommendation?

(d) What is the average expenditure incurred annually on rest and recreation allowance previously granted to the employees of the Government of India?

The Honourable Pandit Jawaharlal Nehru: (a) Government have decided to introduce with effect from the 1st January 1948, the system of Privilege Ticket Order for all grades of the Central Government servants going on leave and their families on the lines recommended by the Central Pay Commission.

(b) Government have no information in the matter.

(c) and (d). The annual expenditure on rest and recreation allowance is estimated at Rs. 31 lakhs: that on the new system of Privilege Ticket Order at Rs. 81 lakhs.

CULTURAL MISSIONS TO FOREIGN COUNTRIES

1194. *Seth Govinddas: (a) Will the Honourable Minister of Education be pleased to refer to the answer given to my starred question No. 399, asked on 23rd February, 1948, and state to which countries Government propose to send Cultural Missions in the near future?

(b) What would be the personnel of such Cultural Missions?

The Honourable Mr. Rafi Ahmed Kidwai: (a) In reply to a supplementary question asked by the Honourable Member on the 23rd February, 1948, the Education Minister said that Government would consider the suggestion that those countries where we do not have any diplomatic representatives should be given priority at the time of considering proposals to send out Cultural Missions. That assurance stands and the matter is under consideration.

(b) This will be considered in the light of the nature of a particular mission.

Seth Govinddas: After that reply, Sir, have any countries been selected where the Cultural Missions are to be sent out in the near future?

The Honourable Pandit Jawaharlal Nehru: There has been no specific choice of any place. In fact, if I had been answering the question which the Honourable Minister for Education answered on the last occasion, I would not have given that assurance, because in conditions as they are today, it is very difficult, barring some places in Asia, to think in terms of sending Cultural Missions. The international situation and other factors are so difficult that nobody is

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prepared to listen to 'culture' as such. As the Honourable Member knows, recently a Mission, not sponsored by Government, but nevertheless a Cultural Mission went to Indo-China from India, and, it did good work. Several occasions may arise where this can be done with advantage to all parties concerned. But on the whole, it is rather difficult in existing circumstances to think in terms of sending Goodwill or Cultural Missions to distant countries.

Shri H. V. Kamath: Where we have no Embassies or Consulates or other diplomatic representation, what are the ways and means for our cultivating intimate contact with those countries?

The Honourable Pandit Jawaharlal Nehru: A Cultural Mission does not take the place of diplomatic representation. In fact, it is something often in addition to it. If we have no diplomatic representation, the mere mechanism of sending a Cultural Mission is not so easy. In fact, we have to approach them through some other country in order to make arrangements for the Cultural Mission to go, because we have no direct approach to them and we have no direct representation. So possibly in the case of some countries, if we want to send a Cultural Mission to them we have no other approach. We have to go to the British Government to inform them that we want to send a Cultural Mission. It is a complicated way which normally one does not adopt. It is easier to have some kind of diplomatic representation and then send a Cultural Mission dealing with them directly.

ORISSA IN CENTRAL EXCISE DEPARTMENT AND POLICY RE RECRUITMENT

+1195. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Finance be pleased to state whether it is the policy of Government to absorb local people in each Province for the Central Excise work?

(b) If so, how many people in the Province of Orissa are in the Central Excise Departments in higher grades?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). I lay on the table of the House a statement setting out (a) the policy of Government in regard to regional recruitment in the Central Excise Department, and (b) the number of officers in the higher grades who belong to Orissa.

Statement

(a) Recruitment and promotions in the Central Excise Department are at present made as follows:—

(i) Collectors and Deputy Collectors . . . By promotion or transfer on an all-India basis.

(ii) Assistant Collectors . . . By promotion or transfer on a regional basis.

1. Whole of Northern India for Calcutta, Allahabad, Shillong and Delhi Collectorate.

2. Bombay and Central Provinces and Berar for the Bombay Collectorate.

3. Madras and Coorg for the Madras Collectorate.

(iii) Superintendents of Central Excise and Deputy Superintendents of Central Excise. . . By promotion or transfer normally within the territorial jurisdiction of each Collectorate.

(iv) Inspectors . . . Direct recruitment or promotion within the territorial jurisdiction of each Collectorate (including adjoining Indian states).

†Answer to this question laid on the table, the questioner being absent.

(b) Number of Central Excise employees in the higher grades in Orissa and the number of persons of Orissa domicile in each grade as on the 1st January 1948

Rank	Total staff posted in Orissa	Number of persons of Orissa domicile
Assistant Collector	1	1
Superintendent of Central Excise	4	
Deputy Superintendent of Central Excise	12	4
Inspector	119	84

PERSONNEL AND PURPOSE OF DEFENCE DELEGATION VISITED U. K. IN MARCH 1948

1196. *Shri H. V. Kamath: Will the Honourable Minister of Defence be pleased to state:

(a) the personnel of the Defence Delegation which visited the United Kingdom early in March 1948;

(b) the purpose of the visit and the results achieved;

(c) whether any member of the Constituent Assembly was associated with the delegation; and

(d) if not, why not?

The Honourable Sardar Baldev Singh: (a) (i). Mr. H. M. Patel, Defence Secretary (Leader), (ii) General F. R. R. Bucher, Commander-in-Chief, Indian Army, and (iii) Mr. A. K. Chanda, Additional Secretary, Ministry of Finance (Defence).

(b) The object of the visit was to have personal discussions with His Majesty's Government regarding certain Departmental matters such as procurement of stores, recruitment of technical experts for ordnance factories etc. His Majesty's Government were most co-operative and the visit has been of great value.

(c) No.

(d) As the discussions with His Majesty's Government were, as already stated, on purely Departmental matters, it was not considered necessary to include in the delegation a member of the Constituent Assembly or any other non-official.

Shri H. V. Kamath: Has any member of the Constituent Assembly been associated with any of the Defence Delegation which visited the United Kingdom during recent months?

The Honourable Sardar Baldev Singh: As far as I remember, Sir, this is the only Delegation which was sent by the Defence Ministry and as I have stated, no non-official was associated with the Delegation.

Shri H. V. Kamath: In future when any delegation is sent abroad, including the Defence Delegation, do Government propose to associate non-official members of the Standing Committee or of the Constituent Assembly?

The Honourable Sardar Baldev Singh: It all depends on the nature of the work.

PAY SCALES OF 'A' GRADE CLERKS IN SECRETARIAT AND AUDIT AND ACCOUNTS OFFICES

1197. *Shri H. V. Kamath: Will the Honourable Minister of Finance be pleased to state:

(a) the pay scales of 'A' grade clerks of the Secretariat and of the Audit and Accounts Offices respectively;

(b) whether any discrimination has been made in the application of the Pay Commission's recommendations to the two categories aforementioned; and

(c) if so, why, and what the new scales fixed for them are?

The Honourable Shri R. K. Shanmukham Chetty: (a), (b) and (c). The nomenclature 'A Grade Clerk' was for the first time used during the war to describe certain posts of 'upper grade clerks' temporarily upgraded in the Audit and Accounts Offices. This was a part of a scheme for unifying the scales of pay of the Secretariat, the Attached and the subordinate offices for administrative reasons due to difficulties arising out of the recruitment of personnel during the war. It was not the intention of Government permanently to upgrade posts of upper grade clerks in the Audit and Accounts Offices. In fact the rationale of this scheme of unification of scales was temporarily to downgrade the scales of pay in the Secretariat and to upgrade certain posts in the Audit and Accounts Offices in order to facilitate recruitment of personnel to all the offices of Government of India. The Pay Commission after consideration of all the representations addressed to them, decided to maintain the prewar distinction between the posts in the Audit and Accounts offices and the posts of Assistants in the Secretariat. They have recommended a scale of Rs. 80—220 for upper division clerks (Graduates) in subordinate offices and a scale of Rs. 160—450 for Assistants in the Secretariat. Government have accepted the recommendation of the Pay Commission but in view of the loss that the clerks who were upgraded during the war would suffer by being fixed in the new scale in accordance with the ordinary rules, they have allowed them, as a special case, to retain the benefit of their wartime pay for fixation of their pay in the scale now prescribed by the Pay Commission.

Shri H. V. Kamath: Till what date, Sir, was the unified scale of pay introduced during war-time in force? When was it abolished and the new scales introduced?

The Honourable Shri R. K. Shanmukham Chetty: The new scale, I take it, must have been introduced when the Pay Commission's recommendation was given effect to.

Prof. Shibban Lal Saksena: May I ask the Honourable the Finance Minister whether any of the 'A' grade clerks who have been upgraded will be given the Assistant's pay and emoluments or will they not?

The Honourable Shri R. K. Shanmukham Chetty: I must have notice of that question.

Shri H. V. Kamath: Is it a fact that Sardar Mangal Singh, who was a member of the Central Pay Commission, has admitted that the question of 'A' Grade clerks was never brought to the notice of the Central Pay Commission and that if it had been brought before them, it would have been suitably and justly dealt with?

Mr. Speaker: Is it stated by him in the Report?

Shri H. V. Kamath: Yes, I think so.

Mr. Speaker: The information then need not be asked for, if it is stated in the Report.

Shri H. V. Kamath: I am not sure whether it is in the Report that he has made a statement to this effect.

Prof. Shibban Lal Saksena: Are Government aware of the fact that there are some 'A' grade clerks who are getting the pay of Assistants?

The Honourable Shri R. K. Shanmukham Chetty: I do not know, Sir. I must have notice of that question.

Prof. Shibban Lal Saksena: If there are any such people, will the Honourable Minister kindly consider that point?

The Honourable Shri R. K. Shanmukham Chetty: There is no information on the point.

IMMORAL TRAFFIC IN ABDUCTED AND REFUGEE WOMEN IN DELHI PROVINCE

1198. ***Shri H. V. Kamath:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether Government are aware of the increasing immoral traffic in abducted and refugee women in Delhi province;

(b) the steps so far taken by Government to combat the same; and

(c) whether Government propose to create a special vigilance squad to deal with this menace?

The Honourable Pandit Jawaharlal Nehru: (a) Government are aware that there is a certain amount of such traffic.

(b) and (c). Persons suspected to be engaged in this crime are being rounded up. Already 5 persons have been arrested while four others are still absconding. A special staff of the local police has been deputed for this work.

Shri H. V. Kamath: How many raids have been conducted so far, Sir, on dens, hotels and houses of ill-fame in connection with this campaign?

The Honourable Pandit Jawaharlal Nehru: I could not give the number, but I am informed that that is a regular feature of the police activities to carry such raids in hotels, restaurants and the rest.

Shri H. V. Kamath: Is it a fact, Sir, that as regards this immoral traffic there is an organized gang with inter-provincial ramifications?

The Honourable Pandit Jawaharlal Nehru: I am informed in my brief that we are not aware of any big gang, but the Honourable Member is well aware of the fact that it is an inevitable concomitant of metropolitan life with all the criminals and such like elements who foregather in the big cities in gangs and individually—small groups, big groups—and carry on all manner of undesirable activities. I do not know whether it is an organized gang or not, but organized groups are doing it.

PRIVY PURSES DRAWN BY FORMER RULERS OF KATHIAWAR STATES

1199. ***Shri H. V. Kamath:** Will the Honourable Minister of States be pleased to state the amounts of privy purses drawn by the former rulers of Kathiawar States now integrated into Saurashtra?

The Honourable Pandit Jawaharlal Nehru: A statement containing the information is placed on the table of the House.

Statement.

Showing the amount of privy purses fixed under the Covenant to the Rulers of Kathiawar-

Salute States

1. Nawanagar.	10,00,000
2. Bhavnagar.	10,00,000
3. Porbandar	3,80,000
4. Dhrangadhra	3,80,000
5. Morei	8,00,000
6. Gondal	8,00,000
7. Jafrahad	16,000
8. Wankaner	1,80,000
9. Palitana	1,80,000
10. Dhrol	1,10,000
11. Limbdi	1,95,000
12. Rajkot	2,85,000
13. Wadhwan.	1,42,000

Non-Salute States

1. Lakhtar	91,000
2. Sayla.	62,500
3. Chuda	51,250
4. Vala	88,750
5. Jasdan	1,50,000
6. Amarnagar Thana-Devli.	1,00,000
7. Vadia	78,250
8. Lathi	77,500
9. Muli	53,000
10. Bajana	65,500
11. Virpur	44,500
12. Maliya	47,500
13. Kotda-Sangani	67,000
14. Jetpur	1,00,000
15. Bilkha	1,00,000
16. Patdi	20,000
17. Khirasra	30,000
18. Vanod	38,400

Shri H. V. Kamath: May I ask whether the privy purse drawn by the former rulers of Kathiawar have been reduced since the States have been integrated into Saurashtra?

The Honourable Pandit Jawaharlal Nehru: That is again a question to which probably a general answer is not possible; at any rate, I am not in a position to give it. Various principles have been laid down and it may be, I do not know, that in some cases that principle may work out to the advantage of the Ruler or to his disadvantage. Also the rulers have had not only what is called a privy purse but large private estates which are not their privy purse but bring them a large income. It is not always quite clear whether these estates are private or State property. Anyhow they get an income from them; that is to be compounded to us. All these factors have to be taken into consideration in fixing the new civil list for them.

Shri H. V. Kamath: Does that mean that the privy purses of some may be increased as compared to what they were before?

The Honourable Pandit Jawaharlal Nehru: I cannot say that without actual reference to each one. But my point was that the actual privy purse is fixed, and in addition to that there have been so many other ways of income. So in the balance I am sure it has been reduced in all the cases. But it may be that the actual figure fixed for the privy purse may appear bigger because other sources of revenue for the ruler have been cut off.

Shri H. V. Kamath: Is it a fact that some of the erstwhile rulers have misappropriated some public property?

Mr. Speaker: Order, order.

Seth Govinddas: Is it a fact that when these privy purses are fixed for individual rulers the private estates which they have are also taken into consideration?

The Honourable Pandit Jawaharlal Nehru: I should imagine so.

Seth Govinddas: Then may I take it that the privy purse of those rulers who have private estates is less than that of others who have none?

The Honourable Pandit Jawaharlal Nehru: It is a little difficult for me to answer these questions because private estates are of various kinds. Some may be entirely private, which are not touched at all; others may be in effect State property but which so far have been considered private property of the ruler. So one has to distinguish between all these things, and it is difficult to answer generally a question which may be answered in various ways. If the Honourable Member will put a specific question in regard to a particular State I will find out for him.

Shri H. V. Kamath: Has the attention of Government been drawn to a statement made by Mr. Dhebar, the Prime Minister of Saurashtra to the effect that there have been alarming reports of misappropriation of certain property by certain rulers of Kathiawar on the eve of their merger into Saurashtra, and that he has instanced the case of the ruler of Gondal who has converted a hill containing coal into private property?

Mr. Speaker: I do not think these questions can be permitted here.

Shri Baldeo Swarup: Is the amount of the privy purse fixed once for all or is it liable to be adjusted according to increase and decrease of the income of the State every year?

The Honourable Pandit Jawaharlal Nehru: I believe it is fixed on some percentage, but I cannot say for certain without making further inquiries.

QUALIFICATIONS FOR OFFICERS' CADRE IN ROYAL INDIAN NAVY

1200. *Shri M. Ananthasayanam Ayyangar: (a) Will the Honourable Minister of Defence be pleased to state what are the minimum age and educational qualifications prescribed for direct recruitment to the officers' cadre in the Royal Indian Navy?

(b) Are these qualifications relaxed in particular cases; and, if so, under what circumstances?

(c) How many of these officers are under-graduates?

(d) What is the method and procedure of recruitment adopted?

(e) Are there any Boards for selection of officers? If so, how many such Boards are there?

(f) How are they constituted and where do they meet?

The Honourable Sardar Baldev Singh: (a) The minimum age is 19 and educational qualification, a University Degree in Civil or Electrical Engineering or equivalent technical qualifications.

(b) If the Honourable Member is referring to minimum qualifications, the answer is no. The upper age limit of 28 for direct recruitment can however be relaxed in the case of candidates of exceptional merit and outstanding qualifications.

(c) No direct appointment has so far been made, but, as I have already stated, the minimum educational qualification is University Degree or equivalent qualification of which no relaxation is permissible.

(d) Applications are invited through the Press and on receipt are scrutinised by technical officers in Naval Headquarters. Those considered suitable are called up for interview by a Services Selection Board, on whose recommendations final selection is made.

(e) Yes. There are three such Boards.

(f) The constitution and venue of the Boards are as follows:

President	1
Deputy President	1
Senior Group Testing Officer	1
Group Testing Officers	2
Psychiatrist	1
Technical Officer (Psychologist)	1

In addition a Naval Officer is co-opted when selecting officers for the Royal Indian Navy.

Venue: Meerut, Bareilly and Bangalore.

Pandit Lakshmi Kanta Maitra: Have the facilities for recruitment been expanded so far?

The Honourable Sardar Baldev Singh: Yes, Sir.

Seth Govinddas: Are the degrees of such institutions as the Gurukul at Kangri and the Kashi Vidyapith also taken into consideration when these appointments are made?

The Honourable Sardar Baldev Singh: I cannot say without notice.

Pandit Lakshmi Kanta Maitra: Does the Honourable Minister's department send out circulars to the different universities to send out their people for recruitment to the Royal Indian Navy?

The Honourable Sardar Baldev Singh: I think this is being done. Advertisements are certainly made in all papers in all the provinces; if this is not done, I will bear that suggestion in mind.

Prof. N. G. Ranga: Have Government considered the impossibility of large classes of people in this country achieving the minimum qualification of a degree or an equivalent qualification in technical matters by the time the young men reach the age of 19?

The Honourable Sardar Baldev Singh: I think that is given full consideration, but I could not say off-hand whether the suggestion made by the Honourable Member is not worth giving further consideration, but the minimum age is 19.

Prof. N. G. Ranga: What is the maximum age?

The Honourable Sardar Baldev Singh: The upper age limit, as I have stated, is 28 for direct recruitment; this may be relaxed.

Pandit Lakshmi Kanta Maitra: How many headquarters are there for this recruitment?

The Honourable Sardar Baldev Singh: There are several headquarters in different parts of the country, and I have not had any complaints from any part of the country or from any member. Enough recruitment facilities exist all over the country.

Pandit Lakshmi Kanta Maitra: May I know whether any special facilities have now been provided and whether there has been any expansion beyond what used to prevail during the British administration?

The Honourable Sardar Baldev Singh: I have already said that facilities have been expanded; I cannot give details without making further inquiries.

Dr. P. S. Deshmukh: What is the scale of pay that is offered to these recruits at the present time?

The Honourable Sardar Baldev Singh: I shall require notice of that question.

Shri V. C. Kesava Rao: May I know whether the selection boards tour the country and then select candidates?

The Honourable Sardar Baldev Singh: No, Sir.

Shri Deshbandhu Gupta: In view of the fact that the degrees of Kashi Vidya-pith and Gurukul at Kangri are recognised by the U. P. Government, will the Government of India also recognise them for purposes of this recruitment?

The Honourable Sardar Baldev Singh: I will have that examined.

Prof. Shibban Lal Saksena: May I know if any of those people who were already in the officers' cadre have been demobilised after this war?

The Honourable Sardar Baldev Singh: After the last war, yes; after the 15th August, no.

Shri M. Ananthasayanam Ayyangar: With reference to the reply to part (c) of the question, may I know what is the qualification which is considered as equivalent to a university degree?

The Honourable Sardar Baldev Singh: I cannot give a reply off-hand; if the Honourable Member is anxious to know the details I am prepared to give them to him.

Pandit Lakshmi Kanta Maitra: Are the political antecedents of candidates examined in making this recruitment?

The Honourable Sardar Baldev Singh: No, not now.

Prof. Shibban Lal Saksena: In view of demobilisation after the war and new recruitments being made, will Government consider the question of taking those people who were officers before in the Navy?

The Honourable Sardar Baldev Singh: I have already made it clear several times in this House that all those officers who are eligible and are found fit are being taken.

Shri M. Ananthasayanam Ayyangar: May I know how these boards are constituted?

The Honourable Sardar Baldev Singh: They are constituted by the Department. It mostly depends on administrative convenience: as far as I know there are about six or seven boards working in different parts of the country.

Pandit Lakshmi Kanta Maitra: In view of the existence subversive elements in the country, do Government propose to look into the political antecedents of people henceforth before they are finally selected for appointments? I do not refer to political activities during British rule but to recent developments in the country which constitute a threat to peace and tranquillity.

The Honourable Sardar Baldev Singh: I think that aspect of the question is always borne in mind.

PROMOTION OF RATINGS AS OFFICERS

1201. *Shri M. Ananthasayanam Ayyangar: (a) Will the Honourable Minister of Defence be pleased to state whether there are any ratings who are promoted as officers? If so, how many such men are there?

(b) Is there any proportion fixed in the number of officers to be directly recruited and to be promoted from among ratings?

(c) What are the scales of pay for the highest ratings and the lowest warrant officer?

(d) What is the reason for such a difference in their scales of pay?

The Honourable Sardar Baldev Singh: (a) Yes. Twelve ratings have been granted permanent regular commissions in the Royal Indian Navy, while ten more have been selected to undergo a course, due to commence shortly, with a view to granting them permanent commissions.

(b) No.

(c) I lay a statement on the table of the House.

(d) The difference in the two scales of pay is primarily due to the different nature and responsibility of their duties. Further, the warrant officer, unlike the rating, does not get free food, clothing and accommodation.

STATEMENT

Pay and allowances admissible to the lowest warrant Officer in the Royal Indian Navy.

Pay	Rs. r. m.
Expatriation Allowance.	325
Dearness Allowance	50
	70 if married.
	40 if single.
Compensatory Allowance at Bombay and Calcutta.	50

Pay and allowances admissible to the highest rating in the Royal Indian Navy.

Pay	Rs. p. m.
Good Conduct pay for one badge	240
" " two badges	3
" " three badges	6
Dearness Allowance*	9
Compensatory Allowances—	25
(i) at Bombay & Calcutta	
(ii) Madras, Hyderabad (Deccan), Lahore, Ahmedabad, Delhi, Karachi and Cawnpore	8/12/-
Expatriation Allowance	5
*In addition, ratings are entitled to the following provisions in kind free of charge —	20

- (i) Accommodation, fuel and light;
- (ii) Clothing, and
- (iii) Rations.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if the minimum qualifications are insisted upon in the case of promotion from ratings to officers grade? In answer to the previous question the Honourable the Defence Minister said that certain minimum qualifications were prescribed. Are those minimum qualifications insisted upon in the matter of promotion from ratings to officers' grade?

The Honourable Sardar Baldev Singh: Yes, I think so, Sir.

Shri M. Ananthasayanam Ayyangar: Will the Honourable the Defence Minister kindly make enquiries. He will then find out that the minimum qualifications are not in practice insisted upon at all.

The Honourable Sardar Baldev Singh: I believe there are certain minimum qualifications for promotions laid down. It is difficult for me to say what those minimum qualifications are.

Shri M. Ananthasayanam Ayyangar: May I know from the Honourable Minister whether the pay of the highest rating is Rs. 200 less than the pay of an officer, and if so, why there should be such wide difference?

The Honourable Sardar Baldev Singh: The information available with me at present shows that the pay of a warrant officer is Rs. 325 per month and the pay of a rating—I mean the highest paid rating—is Rs. 240. That shows a difference of about Rs. 100 or a little less than that.

Shri V. C. Kesava Rao: May I know, Sir, if in some cases the pay of a warrant officer is more than the pay of a Commissioned officer?

The Honourable Sardar Baldev Singh: Not to my knowledge.

Shri M. Ananthasayanam Ayyangar: In reply to part (b) of the question the Honourable Defence Minister said that there is no proportion fixed in the number of officers to be directly recruited and to be promoted from among ratings? If then no such proportion is fixed, how are they chosen or promoted from one cadre to another?

The Honourable Sardar Baldev Singh: On considerations of merit. Those who are found suitable are promoted.

Prof. N. G. Ranga: Are sufficient steps being taken to see that there is no invidious discrimination in the matter of promotion?

The Honourable Sardar Baldev Singh: It is very difficult to be absolutely sure on that point. There may be some such cases, but, as far as possible, selections are made on consideration of merit only.

Pandit Lakshmi Kanta Maitra: Has there been any recent revision in the scales of pay of these people?

The Honourable Sardar Baldev Singh: The scales of pay are those which are laid down by the Pay Committee.

BAD FOOD, CLOTHING AND OTHER DISABILITIES OF RATINGS

1202. ***Shri M. Ananthasayanam Ayyangar:** (a) Will the Honourable Minister of Defence be pleased to state whether Government are aware that the ratings are still having bad food owing to the bad quality of provisions supplied and the inexperience of the cooks employed?

(b) Is it a fact that the ready-made clothes supplied to the ratings are of inferior quality, unsuitable in size and badly stitched necessitating in re-modelling and re-stitching by the ratings?

(c) Are ratings not allowed to move about in civilian clothes even on occasions of religious festivals and if so, why is this restriction imposed?

(d) Are Government aware that all Communication Ratings are now asked to clean and wash the plates of senior ratings in the place of seamen who were doing such work previously?

(e) Is it a fact that some Communication Ratings were punished by warrant and were sent to jail at Cochin for refusing to wash the plates of senior ratings? If so, do Government propose to take steps in this connection?

The Honourable Sardar Baldev Singh: (a) No, Sir.

(b) The material used for ready-made clothes is by no means inferior. It is the best that could be had in the days of acute cloth shortage.

As regards size, it will be appreciated that these ready made clothes are produced on a mass scale, so that it is difficult to ensure in every case individual fitting or complete satisfaction. Garments are stitched in four different sizes, which are considered adequate. It is, however, possible that some odd sized ratings have had some difficulty in finding garments to suit their requirements or it was not possible for every store to stock all the sizes. In such cases provision exists for alteration at Government expense.

The quality of stitching is considered above average.

With the return of normality and greater availability of cloth, it will be possible to improve both the quality of material and the stitching.

(c) Ratings are permitted to attend religious festivals in civilian clothes.

(d) Junior ratings of all branches in the Navy have always performed this duty.

(e) One rating at Cochin was punished by warrant for such refusal, as it constituted wilful disobedience of a lawful command. No action on the part of Government is called for in the circumstances.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable the Defence Minister whether, after notice of my question was received by him, he has sent anybody to examine the quality of food supplied to ratings and also find out if the cooks are really capable in trying to convert the raw material into cooked food?

The Honourable Sardar Baldev Singh: I would refer the Honourable Member to my reply to a later question which is coming up.

Shri M. Ananthasayanam Ayyangar: I would like to have an answer so far as my question is concerned, so that I may put supplementaries, if necessary.

Is not Government aware that two years back during the previous regime, ratings went on strike on account of the bad quality of food supplied to them?

The Honourable Sardar Baldev Singh: Yes that was one of the reasons for the strike.

Shri M. Ananthasayanam Ayyangar: How, then, does it happen that the Honourable Minister does not get enquiries made with a view to finding out whether the quality of food supplied to ratings has improved or not?

The Honourable Sardar Baldev Singh: As far as the quality of food is concerned, there has been definite improvement, and a detailed reply to this question will be given in connection with another question.

Pandit Lakshmi Kanta Maitra: Is it under the contemplation of Government to introduce any change in the system of supply of uniforms and garments to the naval personnel.

The Sardar Baldev Singh: Not for the present.

Prof. N. G. Ranga: With regard to the answer to part (d) of the question, does the practice of the Communication Ratings being asked to clean and wash the plates of senior ratings obtain in the British Navy.

The Honourable Sardar Baldev Singh: I could not say off hand; but I think the system in the Indian Navy is based on the system obtaining in the British Navy.

Prof. N. G. Ranga: In view of the fact that some of the junior ratings have resented this and have gone to the extent of courting imprisonment, will Government consider the advisability of doing away with this sort of menial service?

The Honourable Sardar Baldev Singh: Sir, these questions are considered from time to time, and particularly after the last Mutiny all these questions were carefully reconsidered and suitable amendments made.

Shri M. Ananthasayanam Ayyangar: Is it not a fact, Sir, that this work of cleaning and washing the plates of senior ratings which the Communication Ratings are now asked to do, were previously done by seamen?

The Honourable Sardar Baldev Singh: As I have already stated junior ratings in all branches of the Navy have always performed this duty. This was the normal practice and it still continues. There is nothing new about it.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister whether it is not a fact that warrant officers are supplied cloth to be stitched into uniforms. Why could not this system be followed in the case of ratings too?

The Honourable Sardar Baldev Singh: The normal practice is to supply ready-made uniforms and if they do not fit in some cases they are suitably altered at Government expense.

Shri M. Ananthasayanam Ayyangar: I have pointed out certain complaints which exist about food, clothing and other matters. It is commonly known that two years back there was a mutiny on account of certain grievances on this score. Will the Honourable the Defence Minister kindly look into these matters, with a view to finding out whether they do exist, and if so, take suitable action.

The Honourable Sardar Baldev Singh: Sir, as I have already stated this matter was fully gone into after the last mutiny and certain amendments made, but I will have the matter further looked into.

CONFIRMATION OF TEMPORARY EMPLOYEES OF CENTRAL ORDNANCE DEPOT, JUBBULPORE

1203. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the employees of the Central Ordnance Depot, Jubbulpore, who are working ever since the Depot was opened, are still temporary employees?

(b) If so, what is the policy of Government with regard to their confirmation?

The Honourable Sardar Baldev Singh: (a) Presumably the Honourable Member is referring to the category of employees known as Extra Temporary employees. Many of them who have been working since the Depot was opened are still temporary.

(b) The question of altering their terms and conditions of service in the light of the Central Pay Commission's recommendations including the question of making at least a proportion of them permanent is under consideration.

Seth Govinddas: Is it not a fact that these employees have been in service for years past and still they are considered to be temporary?

The Honourable Sardar Baldev Singh: Yes, Sir, some of these officers have been in service for a number of years and they are still temporary. But as I have already stated the question is being reconsidered now.

Seth Govinddas: May I know what period Government is contemplating a temporary servant must serve before he can be made a permanent servant?

The Honourable Sardar Baldev Singh: According to the present system, as long as a vacancy does not occur in the permanent cadre, the employees must be maintained as temporary officers.

CLOSING DOWN OF ARMAMENT SPECIAL TRAINING CELL IN CENTRAL ORDNANCE DEPOT, JUBBULPORE

1204. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that there is a fully equipped armament special training cell in the Central Ordnance Depot, Jubbulpore?

(b) Is it a fact that the Armed Forces Headquarters, Delhi have passed orders to close this Depot?

(c) If so, do Government propose to give the reasons for closing down this cell?

The Honourable Sardar Baldev Singh: (a) Yes,

(b) No.

(c) Does not arise.

Seth Govinddas: Is it not a fact that this cell is going to be abolished?

Mr. Speaker: He has already answered that.

The Honourable Sardar Baldev Singh: I have already said "(a) Yes, (b) No."

Prof. N. G. Ranga: At what stage is this matter? Or has it been on record at all?

The Honourable Sardar Baldev Singh: It was there and is still there.

Prof. N. G. Ranga: Are we to understand that Government are actively considering the question of closing this particular cell?

The Honourable Sardar Baldev Singh: This has been amalgamated with the other departments in order to save expenditure.

Seth Govinddas: Have the Government made any enquiries after they received my question, because I had given this question on definite information?

The Honourable Sardar Baldev Singh: The reply I have is after making due enquiries.

Prof. N. G. Ranga: Is it that this information is a little in advance of the Government's decision?

POLICE re DEARNESS ALLOWANCE WAR BONUS AND GRAIN COMPENSATION TO STAFF OF C. O. D., JUBBULPORE

1205. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state the policy of Government as regards the dearness allowance, war-bonus and the grain compensation given to the staff of the Central Ordnance Depot, Jubbulpore?

(b) What are the reasons for the difference, if any, in the facilities given to the clerical and the industrial staff of the above Depot?

The Honourable Sardar Baldev Singh: (a) Employees in the Central Ordnance Depot, Jubbulpore, are governed in respect of dearness allowance and grain compensation by the orders issued by the Ministry of Finance in respect of all Central Government employees.

A copy of the instructions governing war bonus is placed on the table of the House.

(b) No distinction exists in this matter between the two categories of personnel mentioned.

STATEMENT

(1) Army Instruction (India) No. 228 of 1942

Grant of bonuses to temporary personnel employed under the Defence Department (M.G.O. Services)

Every civilian non-gazetted temporary employee of the M.G.O. Services will be entitled to a bonus, irrespective of whether he was entertained prior to the outbreak of war or during the war, provided that:

- (a) he is not otherwise entitled to a bonus;
- (b) he has rendered approved service without a break until discharged, and not less than one year's approved service before the date of the cessation of hostilities;
- (c) he is in fact discharged within one year after the date of the cessation of hostilities.

2. The amount of the bonus will be one day's pay for each completed month of continuous employment from the 3rd September 1939 to the date of the cessation of hostilities, and will be paid on discharge after the end of the war.

3. The right to contribute to a Provident Fund, whether exercised or not, will not be a bar to the grant of the bonus.

4. The term "M.G.O. services" includes:

- (i) Arsenal, Depots and 3rd Line Workshops.
- (ii) Inspectorates of Armaments and Mechanisation and Inspectorates under the control of the Controller General of Inspection.
- (iii) Tank Development Board.

5. Clerical personnel whose employment is not regulated by the Factories Act, 1934, are not eligible for the bonus.

(2) Army Instruction (India) No. 282(a) of 1945

Grant of Bonus temporary employees of the War Department

The following is in amplification of A.Is. (I) Nos. 228 of 1942 and 281 of 1943 which have since been cancelled with effect from 1st November 1945 by A.Is. (I) Nos. 1219 and 1220 of 1945.

1. *Continuous employment*.—(a) This means the aggregate of "completed months" between 3rd September 1939 to 31st October 1945, both days inclusive.

(b) An employee must have a minimum aggregate of 12 "completed months" before he qualifies for bonus.

2. *"Completed month"*.—This means that an employee has been paid for—

(a) A calendar month in respect of monthly rated employees. A calendar month is from the first to the last day of the same calendar month, but, as an exception, from 3rd to 30th September 1939 will be deemed to be a full calendar month.

(b) 18 days in a calendar month in respect of a daily rated employee.

(c) Sanctioned paid or unpaid leave of any kind will be regarded as duty for the purpose of a "completed month".

3. *Break in service*.—(a) This means that an employee's name has been struck off the rolls as services terminated or as discharged from service and that the break continues until he is re-engaged.

(b) A re-engaged employee will not be required to commence his qualifying period [see (b) above] from the date of re-engagement. He will reckon "completed months" prior to the break.

(c) The period during which an individual is "stood off", provided this is in Government's interest, will not constitute a break in service. If an employee works less than 18 days in a calendar month because he is "stood off", that month will not reckon as a "completed month" for bonus.

4. *Number of months*.—This means the aggregate of "completed months", including the qualifying minimum period of twelve months, and the employee will be paid bonus for all the "completed months" except as stated in para. 5 below.

5. *Absence without leave*.—This means all unauthorised absence during which a man's name has been removed from the Muster Roll, Pay Roll or other attendance or pay documents. An employee shall forfeit two "completed months" service for bonus for each such absence. For example, if a man had a total of 13 "completed months" service in which his name had once been struck off the Muster Roll, he will be paid bonus for 11 months only.

6. *One day's pay*.—This means pay as defined in C.S.R. The rate will be that which an individual received on the 31st October 1945 or the date of discharge whichever is earlier. It excludes dearness/war allowance and overtime pay.

7. *Extensions*.—The provisions of A.Is. (I) Nos. 228 of 1942 and 281 of 1943 are extended with retrospective effect from 3rd September 1939 to all daily and monthly rated clerical personnel, who are not entitled to a bonus or gratuity or other benefits of similar nature under other rules, irrespective of whether they are governed by the Factories Act or not. The right to contribute to a Provident Fund whether exercised or not will not however be a bar to the grant of the bonus.

8. No past transactions involving the payment of bonus whether in accordance with the above instructions or not will be reopened.

9. This Army Instruction (India) supersedes any instructions which conflict with it in A.Is. (I) 288 of 1942 and 281 of 1943.

POLICY RE DISCHARGE AND RECRUITMENT OF EMPLOYEES IN CENTRAL ORDNANCE DEPOT, JUBBULPORE.

1206. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state the policy of Government regarding the discharge and recruitment of employees in the Central Ordnance Depot, Jubbulpore?

(b) Is it a fact that the old experienced staff is being gradually replaced by new recruits?

(c) If so, what are the reasons for the discharge of experienced hands?

The Honourable Sardar Baldev Singh: (a) The policy of Government regarding the discharge of employees in the Central Ordnance Depot, Jubbulpore, is exactly the same as for all other employees of the Central Government. I lay on the table of the House copies of Ministry of Home Affairs Office Memoranda No. 70/49/45-Ests, dated the 7th July 1945, and No. 81/3/47-Ests(S), dated the 13th September 1947, which set out the policy of Government in this matter.

As regards recruitment to gazetted posts, this is done ordinarily in consultation with the Federal Public Service Commission while non-gazetted posts are filled by the Chief Ordnance Officer. Daily-rated employees are recruited locally.

(b) No.

(c) Does not arise.

Copy of Ministry of Home Affairs Memorandum No. 70/49/45-Ests, dated the 7th July 1945

SUBJECT:—Procedure for selection of temporary employees for appointment to the quota of the 30 per cent. of reserved vacancies set apart for them.

Reference Council decisions conveyed in the Home Department Office Memorandum No. 70/12/42-Ests., dated the 29th June 1942 as amended by the Home Department Office Memorandum No. 70/12/42-Ests., dated the 8th September 1943, reserving 30 per cent. of the vacancies not filled permanently during the war to be filled up after the war from non-candidates who have held them on a temporary basis during the war and who are serviceable and eligible for appointment. Home Department have been considering the mode in which these reserved vacancies should be filled and have provisionally reached the following conclusions:

(1) All temporary employees of Government who have done well in their temporary service shall be allowed to compete, subject to the qualifications regarding age and education, for the reserved vacancies, irrespective of whether they were selected for temporary service by the Federal Public Service Commission or not. The Federal Public Service Commission suggest that only those candidates who were appointed by virtue of their appointment at a competitive examination or selection held by the Federal Public Service Commission should be permitted to compete for the vacancies but

the Home Department consider that it would penalize unfairly those candidates who for no fault of their own were appointed direct by Departments under Regulation 4(c) of the Federal Public Service Commission (Consultation by the Governor General) Regulations.

(2) For this purpose Departments should be asked to maintain (if this is not being done already) regular confidential reports in respect of their temporary employees on the same lines as they are being maintained in respect of corresponding grades of permanent employees and to classify them as follows:

- (a) Outstanding and for whom every effort should be made to find a permanent post;
- (b) definitely fit for permanent appointment if a vacancy exists; and
- (c) the rest.

(3) Departments should also be requested to divide reserved vacancies into groups of similar employment and similar grade. And the above classification should have reference to employment in the group and grade in which the officer concerned is temporarily employed. It will be for the appointing authority to decide whether the temporary employment of any particular candidate falls within the group and grade in which the vacancy exists. Temporary employees should be eligible to compete for vacancies in the particular group and grade in which they were employed, whether vacancies are in the Department in which they served or not, provided that—

- (a) after deducting their temporary service their age does not exceed the maximum age laid down for direct appointment;
- (b) they possess the prescribed minimum educational qualifications; and
- (c) they come under clause (a) or (b) in the classification made in pursuance of sub-para. (2) above.

(4) When retrenchment begins, persons coming under clause (c) in sub-para. (2) should be the first persons to be got rid of.

(5) Appointments to the reserved vacancies should be made by the authority that would have made the appointment if there had been no war. As regards the method of selection a competitive examination would generally, for obvious reasons, be unsuitable. Presumably selection would have to be made on the basis of confidential reports on candidate's work plus length of temporary service supplemented by an interview. It may, however, be desirable, e.g., in the case of clerical posts, to have an examination—the subject for the examination being confined to the work that the candidates have been doing.

2. The undersigned is directed to request that the concurrence or comments of the Finance, etc., Department on the above proposals may be communicated to the Home Department as early as possible, in any case not later than the 31st July 1945.

(Sd.) P. V. R. RAO,

Deputy Secretary to the Government of India.

No. 70/49/45-Ests.,

Dated New Delhi, the 7th July 1945.

To

All Departments of the Government of India (including Additional Financial Adviser, Supply Finance)/Joint Financial Adviser (Munitions Production), Calcutta/Joint Financial Adviser (Food)/and the Joint Financial Adviser (Cotton Textiles).

No. 70/49-Ests.,

Dated New Delhi, the 7th July 1945.

Copy forwarded for information and necessary action to the Chief Commissioner, Delhi/Ajmer-Merwara/Coorg; the Political Department; the Secretary, Governor General (Public); Secretary, Governor General (Reforms); the Private Secretary to His Excellency the Viceroy; the Military Secretary to His Excellency the Viceroy; the Establishment Officer to the Government of India; the Secretary, National Defence Council; the Director, Intelligence Bureau, the Civil Defence Branch and the Crown Finance Department.

By order,

(Sd.) P. V. R. RAO,

Deputy Secretary to the Government of India.

Copy of Ministry of Home Affairs Office Memorandum No. 31/3/47-Ests.(S), dated the 13th September 1947.

SUBJECT:—Discharge of temporary employees cancellation of the orders regarding the application of communal rules to—

In supersession of the orders contained in the Home Department Office Memorandum No. 31/18/45-Ests.(S), dated the 2nd October 1945, the Government of India have decided that, whenever, it is necessary to retrench temporary employees, merit should be the guiding criterion in determining the persons to be retrenched and that communal considerations should not into account.

2. For the purpose of determining the persons to be retrenched, the lists prepared in pursuance of the instructions contained in para. 1(2) of the Home Department Office Memorandum No. 70/49/45-Ests., dated the 7th July 1945, will be utilised. It is essential to ensure that these lists are prepared in a manner so as to secure impartial judgment of the capabilities of Government Servants and to preclude favoritism. Accordingly, where these lists have already been prepared, they should be scrutinised and rearranged, where necessary, by an appropriate Departmental Promotion Committee set up under the Home Department Office Memorandum No. 33/46-Ests.(R), dated the 17th June 1946, and where the lists have not already been prepared, they should be prepared by such Committees. Persons in category (c) will be retrenched before persons in category (b) and persons in category (b) will be retrenched before persons in category (a). In each category retrenchment will be on the basis that the persons at the bottom of the list will go out first.

3. These orders will come into force at once.

(Sd.) P. V. R. RAO,

Joint Secretary to the Government of India.

To

All Ministries, Cabinet Secretariat and etc.

Seth Govinddas: Has the Government not received any complaints with respect to the latter kind of service that experienced people are being dismissed from there and that the new recruits who are being appointed are really spoiling the work while serving in their place?

The Honourable Sardar Baldev Singh: I have not received any information but if the Honourable Member will let me know of certain specific cases, I will enquire into them.

Pandit Lakshmi Kanta Maitra: Is not it a fact that a large number of highly trained technical personnel are being discharged by non-Indian people on the ground that they are surplus in this depot?

The Honourable Sardar Baldev Singh: It is true that a large number of these technical personnel was discharged after the end of the last war, but wherever there is a shortage, they are being recruited again.

OFFICERS OF R. I. E. HOLDING PERMANENT, SHORT SERVICE AND EMERGENCY COMMISSIONS.

1207. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Defence be pleased to state the number of R.I.E. Officers holding (i) Permanent Commission; (ii) Short Service Commission; and (iii) Emergency Commission?

(b) How many of them, in each of the above categories, possess the required qualifications as laid down in the case of departmental officers?

(c) Is it a fact that pre-1931 employees of the Military Engineering Service were required to pass a qualifying departmental examination before being considered for appointment as permanent Sub-Divisional officers and for promotion to the ranks of higher grade Officers irrespective of their possessing any other technical qualifications?

(d) Is it a fact that recently some new rules have been enforced requiring additional qualifications for promotion of those Military Engineering Service employees who had passed the departmental examination but did not possess any degrees?

(e) If so, what are the reasons for requiring additional qualifications for their promotion?

(f) Will the rules referred to in part (d) above apply to the new entrants only, and not affect the employees who entered service prior to the enforcement of these rules and regulations?

The Honourable Sardar Baldev Singh: (a) R. I. E. Officers holding.

(i) Permanent Commissions..... 186

(ii) Short Service Commissions..... 150

(iii) Emergency Commissions..... 231

(b) By "departmental officers" the Honourable Member is probably referring to Civilian Officers of the M.E.S. The qualifications laid down for such officers are not applicable to commissioned officers of the R.I.E. and the information as to how many of the latter have the qualifications required of departmental officers is not readily available.

(c) Persons who held the prescribed technical qualifications i.e., a degree in Engineering were not required to appear at departmental tests.

(d) No.

(e) and (f). Do. not arise.

Shri Deshbandhu Gupta: May I know, Sir, whether in regard to the reply given to part (c) the Honourable Minister has referred to the rules requiring that every person would have to undergo that departmental examination?

The Honourable Sardar Baldev Singh: I have made it clear that persons who held the prescribed technical qualifications, that is a degree in engineering, were not required to appear at the departmental test.

Prof. N. G. Ranga: What is the position in the case of those people who do not possess a degree but who gain quite a lot of practical experience in the course of their service. Are they going to be treated as good as those who possess degrees, or are they going to be condemned to a lower grade?

The Honourable Sardar Baldev Singh: All those who do not possess a degree, have to appear at the departmental test.

Shri Deshbandhu Gupta: Is it a fact that recently, according to a new circular, those who had qualified themselves by sitting for the departmental examination are today not eligible for higher posts, and that their juniors are being promoted in supersession to them?

The Honourable Sardar Baldev Singh: That again depends entirely on the merits and the qualification of the candidates who have gone through the departmental tests. It is just possible that some of these officers may have been superseded. But it is very difficult for me to give a definite reply to this question.

Shri Deshbandhu Gupta: Have any instances come to the notice of the Honourable Minister of cases where persons, who have been for 20 years in the line and have all along been promoted, are now being superseded because they do not hold a degree, whereas they have qualified themselves for the post by sitting for the departmental examination?

The Honourable Sardar Baldev Singh: Some complaints have been received and they are being investigated.

Pandit Lakshmi Kanta Maitra: Is there any Committee in the Department of the Honourable Minister which goes into the cases of the personnel of the M.E.S.?

The Honourable Sardar Baldev Singh: As I have already stated in reply to this question there is a departmental committee.

Pandit Lakshmi Kanta Maitra: I wanted to know whether this committee is really an active committee and whether it goes into and examines the cases of these people.

The Honourable Sardar Baldev Singh: There is no regular departmental committee, but the test is laid down and the test is held periodically and all those who pass are eligible for promotion.

Pandit Lakshmi Kanta Maitra: Is it a fact that many members of the M.E.S. who have been discharged have not yet got their dues settled by the Government of India and has the Honourable Minister received any representation from any organizations regarding this?

The Honourable Sardar Baldev Singh: It is very difficult for me to give a reply offhand to the Honourable Member's question. But there may be cases of this nature.

Pandit Lakshmi Kanta Maitra: Has the Honourable Minister got representations from certain organizations?

The Honourable Sardar Baldev Singh: I could not say offhand. A number of representations were received and there may be some such representation among these.

Pandit Lakshmi Kanta Maitra: Will the Honourable Minister kindly look into it?

Mr. Speaker: If the representation has been received he will certainly look into it.

Shri Deshbandhu Gupta: May I know whether the reply of the Honourable Minister means that a person who does not hold a degree but is otherwise qualified, will not be superseded for the simple reason that he does not hold a degree?

The Honourable Sardar Baldev Singh: If my Honourable friend will follow the answer that I have given in reply to part (c) of his question, he will see that I have stated that persons who hold the prescribed technical qualifications, that is a degree of engineering are not required to appear at the departmental test. All others have to go through the departmental test and it is only when they pass it are they considered for further promotion.

Dr. P. S. Deshmukh: May I know if any expansion of this department is contemplated? And if so, how many vacancies exist under each category mentioned here?

The Honourable Sardar Baldev Singh: I do not know what the Honourable Member means by "expansion of this department". Its expansion depends on the size of the Army. If the strength of the Army is increased, then this department naturally increases.

Dr. P. S. Deshmukh: My question was whether the number of people serving in these various categories was enough for, or less than the requirements.

The Honourable Sardar Baldev Singh: I would require notice of that question.

RECRUITMENT TO ENGINEERING OFFICERS' APPOINTMENTS FROM PERMANENT PERSONNEL.

1208. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the Minister of Defence laid down in February, 1947 that a minimum of 50 per cent of the Engineering officers' appointments would be filled up at once from the then existing permanent personnel?

(b) If the answer to part (a) above be in the affirmative, is it a fact that the policy was not actually implemented?

The Honourable Sardar Baldev Singh: (a) No.

(b) Does not arise.

DIFFERENT SCALES OF SALARIES OF VARIOUS ENGINEERING OFFICERS' CADRE IN MILITARY HOLDING SAME POSTS.

1209. *Shri Deshbandhu Gupta: Will the Honourable Minister of Defence be pleased to state whether it is a fact that there is a great difference between the scales of salaries of departmental Civilian Engineering Officers, Military Officers and Officers on contract while holding the same post? If so, why?

The Honourable Sardar Baldev Singh: I lay a statement on the table of the House showing the salaries admissible under the revised Pay Code to military and civilian officers of the Military Engineering Service. There is no appreciable difference in the scales of pay applicable to military and civilian officers in the grades of Executive and Assistant Executive Engineer. The difference in the scales of pay admissible to Superintending Engineers is relatable to the varying prospects of promotion and the age at which officers in the two categories are likely ordinarily to be appointed to a particular grade. For example, while a civilian engineer in the Military Engineering Service has ordinarily no prospects of promotion beyond the grade of Superintending Engineer, there are higher posts open to his military counterpart.

As regards officers on contract a few have been engaged to meet the temporary shortage of officers in the grades of Executive Engineer and Assistant Executive Engineer, and these have been appointed in the scale of Rs. 400-50/2-800 plus a charge allowance of Rs. 50 per mensem when holding a post of Executive Engineer. There is one contract officer in the grade of C.R.E. and he is given a charge allowance of Rs. 200 per mensem.

Statement

Grade	Scale of Pay admissible to	
	Military Officers	Civilian Officers.
	Rs.	Rs.
1. Superintending Engineer, CRIE/SORIE (Lt. Col)/SSW/STE.	1100—50—1400	1300—60—1600.
2. Executive Engineer, DCRIE/GE/SORIE. 2nd Grade (Major)/Surveyor of Works/Tech. Engineer/Dy. Supdg. Engineer/Asstt Consulting Architect/Senior B.O.	700—50—1050	800—40—1000—1000—1050—1050—1100—1100—1150.
3. Asstt. Executive Engineer/ACRI/AGE Capt./SORIE/Asstt. Surveyor of Works/Asstt. Tech/Asstt. Supdg. Engineer.	450—50—600	350—350—380—380—30—590—EB—30—770—40—850.

Shri Deshbandhu Gupta: May I know whether it is not a fact that the pay of a contract officer works out to be more than that of a civil engineer and that at the moment the Government is paying much more on that account than it would pay otherwise?

The Honourable Sardar Baldev Singh: I have already stated that he is getting Rs. 200 per month as allowance and it is just possible that his pay is higher.

Shri Deshbandhu Gupta: Is it necessary to retain these contract officers even now when the war is over? All these were temporary posts after all?

The Honourable Sardar Baldev Singh: I think there were previously a number of officers on contract but at present, as I have stated, there is only one officer and I cannot say whether his services will be retained or it is proposed to dispense with his services after sometime.

Shri Deshbandhu Gupta: Will the Honourable Minister examine that particular case?

The Honourable Sardar Baldev Singh: Yes, Sir.

DISSATISFACTION AMONG CIVILIAN ENGINEERING OFFICERS RE RECRUITMENT TO HIGH APPOINTMENTS IN M. E. S.

1210. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that high appointments of Engineers in the Military Engineering Service are being filled up by officers on contract and Royal Indian Engineers?

(b) If the answer to part (a) above be in the affirmative, what are the reasons for ignoring the claims of the departmental Engineering Officers?

(c) Are Government aware that there is a growing dissatisfaction among the civilian employees of the Military Engineering Service on this account?

(d) If so, what steps are being taken by Government to remove the same?

The Honourable Sardar Baldev Singh: (a) These appointments are filled by officers belonging to the following categories:

(i) R.I.E. (including permanent civilian employees of the Military Engineering Service who were granted commissions during the war), (ii) Civilian Assistant Engineers of the Military Engineering Service, and (iii) Officers on contract.

(b) It is not correct to say that the claims of the Departmental Engineering Officers have been ignored in the matter of promotion to high appointments in the Military Engineering Service. In fact in the grade of Commander, Royal Indian Engineers, which corresponds to Superintending Engineer, out of 10 appointments, 8 are at present held by Departmental Officers.

(c) No.

(d) Does not arise.

Shri Deshbandhu Gupta: Has the Honourable Minister received any representations on behalf of these departmental engineering officers to the effect that their claims are being disregarded and that they are being superseded by others?

The Honourable Sardar Baldev Singh: I do not remember having received any representation but I will look in to the matter.

DISPARITY IN LEAVE RULES APPLYING TO VARIOUS GOVERNMENT EMPLOYEES

1211. *Mr. R. K. Sidhva: Will the Honourable Minister of Finance be pleased to state:

(a) whether it is a fact that Government servants who entered service before the year 1931 are entitled to accumulate earned leave for more than three months and if so, what is the maximum fixed;

(b) whether it is a fact that those who entered service after the year 1931 are not allowed that privilege;

(c) whether it is a fact that the Central Pay Commission has recommended the privilege referred to in part (a) above to be accorded to those who entered service even after 1931;

(d) whether it is a fact that the new entrants are allowed to accumulate earned leave for a maximum period of 3 months; and

(e) if so, whether Government propose to remove this disparity and amend the leave rules accordingly and if not, why not?

The Honourable Shri R. K. Shanmukham Chetty: (a) Government servants who entered service before the 16th July, 1931 are governed by the leave rules in either the Civil Service Regulations or the Fundamental Rules. Under the Civil Service Regulations, officers are entitled to accumulate full pay leave upto four months while under the Fundamental Rules they can earn leave at the rate of 1/11th of duty without any limit.

(b) Except in the case of officers of non-Asiatic domicile in whose case the maximum period up to which earned leave could be accumulated is 150 days, those who entered service after 1931 could earn leave on full pay up to a maximum of 90 days only.

(c) The Central Pay Commission have recommended that Government servants may be permitted to accumulate earned leave up to 120 days generally and upto 180 days if the leave is spent out of India. This matter is under the active consideration of Government.

(d) The attention of the Honourable Member is invited to the reply to part (b) of this question.

(e) In regard to members of the Secretary of State's services who are governed by the more liberal leave rules, Government have, on the transfer of Power, given an assurance for the continuance of the same conditions of service regarding Pay, Leave, Pension etc. In view of this assurance it is not proposed to deliberalise the rules in regard to other officers in service who are old entrants, whose case cannot be fairly distinguished.

Mr. R. K. Sidhva: In reply to part (e) of the question it was stated that the Secretary of State's services are governed by more liberal leave rules and in view of the assurance given by the Government to continue the same conditions, they cannot do anything in the matter. I would like to know whether there are any other employees, apart from the Secretary of State's services, in whose case also this disparity exists?

The Honourable Shri R. K. Shanmukham Chetty: So far as the officers protected by the Secretary of State are concerned this assurance was given. There is no doubt that there are categories of Officers who are not legally entitled to this protection and yet because we have granted it to this class of officers, we thought that in equity we should give the others also the same concession.

Mr. R. K. Sidhva: As the disparity still exists, do the Government intend to remove that disparity?

The Honourable Shri R. K. Shanmukham Chetty: Disparity between whom?

Mr. Speaker: Between the Secretary of State's services and others who entered service before 1931 and those who entered service after.

The Honourable Shri R. K. Shanmukham Chetty: It is only in the case of old entrants who entered service simultaneously with these officers protected by the Secretary of State that this concession has been granted. The question does not arise in the case of any other officers at all.

Mr. R. K. Sidhva: Am I to understand that the question of disparity does not arise in the case of any other employees except in the case of the Secretary of State's services?

The Honourable Shri R. K. Shanmukham Chetty: I am not aware of it.

Mr. R. K. Sidhva: Will the Honourable Minister look into it?

Mr. Speaker: He has said already that he is not aware of it.

Shri V. C. Kesava Rao: Are temporary government servants come under these leave rules?

The Honourable Shri R. K. Shanmukham Chetty: There are special leave rules applicable to temporary government servants but I am not aware of them just at present.

Shri H. V. Kamath: In view of the fundamental changes that have occurred in the country after the 15th August 1947, do Government propose to level up or level down the fundamental rules of service for the same category or class of officers, so as to make the rules uniform?

The Honourable Shri R. K. Shanmukham Chetty: Barring this commitment that we have made at the time of the transfer of power our aim has always been and always will be to keep as far as possible uniform conditions without any disparity.

FRESH RECRUITMENT TO ARMED FORCES

1212. *Prof. N. G. Ranga: Will the Honourable Minister of Defence be pleased to state:

- (a) whether fresh recruitment to the armed forces is being made;
- (b) if so, whether it is for temporary service or permanent service; and
- (c) whether any preference is being given to ex-servicemen?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) For both.

(c) Yes, if they are otherwise suitable.

Prof. N. G. Ranga: What has been the response for the three services, the army, navy and the air force?

The Honourable Sardar Baldev Singh: Quite satisfactory.

IMPLEMENTATION OF DR. PATTABHI SITARAMAYYA'S RESOLUTION *RE* DEVELOPMENT OF NATIONAL MILITIA

1213. *Prof. N. G. Ranga: (a) Will the Honourable Minister of Defence be pleased to state what steps have been taken to implement Dr. Pattabhi Sitaramayya's resolution on the development of national militia passed in the last session?

(b) Is any effort being made to co-ordinate the work of the Provincial Governments and that of the Government of India in building up National Guards, Frontier Guards and the National Militia?

(c) Do the Government of India propose to offer any financial assistance to Provincial Governments in this direction?

The Honourable Sardar Baldev Singh: (a) Government have taken steps to form a Territorial Force and I hope to announce Government's decision in the next few days. This, together with the National Cadet Corps, will, I trust, go a long way towards meeting the wishes of the House expressed in the course of the discussion on Dr. Pattabhi Sitaramayya's Resolution.

(b) The Territorial Force and the Frontier Defence Corps will both be centrally administered and financed, while Civic or Home Guards, which are intended to help the police in the maintenance of law and order, are the responsibility of the Provincial Governments. The functions of the Central and Provincial Forces are distinct and require no special coordination.

(c) No, Sir.

Mr. R. K. Sidhva: Will the announcement be made before the session is over?

The Honourable Sardar Baldev Singh: Yes, Sir.

Prof. N. G. Ranga: Will Government try to supply the provincial governments with the necessary equipment and arms that may be needed by them in order to equip their side of the forces?

The Honourable Sardar Baldev Singh: That is the practice.

Shri Deshbandhu Gupta: May I know.....

Mr. Speaker: Order, order. The question hour is over.

(b) WRITTEN ANSWERS

POSITION *RE* LOCAL SUPPLIES AND IMPORT OF QUININE IN INDIA

1214. *Prof. N. G. Ranga: (a) Will the Honourable Minister of Health be pleased to state the present position in India in regard to quinine—local supplies and imports?

(b) What steps are being taken to build up an adequate reserve stock?

(c) Are Government taking steps to regulate the production and distribution of quinine as between different provinces to ensure timely and adequate supplies to all provinces?

The Honourable Rajkumari Amrit Kaur: (a) The average annual production of quinine in India in the last three years was about 85,000 lbs. per year. Approximately 145,000 lbs. of quinine were imported into India during the last two years.

(b) There is at present a Central stock of about 120,000 lbs. of quinine. The question of maintaining an adequate reserve is borne in mind.

(c) The existing cinchona plantations in India are owned mainly by the Governments of West Bengal and Madras and they are making every effort to maintain and increase production. Equitable distribution of quinine to different Provinces is ensured by the Central Government allotting quotas to different Provinces every year according to needs. The quinine produced by the Governments of Madras and West Bengal supplemented by stocks from the Central Reserve are distributed to Provincial Governments on the basis of the quotas fixed by the Central Government. Supplies of quinine are supplemented by supplies of Mepacrine.

RESEARCH FACILITIES FOR LEATHER TECHNOLOGY IN CENTRALLY ADMINISTERED UNIVERSITIES

1215. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Education be pleased to state whether research facilities are available in the Centrally administered universities for leather technology?

(b) Do Government propose to give any grants for this purpose to other universities?

(c) Have any students been deputed to foreign universities to study this subject?

The Honourable Mr. Rafi Ahmed Kidwai: (a) No, Sir.

(b) The request of the Universities, if and when received, will be considered on merits.

(c) Yes, four in 1945-46 and one in 1946-47.

MEO RAIDS ON BHARATPUR BORDER

1216. *Ch. Ranbir Singh: (a) Will the Honourable Minister of States be pleased to state whether the attention of Government has been drawn to a press statement of the Administrator of Bharatpur State published in the *Dak* Edition of the *Hindustan Times* dated 6th March, 1948 regarding the Meo menace on Bharatpur border?

(b) If so, what steps do Government propose to take to check these raids?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) The State authorities in cooperation with Gurgaon District authorities are taking all necessary measures to stop these raids.

SCHEDULED CASTE CANDIDATES SENT ABROAD FOR STUDIES ON GOVERNMENT SCHOLARSHIPS

1217. *Shrimati Dakshayani Velayudhan: Will the Honourable Minister of Education be pleased to state:

(a) the number of scheduled caste candidates sent abroad on Government scholarship from 1937, year by year;

(b) whether Government invited applicants for the same, every year;

(c) the reason for the decrease if any, in the number of candidates sent each year;

(d) whether candidates are sent only for technical training; and

(e) if so, whether Government propose to consider the desirability of sending candidates (scheduled castes) for other branches of study as well?

The Honourable Mr. Rafi Ahmed Kidwai: (a) A statement giving the required information is placed on the table of the House. The reference to the year 1937 is, however, not understood because both the Scheduled Castes Scholarships scheme and the Overseas Scholarships scheme under which Scheduled Caste students have been sent abroad came into effect only in 1945.

(b) and (c). Applications for overseas scholarships under the Scheduled Caste Scholarships Scheme were invited only in 1945; no applications have been invited since 1946. The decision to discontinue overseas scholarships under this scheme was taken by the Scheduled Caste Scholarships Board which is entrusted with full powers to administer the funds provided by the Government of India, and which has on it representatives of the Scheduled Castes.

The reasons which led the Board to this decision were as follows. In the first place, the performance of the Scholars who were selected in 1945 was very disappointing, and the universities abroad, particularly on account of the present congestion, are unwilling to accept students whose attainments are not of first class standard. Secondly, the Overseas Scholarships Scheme which came into operation in 1945 also provided for suitable Scheduled Caste students, and the Board, therefore, did not consider that it was necessary for it to make separate provision for sending Scheduled caste students abroad. Finally, the Board felt that the benefit to the scheduled castes would be greater if, instead of sending abroad a few students of mediocre abilities, a much larger number of students were given scholarships to complete their study in this country.

(d) The scholarships awarded in 1945 were for technical and also for other subjects.

(e) Does not arise.

Statement

Showing the Number of Scheduled Castes candidates sent Abroad on Government Scholarships from 1937 year by year.

Year	Scheduled Castes Scholarships Scheme (Introduced in 1944-45)	Overseas Scholarships Scheme (Introduced in 1945-46)	Total
1937 to 1944	Does not arise	Does not arise	Nil
1944-45	Nil	Does not arise	Nil
1945-46	22	12	34
1946-47	*Nil	†1	1
1947-48	Nil	†Nil	Nil

*The policy of sending Scheduled Castes students for higher studies abroad under the Scheduled Castes Scholarships Scheme was discontinued from 1946-47.

†The actual number of students selected under the Overseas Scholarships Scheme in 1946-47 and 1947-48 is 2 and 3 respectively although only 1 from 1946-47 batch has sailed so far. The remaining 4 are awaiting admission.

DEARNESS ALLOWANCE FOR CENTRAL GOVERNMENT PENSIONERS

1218. *Shri Damodar Swarup Seth: (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that the Central Pay Commission examined the case of pensioners and recommended an increased amount of aid by way of dearness allowance and that Government rejected this recommendation?

(b) Do Government propose to reconsider the case of Central Government pensioners in view of the abnormal rise in the cost of living?

The Honourable Shri R. K. Shanmukham Chetty: (a) The Central Pay Commission recommended the grant of dearness allowance to persons who may retire after the 1st January 1947. The Government have not accepted the recommendation.

(b) Government consider that the present rise in the cost of living is a transient phase and do not propose to reopen the question.

RELEASE OF ALL E. T. E. AND E. T. A. PERSONNEL OPTING FOR PAKISTAN

1219. *Kazi Syed Karimuddin: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the Government of India, Ministry of Defence, have issued a memorandum that the E.T.E. and E.T.A. personnel are not given an option to elect for either India or Pakistan and that all E.T. Personnel who have expressed a desire to go to Pakistan should be released irrespective of whether the Government of Pakistan required their services or not?

(b) If so, what are the reasons for adopting such a course?

(c) Why did Government make a distinction between opting out provisionally or finally?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) and (c). The reasons are indicated in part (a) of this question. Government dispensed with the services of those who desired to go and serve in Pakistan. It was not the responsibility of this Dominion to ascertain whether the Pakistan Dominion was or was not in a position to absorb the discharged personnel.

RE-EMPLOYMENT OF OUSTED E. T. E. and E. T. A. PERSONNEL

1220. *Kazi Syed Karimuddin: (a) Will the Honourable Minister of Defence be pleased to state why the employees who are ousted from the E.T.E. and E.T.A. cannot be re-employed in India?

(b) Why was every employee in the Ministry of Defence asked to exercise his option to serve in India or Pakistan without ascertaining the needs of Pakistan?

The Honourable Sardar Baldev Singh: (a) They will be employed to the extent vacancies are available.

(b) Employees of the Ministry of Defence as of all other Ministries of the Central Government, were asked to exercise option in accordance with the direction given by the Partition Council.

INDIAN AND FOREIGN FILMS ON EXHIBITION IN INDIA

1221. *Shri Ram Sahai: (a) Will the Honourable Minister of Information and Broadcasting be pleased to state the number of films that are being exhibited in India these days?

(b) How many of these are Indian and how many foreign?

(c) How many films have been allowed 'publicity' upto this time?

(d) Which films have been declared unsuitable for exhibition to minor boys and girls?

The Honourable Pandit Jawaharlal Nehru: (a) to (c). I regret that the information is not readily available and the time and labour required to collect it will not be commensurate with its utility.

(d) None since no such powers exist under the present Cinematograph Act.

MINISTRY OF HOME AFFAIRS COMMUNIQUE ON RECOMMENDATIONS OF PAY COMMISSION RE PERSONS WHO OPTED FOR PAKISTAN

1222. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Home Affairs be pleased to refer to the Government of India Communique dated 27th November, 1947, directing all departments not to give effect to the recommendations of the Pay Commission in the case of people who (i) opted for Pakistan; and (ii) who were not in service on the 15th August, 1947, under the Government of India, and state whether any means have been devised to implement the recommendations of the Pay Commission in the case of those non-Muslims who opted for Pakistan, but before 15th August, 1947, finally expressed their desire to serve under the Government of India but were not taken back by the Government of India and were relieved of their services under the Government of Pakistan?

(b) If the answer to part (a) above be in the negative, why were steps not taken in this connection?

(c) Do Government propose to look into the matter?

The Honourable Pandit Jawaharlal Nehru: (a) No case of non-Muslim Government servant who changed his option in favour of India before the 15th August still being unemployed has come to the notice of Government.

(b) and (c). Do not arise.

EXPENDITURE ON MR. COMPTON MACKENZIE FOR WRITING INDIA'S ACHIEVEMENT IN WORLD WAR II

1223. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that one Compton Mackenzie, a British novelist, had been commissioned by the old Government of India to write an account of India's achievements in World War II?

(b) Are Government even now keeping him on the contract?

(c) What are the facilities he has enjoyed so far in doing his work?

(d) What did he do on the last occasion when he visited India?

(e) How much money has been allotted to him as expenses and as remuneration?

The Honourable Sardar Baldev Singh: (a) and (b). Yes.

(c) He was given access to all information and documents necessary to the writing of a popular history of India's war effort and provided facilities for journeys to industrial centres in India and to the various battle-fields where Indian troops had fought and distinguished themselves.

(d) He was engaged in collecting material for the book.

(e) Government's financial commitments in this connection were limited to paying Mr. Mackenzie's travelling and halting expenses. The total amount paid is Rs. 21,000.

AGREEMENT WITH RULERS OF STATES FORMING UNIONS

1224. *Shri Kishori Mohan Tripathi: Will the Honourable Minister of States be pleased to lay on the table of the House a statement giving the broad outlines of the agreement arrived at by the rulers of such states as have united to form themselves into unions?

The Honourable Pandit Jawaharlal Nehru: The broad outlines of the agreement are contained in a statement placed on the table of the House.

Statement

The Covenant entered into by the Rulers for the formation of a United State provides for—

1. The complete merger and integration of the territories of all the covenanting State into one State with a common executive, legislature and judiciary.
2. A Council of Rulers of the covenanting States.
3. A Presidium consisting of 2 to 5 members each of whom shall be a Ruler of the covenanting State and not less than 21 years age.
4. The election by the Council of Rulers of one of the members of the Presidium to be the President and another to be the Vice-President of the Presidium. The President so elected is the Raj Pramukh of the United State.
5. The Raj Pramukh and Vice-President of the Presidium hold office for a term of 5 years from the date on which they enter on the duties of their office.
6. The Raj Pramukh is entitled to draw from the revenues of the United State a certain sum in order that he may be enabled to discharge conveniently and with dignity the duties of his office.
7. A Council of Ministers chosen by the Raj Pramukh to aid and advise him in the exercise of his functions.
8. Subject to the provisions of the Covenant and of the constitution to be framed there under, the executive authority of the United State shall be exercised by the Raj Pramukh either directly or through officers subordinate to them.
9. The military forces of each covenanting State become the military forces of the United State. Subject to any directions or instructions that may from time to time be given by the Government of India in this behalf, the authority to raise, maintain, and administer the military forces of the United State vests exclusively in the Raj Pramukh.
10. As soon as practicable a Constituent Assembly elected on the basis of approximately one representative for one lakh of population, is to be summoned to frame a Constitution for the United State within the framework of the Covenant and the Constitution of India and providing for a government responsible to the Legislature.
11. The Agreement also guarantees the payment of a certain fixed amount as privy purse to each Ruler of the covenanting States and continuance of all personal privileges enjoyed by him and the members of his family immediately before August 15, 1947.

SPECIAL GRANTS TO C.P. AND ORISSA DEVELOPMENT OF BACKWARD AREAS IN CHHATTISGARH AND ORISSA STATES

1225. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Finance be pleased to state whether, in view of the fact that the responsibility of administration of the Chhattisgarh and Orissa States primarily vests in the Government of India, they have made any special provision in the ensuing year's budget for developing these backward areas?

(b) If not, do Government propose to consider the desirability of giving special grants to the Central Provinces and Orissa for the specific purpose referred to in part (a) above?

The Honourable Shri R. K. Shanmukham Chetty: (a) The presumption of the Honourable Member that the responsibility of administration of these States vests in the Government of India is not correct. The position is that

the Rulers have handed over all authority and jurisdiction to the Central Government and the latter have delegated powers to the Provincial Governments under the Extra Provincial Jurisdiction Act of 1947 to administer the States in regard to the subjects included in the Provincial and Concurrent lists; in effect these territories have become part of the Provincial territories for purposes of administration and development.

No special provision has been made in the ensuing year's budget for developing these particular areas, but the Provincial Governments concerned will doubtless take into consideration the necessities of these areas in formulating their development plans.

(b) For the reasons given in the reply to (a) the question of making any special grant does not arise.

INFORMATION OF MASS WELFARE ACTIVITIES TO RURAL AREAS IN INDIA

1226. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of Information and Broadcasting be pleased to state whether Government are aware that practically no information of their mass-welfare activities reaches the rural areas in India?

(b) If so, how do Government propose to remove this short-coming?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). As the Honourable Member is aware Government's publicity activities which can reach the rural areas are primarily those through the All India Radio, the new organisation called Indian Films press releases, and the publication of books, periodicals and pamphlets. The range of these activities is necessarily limited by the availability of the necessary facilities for receiving the wireless broadcasts, for having the necessary arrangements for screening the films and by the existing standards of literacy and the number of libraries extant. Provincial Governments are largely responsible for publicity in rural areas. Government are fully alive to the need for adequate publicity in such areas.

SUPPLY OF UNEATABLE TINNED FOOD TO 2ND MAHAR BATTALION STATION IN DELHI

1227. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the 2nd Mahar Battalion is at present stationed at Delhi Cantonment?

(b) What ration is being given to them here?

(c) Is it a fact that they are often given war rations containing tinned articles of food packed in 1945?

(d) Are Government aware that these articles have been spoilt and are uneatable?

(e) Do Government propose to enquire into the matter?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) The normal I. T. scale of rations is being given, consisting, among others of Atta, Dal, Ghee, and Milk.

(c) No. Normally I.T. Scale of rations is issued and only occasionally tinned rations are given.

(d) Nothing that is spoilt or uneatable is ever issued to troops. All rations are examined, before issue, by the Military Food Laboratory and are issued only if declared fit.

(e) Does not arise.

MILITARY DAIRIES STILL FUNCTIONING IN INDIA

1228. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Defence be pleased to state how many military dairies are still functioning?

(b) What is the amount of milk and other products produced by each per month?

(c) Do any of these dairies manufacture butter and cheese?

(d) If so, how much do they produce per month?

(e) Are these articles sold to the civil population?

(f) Has the manufacture of any milk products been stopped since the termination of war?

(g) Have the British or Americans taken away or sold any machinery that was used in dairies before?

(h) Is it a fact that the Americans had set up machinery for articles to be tinned?

(i) Are all these arrangements intact or have they been discontinued?

(j) If so, how many there were and how many have been discontinued?

The Honourable Sardar Baldev Singh: (a) 25.

(b) and (d). I lay a statement on the table of the House.

(c) Butter is manufactured in all the dairies, but not cheese.

(e) Yes, if and when there is any surplus after the demands of the Army have been met.

(f) No.

(g) No, not from any dairies under the Military Farm Department.

(h) Government have no such information.

(i) and (j). Do not arise.

Statement

Name of Farm	Milk lbs.	Butter lbs.	Cream lbs.	Ghee lbs.
1. Agra	106,743	1,443	177	..
2. Allahabad	58,781	1,271	74	..
3. Ambala	197,186	2,408	326	..
4. Bareilly	54,878	685	725	..
5. Dehra Dun	215,344	2,861	904	..
6. Ferozepore	155,757	2,180	..	..
7. Jhansi	56,317	392	141	43
8. Jullundur	179,175	1,880	212	..
9. Kanpore	61,188	1,909	122	..
10. Kasauli	14,067	1,080	91	..
11. Lucknow	194,316	4,409	395	..
12. Meerut	448,448	4,894	787	61
13. Nankom	168,905	1,600	220	..
14. Panagarh	33,582	404	15	..
15. Pathankote	122,166	1,034	66	..
1. Wellington	17,641	39	33	..
2. Jubbulpore	176,208	943	324	3,309
3. Mhow	57,803	303	48	444
4. Katni	58,568	161	32	330
5. Belgaum	34,566	320	37	..
6. Ahmednagar	55,482	429	69	684
7. Deolali	106,945	4,285	623	..
8. Kalyan	215,215	5,035	352	..
9. Kirkee	495,313	4,306	1,364	1,072
10. Bangalore	200,444	577	..	..

PARALLEL PEOPLES' GOVERNMENT IN FARIDKOT AND NABHA STATES

1229. *Ch. Ranbir Singh: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that parallel Governments have been set up in Faridkot and Nabha States to fight the present rule of these States?

(b) Is it also a fact that the peoples Governments in both the States have captured large tracts and made captives the State Government servants?

(c) Is it also a fact that lathi charges have been resorted to, which resulted in many casualties and wounded hundreds of people, by the Police of the various states?

(d) Is it also a fact that there is great danger for maintenance of peace and order in the states?

(e) If so, what steps do Government propose to take to maintain peace and order in the states mentioned above?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). The State Congress in these two States launched a satyagraha movement for the grant of responsible Government. Government have no information whether a parallel Government was set up, but through the mediation of the States Ministry the movement has been called off and the States have released Praja Mandal leaders and certain State officials who were suspected by the State authorities of sympathy with the Praja Mandal movement.

(c) There were reports of lathi charge in Faridkot, and a number of people suffered injuries. Government have no information whether the Nabha State authorities resorted to lathi charge.

(d) As a result of the appeals issued by the Honourable Minister for States and the President of the All India States Peoples Conference the movement has been called off and reports indicate that for the time being there is no threat to law and order.

(e) Does not arise.

TEARING AND BURNING OF INDIAN NATIONAL FLAG IN PATIALA

1230. *Ch. Ranbir Singh: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that on the 29th February, 1948, the Indian Union flags were torn into pieces and burnt in Patiala proper?

(b) If so, do Government propose to request the State Government to take action against those who were responsible for it?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Government have no information.

PROTEST DEMONSTRATION OF JAT KISANS OF BHARATPUR STATE AT INAUGURATION OF MATSYA STATE UNION

1231. *Ch. Ranbir Singh: (a) Will the Honourable Minister of States be pleased to state whether the attention of Government has been drawn to the news item published in the Statesman dated the 18th March, 1948, regarding the protest demonstration of the Kisans (mostly Jats) of Bharatpur State on the occasion of the inauguration of Matsya State, for the inclusion of their representative in the interim cabinet of the Union?

(b) If so, what steps do Government propose to take in this respect?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) The matter is for the Raj Pramukh and the Interim Cabinet of the Matsya Union to decide.

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) [5TH APRIL 1948]

PUBLICATION OF ORISSA STATES RULERS INVENTORIES OF PRIVATE PROPERTIES

1232. *Shri Yudhisthir Misra: Will the Honourable Minister of States be pleased to state whether the Rulers of the Orissa States have submitted inventories of their private properties and, if so, do Government propose to ask the Government of Orissa to publish them for the information of the people of the Orissa States?

The Honourable Pandit Jawaharlal Nehru: The Rulers of Orissa States have submitted inventories of their private properties and these are still under examination.

SHIFTING OF INDUSTRIAL AREA FROM NAJAFGARH ROAD DELHI IN VIEW OF PUBLIC HEALTH

1233. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Health be pleased to state whether it is a fact that in the committee meeting held to consider the plan of 'Greater Delhi', an objection has been raised regarding the location of the industrial area on the Najafgarh Road, Delhi?

(b) In view of the strong objections from the health point of view, do Government propose to consider the question of shifting the industrial area to some other distant place? If not, why not?

(c) If the reply to part (b) above be in the negative, do Government propose to constitute a committee of health experts to examine the question whether the present location of the industrial area will not be injurious to the citizens of Delhi?

The Honourable Rajkumari Amrit Kaur: (a) It is understood that at a meeting convened by the Chief Engineer, Central public Works Department, to discuss a sketch plan prepared by his Department for the expansion of Delhi, the opinion was expressed by some that the location of the Industrial Area at Najafgarh Road was unsuitable.

(b) and (c). The scheme of the Delhi Improvement Trust for the location of an industrial area at Najafgarh Road was sanctioned in 1940 and no objection to the location of the Industrial Area in this locality on grounds of health was raised at any stage. I shall, however, look into the question as to whether there is any objection to the location of an industrial area in this locality from the point of view of health.

CONSTRUCTION OF NEW AERODROMES BY HYDERABAD STATE WITHOUT CONSENT OF GOVERNMENT OF INDIA

1234. *Dr. B. V. Keskar: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that the Government of Hyderabad are constructing new aerodromes without consulting the Government of India?

(b) Are the Government of Hyderabad permitted to do so under the Standstill Agreement?

The Honourable Pandit Jawaharlal Nehru: (a) The Government of India have received a report that the Hyderabad Government are constructing an aerodrome near the Madras border.

(b) This is one of the matters arising out of the Standstill Agreement, which is now under discussion between the Government of India and His Exalted Highness the Nizam's Government.

STATES ISSUING STAMPS AND KEEPING THEIR OWN POST OFFICES CONTRARY TO INSTRUMENT OF ACCESSION

1235. *Dr. B. V. Keskar: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that though Posts and Telegraphs are a central subject and are recognised as such in the Instrument of Accession, they are under the control of the State authorities in a number of States?

(b) Is it a fact that contrary to the Instrument of Accession, a number of States are still permitted to issue their own postage stamps and have their own Post Offices?

(c) What are the States which control their own Post and Telegraph Offices and those which issue their own stamps?

(d) What steps do Government propose to take to bring all Post and Telegraph Offices under the control of the Government of India?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). The Constitutional effect of accession on Posts and Telegraphs is that the Dominion Legislature has acquired authority to make laws for the States in regard to these matters. Under the Standstill Agreement, which the States have executed, all arrangements in force prior to the 15th August, 1947 continue till the arrangements are superseded either by fresh agreements or by Dominion Legislation.

(c) A statement giving this information is placed on the table.

(d) The whole position regarding postal arrangements in Indian States under the Instrument of Accession is under examination.

Statement

I. States which have their own Post Offices.

1. *Travancore.
2. *Cochin.
3. *Hyderabad.
4. †Patiala.
5. †Nabha.
6. †Chamba.
7. †Jind.
8. †Mewar.
9. *Barwani.
10. *Kishangarh.
11. *Jaipur.
12. *Shahpura.
13. †Gwalior.
14. *Morvi.
15. *Idar.
16. *Rajkot.
17. *Junagadh.
18. *Orchha.
19. *Charkhari.

II. States which have their own Telegraph Systems.

1. Jammu and Kashmir.
2. Tehri Garhwal.

*These States issue their own Stamps.

†These States use Indian postage stamps overprinted with the name of the State.

*This State collects postage in cash.

ILL TREATMENT BY THE SECURITY STAFF OF A CLERK OF M. E. DIRECTORATE WHO IS ALSO THE ORGANISING SECRETARY OF ARMED FORCES HEADQUARTERS TEMPORARY EMPLOYEES UNION FOR DISTRIBUTING HANDBILLS FOR EMPLOYEES CONFERENCE.

Prof. Shibban Lal Saksena: (a) Will the Honourable Minister of Defence be pleased to state whether the attention of Government has been drawn to the fact that a clerk of the M.E. Directorate, Army Headquarters and Organising Secretary of the Armed Forces Headquarters Temporary Employees Union was stopped by a member of the Security staff of the Armed Forces Headquarters at 9-30 A.M. on 17th March 1948, while distributing handbills about the Central Government Employees Conference which was held in Mazdoor Park, New Delhi, on 20th and 21st March, 1948 under the Presidentship of Professor K. T. Shah and which was inaugurated by Mr. Ananthasayanam Ayyangar, M.C.A., and was taken to the Security Officer who abused him for distributing the pamphlets and got him manhandled and beaten by chaprassis and sentries in his office and had him locked up in the Quarter Guard Room in 'K' Block in the Secretariat till 5 P.M. on 17th March 1948?

(b) Have Government made any inquiries in the matter and if so, what action do Government propose to take to prevent such incidents in future?

The Honourable Sardar Baldev Singh: (a) and (b). A summary enquiry was held into the incident referred to by the Honourable Member, the result of which is to suggest:

- (i) that the clerk was distributing leaflets during office hours on the 17th March, and was, therefore, doing something that was wrong and calls for disciplinary action;
- (ii) that he was called upon to desist from distributing these leaflets; and that he refused to do so;
- (iii) that his refusal appears to have been couched in words which were probably offensive and provocative;
- (iv) that the Security Officer ordered the clerk's detention until such time as he (the clerk) was in a mood to speak and behave in a reasonable manner;
- (v) that the clerk's refusal to be allowed to be led from the room for detention resulted in the Security Officer ordering his bodily removal and his subsequent detention until after 5 in the evening.

It was evident that the matter required further and fuller investigation, and I have accordingly directed that a detailed enquiry, which will include the examination of independent witnesses, should be held with a view to determining which of those concerned have been at fault. Suitable disciplinary or other action will be taken against all those who are found to have conducted themselves in a manner which calls for such action.

In the meantime, I should like to express my sincere regret at the occurrence of an incident of this nature in the Defence Ministry.

Prof. Shibban Lal Saksena: While thanking the Honourable Minister for the regret expressed and accepting it, may I ask to be told whether the clerk concerned was distributing the handbills at 9-30 A.M. and whether it is not a fact that his duty began only at 10 A.M.?

The Honourable Sardar Baldev Singh: According to the information available the clerk was distributing leaflets during office hours.

Prof. Shibban Lal Saksena: Is it not a fact that the officers themselves have admitted that he did it before his duty began?

Mr. Speaker: Order, order. As a comprehensive enquiry is going to be undertaken, it will not serve any useful purpose discussing the facts as to what happened. It may perhaps prejudice the enquiry one way or the other.

Shri H. V. Kamath: Will the report of the enquiry be a secret document?

The Honourable Sardar Baldev Singh: It is very difficult to say. But the result of the enquiry will certainly be found.

Shri H. V. Kamath: Will the matter be placed before the Standing Committee for the Ministry of Defence?

The Honourable Sardar Baldev Singh: This is too small a matter for the Standing Committee to consider.

Prof. Shibban Lal Saksena: Is it a fact that the officer who put the clerk in the Quarter Guard Room was not the officer under whom that official was working, and when the clerk requested that he might be taken before his own officer, the officer abused even that officer?

Mr. Speaker: Order, order. I do not think any other question should be permitted on this as we are going into details; and as I said, it may prejudice the enquiry either way.

HARASSMENT AND MOLESTATION OF HINDU WOMEN AT CUSTOMS BARRIERS

BETWEEN EASTERN PAKISTAN AND WEST BENGAL

Shrimati Renuka Ray: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that Hindu women are being subjected to harassment and molestation in increasing numbers at the Customs barriers between Eastern Pakistan and West Bengal?

(b) If so, have Government approached the authorities in Pakistan about having women at the Customs barriers for search? If so, with what result?

The Honourable Shri K. C. Neogy: (a) Reports have been received of harassing searches by Officers of Eastern Pakistan and others at various points of transit between Eastern Pakistan and surrounding territories of the Indian Union.

(b) This and allied matters will be discussed at the Inter-Dominion Conference which will be held in Calcutta next week.

Pandit Lakshmi Kanta Maitra: Is the Honourable Minister aware that since the recent visit of the Chief of the Pakistan State to East Bengal there has been a sudden deterioration in the situation so much so that not only the male folk but the women folk of the Hindu Community are undergoing humiliation and harassment at the points of transit throughout the borders between Eastern Pakistan and Western Bengal?

The Honourable Shri K. C. Neogy: I am quite aware of the situation that prevails at the moment in Eastern Pakistan, but I am not prepared to say that it has necessarily anything to do with the recent visit of the Head of the Pakistan Government to that place.

Pandit Lakshmi Kanta Maitra: Is it not a fact that very recently several girl graduates of the Calcutta University who had been proceeding to Calcutta to attend the Convocation to receive their degrees and diplomas were subjected to all manner of harassment at Chandpur railway station, and that they were stripped of all their belongings and compelled to go back to their native town with considerable difficulty?

The Honourable Shri K. C. Neogy: I have seen such reports.

Pandit Lakshmi Kanta Maitra: Is he also aware.....

Mr. Speaker: Is he referring to any report of any other incident?

Pandit Lakshmi Kanta Maitra: I am referring to this particular category of incidents.

Mr. Speaker: The point of enquiry which the Honourable Member made, namely, whether there is a necessary connection between the visit of the Chief of the Pakistan Government and this incident, has already been answered by the Honourable Minister, who has said that he is not prepared to admit that. It is a matter of inference.

Pandit Lakshmi Kanta Maitra: I am not referring to that part at all. I am asking whether it is not a fact that in the name of searches under the Customs regulations, all manner of humiliating treatment is at the moment being meted out to the Hindu women in collusion with or at the connivance of the Police by the Muslim League National Guards. This is a new feature in the situation. If it is due to any adventitious cause I want to know; if it is a natural outcome of their policy, I have no quarrel. I want to know whether it is a fact that suddenly there has been a deterioration in the situation to such an extent that the Hindu women particularly are now subjected to all manner of humiliation and molestation at the hands of the Muslim National Guards, and in some cases with the direct assistance of the agents of the Pakistan Government?

The Honourable Shri K. C. Neogy: As I have said, I have seen such reports and I deprecate any further discussion of the merits of these controversial matters in view of the forthcoming Inter-Dominion Conference where we hope to discuss all these various points.

Shri Mihir Lal Chattopadhyay: May I know what is the source of information of the Government of India—is it the Government of West Bengal or the newspapers?

The Honourable Shri K. C. Neogy: We get reports from the Government of West Bengal from time to time, apart from getting, say, individual communications from different sources which are sometimes addressed to me personally, sometimes to Government. Then again, there are the newspapers which give us detailed reports though I must say that the Delhi newspapers do not seem to be much interested in what is going on in Eastern Pakistan.

Pandit Lakshmi Kanta Maitra: Has the Honourable Minister received also representations in this respect from the Minorities Welfare Committee in Eastern Pakistan?

The Honourable Shri K. C. Neogy: Yes.

Pandit Lakshmi Kanta Maitra: About the cases of the category to which I have referred?

The Honourable Shri K. C. Neogy: Yes, and from other Associations.

Pandit Lakshmi Kanta Maitra: Do I take it that the Honourable Minister is going to impress on the authorities of Pakistan the next time he meets them that this thing must be put a stop to?

The Honourable Shri K. C. Neogy: We are going to Calcutta to discuss these matters, and my Honourable friend may depend upon me for doing the best that is possible in the circumstances.

Shrimati Renuka Ray: In view of the increasing number of such cases which the Honourable Minister has acknowledged, are the Government of India and the Government of West Bengal collecting statistical data of all such cases which can be placed at the Inter-Dominion Conference; and if not, will he kindly see that it is done?

The Honourable Shri K. C. Neogy: The Honourable lady member would realize that it is rather difficult for the Central Government to arrange for a collection of statistical data of this kind. But we have addressed the Provincial Government to help us in this matter as far as is possible in the short time at our disposal.

Pandit Lakshmi Kanta Maitra: Would the Honourable Minister allow persons and organizations to make representations to him when he sits in the Dominion Conference?

The Honourable Shri K. C. Neogy: Representations certainly can be made to me, but not while I am actually sitting in the Conference.

Pandit Lakshmi Kanta Maitra: I would request my Honourable friend not to deny the people an opportunity, and I would like to know whether he would receive the representations before the Conference meets.

The Honourable Shri K. C. Neogy: I hope to be there a few days before the Conference starts, and I shall not be sparing myself any trouble. I shall be personally going about and visiting the camps and other places in order to acquaint myself with the situation at first hand.

Sri H. V. Kamath: Have any reports been received of similar harassment of Hindu women at the barrier between India and Western Pakistan?

The Honourable Shri K. C. Neogy: That does not seem to arise out of this question. But I cannot definitely recollect any allegations of the gravity of this type having been received from that side of late.

Shri Deshbandhu Gupta: Have any complaints been received from the Deputy High Commissioner for India in Karachi of similar harassment and molestation of women refugees coming from Sind?

The Honourable Shri K. C. Neogy: Sometime ago, yes.

Shri Deshbandhu Gupta: Has any action been taken on same and if so, with what result?

The Honourable Shri K. C. Neogy: I am afraid my Honourable friend will have to give me notice of this question.

Prof. Shibban Lal Saksena: Is the Honourable Minister aware that such incidents were brought to his notice in the Assembly before but with no result?

The Honourable Shri K. C. Neogy: We have lodged protests with the Pakistan Government.

Prof. Shibban Lal Saksena: Has there been any effect?

The Honourable Shri K. C. Neogy: Judging from the reports that continue to pour in, it does not seem that our protests have been of much use.

Mr. Speaker: Order, order. I think it is no use pursuing this matter. We have very often pursued these matters on these lines—not this particular question, but representations to Pakistan. We need not go into it any further.

REFERENCE OF GODHRA RIOTING TO U. N. O. BY PAKISTAN

Saiyid Jafar Imam: (a) Will the Honourable the Prime Minister be pleased to state whether the attention of Government has been drawn to the report of the reference to United Nations Organisation by the Government of Pakistan of the riot in Godhra, Bombay Province?

(b) Do Government propose to make a full statement on the facts of the riot?

The Honourable Pandit Jawaharlal Nehru: (a) There have been reports about such a reference in the Press but Government have not received any official intimation to this effect.

(b) The attention of the Honourable Members is invited to a detailed statement made by the Home Minister of the Bombay Province in the Bombay Legislative Assembly on the 29th March, 1948. There is nothing that I have to add to that statement. The situation in Godhra became tense sometime ago, as a result of a procession that was taken out by some refugees. During the procession a flag on a *dargah* was pulled down. Action was taken against the persons concerned and some people were prosecuted. The immediate cause of the trouble was the stabbing of a Hindu refugee in a Muslim locality on 25th March. Soon after another refugee having a shop in a Muslim locality was murdered in his shop and this was followed by the stabbing of two other persons. The police who tried to intervene were also attacked resulting in severe injuries to two policemen. Energetic measures, including resort to firing, were immediately taken by the police and these resulted in two civilians being killed. Troops were also rushed to the town that very day. On the next day, 26th March, a number of refugees, excited by the events of the previous day, attacked some Muslims. The situation was, however, brought under control that very day. The casualties reported are 16 killed and 25 injured, including those killed and injured as a result of firing by the police. A large number of arrests have been made. On the same day two houses evacuated by Muslims in a Muslim locality were set on fire. The fire could not be put out quickly as the only fire engine possessed by the Godhra Municipality could not be worked, as the person in charge of the engine who was a Muslim had gone away. Two fire engines were rushed from Lonaval and Baroda but these necessarily took some time to arrive, and in the meanwhile what would have been just a minor fire resulting in the loss of two houses spread to other houses and became a huge conflagration. Water was another difficulty as the wells in Godhra are very deep and the water tank was situated at a considerable distance from the scene of the fire. Every possible effort was made to combat the fire and a platoon of Field Company R.I.E. was called in to assist in fighting fire and demolishing burning houses. It is, however, feared that loss of property through fire has been heavy. It is difficult to give a correct estimate of the number of houses destroyed but the estimate is that the number will be between 600 and 1000 and they belong more or less half to Hindus and half to Muslims. The Home Minister, Bombay, visited Godhra immediately on receipt of information about rioting and every possible action was taken to restore order and to protect life and property in the town. Conditions in the town are now reported to be quiet.

Prof. N. G. Ranga: How many of those killed and injured were Hindus and Muslims?

Mr. Speaker: I might make the position clear with regard to this question. So far as the details of what happened in Godhra are concerned, it is entirely a provincial matter and no question can be permitted with reference to that. I admitted the question because the first part of it dealt with reference to U.P.O. So, that matter having been cleared, I do not think any further questions as regards happenings in Godhra can be put in this House now.

Saiyid Jafar Imam: May I put one question?

Mr. Speaker: I shall be able to decide after I know what the question is.

Saiyid Jafar Imam: May I know if the Honourable the Prime Minister is aware that conditions in Godhra at present are satisfactory?

Mr. Speaker: I will not permit that question. As I said it is entirely a Provincial matter.

ELECTION TO STANDING COMMITTEE FOR MINISTRY OF EXTERNAL AFFAIRS AND COMMONWEALTH RELATIONS

The Honourable Pandit Jawaharlal Nehru (Prime Minister, Leader of the House and Minister for External Affairs and Commonwealth Relations): I beg to move:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of External Affairs and Commonwealth Relations vice Sardar K. M. Panikar who has resigned from the Assembly."

Mr. Speaker: The question is:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one member to serve until the end of the financial year 1948-49 on the Standing Committee to advise on subjects concerning the Ministry of External Affairs and Commonwealth Relations vice Sardar K. M. Panikar who has resigned from the Assembly."

The motion was adopted.

Mr. Speaker: I have to inform Honourable Members that for the purpose of election by means of the single transferable vote of a member to the Standing Committee for the Ministry of External Affairs and Commonwealth Relations the programme of dates will be as under:

1. Nomination to be filled in the Notice Office upto 12 Noon on Tuesday, the 6th April.

2. Election, if necessary, will be held on Thursday, the 8th April, in the Assistant Secretary's room (No. 21) in the Council House between the hours of 10-30 A.M. and 1 P.M.

ELECTIONS TO CENTRAL ADVISORY COUNCIL FOR RAILWAYS AND INDIAN NURSING COUNCIL.

Mr. Speaker: I have also to inform the Assembly that upto the time fixed for receiving nominations for the Central Advisory Council for Railways and the Indian Nursing Council, 8 nominations in the case of the first and 2 nominations in the case of the second were received. As the number of candidates is equal to the number of vacancies in each case, I declare the following members to be duly elected:

I. Central Advisory Council for Railways: (1) Mr. R. K. Sidhva, (2) Shri Deshbandhu Gupta, (3) Shri R. R. Diwakar, (4) Shri Arun Chandra Guha, (5) Shrimati Ammu Swaminadhan, (6) Shri Brijlal Nandlal Biyani, (7) Shri Gokulbhai Daulatram Bhatt, and (8) Prof. Shibban Lal Saksena.

II. Indian Nursing Council: (1) Shrimati G. Durgabai, and (2) Shri Yudhishthir Misra.

JUNAGADH ADMINISTRATION (PROPERTY) BILL—contd.

Mr. Speaker: The House will now proceed with legislative business, viz., further consideration of the Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government. The House was last dealing with clause 3, amendments Nos. 6, 7 and 8 by the Honourable Member Mr. Naziruddin Ahmad. I have not placed them before the House yet. We had some discussion about them.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, to resume the debate at the stage where we left it on Saturday, I beg to submit that clause 3, particularly the portions covered by my amendments have direct relation with the schedule and also with a part of the Preamble. In order to prevent repetition, it is better that I should give the House an entire picture, in short, of my objections.

[Mr. Naziruddin Ahmad]

Sir, the object of the Bill is to declare certain properties mentioned in the Schedule, first of all to belong to the State of Junagadh, and secondly on that basis to provide for the vesting of the same in the Administrator. I submit that clause 3 is the operative part; that is the clause which really vests the property in the Administrator. It has direct relation to the Schedule because it refers to the Schedule. Therefore, the reference to the Schedule is clearly relevant although the Honourable the Law Minister thought that the reference to such Schedule will be irrelevant.

The Honourable Dr. B. R. Ambedkar (Minister for Law): I have never said that.

Mr. Naziruddin Ahmad: Some thing more was said, that I happened unfortunately to be unable to understand the clause and the reference in it to the Schedule was merely enumerative. I submit.....

Mr. Speaker: May I make the position clear to the Honourable Member at this stage? Though I think he is referring to the contents of the Preamble just for the purpose of supporting his argument, as to why these words should be omitted, he may not labour under a misapprehension that I am going to allow his amendments to the Preamble as proper or within the scope of the Bill because I permit him to argue on the lines which he has stated in the Preamble, so far as his amendment to clause 3 is concerned. He need not be under the impression, therefore, at a later stage that I am going to permit those amendments as in order. It is only a clarification of the position.

Mr. Naziruddin Ahmad: Sir, if I know that any part of my amendment is out of order, I think I shall cut short the matter. I am not at all concerned with the actual amendments that may be carried or that may be considered. I am concerned vitally with the irregularity of allowing certain properties to be declared as properties of the State and vesting the same in the Administrator and then preventing the Court from deciding the matter. That is the gravamen of my objection. In fact, the other objections are really subsidiary to that....

Shri K. Santhanam (Madras: General): Sir, on a point of order. I think at this stage there should not be a general discussion. We have passed the stage of general consideration. We are on a particular amendment and our discussion should be confined to the discussion of the particular amendment and not to the whole subject,—the Preamble and Schedule and all that—then every other member will have the right to go through the whole subject.

Mr. Speaker: I do not propose to allow a general discussion and there should be no repetition also. But the point here is that the Honourable Member by his amendment wishes to delete certain portions, and in support of his argument, as I understand it, he is going to relate what he has stated as an amendment in the Preamble. He has already once made his point and, therefore, he will merely state his point; he cannot go into those details again. But I thought I might just inform him that because I allow him to adopt the argument which is contained in the Preamble, he need not labour under a misapprehension that the amendment to the Preamble is, therefore, in order. When we come to that amendment, I am not going to permit him to move it and I am stating that position clearly to him. I am also doubtful as regards his amendment to the Schedule, but that we shall come to later on.

Mr. Naziruddin Ahmad: Sir, I was not entering into a general discussion of the principles of the Bill except as was necessary to make my point clear for the deletion of certain words. In fact, in order to justify the deletion, it is necessary to explain the reasons and for that purpose to have a review of the whole thing. The whole thing can be boiled down to one and only one

statement, that is that the property belongs to the State and therefore it should vest in the Administrator. Sir, I want to make it clear that I am unable to accept that view. In fact the point arises in this way that it is impossible *prima facie* to hold that the properties really belong to the State as the Preamble says. What reason is there, I ask, for holding that the properties belong to the State? What argument or fact has been adduced before the House to enable it to hold that it really belongs to the State? As you kindly pointed out the other day, I was also assuming that they belong to the Ruler. I confess that I was also assuming that, but I ask you to kindly consider the reason for it. In fact, I proceeded on the basis of legal presumption. I cannot pretend to say that, though *prima facie* some properties would appear and belong to the Nawab, they therefore do not belong to the State. But I was only proceeding on a *prima facie* basis. If certain properties which stand in the name of the Nawab *prima facie* belong to him—that would and should alter the structure of the Bill altogether. I submit that the property mentioned in Parts II and III, that is the Government Securities and the Shares, stand in the name of the Nawab. With regard to items in part I, they stand in the name of officials. I wish here to abandon one of my amendments, that is amendment No. 7, about the declaration of title of property standing in the name of the Private Secretary, because I want to make matters short. There would be certain other consequential amendments in the other Parts; I have noted them and handed them over to you, Sir, for your kind consideration.

The most important thing on which I want to concentrate is the category of properties in Parts II and III. They are all Government Securities or Shares in companies. They all stand in the name of the Nawab. I ask you, Sir, and ask the House and the Law Minister as to whether the presumption is proper, *prima facie*—subject to what may be found as a fact after due investigation—whether, *prima facie*, we can take it that this property belongs to the Nawab? If that is so, then the wording in the Preamble that they belong to the State would be absolutely improper. It may in fact ultimately turn out to be property of the State, but it is impossible, without any evidence or any material, for us to accept that fact at this stage. Had this been purely an act of State—as an act of confiscation or the like—that would have been an entirely different matter. But the matter comes up before this House for legislative sanction. Therefore, we have to consider and test the position on general principles of law.

I submit, Sir, these properties *prima facie* belong to the person in whose name they stand. That is a well-known and well-established legal proposition for which I will not take the time of the House by citing any authorities. If that is so, then the very basis for clause 3 absolutely goes. In fact, if we are not permitted without any evidence whatsoever, to assume that they are properties of the State, then the very basis of clause 3 goes.

There is the mention that “Notwithstanding anything contained.....”

The Honourable Dr. B. R. Ambedkar: Sir, for my own understanding I should like to know what are the amendments which are being discussed.

Mr. Speaker: Amendments Nos. 6 and 8—deletion of the words, “His Highness the Nawab of Junagadh, or”, and of the words, “or any other person whatsoever”, from clause 3. He is abandoning amendment No. 7.

May I point out to the Honourable Member one aspect, as it appears to me here? As I see it, the object of this legislation is not to declare any of the properties of the Nawab Saheb as the properties of the State. Am I clear? It is not the object to say or declare by this legislation that, certain properties are properties of the Junagadh State, but at the most, according to the point of view which the Honourable Member is urging, they are assuming them to be

[Mr. Speaker] the property of the State, and the object of the Bill is merely to vest these properties or give the Administrator certain rights in respect of these properties. That is the object. As a matter of fact, if these are not the properties of the State, the legislation is not going to affect the rights of the Nawab Saheb, whatever they may be. Therefore, it is no use for this House to go into a discussion as to whether a particular property is or is not the property of the Nawab Saheb. That cuts at the very root of the argument which the Honourable Member is urging and if he really wants by his long Preamble to establish the *prima facie* presumption, perhaps he is himself curtailing the rights of the Nawab Saheb by introducing the question of fact, because the Preamble says: "belonging to the said State". In fact, if the Preamble is left as it is, the Nawab Saheb's position with reference to the property being private property or not is much better and safer than otherwise. That is how *prima facie* it appears to me. Therefore, this discussion about the ownership does not, to my mind, seem to be relevant for the present purposes. That is my view of the matter.

The Honourable Dr. B. R. Ambedkar: If I may say so, the whole Preamble is a very ironical Preamble.

Mr. Speaker: That again is there. As a matter of fact, for various reasons it could be ruled out of order, but I am just trying to state to the Honourable Member what seems to me the proper view about this legislation.

Mr. Naziruddin Ahmad: Yes, Sir. I quite agree that the gist is the vesting of the property, but the declaration that they belong to the State is the foundation of that vesting under Clause 3. The vesting of the property is justified on the sole assumption that the properties belong to the State. Whether it affects the owner, namely, the Nawab adversely or beneficially is a matter with which I am not particularly concerned. The question is one of jurisprudence. I submit, Sir, that in order to justify Clause 3, it is necessary first of all to hold that the properties belong to the State. It is in this way that my argument against the declaration of the ownership of the State becomes relevant. Otherwise not, I quite admit.

Then, Sir, the argument that the Bill merely vests the properties in the Administrator and does not touch the question of title is not a very sound argument in view of the fact that the Courts of law are absolutely precluded by another clause from looking into the matter and parties, whoever they may be, whether the Nawab or anybody, having equitable interests or the Banks or other parties concerned, they have no right to approach the Court. It is by a joint operation of this declaration of title, the vesting and the prohibition of entry into courts that creates the difficulty. It is for this reason that it is necessary—in order to understand clause 3—to change the declaration. I beg to submit the declaration is the foundation upon which, the very justification upon which, and the very legal basis upon which, clause 3 is based.

I do not want to prolong the matter. The matter is of importance as a matter of principle. How can you; why should you, vest the properties in the Administrator who represents the State as distinct from the Nawab Saheb; how can you so vest properties which apparently belong to the Nawab? That is the mistake. That is the legal injustice which clause 3 perpetuates. It is for this reason that its very foundation should be considered, and the justification, the reason, the argument behind Clause 3 is that these properties belong to the State. If I can show apparently on a plain reading, on a plain consideration of Parts II and III of the Schedule that they do stand in the name of the Nawab and therefore they are *prima facie* his property,—if I can show

that, then the legality or validity of the declaration goes, and with that, I submit respectfully, the need, or the justification for, vesting the same in the State also goes. It is from this point of view that I was humbly submitting my argument before the House.

Sir, am I right in assuming,—I know I am assuming certain things,—would anyone be right in assuming, that properties mentioned in Schedules II and III—the Government securities and the shares standing in the name of the Nawab and belong to the State? Sir, I submit, it is this.....

Mr. Speaker: I think he has already made this point. It will be repetition if he goes on.

Mr. Naziruddin Ahmad: It is only because there have been several breaks in the argument that it unconsciously came out. I am sorry for the repetition.

But, I submit, Sir, if that is so, then how could we say that the properties really belong to the State as distinct from the Nawab? If we cannot say so, then how can we justify the acceptance of Clause 3?

You will be pleased to consider another aspect of the matter. It is said that the property described in the Schedule, whether in the name of the Nawab of Junagadh or any other person, i.e. persons other than the Private Secretary—the Manager or Engineer-in-Chief of Junagadh State or the Dewan of the State—apart from these, there are certain properties standing in the name of the Nawab of Junagadh. The words "or any other person", are inappropriate. These are really operative words, because the Schedule would be nothing. It would be merely a list. There is nothing to declare that the properties listed therein belong to anybody except by the operative words, that "properties standing in the name of His Highness the Nawab of Junagadh or persons other than the officials" vest in the Administrator. It is from this aspect that I was considering the removal of these words and it is to make the point clear that I was referring to the Schedule and when I was, I submit, hastily rebuked by the Honourable Minister that I did not understand the effect of the words in clause 3. I respectfully submit that I fully understand the effect of the descriptive words in clause 3; if I don't understand, you would be pleased to let me know and I shall be glad to admit that before the House, because I cannot be above the general level of the House. I should rather be content to be below the level of the House. Sir, I shall depend more upon argument than upon the authority which my voice can carry. I submit Clause 3 cannot be accepted. We have to decide things on judicial considerations. Our decisions and our verdict will affect Courts and we cannot reject and absolutely debar judicial considerations in weighing our decisions. I therefore submit that these words are not only unnecessary, but to vest properties of individuals in a State which is distinct from the individual does this injustice, this illegality and irregularity that is being committed through Clause 3.

With regard to the Honourable Minister's comment that the amendment of the Preamble is an ironical statement, I fully agree that it is so. Can anyone help being ironical in seeing the huge legal farce that is made? I submit it is a huge legal farce. If you say as a sovereign State that the Nawab had committed a certain wrong, then you can in executive capacity certainly confiscate his property. By all means, hang him; declare war against him; shoot him; but an impartial House like this will have nothing to do with it. The House will have to be aloof from such transactions. The consideration or the opinion of the House will not be required at all to justify such an act. You confiscate, that is what you are going to do, but you do not admit it. You take shelter under the convenient declaration that the property belongs to the State. This is a false declaration; You take shelter under an untrue statement and you want to really confiscate the property. If you do so, I think it would be all right because confiscation raises other considerations.

[Mr. Naziruddin Ahmad]

But, Sir, I beg to submit that this House cannot allow that course. In fact you can confiscate. I have asked by an amendment to the Preamble and I have attempted to justify the act, as an act of confiscation. That will be a different matter. We shall then know where we stand. We shall then know whether the consent of the House is being attained on proper grounds. This is in a word the basis of the objection which I am raising. It may well be that, as you pointed out, the position that I have taken will not be very beneficial to the Nawab. The Bill may in fact be more beneficial to him, but we are concerned not with the interests, the advantages or disadvantages of the Government or the Nawab, but we are concerned with the judicial considerations. Constitutional principles must stand higher than question of private interests or convenience or inconvenience. It is from this higher stand-point that the matter should be considered. I therefore submit that the properties apparently belonging to the Nawab cannot be allowed to be vested in the Administrator.

Then with regard to amendment No. 8, I think the words "or any other person whatsoever" are absolutely inappropriate. I shall explain the reason. Clause 3 says: "the property described in the Schedule whether in the name of His Highness the Nawab of Junagadh or the Dewan or the Private Secretary to His Highness the Nawab of Junagadh or the Manager and Engineer-in-Chief, Junagadh State Railway, or the Chief Accounts Officer, Junagadh State, or any other person.", but I shall ask the Honourable Minister to tell me what "any other persons" are possible, what room there is to mention "any other person". In fact Part I gives a list of five bank deposits and names of particular officials. There is no other person. Then Part II consists of eleven items all of which stand in the personal name of the Nawab whether by name or by title, but is the same person. There is no room for "any other person" and then Part III consists of two shares only which also stand in the name of the Nawab. I think that these words "or any other person" are wrongly introduced and there is really no scope for them. There may be any hidden need, but so far as the apparent need is concerned, there is no such thing and there is no room. Every item has been defined and the ownership is also specifically stated. There is no room for these words and they should therefore be deleted.

Shri K. Santhanam: I may point to the Honourable Member that we have tabled an amendment seeking permission for the addition of any new property which may be found for which this particular thing "by any other name" will be required.

Mr. Speaker: We are having a repetition of the same argument in one form or the other. The Honourable Member's argument does not carry the matter any further. The arguments have been repeated over and over again. But the reason is obvious that, on the date on which the Administrator took possession of these states, although they may be standing in the name of various names shown in the schedules, they vested in him. These are negotiable securities and one does not know in whose name they will be, when the time for operation comes. It is to avoid illegal or fraudulent transfer from one name to another to escape the result of this legislation that the words "or any other person" are put in. If that is correct, then it seems obvious that we need not go into that argument. The amendments are based on the principal that *prima facie* it does not appear to be the property of the State but of the Nawab Sahib and therefore should not be a subject-matter of this Bill. That seems to be in short the argument. So I would like him to bring his remarks to close as soon as possible.

Mr. Naziruddin Ahmad: I think it is far better to finish the point altogether but.....

Mr. Speaker: I hope there will be no further argument again on the Preamble.

Mr. Naziruddin Ahmad: I respectfully admit the force of the observations which you have just now made about the words "or any other person" but the suggestion of my Honourable friend Mr. Santhanam that the words "or any other person" was justified by an amendment subsequently thought of and tabled as a justification for the words, is absolutely absurd. In fact, I have carefully considered that amendment. That amendment merely states that the Government may insert other things in the Schedule. My learned friend Mr. Santhanam's argument does not carry conviction, but I bow down to the weighty observations which you have just now made. Then the question therefore reduces itself to this: "Why on earth are we going to confiscate his property?" If you do so, why not say so? If you confiscate his property, it must be on adequate considerations on questions of international law and other considerations, but I submit that no such consideration has been advanced. In view of your observations about the words "or any other person", I should also not press amendment No. 8. By the weighty observations which you have kindly made, I think that matter has been sufficiently clarified. But the substantial question still remains and that is whether the properties standing in the name of the Nawab should be vested in the State. Then with regard to the observation that you kindly made that it may be that there may be fraudulent transfers; but what justification will there be for holding them to be fraudulent transfers? And then what justification is there to debar the jurisdiction of Courts? I shall merely mention the tremendous effect of clause 3. It is guarded by the Preamble; It is again guarded on the other side by prohibition as to Courts. With regard to this matter I wish to submit that the Nawab should not be deprived of his remedies in this most surreptitious manner. That is all I wish to submit. I am very grateful for your forbearance and the forbearance of the House, but the repetition was inevitable in view of the several breaks, not only by interruptions but also by interventions of time. That is the reason why this took place. The whole abstract question which arises may perhaps be illustrated by an example. During the unfortunate disturbances in Delhi a rich man ran away leaving some moveables, a young wife and a servant. The servant applied to the Chief Commissioner to take care of the properties. An evacuee who needed a residence was selected as the Administrator and was put in possession. He soon came to a person in authority. He said, "I want to be clothed with legal authority over the properties or I shall be regarded as a thief, robber and a dacoit",—to quote the Honourable Minister's words. "Well, I shall declare your title and fully legalise your possession" said the person in authority, and gave him a letter of authority. He returned a few days later and asked for some pucca permanent document. "Well, I will get the Constituent Assembly of India to pass an Act recognising your title", said the person in authority. The Administrator stood undecided for some moments. "Well, you doubt the legality of the proposition?" said the person in authority. "But my word is law, for I am the Minister of legal wisdom in India." Encouraged beyond expectations by this enthusiastic support the Administrator cautiously suggested: "What about the runaway's wife? She is very pretty and useful, how can she be mine? She is a married woman and he has a marriage certificate." "Well, you have raised a difficult constitutional question" observed the person in authority, "but my word is law which no one can dispute, and I shall get the Assembly to agree. You see, they do not understand these things. I shall cancel the original marriage certificate and issue a duplicate certificate to you".....

Shri K. Santhanam: Sir, on a point of order, I think these remarks are calculated to cause contempt and disrespect to this House. He cannot accuse this House of dealing with such matters or of conniving at such procedure.

Mr. Naziruddin Ahmad: That is my way of looking at it.

Mr. Speaker: The objection is not to the way of looking at it but to the way it is expressed. I think the Honourable Member is perfectly right. The insinuation is not one which should be made; he himself is a member of the Constituent Assembly.

Mr. Naziruddin Ahmad: That is how the Honourable Minister looks upon some members. The whole thing is that there is a title deed standing in the name of the Nawab.

Mr. Speaker: That is the same argument repeated over again, and perhaps in a bitter and derisive manner which does not go to maintain the dignity of the House.

I will put the amendment to the House. Amendment moved:

"That in sub-clause (1) of clause 3 of the Bill, the words 'His Highness the Nawab of Junagadh, or' be omitted."

مولانا حسرت موہانی: جناب عالی! کل ہمارے لا منسٹر صاحب نے چند باتیں ایسی کہیں کہ جن کو سننے کے بعد مجھ کو چند الفاظ بیان کرنے کی ضرورت واقع ہوئی۔ ورنہ میرا رد اس معاملہ پر بولنے کا نہیں تھا۔ سب سے پہلی بات جو انہوں نے اپنے کلیمز claims کو ثابت کرنے کے لئے کہی وہ یہ تھی کہ نواب جونا گڑھ نے خود انڈین گورنمنٹ سے درخواست کی کہ وہاں کا ایڈمنسٹریشن وہ سنبھالیں۔ اس لئے اس سے زیادہ کیا کلمہ claim ہو سکتا ہے۔ لیکن میں یہ پوچھنا چاہتا ہوں کہ جب اُس نے پاکستان کو accede کیا تھا۔ اور خود نواب اور دیوان کراچی میں گئے تھے۔ تو ان حالات میں گورنمنٹ آف انڈیا کو وہاں کا ایڈمنسٹریشن انہوں نے کیوں سہرہ کیا۔ اس کی جو ایک وجہ ہے وہ یہ کہ آپ کے سامنے بیان کرتا ہوں۔

Mr. Speaker: I am afraid that this question is not relevant at all.

مولانا حسرت موہانی: جناب عالی! نواب صاحب نے خود جونا گڑھ کا ایڈمنسٹریشن انڈین گورنمنٹ کے سہرہ دیا۔ یہ تھوک ہے۔ اور جو اس کی وجہ ہے وہ میں ایک منٹ میں بیان کرتا ہوں۔ اصل قصہ یہ ہے کہ بستی کے چند آدمیوں نے اپنی طور پر ایک Provisional گورنمنٹ بنا کر نواب صاحب جونا گڑھ کی جتنی پراپرٹی وہاں پر تھی اُس کو ضبط کر کے ایذا قبضہ کرنا شروع کیا اور جس پراپرٹی پر اُن کو authority نہیں تھی اُس کو dispose of کرنا شروع کیا تھا۔ اور اس طرح سے وہ اُس کی پراپرٹی کو برباد کرنے لگے تھے۔ اسی وجہ سے نواب جونا گڑھ نے less evil کے طور پر آپ کے انصاف پر بھروسہ کر کے یہ بہتر خیال کیا کہ جونا گڑھ کا ایڈمنسٹریشن گورنمنٹ آف انڈیا کے سہرہ کیا جائے۔ جتنی جائداد اُس کی وہاں پر تھی اُس پر بستی کے چند لنگوں نے ایک پریویژنل گورنمنٹ بنا کر قبضہ کرنا چاہا تھا۔

Shri Krishna Chandra Sharma: Sir, Lafanga is not a parliamentary word and I think the Honourable Member should not have used it.

Mr. Speaker: Yes. He should withdraw that word.

Maulana Hasrat Mohani: Sir, I withdraw it.

مولانا حسرت موہانی: تو جب بستی کے چند آدمیوں نے اُس کی جائداد پر قبضہ کرنا چاہا تو نواب صاحب نے آپ کے انصاف کا بھروسہ کیا۔ اُنکا خیال تھا کہ آپ اُن لوگوں کو ایسا نہیں کرنے دیں گے۔ لیکن جو کچھ وہ لوگ کرنا چاہتے تھے آپ اُس سے زیادہ کرنا چاہتے ہیں۔ ایک شعر اُردو میں ہے۔ اور جب ایسی باتیں ہوا کرتی ہیں اور اس قسم کے واقعات پڑھ آتے ہیں وہ ٹھیک fit in کرتا ہے۔ وہ شعر یہ ہے۔
میں نے چاہا تھا کہ حاکم سے کرونگا فریاد
وہ بھی کمبخت تیرا چاہلے والا نکلا

انہوں نے تو آپ کے سپرد وہاں کا ایڈمنسٹریشن اس لئے کیا تھا کہ وہ اُس پراویژنل گورنمنٹ کے مظالم سے بچ جائیں۔ لیکن آپ تو اُن سے بھی زیادہ بے انصافی کرتے ہیں۔ کیا اسکا یہ مطلب ہے کہ نواب یا دیوان یا پراویٹ سکریٹری کا کوئی بھی اب claim نہیں ہے۔ کہ وہ اپنے claims کو عدالت میں لے جائیں۔ آپ یہ کہتے ہیں کہ اس بل سے کوئی فبقی نہیں پڑتا ہے۔ اور اُن کو حق حاصل ہے کہ وہ اپیل کر لیں۔ لیکن میں یہ کہتا ہوں کہ اس بل کی رو سے اُن کو کوئی حق ایسا کرنیکا نہیں رہ جاتا ہے۔ یہ آپ اُن پر ایک قسم کا آرڈیننس جاری کر رہے ہیں۔ اُن کا یہ حق باقی رہ جاتا ہے کہ وہ ہائی کورٹ میں Habeas corpus کے لئے اپیل کر سکتے ہیں۔ لیکن یہاں پر آپ یہ پاس کر رہے ہیں کہ ہائی کورٹ کو اپیل سننے کا کوئی اختیار نہیں ہے۔ تو اس حالت میں Habeas corpus کا اگر حق باقی رہ بھی جاتا ہے تو وہ meaningless ہے۔ ہمارے آرڈینل لا منسٹر کہتے ہیں کہ آپ اس کو سمجھ نہیں سکتے ہیں۔ میں اُن سے یہ کہونگا کہ آپ خود نہیں سمجھ رہے ہیں۔ یعنی اس کا مطلب یہ ہے کہ آپ ایک طرف تو یہ کہتے ہیں کہ کوئی عدالت اُن کے معاملہ کو سن نہیں سکتی ہے۔ اور دوسری طرف آپ کہتے ہیں کہ اُن کا حق باقی ہے۔ اور وہ اپیل کر سکتے ہیں۔ اور اپنے حق کو قائم کر سکتے ہیں۔ لیکن میں یہ کہونگا کہ ہرگز ہرگز اُن کو ایسا کوئی حق باقی نہیں رہ جاتا ہے۔

اب ایک اور بات ہے وہ یہ کہ سمجھ لیجئے کہ آپ نواب جونا گڑھ کو خارج کرنا چاہتے ہیں یا نکالنا چاہتے ہیں۔ تو میرا اس سے کوئی تعلق نہیں ہے۔ لیکن میں آپ سے یہ کہتا ہوں کہ International Law میں دنیا کے کسی ملک نے اس قسم کی کارروائی جیسی کہ آپ کرتے ہیں نہیں کی ہے۔ مثال کے طور پر میں سلطان ترکی کا واقعہ بیان کرتا ہوں۔ حالانکہ وہ خلیفہ مسلمان تھے لیکن اُن کو ترکی سے نکل دیا گیا۔ اُنکی ساری

[مولانا حسرت موہانی]

جائداد ضبط کر دی گئی اور جو کچھ سٹیٹ کی جائداد تھی وہ لے لی گئی۔ لیکن جتنا سرمایہ اُنکا اپنا دوسرے ممالک کے بنکوں میں تھا۔ آج تک کسی کی ہمت نہیں ہوئی کہ اُس پر کوئی claim کر سکے۔ کیا ترکی گورنمنٹ جو اُن کے lawful successors تھے اُن سے یہ نہیں لے سکتے تھے؟ لیکن ایسا نہیں کیا گیا اور سلطان عبدالحمید کی اولاد کا جتنا روپیہ فہر ممالک کے بنکوں میں تھا اُس کو اُن کی پرائیویٹ جائداد خیال کیا گیا۔ اور ترکی گورنمنٹ نے اُس پر اپنا حق قائم نہیں کیا۔

میں اپنے دوست مسٹر نظیر الدین احمد کے ان الفاظ کو دہواتا ہوں جو کہ انہوں نے بیان کئے ہیں کہ آپ کہتے ہیں کہ "my word is law" لیکن میں یہ کہنا چاہتا ہوں کہ ہم اس چیز کو ہوگز برداشت کرنے کے لئے تیار نہیں ہیں۔ اگر آپ کو اپنا claim قائم کرنا ہے تو

"You are free to go to High Court and establish your claim. The Nawab will also be free to go to High Court to establish his claim and failing that we will go to Federal Court and establish our claim there. What right have you got to preclude any court to take any action or hear any claim on behalf of any body?"

میں اُن چند الفاظ کے ساتھ اپنے معزز دوست نظیر الدین صاحب کی تائید کرتے ہوئے ایک بار پھر آنریبل لا منسٹر کی Sense of justice کو اپیل کرتا ہوں۔ کہ ایسی بات نہ کی جائے۔ کہ جو آج تک دنیا میں نہیں ہوئی ہے۔ آپ ایسا کریں جس سے کہ ظاہر ہو کہ آپ انصاف کرتے ہیں۔ آپ تو انصاف کرنے کا دعویٰ کرتے ہیں۔ اُس لئے آپ کو چاہئے کہ اُس پر عمل کریں۔ جو دو متضاد چیزیں آپ اس بارے میں عمل میں لارہے ہیں وہ نہیں چل سکتی ہیں۔

(English translation of the above speech)

Maulana Hasrat Mohani: (U.P.: Muslim): Sir, yesterday our Law Minister made certain observations which I feel necessary to reply to in a few words, otherwise I had no intention of speaking on this matter.

The first thing that he said to prove his claims was that the Nawab of Junagadh himself requested the Government of India to take over the administration of his State. What better claim could there be than this? I want to ask, since the Nawab had acceded to Pakistan, and he and the Dewan left for Karachi why did they under such circumstances entrust the administration of the State to the Government of India. I am laying before the House a reason for this.

Mr. Speaker: I am afraid that this question is not relevant at all.

Maulana Hasrat Mohani: Sir, it is true that the Nawab Sahib himself entrusted the administration of Junagadh to the Government of India. I am telling you its reason in a minute. The fact is that a few persons from Bombay informally set up a Provisional Government. They took possession of Nawab Sahib's property and began to dispose it of. In this manner they started

destroying his property, and only for this reason as a lesser evil and trusting your sense of justice the Nawab of Junagadh thought it better to entrust the administration of Junagadh to the Government of India. Having formed a Provisional Government some *Lafangas* (Loafers) of Bombay wanted to take possession of the whole of his property.

Shri Krishna Chandra Sharma (U.P.: General): Sir, *Lafanga* is not a parliamentary word and I think the Honourable Member should not have used it.

Mr. Speaker: Yes, he should withdraw that word.

Maulana Hasrat Mohani: Sir, I withdraw it. When a few persons of Bombay wanted to take possession of the whole of his property the Nawab Sahib trusted in your sense of justice. He thought you would not allow them to do so. But, you want to do more than what they wanted to do. There is a verse in Urdu poetry, and that exactly fits in when such things happen and such events occur. That verse is:

"Men no cháhá thá keh hakím so 'karungá fayyád
woh bhi kambakht terá cháhne walá niklá"

I wanted to comply to the Magistrate of my beloved's apathy towards me; but the wretched Magistrate himself proved to be in love with my beloved.

The Nawab entrusted the administration of his State to your care in the hope that he would be protected by you from the tyrannical acts of the Provisional Government. But you surpass them in doing injustice. Does this mean that there is now no right of either the Nawab, the Dewan or the Private Secretary to take their claims to a Court? You say that this Bill makes no difference in their right to appeal. But I say that in the face of this Bill they are left with no right to do so. You are imposing a sort of ordinance upon them. The only right they are left with is to appeal, to the High Court in *Habeas Corpus*. But here you are passing that the High Court has no authority to hear the appeal. In such circumstances if any right for *Habeas Corpus* at all is left it is meaningless.

The Honourable Minister of Law says "you cannot understand this matter". I will say to him "you are not understanding yourself". All what it means is that on the one hand you say that no court can hear their complaint and on the other you say that their right still remains and they can appeal, and can establish their claim. But I will say that absolutely no right of appeal is left to them.

There is one more matter. Supposing you want to dethrone or to turn the Nawab of Junagadh out of his State. I have no concern with this matter. But I may tell you that no country in the world so far as International Law is concerned had taken such an action as you have taken. For instance I may refer to the case of the Sultan of Turkey who though he was the Caliph of Muslims yet he was turned out of Turkey. The whole of his property was confiscated, and the State property that was in his possession was seized. But no one could venture to lay claim over his personal wealth which he had in deposit in the banks in foreign countries. Could not the Government of Turkey, the lawful successors, take it from him? But it was not done. All money belonging to the descendants of Sultan Abdul Hamid which was in the banks of foreign countries was considered as his personal property and the Government of Turkey did not lay their claim for it.

I repeat the words of my friend Mr. Nazir-ud-Din Ahmed who said that your word was law. I wish to say that we are not at all prepared to tolerate this! If you have to establish your claim "you are free to go to the High Court and establish your claim. The Nawab will also be free to go to High Court to establish his claim and failing that we will go to Federal Court and establish our claim there. What right have you got to preclude any court to take any action or hear any claim on behalf of any body."

[Maulana Hasrat Mohani]

With these few words in supporting my Honourable friend Mr. Nazir-ud-Din's motion I once again appeal to the sense of justice of the Honourable Minister for Law and say that no such thing should be done which has not been attempted in the world so far. You should so behave as to show that you are doing justice. You claim to do justice, you should, therefore, do what you say. The two inconsistent nistic policies which you are following at present in this matter will not do.

Shri K. Santhanam: I have reason to express my surprise and disappointment at the manner in which the Honourable Member has attempted to deal with this Bill. No one can have any objection to his opposition to the Bill or his advocacy of the cause of the Nawab of Junagadh. But he has attempted in various ways, direct and indirect, to misrepresent the object of the Bill and to attribute motives to the Government which has brought forward this Bill.

If you look at the statement of objects and reasons it is said:

"Shortly before this His Highness Nawab of Junagadh left the State and took away with him considerable property belonging to the State including securities and shares. These were in the name of His Highness the Nawab but are the property of the State. In order to remove all doubts as to the State's title to the said securities,"

This Bill is brought because unless this Bill is passed there is danger of the entire amount being frittered away by the Nawab. By vesting it in the hands of the Administrator nothing happens. Even if the Nawab comes back or if part of the amounts are found to be his private property, there is a chance of its being restored. But if it is frittered away, then the people are deprived of the entire property. It is to safeguard the public interest in this property that this Bill is brought forward and I do not see how anyone can object to it. If afterwards however the Nawab comes back or if he puts forward a claim that certain properties belong to him, there is always a chance for a remedy. But if the Bill is not passed the whole thing will go out of the hands of the people and the State. Therefore, the Bill is quite essential and it is not right to say that it is a sort of autocratic confiscation and that this democratic legislature is trying to do something very immoral or abnormally wrong in passing this Bill: and that is wholly unwarranted, and I suggest that this House.....

Maulana Hasrat Mohani: And why?

Shri K. Santhanam:should pass this Bill.

Maulana Hasrat Mohani: Why is it unwarranted?

Mr. Speaker: Order, order.

The Honourable Dr. B. R. Ambedkar: I had to a large extent replied to the arguments which were urged by my friend, Mr. Naziruddin Ahmad the day before yesterday when he tabled this amendment to sub-clause (1) of Clause 3. I do not think I have anything to add to that. I told him the day before yesterday that so far as I am able to read Clause 3, or the Preamble to which he has made reference, I certainly do not see any evidence or even a ground for suspicion that the Government of India proposes to confiscate for its own use the securities which are mentioned in this Schedule.

Mr. Naziruddin Ahmad: I did not say for his own use but for the use of the State of Junagadh.

The Honourable Dr. B. R. Ambedkar: As I pointed out to him the day before yesterday that the Government of India does not even propose by the words they have used in Clause 3 or in the Preamble to erect in the very body of the Statute what is called an "irreversible presumption" which would not be within the ambit of Clause 6 contained in this Bill and by which it would not be possible for anybody, including even the Nawab of Junagadh to claim before the proper authorities such right, title and interest as he may possess.

All that we are doing by this Bill is to invest these properties in the Administrator. He asks: "Why does he want to invest it?" The answer is a very simple one. Because unless they are exclusively vested in the Administrator he would not be able to deal with the property in the banks and others who have custody of this will not be able to deal with it and other people may be free to deal with this property: they may squander away the money, as my friend, Mr. Santhanam has pointed out. This is what the Bill seeks to do, and the fear that he has expressed that the Government of India has a sort of clandestine motive, which they are not prepared to avow openly, that they wish to confiscate this property of the Nawab, is purely a figment of the imagination. If he will permit me to say so. Therefore, I do not think that his amendment is necessary and I am not prepared to accept it.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 3 of the Bill, the words 'His Highness the Nawab of Junagadh, or' be omitted."

The motion was negatived.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (a) of sub-clause (2) of clause 3 of the Bill,—

(i) the comma after the word 'deposits' be omitted, and

(ii) the words 'securities and shares' be omitted."

These words according to the line of reasoning which I have adopted are unnecessary and should be deleted. With regard to the comma, it is to restore the linguistic balance of the sentence in case the substantive amendment is accepted.

Mr. Speaker: But the question will arise, whether, in view of the rejection of the other amendments, this is permissible.

Mr. Naziruddin Ahmad: If it is rejected on that ground I have no grievance. The whole matter has been argued.

Mr. Speaker: Therefore, I cannot put it. It becomes inconsistent.

Mr. Naziruddin Ahmad: I agree.

Mr. Speaker: Now about the punctuation.

Mr. Naziruddin Ahmad: That does not arise in view of the rejection of the substantive amendment.

Mr. Speaker: I do not accept it as admissible in view of the previous decision of the House with regard to amendment No. 6.

The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I now move my amendment for the deletion of clause 4.

Mr. Speaker: The Honourable Member need not move it. He can oppose the clause.

Mr. Naziruddin Ahmad: All right. It is the same.

Clause 4 provides for issuing duplicate securities in respect of Government securities. Perhaps the securities are with the Nawab and therefore duplicate securities are being authorised in order to protect the Reserve Bank and prevent it as a banker from performing the obligations imposed upon a banker in a

[Mr. Naziruddin Ahmad] matter of this description. I submit that the issue of duplicate securities is another indirect way of preventing the functioning of the ordinary right of an individual in whose name properties stand. In fact it is indirectly attempting to prohibit him from using the properties in his own way. I submit that this is a thing which cannot be allowed.

Mr. Speaker: In fact the whole argument is over.

The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Mr. Speaker: The amendment on this clause is the same following the same course and is barred by the previous decision. Even the arguments will be the same. The amendment is consequential to his scheme of amendments. Even if it may not be so barred technically, any further arguments on the question are barred.

Mr. Naziruddin Ahmad: I merely would mention the fact that clause 5 is equally objectionable in that it prohibits transfer of shares. It is trying to force upon a man certain obligations which the ordinary law does not impose upon him. No justification or reason has been assigned as to why the ordinary right of dealing with property can or should be prevented. With these words I oppose clause 5.

Mr. Speaker: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I have a substantive amendment. I have handed over to you a corrected draft. In fact I have conceded certain matters during argument and I do not wish to incorporate those portions which I had relied upon to remain in this amendment. I beg to move:

"That for clause 6 of the Bill, the following be substituted:

'6. *Suits*.—(1) The Administrator, His Highness the Nawab of Junagadh or any other person claiming any right, title or interest to Part I of the Schedule, may institute a suit in respect thereof in the High Court of Bombay.

(2) The Administrator, the Reserve Bank of India or any other person claiming any right, title or interest in the securities described in Part II of the Schedule may institute a suit in the said High Court for a declaration of title or other appropriate reliefs in respect thereto.

(3) The Administrator, the companies described in column 2 of Part III of the Schedule, and any other person claiming any right, title or interest in the shares described in the said Part may institute a suit in the said High Court for a declaration of title and other appropriate reliefs in respect of the same.

(4) An appeal shall lie to the Federal Court of India against any decision of the High Court under sub-sections (1), (2) and (3) and its decision shall be final.

(5) Except as otherwise provided in this section, no suit or proceeding shall lie in any other Court."

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

* *The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.*

Mr. Naziruddin Ahmad: Sir, I have proposed my amendment to clause 6. With regard to clause 6 my contention is that it bars all suits in respect of any property described in the Schedule. I was extremely amused when I was told by the Honourable the Law Minister and by Mr. Santhanam that it is not the object of the Government to expropriate anything but keep it in the hand of the Administrator and vest it in him so that the property may

not be frittered away; that the property may be taken for the use of the state if it ultimately turns out to be the property of the State or returned to the Nawab if the property really belongs to him; that it is not the object to bind him hand and foot to any decision that the Government might take. The effect of sub-clause (1) of the clause 6 of the Bill is that it prevents all suits, it prevents the jurisdiction of all Courts from deciding anything in respect of the properties described in the Schedule. I think it completely bars the jurisdiction of Courts. I shall read sub-clause (1). It says:

"No Court shall have jurisdiction to entertain any suit or other proceeding in respect of any of the property described in the Schedule or to enforce any liability in respect thereof, otherwise than at the instance of the Administrator."

Sir, can there be anything more fantastic? It is said that the Administrator will hold all the property which are for that purpose to be vested in him. Yet it is here provided that no suit shall lie 'except at the instance of the Administrator'. Why on earth will the Administrator go to court? He has the property in his hand, vested in him by the authority of this Bill. For what purposes are the properties vested in him under clause 3? It is that he is entitled to have power to deal with and dispose of the said property "as such Administrator". I say that the property belongs to the State; you vest the property in the Administrator and you say that he shall have power to deal with and dispose of the property as such Administrator for the purpose of the State. And you say in clause 6 that no Court shall have jurisdiction to entertain any suit in respect of any of these properties. No suit lies in respect of any property described in the Schedule; and if there was anything of a gap it is said "or to enforce any liability in respect thereof"; and the most fantastic thing is the expression "otherwise than at the instance of the Administrator". If any suit is to lie it should only be against the Administrator and not at the instance of the Administrator. Yet power is given to institute a proceeding 'at the instance' of the Administrator. I have never seen anything more fantastic than this. He would be the defendant. He holds the property in his custody vested in him by law. He holds the whip hand and does not need to go to Court. And yet it is provided that a suit must lie only 'at the instance' of the Administrator! (*Maulana Hasrat Mohani*: "Hear, hear"). Why not at the instance of other parties, Sir? But they are barred. I would respectfully ask the Honourable the Minister for Law just to point out whether there is any way for any party other than the Administrator in his own right to go to Court with a view to getting any relief. If it is the object to expropriate the property, to confiscate it, do so in the ordinary way. Then other considerations will appear. Mere declaration that the property belongs to the State is most indirect and I do not think it is quite honest.

While addressing the Minister for Law with regard to this I certainly do not make any reflection on him personally. His intellect, his legal sense, I feel, is against clause 6, against the very spirit of the Bill. But after all, he is an official and he has sometimes reluctantly to support the decision of the Cabinet before whom these considerations may not have been submitted. What an individual as such cannot do a Minister has to do.

Prof. N. G. Ranga (Madras: General): Poor man!

Mr. Naziruddin Ahmad: Poor man as Professor Ranga describes him, he has to do according to the decision of the Cabinet, or perhaps the Department. In these circumstances I appeal to Dr. Ambedkar, the great author, the great lawyer, the great scientist, a brilliant student.

Shri H. V. Kamath (C.P. and Berar: General): And great what not.

Mr. Naziruddin Ahmad: And great what not, as Mr. Kamath suggests, I appeal to him to tell me and I appeal to you, Sir, to tell me—and I shall sit down, withdraw all objections and apologize to the House for having taking

[Mr. Naziruddin Ahmad]

its time—is there any way for any person which allows him to go to Court to have his claim decided?

After all, what is the hesitation, what is the fear in coming to Court? Are you afraid of the Court? I believe that a man who is wholly unsophisticated will suspect that the Honourable Minister is afraid of going to Court because in a Court of law he has no legs to stand upon. It cannot be that he really suspects the integrity or the intellectual powers of the Court. I have in my amendment suggested that a suit might be instituted in the Bombay High Court, which is absolutely beyond suspicion, and then provide an appeal to the Federal Court. Can you say with any show of justification or decency that this Court even cannot be trusted? If your case is really good, can you not trust the High Court of Bombay and the Federal Court on appeal to say so? It is because you are conscious of some real difficulty in trusting the Court to call a spade a spade, that you do not want to do that. Am I not justified in trying to incorporate in the Preamble this ironical suggestion? The irony lies in this. You say the Administrator can sue, but he can not be sued. He is only to be sued against. So you prevent anybody from coming to Court and prevent the Court from deciding the matter, lest only by prohibiting the party from going to Court, the Court might exercise its inherent jurisdiction. So you say 'no Court will have jurisdiction'. Courts exist to decide matters but there is no authority in the Bill to do so and this is really fantastic. What is the remedy you provide? It is in sub-clause (2):

"Any claim in respect of such property by any person other than the Administrator may be submitted to the Central Government, whose decision in the matter shall be final."

So you think you are better fitted to give judicial consideration and an impartial, proper and better judgment than even the High Court or even the Federal Court. Does it not amount to suppressing the function of the Courts? That is why I was tempted to suggest not in ironical mood but in sheer bitterness all those things in the amendment.

I am proud to belong to the Indian State. I have taken the oath to serve the people of India, but I am ashamed to say this is not the way I can be really serving the people of India. After all justice is greater than 229 lakhs of rupees: that amount will not take away anything from the normal resources of the country, but I am very much concerned over the reputation of this government and the reputation of this legislature. After all we have an international reputation to maintain. We are a free nation, we have fought hard. We have suffered—not that I did much personally. I must say that I did not do much—but each member of the Government suffered much. (An

Honourable Member: "Not each Member".) In fact we cried for justice, we obtained liberty, and at the moment of victory we behave exactly as the bureaucrats would do or the British Government would do. I submit that you have not really eliminated British bureaucracy. You have only supplanted the British bureaucracy by a kind of brown bureaucracy. I submit that the principles of law and justice should be upheld. I think in a really properly constituted state, there are three functions which should be kept independent. One is the Executive. The executive must function. The second is the Legislature. The legislature must also function freely, and not merely at the instance of the Executive. Thirdly and most important is the Judiciary. Its rights, its independence and its functions should be absolutely kept intact. In a state where the executive prevails, there is no liberty: in a state where the legislature alone prevails, there is no justice: in a state where justice does not prevail, there is no liberty. After all, if you do injustice to a man, if the executive does injustice, then if he is

debarred from approaching a Court of law, he has no liberty. How could you with good grace supplant the authority of the Court? And you do not trust even the Federal Court which is sitting next door. Therefore questions much higher than Rs. 2,29,000,000, the face value of the government securities are at stake. In fact higher principles are in issue before us. I would ask every Honourable Member of the House to consider. I have had the privilege of talking the matter over to a few and I know that their silent sympathies are with these amendments.

Prof. N. G. Ranga: Question.

Mr. Naziruddin Ahmad: Question if you will. My feeling is that these general appeals for liberty and justice or appeal to Court cannot go in vain. There is of course the party machinery working, but I believe the Honourable the Law Minister will really agree with me in the innermost recesses of his heart, but I beg to submit one specific question to him. Do you keep the property in the hands of the Administrator to keep the *status quo*, as you have kindly admitted, or do you want to expropriate it in fact though not in so many words? Have you kept any judicial remedy for the party? It may be that the Nawab is bankrupt—there may be equitable rights against him with regard to these properties—nobody knows. Have you kept any loophole or the least hope for any of these people—this great vagabond and other claimants upon him,—bankers and others—for them to come to Court? You have prevented Courts from exercising their normal jurisdiction. You have prevented any man from going to it and you say the claim must be made to Government whose decision should be final. Can you ask a man who is aggrieved to go to a man for redress who has given a judgment, who has confiscated his property, can you ask the injured man to go to one who has injured him to be the judge? Can you be a judge in your own cause? That is against the principles of the Constitution. Sir, about 30 years ago there was a young cadet in the Navy.....

The Honourable Dr. B. R. Ambedkar: We do not want stories.

Mr. Naziruddin Ahmad: It is not a story, it is a fact. That cadet was believed to have committed theft and forgery, and he was dismissed. His father wanted the matter to be enquired into in his presence. That was refused. He wanted him to be prosecuted and openly tried and found guilty. That was refused. Sir Edward Carson fought for two years and with a great deal of personal effort he brought the matter to a court and the man was prosecuted. Then, after cross-examination of some witnesses, the Government who had been resisting the process all through, absolutely withdrew their objection and allowed the boy to be found not guilty. The boy joined the first world war and was killed in the cause of his country. That was the case of Archer-Shee.

This is how when even the greatest Government tried to decide their own case they were obsessed by certain preconceived ideas which it was difficult for them to shake off. So, I submit that if the Government of India, which in this case means the States Department—which again means the Secretariat, have taken a particular view, if they have committed themselves to a particular view that the properties belong to the State, is it possible for them to come to any other view?

But the matter should be decided on principles of justice, equity and good conscience. If the Honourable the Law Minister can show me or satisfy you, Sir, that there is a way to go to Court, I shall sit down and apologise.....

The Honourable Dr. B. R. Ambedkar: There is a way.

Mr. Naziruddin Ahmad: The way is to go to the Government!

The Honourable Dr. B. R. Ambedkar: If you will read it carefully, you will see there is a way.

Mr. Naziruddin Ahmad: There is an argumentative way, but so far as I can see there is no other way. In fact, if there is a way then that shows that you allow people to go to Court. I submit that if you do so, why not accept the amendment? The amendment is to the following effect.

In sub-clause (1), it is that the Nawab shall be empowered to institute a suit to the title if any. Under sub-clause (2), the Reserve Bank and the other authorities may institute a suit if they like, to declare title. The third sub-clause says that the Nawab and others interested in Part III of the Schedule may institute a suit. Sub-clause (4) says that an appeal shall lie to the Federal Court against the High Court of Bombay. The last sub-clause says that except as otherwise provided in this section, no suit or proceedings shall lie in any other Court.

Sir, if the Honourable Minister really thinks that suits should not be barred, then why not accept the amendment or some other draft on the lines of this? I believe that the opinion of the Honourable the Law Minister, expressed here even with the greatest force will not affect the interpretation in any way, but I shall ask the Honourable Minister to satisfy the Honourable the Speaker and if he is satisfied I shall be satisfied.

Mr. Speaker: Amendment moved:

"That for clause 6 of the Bill, the following be substituted:

'6. *Suits*.—(1) The Administrator, His Highness the Nawab of Junagadh or any other person claiming any right, title or interest to Part I of the Schedule, may institute a suit in respect thereof in the High Court of Bombay.

(2) The Administrator, the Reserve Bank of India or any other person claiming any right, title or interest in the securities described in Part II of the Schedule may institute a suit in the said High Court for a declaration of title or other appropriate reliefs in respect thereto.

(3) The Administrator, the companies described in column 2 of Part III of the Schedule, and any other person claiming any right, title or interest in the shares described in the said Part may institute a suit in the said High Court for a declaration of title and other appropriate reliefs in respect of the same.

(4) An appeal shall lie to the Federal Court of India against any decision of the High Court under sub-sections (1), (2) and (3) and its decision shall be final.

(5) Except as otherwise provided in this section, no suit or proceeding shall lie in any other Court."

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, I never wanted to intervene in this debate. But my friend with the apparent smiles and sweet speeches has unfortunately proved to be the supporter of a Prince who left six rupees in his iron safe and went away to Pakistan leaving his people to the wolves. I want to know from my friend whose cause he is trying to support in this House and for whom he is invoking all the principles of justice, humanity and good conscience etc. Does he say the State of Junagadh was such a pauper State as not even to leave a few thousand chips in its coffers? What steps has my friend taken till now, or what steps has he suggested to this Government, on behalf of the dumb millions of that State to recover that money from the Nawab of Junagadh?

My friend wants, in addition, to support the Junagadh Prince one-sidedly. We will assume his amendment is accepted and that the Prince can file a suit in the Bombay High Court. What will be the nature of his suit? He will say, "Though these Securities stand in my name, they do not belong to the State but belong to me ancestrally as my private property". Who ought to be the defendant? Are not the people of the State the defendants?

There is only an Administrator, an interim Receiver. The people will come by their own and have their own Government. Then the Nawab of Junagadh can certainly fight that Government which comes into being and recover this property if it really belongs to him as his private property. Does not my

friend, with all his experience in the Court, know that the Receiver is only there for the purpose of safeguarding the interest of the successful claimants. We will assume my friend's amendment is accepted and the Bombay High Court is given jurisdiction. Thus, if the Junagadh Prince proves that it is his private property, can there be a counter-claim on behalf of the people of the State?

Mr. Naziruddin Ahmad: Yes.

Shri M. Ananthasayanam Ayyangar: Sir, I beg to differ from him; I am glad he is not the Judge of that High Court. Can they counter-claim in a suit for certain Securities taken by the Administrator merely on the ground that it is personal property? Can they counter-claim that so much money has been taken away by the Junagadh Nawab? I still doubt it.

You will see, Sir, that inspite of two days having been taken by my friend expecting also support from all sides of the House for a righteous cause, he has been ignoring the rights of the people who have to be protected by the King who left them cold, who left them taking away his property. I do not want to use bad language, but unfortunately I am grieved by it. My friend says he stands here for the cause of the righteous. Who is that righteous man? Do you want, in the twentieth century, to support a King who fled away handing over to the wolves his administration and also not leaving a single pie in the coffers of the State?

I have no quarrel with him. For me a gentleman as well as a non-gentleman shall have the right to express. I am not going to deprive even a person who is alleged with murder from exercising his right to defend himself. But this is one-sided; this is only a temporary measure for the purpose of protecting the interest of the State or the Junagadh Prince, whoever it might be, for preserving this property so that ultimately whoever could win will get it. After that State comes into its own, as a fair Government, certainly the Rajah has a right of recourse against that Government. It will never become the property of the Government of India. I am not a limb of the Government, but I can say, I am able to see, that the Government of India is.....

Shri T. T. Krishnamachari (Madras: General): Coming events cast their shadows!

Shri M. Ananthasayanam Ayyangar: Let it be; after all there is a saying in our part that a daughter-in-law threatened her mother-in-law that she would beget a child; the mother-in-law who is always anxious welcomes it. I do not know if any member of the House would refuse to be a limb of the Government if it is possible for him to be. I am not going to cast a shadow, nor be afraid of it as a ghost. Enough if I render my duties to the community and to the electorate which I represent.

Now, Sir, barring this diversion, I am coming to this point. I have heard with great interest—otherwise, I would not have taken part in the debate—

P. M. the arguments which my friend has been urging since yesterday. He wants a display of justice. Well, this is what has happened. The Preamble sets it out. One fine morning this gentleman goes away. There are troubles in any State between the Rulers and the ruled. We have as a matter of fact started trouble long ago and my friend has reaped the benefit. We have all won independence. This is the natural course of events. People and persons who have written books on "Independence" and on "Freedom", they also started trouble. So in any country it is the natural right and it is the natural interest of the people who have been suppressed to come by their own and achieve and claim a democratic form of Government.

Now, some trouble arose. This gentleman fled. To whom did he flee? My friend says "Mother India", "Dear India", "We all embrace" and so on.

But that gentleman fled not East but fled West. He looked not to his people, but to other friends. But he left one child behind. Otherwise, he would have booked him in the aeroplane and gone away. There that boy was. But is it for you to leave them, the people, and go away? All that I am saying is—I am not prepared to go into those details—in the name of humanity, those people whom he left behind ought to be protected. Now, what have we done? The property is there. The property will be safeguarded. Let the people establish their claims.

Assuming that this gentleman got away with all this property. What is the guarantee; what is the chance for these people to recover the property? My friend wants a judgment in favour of the Nawab. He does not care what happens to the people. He does not care whether they are protected; whether they are safeguarded. He says that it is wrong; it is unrighteous. He wants us to go away. Well, after all, let me tell him. The property may belong to the State. It may not belong to the Prince. Does he want to go away leaving the people unprotected and now claim all the property? But the property has not gone anywhere. It can be decided whether it belongs to him or it belongs to the people.

Mr. Naziruddin Ahmad: Who will decide?

Shri M. Ananthasayanam Ayyangar: Their own form of Government. Their own High Courts which they will set up will decide. I mean the people. He wants an unrestricted freedom for the Nawab. But how could it be? I do say that unless this restraining hand of the Administrator is there for preserving the property, all will not be well with the people. As a lawyer, my friend must know that an Administrator is only there to preserve the property. This is a thing which every lawyer who started practice yesterday should know. The Receiver is appointed for the purpose of safeguarding the interests of the party who will ultimately succeed.

Now, let me go to the other matter. There might be some persons who might claim properties as their own, i.e., apart from the Junagadh Prince and his royal family. As against the State, they may claim it. There may be those who may claim from both against the State and against the Prince. All that has happened is that the property now vests in the Receiver. The claims will be settled later on in the natural course. Therefore, we are not in a position to decide this matter now, because where is the defendant to the suit? There is only a plaintiff. The Nawab may come in later and say "This is the property left to me by my father." At present, who is there to say: "This is the property left to him by his father" or even to say "This property belongs not to him but to the State". There is nobody to come forward and defend the cause of the dumb millions of the people of the State. Nobody is there to say "The Nawab's claim is wrong. This is not his private property." I am really surprised at the manner in which my Honourable friend has taken up the time of the House. I have absolutely no objection to time being taken. Time is not material. Justice is material. But there is absolutely not a vestige of it in his speech. Therefore, Sir, I would say with a clean conscience—we can say with a clean conscience that we are supporting the cause for which he and I stand, the cause of humanity, the cause of democracy. This will be ear-marked, the property of the Junagadh State. It is the State primarily. The State belongs to the people. The sovereign is for the time being only the Head of the State. All property belongs to the State. Whether it will belong ultimately either to the people or to the sovereign or to both of them—that will be decided later on. It is absolutely out of place here. This Bill is not intended for that. This is only an interim measure for the purpose of preserving the property. As the Mover himself said, we are spending Rs. 300 crores a

year; can we not do without these Rs. 2½ crores? It is not for ourselves—this property—we are not going to share in it. It is for the people of the State. Therefore, let not this be used as a platform for arguments elsewhere. We know the person who is really injured. We know who is the person who has suffered. We are not carrying on propaganda that we have suffered. We have put a seal on our lips. Therefore, if it is only a kind of besmirching propaganda to taint the name of India, then it is all right. But it is not proper for my friend to push on this argument any longer in order to move this amendment. I ask him. I appeal to him. It is not right. It is not well-conceived. It is in the interests of the State just as it is in the interests of the Ruler that this measure has been brought forward. I hope the interest of the people is as dear to his heart as is the interest to him of one single man.

The Honourable Dr. B. R. Ambedkar: Sir, I propose to deal only with the legal aspect of the case, which has been set before the House by the Mover of this amendment. I feel grateful to him for the kind words he said about me, but I must resist the temptation of falling a victim to flattery or to praise, because I think the Clause as it stands is perfectly all right and no amendment is necessary.

The point made by my friend Mr. Naziruddin Ahmad was this—if I have understood him correctly—namely, that Clause 6 of the Bill, as it stands, completely bars the jurisdiction of a court. I believe I have correctly understood him. (Mr. Naziruddin Ahmad: "Yes") I am sure that this is a misreading of this section. Clause (1) of section 6 merely says that the Court shall not exercise jurisdiction unless certain conditions are fulfilled. It does not say, if the conditions are fulfilled,.....

Mr. Naziruddin Ahmad: It says: "No court shall have jurisdiction".

The Honourable Dr. B. R. Ambedkar: "otherwise than at the instance of the Administrator"—these last words of the clause are the most important. Therefore, the first proposition that the jurisdiction of the court is completely shut out falls to the ground. All that the Clause says is that before a court can exercise any jurisdiction with respect to the property mentioned in the Schedule, the party must satisfy certain conditions. One of the conditions is that the suit must be at the instance of the Administrator. Now, I would like to tell my friend that it is true that generally there is always a right of recourse to a court in a matter of dispute and all lawyers will agree that, as far as possible, such a right should be unrestricted. But I think Mr. Naziruddin will also agree that our jurisprudence in the last several hundred years as also the jurisprudence of other countries recognises the fact that there are cases where the jurisdiction of a court is unfettered and there are also rows of cases where the jurisdiction of the court is restricted. I can give one illustration. Take the Government of India Act. There, any number of provisions exist which prescribe that a certain thing shall not be done without the previous sanction of a particular authority. I have no doubt about it that this is a restricted right of recourse, and I am sure about it that my friend Mr. Naziruddin has never objected to such clauses as restrict the right of suit on certain previous conditions. The provisions contained in Clause 6, sub-clause (1) say that no suit shall be entertained otherwise than at the instance of the Administrator. This is nothing less than a re-statement in another form that there shall be previous sanction of the Administrator.

Mr. Naziruddin Ahmad: Suit by the Administrator; not his sanction.

The Honourable Dr. B. R. Ambedkar: Well, he may do it himself. Or he may permit some other people to do it. All that it means is that they must have the sanction of the Administrator.

[Dr. B. R. Ambedkar]

Now, Sir, why has this provision been introduced? Why is it that the Clause requires that it must be at the instance of the Administrator? I think the answer is very simple. There are cases where, for instance, there is multiplicity of litigation by different parties—either on the same issue or on different issues. Similarly there may be cases where the suits of litigants may be purely vexatious. Now surely in a matter of this sort you do not want to give a party an unmitigated and unrestricted right of suit if that right of suit is going to be exercised in order that the result might be that either there is a multiplicity of litigation or that there are very many vexatious proceedings undertaken against the Administrator. It is for that purpose that this clause is introduced and therefore my submission with regard to sub-clause (1) is this: It does not altogether oust the jurisdiction of the Court and all that it does is to require the consent of the Administrator in order that he may see that the litigation is a *bona fide* litigation and therefore may be permitted.

With regard to the second sub-clause he says: Why should the Central Government undertake the responsibility by adjudication? Why should not the matter be left open to the High court or individual judiciary? Theoretically that is a perfectly sound argument, but what I want to ask is this. Are there no precedents in this country where laws have provided that the jurisdiction of the court shall be ousted altogether? Let me give you one or two illustrations. Take for instance, in the Bombay Province we have a law which is called "The Revenue Jurisdiction Act". If any one reads that Act, it will be found that there are hundred cases mentioned in that particular statute where the courts have no jurisdiction at all; the executive decides the matter and the decision of the executive is absolutely final. Take another illustration which I can think of and that is also from the Bombay Presidency called "The Hereditary Village Officers Act". These village officers have their rights and duties laid down in this Act. Yet the Hereditary Village Officers Act prevents altogether these officers from going to court for enforcing their rights against Government. Take another and a very conspicuous case. Take the High Courts. By statute they were prevented from entertaining any case dealing with revenue. Even the Indian Legislature could not pass an Act conferring upon the High Courts revenue jurisdiction. All throughout India land revenues are collected by the executive, yet even when there is any wrong done by the executive the ryot has no right to go to a court of law. Therefore this question of restrictions for recourse to a court are not novel and certainly not extraordinary so far as this particular piece of legislation is concerned. There are many precedents in this country and therefore, there is really no special ground for complaint so far as the clause as it stands is concerned. There is a further point which I think my friend Mr. Naziruddin Ahmad has altogether lost sight of. I am sure that if my friend were to read the two clauses or sub-clauses of clause 6 carefully, he will see that the provisions contained in either of them do not contradict the fundamental principles which we all observe, namely that no man should be a judge in his own case. Take the case of the Administrator. The Administrator although that property is vested in him is not holding the property as a private individual, claiming any personal interest in that property. Therefore, when a proper case comes before him there is no reason to suppose that he will withhold his consent for proceeding with the litigation because he is not personally interested in that property. He is there as a trustee or as an Official Receiver and therefore there is no fear that he will be guided by any personal motive in this matter. With regard to the jurisdiction which the Government of India has claimed by reason of sub-clause (2) of section 6, my friend Mr. Naziruddin Ahmad will also realize that the Government of India does not claim this property at all. The property is the property according to them

of the Junagadh State and if any litigation were to arise, it will not be between the Junagadh State *versus* the Government of India, but it will be between the Nawab and the State of Junagadh. In that event, there is no reason to suppose that the Government of India will be guided by any personal motives of serving the interest of the people of the Junagadh State or of the interests of the Nawab and give a decision which would be not in conformity with justice, equity and good conscience. Therefore, my submission to the House is this that the provisions contained in this clause are perfectly in consonance with many other provisions which we find in the Legislative Code of this country and there is no fear that the jurisdiction vested in the Administrator or in the Government of India in respect of these matters is likely to be exercised in a prejudicial manner to the people of Junagadh State. I therefore oppose the amendment.

Mr. Speaker: The question is:

"That for clause 6 of the Bill, the following be substituted:

'6. *Suits*.—(1) The Administrator, His Highness the Nawab of Junagadh or any other person claiming any right, title or interest to Part I of the Schedule, may institute a suit in respect thereof in the High Court of Bombay.

(2) The Administrator, the Reserve Bank of India or any other person claiming any right, title or interest in the securities described in Part II of the Schedule may institute a suit in the said High Court for a declaration of title or other appropriate reliefs in respect thereto.

(3) The Administrator, the companies described in column 2 of Part III of the Schedule, and any other person claiming any right, title or interest in the shares described in the said Part may institute a suit in the said High Court for a declaration of title and other appropriate reliefs in respect of the same.

(4) An appeal shall lie to the Federal Court of India against any decision of the High Court under sub-sections (1), (2) and (3) and its decision shall be final.

(5) Except as otherwise provided in this section, no suit or proceeding shall lie in any other Court."

The motion was negatived.

Mr. Speaker: The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Shri T. T. Krishnamachari: Sir, I move.

"That after clause 7 of the Bill, the following new clause be added as clause 8 and the existing clause 8 be renumbered as clause 9:

'8. The Central Government may from time to time add to the items of property included in the Schedule by notification in the official Gazette and on such notification such property shall be deemed to have been always included in the Schedule.'

Sir, the explanation for this amendment need not be elaborate, because there might be some property which has not come to the notice of the Administrator and may have to be included at a later date. It will serve the purpose, if there is any such property, if the mere fact that so far no such property has been discovered is not a bar to this amendment; it does however strengthen the hands of the Administrator to better serve the purpose of the Bill. Sir, I move.

Mr. Speaker: Amendment moved:

"That after clause 7 of the Bill, the following new clause be added as clause 8 and the existing clause 8 be renumbered as clause 9:

'8. The Central Government may from time to time add to the items of property included in the Schedule by notification in the official Gazette and on such notification such property shall be deemed to have been always included in the Schedule.'

Mr. Naziruddin Ahmad: I have ventured to oppose this amendment in spite of the passionate appeal of my Honourable friend Mr. Ananthasayanam Ayyangar. I should submit that there is a good case, a very clear and perfectly straightforward case for opposing the proposed clause 8. Sir, the properties that are already found to belong to some of the officers of the State and standing in the name of the Nawab and other persons have already been listed. This amendment, however, seeks to empower the Government to include anything else that it thinks fit. Without knowing what those properties are, it would be impossible for us to agree to it. In fact whether the property is fit to be included in the Schedule or not depends on one fundamental basis which is that the property belongs to the State. We have already seen how property standing apparently in the name of an individual has been deemed, by a spectacular piece of logic, to be the property of the State. My learned friend Mr. Ayyangar played upon the feelings of the House by raising the question of sentiment. In fact in deciding questions of title or principle sentiment has no place. In these circumstances I beg to submit that unless the House knows what the other property could be it is impossible to allow Government to include things within the Schedule. I submit, Sir, that if any property is discovered later on that should be included in the Schedule by an amending Bill; this is not the proper stage to include a hypothetical property without knowing the nature or the identity of the property or the nature of the title. I submit this is a dangerous principle; in fact if it is possible for a legislature to delegate all its wisdom and all its power to the Government, strange and wonderful consequences will follow; in fact it is a principle which is highly detrimental to the development of self-Government. A question of title of such great importance should not be allowed to be dealt with by Government in the privacy of their official Chambers. I feel I must oppose this amendment even at the risk of being characterised as a friend of a great vagabond, and things of that type. I have no sympathy for him; if you find that he has misruled you can try him, hang him and guillotine him and confiscate his property; but do not do the act of confiscation in an indirect way. I submit, Sir, the issue is plain and it cannot be got rid of by mere questions of sentiment. After all the title should be decided, and decided best by a Court of law. If there are any counter-claims against him I declare, with all the little authority that I possess, that any claim will be maintainable against him. The irony is that any claim by him will not be maintainable though certainly there is no law barring any claim against him. The Honourable the Law Minister said that there is a way for a suit; that is really a suit by the Administrator and not with his sanction. I have fully conceded the authority of the Administrator, but he is a party who is the opponent. There is no right for any party to come in except at the instance of the man who is interested. With regard to the disinterestedness of the Government of India that is absolutely plain, but you are taking sides in a thing in which you are interested though for the State of Junagadh. I therefore submit that this is a premature stage at which this new clause should be introduced. If anything worth including comes to light it can be included by the Government by means of an Ordinance which may be subsequently ratified by the legislature.

The Honourable Dr. B. R. Ambedkar: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That after clause 7 of the Bill, the following new clause be added as clause 8 and the existing clause 8 be renumbered as clause 9:

"8. The Central Government may from time to time add to the items of property included in the Schedule by notification in the official Gazette and on such notification such property shall be deemed to have been always included in the Schedule."

The motion was adopted:

New clause 8 was added to the Bill.

Clause 9 (existing Clause 8) was added to the Bill.

Mr. Speaker: With regard to part I of the Schedule and item (3) therein, in respect of which Mr. Naziruddin Ahmad gave notice of an amendment, he himself has withdrawn his amendment about "the Private Secretary to the Nawab". There is only a part of the property which is in the name of the Private Secretary. So he can speak on parts II and III of the Schedule.

Mr. Naziruddin Ahmad: I will simply oppose them. The properties in part II are eleven in number and they are Government securities standing in the name of the Nawab of Junagadh. In these circumstances the normal presumption of law is that the property is his, and so they should not be included in the list, as it is his personal property. On the question that he may have mismanaged the State perhaps my Honourable friend is right in suggesting it but there is ample remedy against him; if the State has been mismanaged the people have a remedy against him. It is not in a spirit of propaganda that I spoke; it was really due to a feeling of horror at the way in which Government are proceeding. The difficulty in the House is that there is no opposition; Government are assured of a huge and solid majority, and it is therefore all the more necessary that in the absence of opposition there should be at least one person who will speak frankly and openly. There should be no resentment and no need to ascribe motives. I am too insignificant a person to be an advertising medium. In fact I have never behaved in that fashion; but as a legislator and a lawyer of some experience I feel that I should be frank about it. That is why I attempted to describe the title of the Act in a bitter spirit and said that it is in the nature of a suppression of rights. It was a feeling of resentment at the way in which property has been included that was behind it.

Part III relates to certain shares in certain limited companies. They also stand in his personal name and I do not know why they should be included as part of the property of the State. I think there is no justification for their inclusion as such. I oppose these parts II and III of the Schedule.

Mr. Speaker: The question is:

"That Part I of the Schedule stand part of the Bill."

The motion was adopted.

Mr. Speaker: The question is:

"That Part II of the Schedule stand part of the Bill."

The motion was adopted.

Mr. Speaker: The question is:

"That Part III of the Schedule stand part of the Bill."

The motion was adopted.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, the Preamble is the basis of the misconception of the entire Bill, as it takes it for granted that the whole property belongs to the State of Junagadh. I have taken the view that that is not necessarily so. In these circumstances, I consider that the Preamble should be redrafted and should not be left as it is. I submit that the Preamble is a very important part of the Statute, being, as I have already said, the basis of the entire enactment. I, therefore, consider that it should be so amended as to bring about the distinction between the property of the State and the property of the Nawab.

Mr. Speaker: The question is:

"That the Preamble stand part of the Bill."

The motion was adopted.

The Preamble was added to the Bill.

Mr. Speaker: The question is:

"That the Title stand part of the Bill."

The motion was adopted.

The Title was added to the Bill.

The Honourable Dr. B. R. Ambedkar: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

Mr. Naziruddin Ahmad: Sir, I would like to say that my formal protest be registered.

Shri M. Ananthasayanam Ayyangar: Sir, I would like to express on behalf of the House, its entire approval of the Bill. My Honourable friend, Mr. Naziruddin Ahmad, in his enthusiasm for opposing the Bill has forgotten the Rules of Procedure of the House. I feel that he is doing little justice to the members of this House in what he has said. Nobody in this House ever said that the Nawab was a bad man and I thought that it was quite unnecessary on the part of my Honourable friend to have gone on repeating that the Nawab was a bad man. We have got the greatest respect for the Nawab as a man. But, here we are concerned with the subjects of Junagadh and not the Nawab. We are only interested in seeing how far we can protect the rights and interests of the people of Junagadh, till we have got the time to decide whether the property belongs to State or to the Nawab. I am surprised to find my Honourable friend saying that because the property stands in the name of the Nawab or the ruling prince of a particular State, *prima facie*, it belongs to him. Hitherto the entire Administration of India was run in the name of the Secretary of State and any suit against the administration could be brought only against the Secretary of State. Does my Honourable friend mean to say that the entire property of the Government of India belonged to Sir Samuel Hoare?

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri K. Santhanam (one of the Panel of Chairmen.)]

After all, Sir, this is only a temporary arrangement, until a permanent solution is found. In these circumstances I do not think there is anything objectionable in it. It is a measure conceived in the interests of the people of the State and also in the interest of the Nawab. This is a matter in which a decision should rest with the subjects of the State. If they want to retain the monarchic form of Government, they are entirely at liberty to do so. Therefore, let my Honourable friends not have any impression that this is a sinister move; on the other hand, they should welcome it.

I therefore, request the House to lend its wholehearted support to the entire Bill as it stands.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

CONTROL OF SHIPPING (AMENDMENT) BILL

The Honourable Dr. Syama Prasad Mookerjee (Minister for Industry and Supply): Sir, I beg to move:

"That the Bill to amend the Control of Shipping Act, 1947, be taken into consideration."

Sir, the House will recall that during the budget session of 1947, the Control of Shipping Act was passed into law. That Bill had two objects in view: the first was to provide for continuance of the powers to license Indian shipping, the second was to secure priority of control over coastal shipping, a power which was originally exercised under the Defence of India Rules and which lapsed on the 31st of March 1947. Certain powers were also taken to revive the fixation of freights and fares which was considered necessary.

The period, Sir, was originally fixed at three years from 1947 but the Select Committee reduced the period to one year and gave power to Government to continue the Act for another year. Meanwhile it was thought that a comprehensive legislative measure would be placed before the House based on the recommendations of the Shipping Policy Committee. That report is now before the Government and steps have been taken to formulate a comprehensive legislative measure which will meet the principal recommendations made by the Committee. Various interests involved are being consulted and it is expected that the matter will soon come before the House.

There was one alternative open to Government, namely, to extend the operation of the Act by another year by means of an executive order, but Government thought that it might be desirable to make one or two amendments, the chief amendment being that this Act which was hitherto applicable only to Indian shipping, will now be made applicable to all ships which trade on the coastal area. So far as the period is concerned, it has been proposed that the period will continue till 31st March 1949, and it may be extended by another year. It is hoped that meanwhile Government will be in a position to bring before the House a consolidated piece of legislation. We are also retaining the powers regarding control for this reason that the transport situation in the country has not improved; and it may be necessary for Government in the interests of quicker movement of essential commodities by sea that it should regulate priority control over coastal ships. There are certain verbal amendments which also I shall move and which are necessary on account of changes which have been made by the Adaptation Orders. They are of a verbal character and two amendments I shall move shortly as advised by the Law Ministry.

I think, Sir, this is a piece of legislation which, although it is of a limited character, deals with a very important point of principle, namely, hitherto we had control only over Indian shipping, but now that control is being extended to non-Indian shipping as well. I have no doubt that this Bill will receive the support of every section of the House including Mr. Naziruddin Ahmad.

Mr. Chairman: Motion moved:

"That the Bill to amend the Control of Shipping Act, 1947, be taken into consideration."

I hope Honourable Members will co-operate with me in finishing the agenda as quickly as possible by confining their remarks to the minimum necessary extent.

The question is:

"That the Bill to amend the Control of Shipping Act, 1947, be taken into consideration."

The motion was adopted.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I move:

"That for clause 2 of the Bill, the following be substituted:

"2. Substitution of 'India' for 'the Provinces' in Act XXVI of 1947.—In the Control of Shipping Act, 1947 (hereinafter referred to as 'the said Act'), except in section 1, for the words 'the Provinces', wherever they occur, the word 'India' shall be substituted."

This is a formal amendment and I have already given the reason for it.

Mr. Chairman: The question is:

"That for clause 2 of the Bill, the following be substituted:

"2. Substitution of 'India' for 'the Provinces' in Act XXVI of 1947.—In the Control of Shipping Act, 1947 (hereinafter referred to as 'the said Act'), except in section 1, for the words 'the Provinces', wherever they occur, the word 'India' shall be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I move:

"That for clause 3 of the Bill, the following be substituted:

"3. Amendment of Section 1, Act XXVI of 1947.—In section 1 of the said Act,—

(a) in sub-section (2), for the words 'all the Provinces of India' the words 'the whole of India' shall be substituted, and for the words 'in the Provinces' the words 'in India' shall be substituted; and

(b) in sub-section (3), for the figures '1948' the figures '1949' shall be substituted."

This is moved for reasons similar to that of my amendment to Clause 2 above.

Mr. Chairman: Amendment moved:

"That for clause 3 of the Bill, the following be substituted:

"3. Amendment of Section 1, Act XXVI of 1947.—In section 1 of the said Act,—

(a) in sub-section (2), for the words 'all the Provinces of India' the words 'the whole of India' shall be substituted, and for the words 'in the Provinces' the words 'in India' shall be substituted; and

(b) in sub-section (3), for the figures '1948' the figures '1949' shall be substituted."

Shri T. T. Krishnamachari (Madras: General): If the amendment just moved is put, I could then move mine.

Mr. Chairman: But if it is carried then your amendment cannot be moved. It should now be moved as an amendment to the present amendment.

Shri T. T. Krishnamachari: Sir I move:

"That in clause 3 of the Bill, in sub-section (3) of section 1 of the Control of Shipping Act, 1947, for the proposed figures '1949' the figures '1950' be substituted."

The Honourable Minister, my friend, has said that the intention of the Government was to make the Bill applicable for three years. Subsequently it was cut down by the Select Committee for reasons which he has made clear. But the position is that within one year nothing material will happen

in the matter of control of coastal shipping, and issues of such nature will be taken up only when the new Constitution comes into being. Even if it were otherwise, it will be nothing wrong for the Legislature to take up a Bill comprehensive in its nature if it wishes to do so earlier. My amendment, however, seeks the avoidance of a recurring amending Bill of this nature next year. In view of the fact that the Bill is itself conducive to so much good for shipping generally, I think the House will have no objection to giving powers to keep the Bill alive for one more year, in view of the fact that that was the original intention of Government.

The Honourable Dr. Syama Prasad Mookerjee: I do not mind. I am prepared to accept it.

Mr. Chairman: From the technical point of view, I think the best course will be for the Honourable Minister to amend his amendment in respect of 1949 and put it as 1950. The Honourable Member's amendment then need not be put.

Shri T. T. Krishnamachari: If that is so, I will not press my amendment.

Mr. R. K. Sidhva (C. P. and Berar: General): I would like to say that no case has been made out by Mr. T. T. Krishnamachari to give power to the Government beyond one year. It has been stated that the new Constitution will be coming into force and it is desirable to give two years. But the Government themselves do not think it desirable to continue these powers for two years. Government also have not given any reasons for accepting it. Of course we will be only too glad to give powers such as this. It is our own Government. Therefore whatever we propose and pass in this House they will accept. But the point is that the Minister says "if the House is prepared I am prepared." The Honourable Minister said that if the House wants it he would be glad to accept it. There is no valid reason given. The Honourable Minister rightly said that there are many Acts that require amendment and that they would be brought in due course. So far so good. As far as I know these clauses are for control purposes. While in one breath we say that we should not give the Government fullest latitude and the controls should be withdrawn as early as possible, on the other side we are allowing these controls; although these particular controls may be of a different type yet it is transport control and we have been even in this regard agitating for decontrol. Here we say that the control should be extended. I therefore say with due respect that it was not proper for the Honourable Member to have moved the amendment and the Honourable Minister to have accepted it. I do hope that on second consideration he would feel that it was not proper to give the Government this power.

Shri T. T. Krishnamachari: On a point of explanation, I would like to draw the attention of the Honourable Member to the fact that this amending Bill covers coastal trade as well, for which we have been agitating all along. As things are Government will come up with a similar amending Bill next year his time and we are trying to avoid it.

Mr. Chairman: The question is:

"That for clause 3 of the Bill, the following be substituted:

"3. Amendment of Section 1, Act XXVI of 1947.—In section 1 of the said Act,—

(a) in sub-section (2), for the words 'all the Provinces of India' the words 'the whole of India' shall be substituted, and for the words 'in the Provinces' the words 'in India' shall be substituted; and

(b) in sub-section (3), for the figures '1948' the figures '1950' shall be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clause 4, was added to the Bill.

Shri T. T. Krishnamachari: Sir, I move:

"That in clause 5 of the Bill, in sub-section (2) of the proposed new section 3A to the Control of Shipping Act, 1947, the following be added at the end, namely:

'and shall be subject to such conditions as may be specified by the shipping authority granting the licence'."

Section 3A is an enumeration of various restrictions and the conditions under which licence is granted. Sub-clause 2 reads as follows:

"a licence granted under this section may be either a general licence or a specified voyage licence or a licence for a specific period."

There might conceivably be other conditions also in regard to the grant of such licences. In order to fill this particular lacuna I have moved that the addition of these words be made to sub-clause 2. I hope my honourable friend Mr. Sidhva will not raise any objection to it: it merely clarifies the position.

The Honourable Dr. Syama Prasad Mookerjee: I am prepared to accept the amendment: it is better clarification.

Mr. Chairman: The question is:

"That in clause 5 of the Bill, in sub-section (2) of the proposed new section 3A to the Control of Shipping Act, 1947, the following be added at the end, namely:

'and shall be subject to such conditions as may be specified by the shipping authority granting the licence'."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clauses 6 and 7 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Chairman: Motion moved:

"That the Bill, as amended, be passed."

Mr. Naziruddin Ahmad: Sir, as a kind reference has been made to me....

The Honourable Dr. Syama Prasad Mookerjee: Sir, I withdraw my remarks.

Mr. Naziruddin Ahmad: Sir, I only have to suggest that Bills should be very carefully drafted. It is a wonder that the word "Provinces" has to be changed to the word "India". In fact my copy of the General Clauses Act is a corrected copy according to the Adaptation Order but it is a pity that the copy of the Government Draftsman was not brought up to date. Under the circumstances the need for amendments of a simple Bill like this by the Minister himself is regrettable. I hope more care would be taken in drafting Bills in future.

Mr. B. K. Sidhva: Sir, I feel that the Indian Coastal Shipping Act requires to be amended at a very early date. This affects our coastal trade immensely and the amendment of this Act is considerably overdue. I would

have desired the Government to have brought an amending Bill in this Session but the Honourable Minister was good enough to state that he realised the importance of the Act being amended and that he was going to do so in the next session and for that reason he stated that he would require one year's extension. The Bill has extended the period to two years. Notwithstanding the House having accepted the period of two years, I do hope that the Minister would not be actuated by the fact that power has been given by the House for two years and therefore he should necessarily delay the amending of the Coastal Shipping Act. I do not think that that was the intention of the House that the Coastal Shipping Act should be delayed for two years when it gave 2 years of control. If our coastal shipping is to expand and prosper this Act should have been amended long ago. Under the British Administration for reasons best known to them they had delayed it. I do feel that no time should be lost now in bringing forward this measure and I hope the Government will stick to their promise to bring forward this Bill not next year but in the next session, so that by March next we might have an Indian Coastal Shipping Act amended to suit the nationals of this country.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

DELHI AJMER-MERWARA RENT CONTROL (AMENDMENT) BILL

The Honourable Dr. B. R. Ambedkar (Minister for Law): Sir, I move:

"That the Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act, 1947, be taken into consideration."

The House will remember that on the 24th March 1947 we passed an Act, called the Delhi Ajmer-Merwara Rent Control Act. One of the important provisions contained in that Act was that the premises which were under construction at the time of the passing of the Act were exempted from rent control both in Delhi as well as Ajmer-Merwara. Subsequently the Central Legislature passed another Act on the 31st December, 1947, whereby the premises under construction in Delhi were excluded from the operation of the Act. And the operation of the Act was confined only to Ajmer and Merwara. The object of the subsequent legislation was that right from the 24th March 1947, the new Act should have retrospective effect. But unfortunately Section 7A of the new Act, as drafted, failed to carry out the intention of the Legislature. Section 7A, either by slip or something, used the words "from the commencement of this Section" when as a matter of fact the words ought to have been "from the commencement of this Act". The present Bill seeks to remove that lacuna by using the words "from the passing of this Act", so that the Act passed on the 31st December, 1947 may get retrospective effect, so far as Delhi is concerned, from the 24th March, 1947.

The Bill contains principally two clauses. One is the principal clause which substitutes the words "from the passing of this Act" for the words "from the passing of this Section". The subsequent clause is merely a clause which deals with what are called consequential amendments.

I hope the House will accept this measure.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act, 1947, be taken into consideration."

Shri Deshbandhu Gupta (Delhi): Sir, I rise to support the motion moved by my honourable friend the Law Minister. But my reason for doing so is not that I agree with the provisions of the Bill. The reason really is, that as my honourable friend has himself admitted a mistake in drafting has been discovered and this Bill merely seeks to remedy that mistake. The other day when my honourable friend Dr. Pattabhi Sitaramayya remarked that perhaps lawyers do not possess much commonsense my honourable friend took exception to that remark (interruption). But today there is evidence that even legal acumen is sometimes wanting. It is the draftsmanship that was at fault and which is responsible for this Bill's coming before the House for the third time during the short term of one year. I hope the Honourable Minister and his Department will take good care in future to see that the draftsmanship is not so bad and that the time of the House is not taken on correcting the mistakes of the draftsman.

Mr. Chairman: I think the Honourable Member also was a member of the Select Committee.

Shri Deshbandhu Gupta: I am quite conscious of that fact, Sir. But my excuse is that I am after all a layman and then the original mistake was committed by the Law Department when it was issued in the form of an ordinance before it came to the Select Committee or this House. Anyway, Sir, as my honourable friend has himself admitted the mistake, I do not wish to pursue the matter further. I just wanted to emphasize that there have been a little too much bad draftsmanship and it is time that we took good care of it. There is one point which I would like to stress on this occasion; that is that while this Bill has come for the third time before this House, the necessity of putting forth a positive programme of building houses, has not yet been realised by Government and there has been no evidence forthcoming on the part of the Government to show that it has prepared a building programme for Delhi or for the country. It was emphasized by me before and I repeat that there can be no two opinions in the matter, that the real solution of the problem is not rent control: the real solution is more houses. But unfortunately, as I have pointed out time and again, the Government has done absolutely nothing in that direction. It is a pity that the Health Minister who is supposed to be in charge of the building programmes is not even present today, and nor was she present when this question was taken up by the House at an earlier stage. Let me make it clear that there are unscrupulous landlords and I have no sympathy with them. As a matter of fact it is no secret that it is I and my friend Pandit Thakurdas Bhargava who are responsible for this measure. We brought this matter to the notice of the Ministry and asked them to bring an amending Bill. I am therefore no friend of the unscrupulous landlord. As a matter of fact if the strings of law are being tightened today against the landlords they have to thank the unscrupulous landlords for it. But at the same time it must be realised that Government must now make a positive effort and take active steps to carry out a bold house building programme. I regret to say that so far as that aspect of the question is concerned, nothing is being done. On the other hand the attitude of the Government has been obstructive. I would like to point out to my friend an instance of it and I would like him to draw the attention of the Ministries of Health and Works, Mines and Power. In New Delhi, as you are aware, Sir, there are three agencies which control house-building operations: one is the New Delhi Municipality; the second is the Land and Development Department; and the third is the Delhi Improvement Trust. You will be surprised to learn that the Land and Development Department up to this day has been following a policy of not allowing even guest houses being built in the existing premises of bungalows in New Delhi and it describes this as the government policy. This policy lays down that even in bungalows, as big as having an area of 7, 5, or 3

acres each it is not possible according to the present policy to put up additional houses. Here is a case in point: One of my friends, Lala Narain Dutt, contractor, who was the President of the Landlords' Association, New Delhi, and who is a very respectable man, applied to the Government in December 1944 asking for permission to build a guest house in the premises of his bungalow, but to this day has not got it.

Shri C. Subramaniam (Madras: General): On a point of order, Sir. We are discussing the Amending Bill. May I know whether discussion can go as far as to raise the questions regarding the necessity or otherwise for rent control etc.? This matter was raised once before by the Finance Minister and the Speaker gave a ruling. That is applicable to this case also. I think the discussion should be restricted to the actual amendment and not as to whether the control is good or bad.

Mr. Chairman: It is not really a point of order because the scope of discussion on a Bill is rather elastic. I would still request the Honourable Member to make his speech as short as possible.

Shri Deshbandhu Gupta: I am surprised that my friend who can also be said to belong to Delhi inasmuch as he spends a considerable part of the year in Delhi seeks to stifle the discussion on this important question by raising such point of order. Strictly speaking, it is open to me to speak on this aspect of the question as the Bill seeks to impose new restrictions on landlords which may have an adverse effect on house-building activities of the town. I only want to point out the need for a bold building programme and the need for it is that although it has been emphasised time and again the Government has not responded so far.

Shri C. Subramaniam: I did not seek to stifle the discussion but wanted only to raise a point of order, to point out the scope of discussion at this stage.

Shri Deshbandhu Gupta: Sir, I was pointing out an instance, that one of the landlords, a respected landlord of New Delhi applied to the Land and Development Department for permission to put up an additional structure in the courtyard of his bungalow. According to the Municipal Byelaws the area which can be covered is 33 per cent of the total area. The area covered in this case was only one-fifth. He asked for permission to cover some additional area in accordance with the municipal byelaws. But since December 1944 up to this day the Land and Development Department has not given permission to this gentleman to build a guest-house in the premises of his bungalow, and the reason given is "that it is against the policy of the Government to give such sanction". Let me refer to one of the letters which he had received from the Land and Development Department. In this letter it was stated that it was against the policy of the Government to accord such permission. Long correspondence has gone on on this subject and it has been asserted by the Land and Development Department that it is the policy of the Government of India not to permit the building of guest houses in New Delhi, although they may fall within the four corners of the Byelaws of the New Delhi Municipality. I hope the Government will change its attitude in respect of guest houses and will soon remove all these small restrictions which they used to put when perhaps they wanted to reserve New Delhi for the white-skinned people or for a small aristocracy. It is a pity that the same old policy is being followed today. Unless Government liberalise its attitude and permit the building of second stories and guest houses and also make building material available at controlled prices, to private owners they are not going to solve the housing problem. While supporting the Bill which has been put forward by my friend, I hope Government will take note of the changed circumstances and we will have something positive to hear from the Government—not only to hear but to see it put in action.

Mr. R. K. Sidhva (C. P. and Berar: General): Mr. Chairman, Sir, this Bill seeks to rectify a little mistake which through an oversight, crept in the last session and I am very glad that the Government have been swift enough in this session to make the necessary amendment, and I congratulate them. I congratulated them last time when this Bill was brought. This oversight sometimes happens and I am glad that it did not lose sight of the fact and immediately came before the House to rectify the mistake. This (Bill) really relates to the control of rents and the control of rent comes in because there is a shortage of houses. Therefore my honourable friend Mr. Deshbandhu Gupta, was perfectly right in mentioning the question of the shortage of houses. There was no point of order. I am very glad that you, Sir, also stated that this question has a bearing, and you will remember, Sir, that I drew the attention of the Honourable Minister to this question of shortage of houses. As far as this Bill is concerned, the unscrupulous landlords are really spoiling their own cause by taking the fullest advantage of such mistakes sometimes, and in 1947 when this Act was passed in this House the new buildings were not included and they took the fullest advantage and raised rents to such an extent that the poor tenants were put to considerable hardship. I can speak with experience of many other provinces where the tenants have been put to as much privations and hardships, but the less said about this matter the better. These landlords have still been complaining that this Control Act in all provinces has put them to tremendous monetary loss. I fail to understand it. Landlords have made immense profits in the sale of their lands due to fictitious prices—the prices went up to tremendous heights in this land business. In the last war also there was control of rent for a number of years. This year the question has become so acute that I do not know when control will go away and I must warn the government that they should not be carried away by any kind of propaganda on behalf of the landowners, and particularly the unscrupulous landowners, to remove this control. If this control was not there, I am sure the condition of the tenants would have become most deplorable and I cannot sufficiently explain to what extent they have suffered. As far as houses are concerned, I entirely endorse the views expressed by my friend Mr. Deshbandhu Gupta. My friend stated that the Government should make it convenient . . .

Mr. Chairman: There is no need for the Honourable Member to repeat what the previous speaker said. This is a simple Bill and I suggest that the Honourable Member should not take up the time of the house if he can possibly avoid it.

Mr. R. K. Sidhva: Thank you, Sir. What I was stating was that the question of building material does not arise at all. If landlords are anxious to build houses, they can get bricks. They can have one-floor buildings if they desire to save the condition of the tenants, and if they want return for the capital that they have invested, but they have no such intention. They want only to have palatial buildings and not give any relief under the existing extraordinary circumstances. I therefore feel very strongly that the landlords themselves are responsible in not building houses as they are required to do. As far as these materials are concerned, they know that steel is not available. They should take immediate advantage of whatever material is available for building these houses and thus removing the difficulty that has arisen, and help the tenants and also help the government, so that the Control Act may be removed as early as possible, with these words Sir, I support the motion.

Mr. Chairman: The question is:

"That the Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act 1947, be taken into consideration."

The motion was adopted.

Mr. Chairman: We will now take the Bill clause by clause.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. B. R. Ambedkar: Sir, I move:

"That the Bill be passed."

Mr. Chairman: "The question is:

"That the Bill be passed."

The motion was adopted:

INCOME-TAX AND BUSINESS PROFITS TAX (AMENDMENT) BILL

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance):
Sir, I move:

"That the Bill further to amend the Indian Income-tax Act, 1922, and the Business Profits Tax Act, 1947, be taken into consideration."

Even though I have put down the motion for the consideration of this measure, on further thought I have decided to accept the motion of the amendment for referring this Bill to a Select Committee. This Amending (Bill) contains a good deal of miscellaneous matter covering the Income-tax Act, the Capital Gains Act and the Business Profits Tax Act. Most of these amendments have been necessitated with a view to protect the revenues of the state. Some of them are the result of constitutional changes, some are the result of the difficulties anticipated in a further examination of some of these measures, and some again are the result of the difficulties created by certain judicial decisions. I do not know, Sir, if it is the desire of this House to discuss the implications of all these various amending clauses. Owing to the rather technical nature of these amendments, I would suggest, with a view to save the time of the House, that this measure might be examined in detail in the Select Committee, and the House at this stage may give its assent for the reference to the Select Committee. Sir, I move.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Indian Income-tax Act, 1922, and the Business Profits Tax Act, 1947, be taken into consideration."

Shri M. Ananthasayanam Ayyangar (Madras: General): Mr. Chairman, Sir, I move:

"That the Bill be referred to a Select Committee consisting of the Honourable Shri R. K. Shanmukham Chetty, Shri T. T. Krishnanachari, Shri Mohan Lal Saxena, Shri H. V. Kamath, Prof. N. G. Ranga, Shri Bikramlal Sondhi, Pandit Thakur Das Bhargava, Shri C. Subramaniam, Pandit Lakshmi Kanta Maitra, Dr. B. Pattabhi Sitaramayya, Shri Arun Chandra Guha, Dr. B. V. Keskar, Mr. Tajamul Hussain, and the Mover, with instructions to report not later than the last day of the first week of the next session of the Assembly, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, I do not want to detain the House for long. I am extremely obliged to the Honourable the Finance Minister for having consented to send this Bill to the Select Committee. As he says, though there may be agreement on many matters, some of these matters have been introduced in this Bill on

[Shri M. Ananthasayanam Ayyangar]
the recommendation of the Commission one of the objects for whose establishment was to send a report regarding the improvement of the Income-tax Act and this has been modelled on that recommendation.

There are two important matters in this Bill. It says that "any sums paid by the owner on account of municipal taxes in respect of the property" should be exempted from income-tax. Is there any justification for this? We have already made a provision in the Finance Act that for a couple of years taxes paid on gresh buildings—not even taxes, even income spent on new buildings—should be exempted from taxation. Therefore there is the question whether the proposed concession has to be shown and whether it would not have a chilling effect on the industry. There is dearth of funds for industry and even for Government purposes. I ask whether it is desirable at this time to divert for building houses funds which are otherwise required for reconstruction. Is an inducement necessary for building of houses? The subject matter was one of the clauses in the Finance Bill also; it was referred to the Select Committee and that Committee was of opinion that this matter was controversial. The Finance Committee also was not in favour of it, but allowed the Finance Minister, if he so chose, to bring it forward in another Bill. So he has brought it forward. It is a matter on which there cannot be any unanimity of opinion; I believe the Honourable Minister will consider the pros and cons in the Select Committee and would be as reasonable as in other matters. This is an improvement to the existing Act: "the holder of an impartible estate shall be deemed to be the individual owner of all the properties comprised in the estate." That is a welcome move.

Then as regards the power of Commissioners to revise orders of Income-tax Officers. Hitherto there may have been cases where Income-tax Officers, on an erroneous view of law, might have exempted certain people from income-tax, or the order might have been favourable to the assessee. Then the Government had absolutely no more power to revise that order. It is only in a case where an assessee has some grievance that he can appeal under the existing law. It ought not to be one-sided. After all, the Income-tax Officer may not be right and so there should be a judicial court or a tribunal which may show clearly that the opinion of the Income-tax Officer in exempting certain taxes and arriving at an assessment is incorrect. In such cases under the existing law the Government is helpless. I agree with the Honourable Minister that a provision ought to be made enabling the Commissioners to revise orders of assessment passed by subordinate Income-tax Officers, wherever necessary. I am also glad that this power has been hedged in by the provision that it should be exercised within two years.

The most contentious portion is as to whether an income-tax assessment should be re-opened merely because the Income-tax Officer has reported. This has been reported by the Commission. I am glad it has been referred to the Select Committee where this matter will be thrashed out.

One point, which I believe is rather a ticklish affair, is in the matter of realisation of income-tax. The existing law says that income-tax shall be recovered as arrear of land revenue. In so doing normally all movable properties are attached and land and other property also can be attached. But if certain debts are due to the assessee, this Bill seeks to clothe the Income-tax authorities with power to recover from or call upon the debtors to pay those amounts. This, in certain cases, may be good; in certain other cases it might act contrary to what is expected. My point is whether it will not work hardship in a case where the money is used for business and other purposes. Though in practice I agree with this provision, as a matter of practice this has to be worked with caution. Administrative orders may also be given. As regards the Business Profits Tax, they are all matters which may be considered in the Select Committee.

I believe there is nothing objectionable in the Bill. If the Honourable Minister had moved for consideration of the Bill straightaway, there might have been difficulties but now that he has accepted the motion for reference to Select Committee I believe it will come before us in the Select Committee and all the objectionable portions may be removed.

Sir, I request the House to accept the motion for reference to the Select Committee.

Mr. Chairman: Amendment moved:

"That the Bill be referred to a Select Committee consisting of the Honourable Shri R. K. Shanmukham Chetty, Shri T. T. Krishnamachari, Shri Mohan Lal Saksena, Shri H. V. Kamath, Prof. N. G. Ranga, Shri Bikramlal Sondhi, Pandit Thakur Das Bhargava, Shri C. Subramaniam, Pandit Lakshmi Kanta Maitra, Dr. B. Pattabhi Sitaramayya, Shri Arun Chandra Guha, Dr. B. V. Keskar, Mr. Tajamul Hussain, and the Mover, with instructions to report not later than the last day of the first week of the next session of the Assembly, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Shri T. T. Krishnamachari (Madras: General): Mr. Chairman, I am very happy that my Honourable friend Mr. Ananthasayanam Ayyangar has supported the motion before the House particularly as I know that in the past in 1945 the House objected to a Bill which contained a mild amendment of section 34 in which the then Government wanted that the words in this section reading "in consequence of definite information which has come into its possession" should be omitted.

Sir, the framework of the amending Bill before us as it is, at any rate the most important part of it, is in regard to the provisions, contained in section 34 of the Act as it stands at present. The new section in the Bill 33(b) is more or less ancillary to it. Section 34 as amended is more or less an elaboration of the present section making it less difficult for the Income-tax Officer to reopen matters that have been decided on without his having to state that he had definite information which necessitate reopening the assessment.

Sir, the House will understand that the reason for this amending Bill has been a recommendation made by the Investigation Commission that is now sitting. Actually, we have a few days back passed an Act entrusting the Commission with greater powers and apparently this amendment forms part of a scheme of the working of the Income-tax Investigation Commission. I do not know whether the purpose that we had then in view would be adequately served by our not taking up this question immediately but referring it to a Select Committee and legislating five or six months hence, as the case may be. In fact, if the House feels so keenly that people who have escaped assessment should be brought to book both by reason of the work of the Commission that is now sitting and also by the extreme vigilance exercised by the Income-Tax authorities, then it must straightaway clothe the Department with the powers that it wants under Sections 33A and 34. In fact 33A would perhaps cover quite a number of cases which are only 2 years old where the discretion of the Commissioner can be exercised and matters re-examined where he considers that the revenue has been affected. That is the primary point in the amending Bill. The assessee's interests are not at all taken into account in this case. It is mainly intended to serve in cases where the revenue is affected. Perhaps this new section would help the Government a lot more than the amendment of Section 34 that is sought in the amending Bill. From that point of view, if the interests of the House are more or less co-extensive with the interests of the Department in this matter, I felt that a Bill of this nature should be passed giving the necessary powers and if by reason of the passing of any hasty legislation some defect is discovered later on perhaps an amending Bill could be brought forward then. As it is at present, what will happen is this. I have received chunks of literature already from vested interests protesting against this Bill. 33A

[Shri T. T. Krishnamachari].

is a thing which vested interests won't accept very freely for the identical reason that some of us refused to give the powers to the Government in 1945 because we did not like to enlarge the scope of section 34. So also 33A won't be acceptable to vested interests, nor will the revised 34 which invests the authority with specific powers and remove the safeguards that the assessee had in the past. So what would happen within five or six months is vested interests will be up in arms and the agitation will gather considerable momentum. I would not be surprised if the fate of the amending Bill in regard to Section 34 which was introduced in 1945 will not overtake the fate of this particular amending Bill. In a matter like this, time is the essential factor and the House is now in a mood to recognise it. In fact, their hopes of raising revenue have been encouraged by the work of this Investigation Commission. An honourable member said the other day "We will get Rs. 400 crores." I wonder if we shall get Rs. 40 crores or even Rs. 20 crores for that matter, but what is most important even in regard to the work of the Commission is the fact that the Commission would be able to recommend ways and means of tightening up income-tax regulations in such a manner that the people who evade will be progressively less in number. That is the crux of the whole problem, and if the House agreed to give additional powers—draconian as they were—to the Income-tax Investigation, my own feeling is the House should not have hesitated to give the powers sought to be conferred on the Department by this Bill. It would be a blank cheque undoubtedly but the House has already accepted the principle in passing the Tax Investigation Amending Bill and in this particular matter, I think the House would have done well to have done the same thing.

I now refer to the particular objections of my friend, Mr. Ananthasayanam Ayyangar, namely, the reintroduction of the question of taking into account municipal taxes and similar taxes paid by assessees in regard to the computation of their income. I have reasons to believe that the Government themselves are protesting against a decision of a High Court I believe the Allahabad High Court in regard to an adverse decision on this matter have filed an appeal before the Privy Council I do not know what will happen to that appeal. If that appeal goes against the Government, the purpose of the amendment might then have been served, but if it is otherwise, well, the matter may be reconsidered. Perhaps put for the inclusion of this provision the House might have been in a mood to pass the Bill. Nevertheless I feel that the Bill should have been taken into consideration and passed in order to serve the interests of the State and in order to increase the efficiency of the Department in regard to recovering money from people who have escaped assessment. Therefore, it is not a matter to congratulate ourselves that while on the one hand, we have conceded enormous amount of powers to an Investigation Commission we have not accepted their recommendations in regard to a particular matter which is more or less inter-linked with the work of that Commission.

Shri M. Ananthasayanam Ayyangar: This is an amendment for a permanent provision.

Shri T. T. Krishnamachari: Yes, this is for the purpose of creating a permanent provision in the Act in this regard. It is for the purpose of recommending the incorporation of permanent provisions in the Act that we have passed the Income-Tax Investigation Amending Bill; it is for the purpose of creating a permanent provision that will enable the Department not to allow people to escape assessment that we have allowed ourselves to discard elementary principles of law, jurisprudence and everything else and clothed the Commission with enormous powers in order to help the Department to get as much revenue as possible and to bring to book all defaulters. But

what is the use of it all? We thought in one way a few days back. We have changed our mind today. That I think the House had better realised. That is the particular purpose for which I have taken this opportunity.

So far as the other provisions are concerned, Section 46 and the rest, there are, practically matters which are not of vital importance to the vested interests. But the arms of the Government are pretty long. Even if you do not provide them with these provisions, they will be able to collect arrears, if it is possible to collect them. Of course, as the House will know, Government often times find discretion the better part of valour and compound with the arrears for a lump sum payment. The question is therefore really about 33A and 34 as amended and in regard to that I thought the powers to the Government under those Sections should have been conceded, if we are still in the same frame of mind in which we were when passing the amending Bill of the Income-Tax Investigation Commission.

Sir, this is the only matter to which I wanted to draw the attention of the House and if the House feels that the matter can be put off for about six months . . .

Mr. Chairman: It is open to the Honourable Member to defeat the amendment.

Shri T. T. Krishnamachari: I remember, Sir, that that course is open to me, but I am merely suggesting that the House itself . . .

Mr. Chairman: I think individual members should not cast reflections on the House as a whole as to what it should do and what it should not do. It is better to confine oneself to one's views and to what one would like or would advocate and not cast a general reflection on the House as a whole.

Shri T. T. Krishnamachari: I apologise if what I said constitutes a reflection on the House at all. Actually, what I really sought to mention was the House is committed to a principle and the alteration of that principle would probably indicate a changing of the mind of the House. The House has not yet taken a decision on this Bill. I was only making a mention of this fact and was going to say that when the House takes a decision I would like to remind it of what it did in regard to the other Bill a connected Bill a few days back. I do not therefore think I have cast any reflections on the House.

Shri Khurshed Lal (U.P.: General): Sir, I only want to draw the attention of the Select Committee to the exemption which is sought to be given to any sums paid by the owners on account of municipal taxes in respect of property. Knowing what little I do of the system of municipal taxes in U.P., I think this clause as it is framed is going to hit the public exchequer unnecessarily. In U.P. we have a water tax. It is levied on the annual letting value of the house. Now, Sir, take the case of my own town. We have a water tax of 5 per cent. We have got also a water charge of Re. 1 per 1000 gallons and what happens is this. If I have a house whose rent is Rs. 100 per mensem I pay Rs. 5 per month as water tax and on the consumption of water I get a rebate of 5000 gallons in lieu of the tax paid by me, so that if I consume less than 5000 gallons that is covered by my tax and if I consume over and above 5000 gallons, I pay for that. Now, Sir, if exemption is to be given for a tax like that—and under this clause that exemption would be given—then it actually comes to this, that you are exempting the owner for a tax which he has paid and the return for which he has received from the Municipal Board in the shape of water. I submit, Sir, that the Select Committee ought to take this into consideration and taxes for which a return is given specially by the Municipal Board should not be exempted. Municipal taxes are generally for services rendered and there should be no exemption. I am opposed to this clause altogether. But even if some exemption is to

[Shri Khurshed Lal]

as given, I would suggest that at least taxes like the one of which I have given an example just now should not be exempted, and this clause should be amended accordingly. I am aware, Sir, of the ruling of the High Court referred to by Mr. Krishnamachari and I would suggest that in view of that ruling and in order to cover such cases amendment should be made to safeguard the public exchequer and there should be no exemption from payment of taxes.

Mr. R. K. Sidhva (C. P. and Berar: General): I am really not happy for this Bill to have to be sent to the Select Committee. I am not so much happy because it has been moved that the report of Select Committee should be made in the first week of next session. I would have certainly not objected to it if the report had to be made before the ninth of this month and I see no reason why a simple matter like this could not have been sent to the Select Committee which could report before the 9th. What I am objecting is to the delay in this matter Sir. I do not desire that in the matter of taxes the House should really be so charitable in extending the period where the legitimate amount has to be recovered for the State. This amendment if carried would mean that the Bill will come in the month of September or October or November—we do not know when the next session is going to meet and the rules and everything will not be passed until the next year and the taxes which are legitimately due to the State would be denied to it. I think the Honourable Members should realize their responsibility in this matter.

Mr. Chairman: I may point out that it is not proper for a member to lecture to the House. He can express any views he likes and it is open to the Honourable Member to oppose this motion and defeat it and carry the entire Bill as it is. If he does not want to do this, to argue on the assumption that the amendment is going to be passed, I do not think that is a proper procedure. So the Honourable Member should confine himself to the Bill and he can make any remarks he likes regarding it.

Mr. R. K. Sidhva: With due respect I will confine myself to the provisions of this Bill and what I mention is my personal view.

Mr. Chairman: The Honourable Member should not question the ruling of the Chair. He will please confine his remarks to the points indicated by me.

Mr. R. K. Sidhva: No one can challenge the ruling. I myself understand that. The point as I personally do feel and I would have liked that my friend Mr. Ayyangar had moved a motion if he so thought fit that it be referred to the Select Committee and passed during this session. He himself stated in his speech that there is no material change to be made in this Bill. He has said that most of the provisions of the Bill are acceptable and there are one or two points which require consideration and for that purpose the whole of the Bill should be held over to be considered for nearly six months, that is, the full year and this is not fair.

I have heard the arguments regarding the exemption of municipal taxes. Some of my views are different on this matter; however, I do not want to go into this case. The matter is being sent to the Select Committee and they will consider it there. But when the Select Committee considers this matter, they must bear one thing in mind. What is the greater good of the greater number? Individual cases are not going to help anybody nor the individual cases will help the State or the people as a whole. We have to consider how the State is going to be benefitted, that is the point. A, B, C, or D or even a few number could to a certain extent be affected by the provisions of the Bill, but ultimately to whom does the greater benefit go, that is the

point to be borne in mind in a matter of taxation and from that point of view, Sir, I do feel that this measure being sent to the Select Committee brings to the State a certain amount of loss of revenue and I for one am not prepared to that extent willingly to accept the amendment. Mr. Ayyangar said even now it is not too late for him if the amendment has been moved—that the report could be made before the 8th of this month. Even the Finance Bill which contained many taxes was completed within three hours by us in this session. There were so many taxes that were levied there and within three hours the Select Committee completed that and brought it before the House and passed it before the 31st March.

An Honourable Member: What is the point in hustling the House to pass a piece of legislation?

Mr. R. K. Sidhva: The loss of revenue to the State. - Even if you ask for exemptions, according to me there will be exemptions and according to the other it will not be. That is the whole point. You must remember it is either giving concession to society or allowing the State to incur a loss. From that point of view, Sir, I do feel that the provisions of the Bill should have been considered here even without going to the Select Committee and the Bill would have had a fair deal in this House. After hearing the views of Honourable Members, I do not desire that this Bill should have been sent to the Select Committee and to have been reported in the next session.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I am really surprised to hear the speech of my Honourable friend Mr. Sidhva and the speech of the Honourable Member who spoke before him. I understand the anxiety of these members about the revenue of the State. Nobody in this House wants that the State should not get its dues, but does any Honourable Member want that the individual should pay more than what he ought to, or what is due from him? Does any Honourable Member want that the provisions of the ordinary law of the land should be amended without the Bill being sent to the Select Committee or in such a manner that all the provisions are not fully considered? I do not want to cast any aspersions upon any person, but, Sir, I most humbly point out that if a person were to read the notes circulated to us and the opinions that we have received from various other sources on this Bill, he would come to the conclusion to say the least, it is one of the most controversial measures that ever came to this House. Reference has been made in this note to the various High Courts, to the decisions of the various High Courts and to the law obtaining in England, in Australia and many other places and great efforts have been made by the investigation commission to support their point of view, and if any person were to go through that note alone intelligently, I take it, Sir, that he will have to spend something like two days on it and therefore I am simply puzzled when I find Honourable Members standing up and saying to this House that the Bill should have been considered all at once. Sir, I sent in a motion even to have this Bill circulated for public opinion and I sent in a motion for Select Committee. I knew that the Honourable the Finance Minister will at once accept the motion for Select Committee when it was brought to his notice that the members of the House wanted a motion to that effect to be accepted.

Now, Sir, before proceeding further, I would rather like to examine the position as to whether the State shall lose any revenue if the motion about the Select Committee is accepted. We know that according to the Act just passed by this House in regard to the powers of the Investigation Commission all such cases of tax evasion as come to the notice of Government before 1st June 1948 can be referred to that Commission and so the Commission will be seized of all cases which are sent by Government for their investigation. Now

* [Pandit Thakur Das Bhargava]

according to the provisions of this Bill it appears that fresh powers are sought to be taken in the proposed sections 33-B, and in sections 34, 46, etc. In regard to proposed section 33-B it is clear that according to the previous enactment of this House these powers were not given to the Commissioner under 33A to make any order prejudicial to the interests of the assessee. Now the power is sought that the Commissioner shall be able in a proper case to revise an order of the Income-tax Collector and pass any order after hearing the assessee to the prejudice of the assessee; and the period given is two years. Now suppose the Act is passed in November; then in regard to taxes for the two last years the power of retaxing will be there. Up till June 1948 power is there. And then if you will see section 34 the power is that in respect of the last 8 years any order which was passed in favour of an assessee can in a manner be revised by the Income-tax Officer. In the case of dishonest assessee and in the case of honest assessee also in regard to any order passed during four years of the passing of this Act powers have been given under section 34 also. So a mere some months' delay would not matter at all and there will be no loss of revenue.

Now Mr. Sidhva pointed out that Mr. Ayyangar said that all the provisions are acceptable and there is not much in the Bill which requires further discussion. I never heard him say so and I will be very much surprised if this remark could be attributed to Mr. Ayyangar. In regard to municipal tax you have heard the speeches of three or four members who have spoken before, and all of them have doubted the wisdom of exempting municipal tax. At this stage I need not enter into the vexed question of whether provincial taxes or municipal taxes should be exempted; but it is a matter on which opinions differ, and this is sufficient for taking this Bill to the Select Committee and having the point thrashed out there. In regard to section 34 and in regard to other provisions of the Bill opinions are very conflicting. Even in this note which has been circulated to us we find that the Commission also has not been very clear in regard to the recommendations made by them. For instance, in regard to the powers of the Commissioner, it appears that some time the Investigation Commission was itself of the opinion that one year would do and two years were not necessary. On the point of section 34 it appears from the note on page 8 that the Commission was not clearly of one opinion. If anybody speaks in this House about making the law as it ought to be sometimes Honourable Members uncharitably say that he is a friend of the tax-evader. Now, Sir, it so happens that under this Bill also, the Bill which is sought to be referred to Select Committee, in my humble opinion it is not the tax-evader alone who will be hit, but the honest man also will be hit. The person who by a mistake does not disclose his income will have the rule of eight years operating against him. I will refer you to page 8 of the note in which the following remarks appear:

"It will be noticed that class (a) is not limited to cases of fraudulent concealment. So long as escape or under-assessment has resulted from the assessee's non-submission of return or omission to make full disclosure, it makes little difference what the motive of the assessee in so behaving was. The natural inference from his omission is that he wished, if possible, to escape proper assessment."

This is exactly my complaint. I want that if a person dishonestly evades taxation the rigours of the law may be visited upon him. But I do claim that if there is an honest person who has not concealed his income or behaved in a fraudulent way he should not be harassed by law. If your income-tax officers are not competent you make them competent; if they are inefficient you make them efficient. In 1939 this question came up before this Assembly and in 1939 section 34 was amended. Previously the words were very wide. In 1939 this Act was amended and the provision in regard to 'definite information' was put in the statute. My humble submission is that these

provisions in section 34 in regard to definite information were very correctly put in the statute. I can understand one position. If a person says that the income-tax officers are dishonest and inefficient my reply will be that they should not be given too much power, otherwise the public will be harassed; if they are claimed to be competent and efficient there is no need to change the law at all.

Again if you look at the provisions of section 33-B which is proposed to be enacted, this power alone is sufficient to guard against the escape of any income in an honest manner. If two years are not enough for the Commissioner to find out in which case a person has been wrongly assessed by mistake of fact or law, how will the period of eight years help this department? After all human life as estimated in India is only 23 years. Eight years are too long, and by the time eight years pass the economic condition of the assessee may change to an unrecognisable extent. Therefore I will submit that in regard to honest assessee the period will be too long and change of the law would at least prejudice such hard cases; and it is debatable if we should agree to change our law according to the recommendations of the Investigation Commission. After all, Sir, the Investigation Commission has done its duty, and now it is the duty of the House to see whether the recommendations made are correct or not. We have not had sufficient time to consider these recommendations. The recommendations were made as far back as 10th January, 1948 and then they were referred to about 60 companies, etc., for getting their opinion, out of whom only 25 submitted their opinion and the rest have not submitted any opinion. Moreover, when the recommendations were in the hands of the department on the 10th January I do not understand why they were not passed on to the members of this House and only a week before we are called upon to make changes of a very vast character in a statute of this kind rather haphazardly. On these questions relating to the permanent law of the land we should be very cautious in making changes. We have just seen in another Bill passed today how one word caused trouble to 500 refugees in regard to new houses. In fact in regard to all legislation we have to be very chary. Here it involves a question of principle in which all the Governments of the world have something to teach us and something to learn from us. And we should consider all that before we change the law of this country in regard to taxation.

Now in regard to section 46 I would say that that section has been on the statute-book for a very long time and I do not know what evidence is there before the department to ask us to make a drastic change in regard to these provisions. The Income-tax Collector is armed with the powers of a decree-executing court and the Collector can collect for him all dues as if they were arrears of land revenue. Then he is also armed with other powers which I need not discuss in detail. The present power which is asked for is that he should be able to ask debtors of the assessee to pay the money in the Income-Tax Office, and if they do not pay, to record an order by way of injunction. Now, Sir, it may happen that third parties who are indebted to the assessee may have invested all this money in some business; the whole thing will be dislocated by a grant of power of this kind. I can understand that if evidence is found that the assessee is taking undue advantage of the leniency of the law and enters into fraudulent transactions, it will be a question for us then whether it will be advisable or not that the law be changed.

My submission is that in regard to many other matters it is necessary that the case should go to a Select Committee. In regard to the Hindu 5 P.M. Joint Family, the aggregation of income from business profits is to be treated as in the case of an individual. We were expecting that the Honourable the Finance Minister would do justice to the Hindu

[Pandit Thakur Das Bhargava]

Joint Family but if the profits of business are allowed to be aggregated in the manner that the Bill seeks to do there will be more injustice to the Joint Family. In regard to many other matters of detail, I would submit that the situation is clearly such that the House will be well advised to send, and will do the right thing if it allows, the Bill to go to the Select Committee.

Prof. N. G. Ranga (Madras: General): The question be now put.

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

Mr. Chairman: The question is:

"That the Bill be referred to a Select Committee consisting of the Honourable Shri R. K. Shanmukham Chetty, Shri T. T. Krishnamachari, Shri Mohan Lal Saksena, Shri H. V. Kamath, Prof. N. G. Ranga, Shri Bikramlal Sondhi, Pandit Thakur Das Bhargava, Shri C. Subrahmanyam, Pandit Lakshmi Kanta Maitra, Dr. B. Pattabhi Sitaramayya, Shri Arun Chandra Guha, Dr. B. V. Keskar, Mr. Tajamul Hussain, and the Mover, with instructions to report not later than the last day of the first week of the next session of the Assembly, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Tuesday, the 6th April, 1948.



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தமிழ்நாடு ஆவணக்காப்பக நூலகம்,
எழும்பூர், சென்னை-600 008.

தவணைத்தாள்.

சே. எண் :

ப. எண் :

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