CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Monday, 19th December, 1949.

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

QUESTIONS AND ANSWERS

(*See Part I*)

11-50 A.M.

ALLOTMENT OF TIME FOR SUGAR DEBATE

Shri H. V. Kamath (C.P. and Berar: General): Before we proceed to the business of the day, may I remind the Leader of the House of the promise that he made earlier in this session on behalf of Government to allot a day during this session for a debate on the Sugar question. I would be very grateful if he would kindly tell the House when that day will be allotted and what date it will be

The Honourable Shri Jawaharlal Nehru (Prime Minister): I am well aware of that promise and Government will keep that promise. I might inform the House that I have requested a number of Ministers from Provincial Governments to come here to-day to confer with us on that subject.

HINDU CODE—*contd.*

Mr. Speaker: The motion that the House was considering was:

"That the Bill to amend and codify certain branches of the Hindu Law, as reported by the Select Committee, be taken into consideration."

The Honourable Shri Jawaharlal Nehru (Prime Minister): Sir, I crave your leave and the indulgence of the House to make a statement in regard to the Hindu Code Bill and I trust that the Statement I make will meet with the approval of the House.

When at the commencement of this Session I referred in the course of my remarks to the Hindu Code Bill, I said that Government attached a great deal of importance to this measure and they hoped that this consideration stage would be passed during this session. At the same time Government were very well aware that there was a variety of opinion on this subject and a large number of people were interested in the provisions of this Bill, and, therefore, I had suggested then that we propose to follow a course which we hoped would lead to a broadbased agreement in regard to a number of controversial clauses in the Bill. I should like now to amplify that statement and to make clear the policy of Government in regard to this matter. We have had fairly prolonged debate on this Bill not only in this session but in previous sessions. We had set

[Shri Jawaharlal Nehru]

aside two days on this occasion and as the House knows, those days have been prolonged on two occasions. Government had no desire and have no desire to restrict debate on an important measure of this kind and in spite of the fact that we have been very hard-pressed for time—and we have very important legislative measures awaiting disposal during this session—we extended the debate on two occasions and indeed to-day was also fixed for it.

While we have no such desire to restrict this debate, naturally Government is hard put to it to find more and more time, still we are prepared to find more time because of the importance of the measure and the desire of some Members of the House. But there was another aspect to this question and that was this; that if we are going to consider this matter in a spirit of trying to find an agreement as far as possible, in regard to controversial clauses, if, as I said we are going to proceed on the lines I indicated right at the commencement, then, is it desirable for us at this stage, to carry on this debate and perhaps produce an atmosphere, or help in producing an atmosphere, which does not lead easily to that kind of settlement? That was an important consideration which Government had in mind. Right at the commencement, as I have reminded the House, we had that in view. It was no intention of the Government to proceed with this merely by virtue of a majority and compel acceptance of every clause of this Bill although there might be considerable variety of opinion in regard to it. The position of Government, so far as this Bill is concerned is this. We stand committed to the broad approach of the Bill as a whole. We are prepared, however, to consider every clause in a spirit of accommodation. Naturally, Government have put forward this measure as it is because they believe in it. But in such matters they desire to have as large a measure of support as possible. Now there is a distinction between that and this general consideration at this stage which is going on, and which they feel has been debated quite considerably, and a large number of Members of the House have participated in this debate. They attach importance to the conclusion of that stage of the debate so that they may take up the next stage of consideration, that informal consideration as soon as passible. Now that informal consideration cannot effectively take place in that way, until this first stage is ended. Otherwise we remain in mid-air, and we cannot get on to that next stage. So our proposal now is, and I venture to place it before the House, that we conclude this debate, on this consideration motion as early as possible. I would not mind Government giving more time, even at the expense of other legislative measures; but I would submit to the House that if the general proposal to have this informal discussion is agreeable to the House, then it is desirable to go to that stage and not to vitiate the atmosphere by acrimonious debate any more at this stage.

When I talk about informal consultations, I should like to make clear what I mean. I say 'informal' not that I do not consider it important, but because I wish to give a measure of flexibility to that discussion so that my hon. colleague the Law Minister who has shouldered the burden of this Bill, and who I trust will gladly accept and give effect to the proposals that I have made, so that he can consult not only the Members of the Select Committee, but other Members of this House who are interested, and may even consult others outside this House. Now, that would be difficult if a certain rigid procedure was adopted, and also when you adopt a formal and rigid procedure, it becomes a little more difficult for that attitude of free and easy discussion and give and take which might prevail more easily if the procedure were more flexible and informal. Therefore, I make this proposal to the House; and I do submit that in this matter, having considered all the discussions and debate that we have gone through, this is a reasonable proposal which should meet with the approval of all sections of the House because it is an attempt, a real attempt on the part of the Government to carry some thing through this House

and through the country with the largest measure of support. That does not mean that in any matter over which we may disagree violently, we give up our opinions or surrender to anyone else's judgment. No one expects any Member of this House to do that if he believes in something. But it is the essence of democratic procedure for us to debate and consider and try to convince each other and try to meet each other's points, but sometimes giving up something so as to arrive at a decision which can be enforced with the largest measure of consent. That is the procedure, I would submit to the House, that we should follow in this important measure also.

12 NOON.

I do not wish the House to think in the slightest degree that we consider that this Hindu Code Bill is not of importance, because we do attach the greatest importance to it, as I said, not because of any particular clause or anything, but because of the basic approach to this vast problem in this country which is intimately allied to other problems, economic and social. We have achieved political freedom in this country, political independence. That is a stage in the journey, and there are other stages, economic, social and others, and if society is to advance, there must be this integrated advance on all fronts. One advance on one front and being kept back on other fronts means functioning imperfectly, and also means that the first advance also is in danger. Therefore, we have to consider this matter in this spirit, how we should advance on all fronts, always keeping in view, of course, that the advance is co-ordinated and meets with the approval of the great majority of the population. I say this because, after all, we function as a democratic assembly answerable to the people of India, and we must carry them with us. Keeping that in view it is not good enough for us and for this House merely to be led. We have to lead and we have to give the lead, and in giving that lead we have to carry others with us, and we propose to give the lead in this and in other matters, but always carrying others with us.

This, therefore, is the procedure that I have detailed, that is to say, that we may put an end to the present stage of consideration of this motion by adopting it, and then the House may permit Government to take those informal steps which I have indicated in regard to consultation about the various parts and clauses. That might be undertaken so that when the matter comes up again, as I hope, at the next session, it may have the support of a very great majority in this House and outside.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, I move:

"That the question be now put."

Mr. Naziruddin Ahmad (West Bengal: Muslim): May I ask for a clarification?

Mr. Speaker: I do not think we need take any more time now, specially in view of the very frank statement made by the hon. the Leader of the House just now. I may remind hon. Members that this stage of the motion has been debated for full nine days, and to-day is the tenth day. Thirty-three speakers have taken part in it and we have devoted thirty hours and twenty-eight minutes. I think the time devoted is sufficient and......

An Honourable Member: May I know...

Mr. Speaker: I am not bound to give any reasons when I accept a closure, but I think I should also explain what I feel about it. I am convinced from the statement just now made by the hon. the Prime Minister that everybody inside the House and outside the House is going to have a full chance of having a say with respect to the various provisions of the Bill. The present stage is the stage of general consideration and we are not discussing any particular clause or any particular item. It is possible that people may differ about details and yet so far as the generality of the Bill is concerned, there might be

[Mr. Speaker]

a great measure of agreement. If we were to continue our discussion at this stage, I am afraid our discussion is bound to be very vague, general and rambling; perhaps it will consist of repetitions also. The more important stage, therefore, is the clause by clause consideration of the Bill and before that stage comes, hon. Members will have every opportunity of considering all questions and discussing them with the Government and also other people outside the House. Therefore, I think that proceeding with the further consideration of the Bill will mean practically a waste of time. I am therefore inclined to accept this closure and I would then call the hon. Minister of Law to speak.

Sjt. Rohini Kumar Chaudhuri (Assam: General): I would like to make a statement.

Mr. Speaker: What statement is the hon. Member going to make? If I permit the hon. Member to make a statement, everybody will feel entitled to make a statement. The hon. Member will please resume his seat.

Shri Mahavir Tyagi (U.P.: General): I want to have an interpretation from you, Sir whether, after this motion is adopted at this stage, would it mean that the House would be committed to the principles of all the clauses of the Bill?

Mr. Speaker: I will clarify the position. In fact, when the House accepted the motion for reference to Select Committee, it accepted the principle of the Bill. Now, in a Bill of this type, it is very difficult to decide what the principle is, because every clause may be made into a principle. I may make the position clear. Looking to the extent of the provisions of this Bill—its wide extent—it is clear that the only principle accepted by the House is that it is desirable to codify the Hindu Law, and every provision of the Bill is open for discussion, alteration, change and all that sort of thing.

Shri Mahavir Tyagi: Then, we have no objection, Sir.

Sjt. Rohini Kumar Chaudhuri: I want to make a suggestion to the House on this motion. Closure may be moved and accepted, I have no objection to that. I do not want any further discussion on that subject. As a matter of fact, in order to create an atmosphere of compromise, I have myself not spoken in opposition to it. What I want to suggest is that this motion may not be put to the vote now. We want to convince the opposition outside that a practical gain has been made by the announcement of the hon. the Prime Minister.

Mr. Speaker: I think that after the statement of the hon. the Leader of the House as regards the procedure and what I have said as regards what is going to be binding and what is not going to be binding, there remains no doubt as to the effect of carrying this consideration motion. In fact, it is not desirable to keep that point open, so that when the consideration is again taken up, there may be further discussions and further inducements to speeches. I will therefore put the motion to the House.

Dr. P. S. Deshmukh (C.P. and Berar: General): On a point of order, Sir. We have all heard the excellent suggestion made by the hon. the Prime Minister and there is no doubt that the House is likely to accept it. My point of order is that the question before the House is a motion for consideration. The suggestion now made really means referring the Bill back to the Select Committee.

Some Honourable Members: No, no.

Dr. P. S. Deshmukh: I put it to you, Sir, that this is circumventing the parliamentary procedure. The only procedure, rightful and just, would be to commit the Bill to the Select Committee, either the same or an expanded committee. The suggestion made is against parliamentary procedure and should not be accepted. If the suggestion is acceptable to the House, I have not the slightest objection, but the regular procedure is to commit the Bill to the same Select Committee or a Select Committee, which may be enlarged.

Mr. Speaker: I see the force of the hon. Member's objection from the procedural point of view, but what the hon. the Leader of the House has done is not to place any motion for further consideration before the House. He has merely explained his position. He has stated how the Government is going to act and how it will proceed with the consideration of the clauses of the Bill. There is no reference there for further reference to any formal Committee of this House. If such a motion were to be made, then of course I would have been glad to accept that point of order. At present there is no such motion before the House, and I think it is not against parliamentary procedure. On the contrary, even if it is a little different from the ordinary procedure, as, in my opinion, democracy means a spirit of accommodation and give and take, we must evolve a new procedure. I will now put the motion to the House.

The question is:

"That the question be now put."

The motion was negatived.

The Honourable Dr. B. R. Ambedkar (Minister of Law): Sir, there are before the House in all three motions. Two of them are sponsored by Mr. Naziruddin Ahmad. One of them proposes a reference of the Bill to the Select Committee for further consideration. The second motion proposes that the Bill be circulated for eliciting further public opinion. In addition to them, there is my motion before the House which proposes consideration of the report of the Select Committee. I propose to say a few words with regard to the motions moved by Mr. Naziruddin Ahmad. The one thing that I have noticed in the course of the debate which has ranged over nine days, is that it has had no support even from the opponents of the Bill. At the most, only two members out of the thirty three who have taken part in this debate have favoured his proposition. The rest of them have not supported him at all. Secondly it is quite clear to those who have followed his speech which was for more than six hours, that notwithstanding the fact that he was questioned from time to time while he was speaking to give us the reasons why this Bill should again be referred to the Select Committee or circulated to the public, he has in my judgment not succeeded in giving us any good ground for supporting his motions. I therefore think that it is unnecessary for me to waste my time as well as the time of the House in dealing with his two motions.

Now, Sir, I come to my own motion. As you have said, there have been altogether thirty three speakers who have taken part in this debate. I would like to give to the House some idea of the measure of support and the measure of opposition exhibited by the members of the House to this measure. Out of the thirty three members who have taken part in this debate, something like twenty three have spoken in favour. Out of these twenty three, there were only two who have said that they were prepared to give only qualified support to this Bill. Three remained neutral; three were for circulation and four for the postponement of the consideration of the Bill. It is therefore quite clear that a very large majority of the Members of this House are in favour of the Bill—as I said, as many as twentythree.

Sjt. Rohini Kumar Chaudhuri: But does he know that thirtyfour persons who wanted to oppose the Bill, whose names were given, had no opportunity to speak?

The Honourable Dr. B. R. Ambedkar: I am only making an analysis of the speeches of those who have spoken. *(Interruption)*.

Mr. Speaker: Order, order.

The Honourable Dr. B. R. Ambedkar: Taking the matter a little further and analysing the stand taken by those who have opposed the measure in order to see which part of the Bill has been attacked, I find that in this Bill which seeks to codify the Hindu Law relating to eight matters there are five to which there has been no opposition whatsoever.

Sjt. Rohini Kumar Chaudhuri: Because you didn't allow us to speak.

Mr. Speaker: Order, order.

The Honourable Dr. B. R. Ambedkar: I hope, Sir, my friend will not interrupt.

Mr. Speaker: The hon. Member just now promised that he would not like to spoil the atmosphere of a compromise.

Sjt. Rohini Kumar Chaudhuri: He is not to speak now—that was the term of the compromise.

Mr. Speaker: Order, order. No running commentary now.

The Honourable Dr. B. R. Ambedkar: As I said, Sir, the Bill seeks to modify and codify the Hindu Law with regard to Marriage, Adoption, Guardianship, Joint Family Property, Women's Property, Intestate Succession, Testamentary Succession and Maintenance. So far as Adoption is concerned, I have seen no opposition to this part of the Bill, nor to the part relating to Guardianship......

Pandit Thakur Das Bhargava (East Punjab: General): I opposed some of the provisions relating to adoption and absence of provision for appointment of heirs.

The Honourable Dr. B. R. Ambedkar: Nor to Women's Property, Testamentary Succession and Maintenance. The only parts of the Bill to which there has been some opposition are those which relate to Marriage, Joint Family Property and Intestate Succession. Even with regard to these parts of the Bill the opposition is concentrated on one or two points.

Sjt. Rohini Kumar Chaudhuri: On a point of order, Sir. You yourself ruled that all these matters can be discussed when we come to amendments.

Mr. Speaker: Will the hon. Member resume his seat? I think Members have to be patient and must not interfere when other Members are putting forth their points of view. The hon. Minister must be allowed to go on uninterrupted, and if hon. Members have to say anything they will have a chance later on when the Bill comes in for discussion here.

Sjt. Rohini Kumar Chaudhuri: But, Sir, if you don't allow us ......

Mr. Speaker: I do not propose to allow any interference at all.

Sjt. Rohini Kumar Chaudhuri: To explain the position...

Mr. Speaker: Allowing to explain the position is again to go on replying at every sentence. I do not propose to allow anything of the kind. (*Interruption*). The hon. Member will not now interfere at all so that I may not be compelled to take a very serious notice of these interruptions or points of order or suggestions. But when I put the motion......

Shri H. V. Kamath (C.P. and Berar: General): Did you say, Sir, that the Bill would again come up for discussion?

Mr. Speaker. The clauses will come up for discussion.

Dr. B. Pattabhi Sitaramayya (Madras: General): May I respectfully make a small suggestion? This is not going to be discussed,—the question of the consideration motion being accepted. Therefore, whatever statements are made by the hon. Minister in charge of the Bill, they will go unchallenged. And so long as they go unchallenged a vote cannot be correctly obtained. The hon. Mover has been absent for a number of hours and he is not posted with information as to what has been said or what has not been said. For instance, he says that on the question of 'Adoption' there was no opposition and here is a gentleman who rises and says that he did oppose those provisions. I would therefore request that the hon. Minister will not make his reply controversial.

Mr. Speaker: The point is, as I have understood the hon. Minister, that he is trying merely to summarise his point of view.

Dr. B. Pattabhi Sitaramayya: No.

Mr. Speaker: Order, order. Let hon. Members not interfere. I believe he is perfectly entitled to lay before the House his point of view. It may be correct, it may not be correct. Therefore, when he is replying, his reply has to be heard for what it is worth. Hon. Members should not immediately get up and say "this statement is wrong" or "that statement is wrong" because we will then be drifting into a controversy. Let us hear him. And the best method of democracy is to be patient with the opponent.

Sjt. Rohini Kumar Chaudhuri: Can we not reply to the wrong statements made?

Mr. Speaker: No reply now because the Opposition will get their chance when the clause by clause reading comes in.

Sjt. Rohini Kumar Chaudhuri: He will also get a chance then.

Mr. Speaker: If the hon. Member now interferes I am afraid I will have to take a very serious notice. There should be no interruption at all, no interference and no remarks. The hon. the Law Minister is entitled to proceed and give his own interpretation and his own reading of the facts as he thinks are correct. We may not all agree with it. (*Interruption*). Order, order. No replies, no arguments now. I propose to allow no interruption. The hon. the Law Minister will go on.

The Honourable Dr. B. R. Ambedkar: Sir, as I was saying, to five parts of the Bill there is practically no opposition. With regard to the three parts relating to Marriage, Joint Family Property and Intestate Succession, so far as I have been able to follow the attitude taken by those who have opposed this measure, I find that their opposition is concentrated on certain points and not to the whole of those parts. With regard to Marriage I find the opposition is concentrated on the subject matter of Divorce. With regard to Joint Family again, the opposition seems to be concentrated on the rule of survivorship. And with regard to Intestate Succession the opposition seems to be concentrated on the daughter's share. If I was therefore required to give a full reply to the debate and to the arguments advanced by those who have opposed the measure I would have concentrated myself upon these three matters, namely Divorce, the rule of survivorship and the daughter's share. I might say that I had thoroughly prepared myself to defend the provisions contained in these three parts of the Bill. But, in view of the statement made by hon. the Prime Minister, I think it is unnecessary to enter into any controversy now. I welcome the suggestion made by hon. the Prime Minister and I undertake to give the fullest trial to the suggestion that he has made. Consequently I do not propose to give a detailed reply on these matters at this

[Dr. B. R. Ambedkar]

stage. As you, Sir, have suggested, I too would like to reserve my reply to a later stage.

There is only one point which I think it is necessary for me to dwell upon in order that the House may realise the position in which the country finds itself. It will be noticed that the integration of India into one State and one Republic has brought within its territory a variety of Codes dealing with Hindu law. There is the State of Baroda which has a Hindu Code which is different from the Hindu law as it is in operation in the Provinces of India. That State has now become part and parcel of the Bombay Province. Similarly, Travancore and Cochin which were outside the territorial limits and the sovereignty of India, as we knew under the Government of India Act, 1935, have become part and parcel of one India. Mysore which has also a Hindu Code of its own in the matter of women's right to property, considerably different from the law prevalent in the Provinces of British India, has also become part and parcel of one India. Therefore, on the 26th of January, 1950, when the Republic will be inaugurated we will be faced with a variety of systems of Hindu Law which we must do our best to co-ordinate. How would it be possible, for instance, for the Bombay Province to administer two systems of Hindu Law one operative within that territory which is called Baroda and the other in the rest of the Province, when both territories have become integrated and part of one Province and one State? The same will be the case with the other territories. Supposing for instance, some of the parts of India which are under the sovereignty of the Portuguese or the French and which we hope to be able to recover under our dominion, also have different systems of Hindu Law, when they come in, the same question will arise before us. What is to happen to the Law which the Hindus in Goa will be bringing with them? Are we going to allow them to retain the Law which they will bring? Are we going to impose a Law which is in existence at present on them? Or, are we going to evolve a system of Law which would be acceptable to both? The integration of India, therefore, has in a very pointed manner brought before us the problem of the codification and the modification of Hindu Law and what I want to suggest to the House is that this is a problem which could not be postponed nor could it be avoided if we want to bring about harmony among the variety of people who would be coming and becoming the citizens of the Indian Dominion.

Dr. B. Pattabhi Sitaramayya: Codification has been accepted.

The Honourable Dr. B. R. Ambedkar: Then, Sir, I would like to draw the attention of the House to one other point which appears to me a very important one. The House, at any rate those who indulge in opposing the Bill, seem to have completely forgotten the provisions contained in the Indian Constitution. Article 15 of the Indian Constitution which we have passed says in definite and clear terms under Fundamental Rights:

> "The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex, place of birth or any of them."

Any one who has studied Hindu Law carefully will have to admit that apart from the many defects which the Hindu Law has, there are principles in the Hindu Law which discriminate between the *Suvarna* vastes and the *Shudras*. They also discriminate between a male Hindu and a female Hindu.

Shri Mahavir Tyagi: And a Hindu and a Muslim also!

The Honourable Dr. B. R. Ambedkar: It is therefore quite clear that parts of Hindu Law will be in conflict with the provisions of the Constitution. But that is only an understatement. There is a further point to be considered; it is not that this limitation imposed by article 15 is going to apply to future laws that the Parliament or the State Legislatures may make. The Constitution has gone one stage beyond and in article 13, which I should like to read to the House, it is provided that:

> "All laws in force immediately before the commencement of this Constitution in the territory of India, in so far as they are inconsistent with the provisions of this Part, shall, to the extent of such inconsistency, be void."

Therefore, looking at the matter as a lawyer, I have not the least doubt about it that unless Hindu Law is not only codified but also modified so as to bring it in consonance with the provisions of article 15, parts of the Hindu Law will be declared to be void by the judiciary in view of article 13. Does the House desire that the Hindu Law should be exposed to judicial scrutiny in terms of article 13 of the Constitution and to have parts of Hindu Law declared, bit by bit, as and when matters are taken before the Court, as void, or would the House like to take the matter in its own hands and reform the Hindu Law so as to make it consistent with article 15 and not to expose it to the danger of having been declared void under article 13? If the House does not wish that the Hindu Law be broken bit by bit by the judiciary but that it becomes an integrated system consistent with our Constitution, then my submission is that it will be very wrong for this House to postpone the consideration of this matter.

Sir, these, in my judgment are very important considerations, and in view of that the House could not afford to postpone or delay the consideration of this matter. I hope the House will therefore accept my motion and carry through the consideration stage of this Bill.

Dr. B. Pattabhi Sitaramayya: Sir, may I ask for a clarification? Dr. Ambedkar has stated that all those provisions which are inconsistent with the particular article of the Constitution which he has quoted will become void. Is it his contention that on the 26th January when the new Constitution comes into force, and the article which he has quoted will certainly come into force, on that day all this portion of the Hindu Law will become void and there will be a vacuum left? Can a more unreasonable presumption be made?

Mr. Speaker: Order, order. That is expressing hon. Member's own opinion.

The Honourable Dr. B. R. Ambedkar: Sir, I have exercised, if I may say so, a great deal of self-control with regard to my friend Dr. Pattabhi Sitaramayya. He would have heard me say, if I had said all that I wanted to say about it.

Mr. Speaker: There are two amendments to the original proposition: That the Bill to amend and codify certain branches of the Hindu Law, as reported by the Select Committee, be taken into consideration. I shall first put to the House the amendments. The first amendment is by Mr. Naziruddin Ahmad asking for circulation for obtaining further opinion thereon by the end of 1949. It is too late to extend the date.

Mr. Naziruddin Ahmad: May I explain the position, Sir.?

Mr. Speaker: No. The question is:

> "That the Bill be circulated for the purpose of obtaining further opinion thereon by the end of 1949."

The motion was negatived.

Mr. Speaker: Then the next amendment. The question is:

> "That the Bill be re-committed to the same Select Committee, to which it was sent, for a further report thereon with reference to the original Bill which was referred to it on the 9th April, 1948."

The motion was negatived.

Mr. Naziruddin Ahmad: I claim a division, Sir.

Mr. Speaker: Very well. I find the 'Ayes' are five and the rest are 'Noes'. The motion is lost by a large majority. Now I will put the original motion.

The question is:

"That the Bill to amend and codify certain branches of the Hindu Law, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Prof. Shibban Lal Saksena (U.P.: General): Sir, the 'Noes' have it.

Mr. Speaker: I find their number is only six or seven. The majority of Members are for the motion.

BUSINESS OF THE HOUSE

ALLOTMENT OF TIME FOR SUGAR DEBATE

Mr. Speaker: Before we proceed with this business, I have to make an announcement to the House. It is proposed so far as possible—and it should be possible by the co-operation of all the members—that the present session should come to an end by the 24th, that is, Saturday, at the latest. If we finish earlier, we will not sit on Saturday. If we do not finish earlier, we shall sit on Saturday. Then one morning session will be allotted for the sugar debate.

Shri R. K. Sidhva (C. P. and Berar: General): That will not be sufficient, Sir.

Mr. Speaker: That is a different matter. We will see. If the business is finished earlier by Friday, then we can have Saturday for the sugar business. Supposing we make rapid progress in the business before the House, I wonder if it will not be possible to have it on Friday.

The Honourable Shri Jawaharlal Nehru (Prime Minister): It is possible.

Mr. Speaker: We shall watch the business. It may be Friday or Saturday. If our progress is speedy enough so far as other urgent legislation is concerned, we need not wait till Saturday, merely for the sugar debate.

The Honourable Shri Jawaharlal Nehru: No, Sir.

Mr. Speaker: That is the point. Therefore, the sugar debate will be on Friday or Saturday, depending upon the progress of the business before the House. Government will be taking up only such business as is, in their opinion, very urgent and must be put through.

An Honourable Member: If the debate is on Friday morning, we will only have an hour and a quarter.

Mr. Speaker: Therefore, let it be Saturday. I have no objection. We shall adjust.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Saturday morning would be the best, because there will be no Question Hour on Saturday.

Mr. Speaker: My point was, if we finish the business earlier, we can begin it on Friday and give an hour more in the afternoon. That would be a better arrangement from the point of view of saving the time of the House.

The Honourable Shri Jawaharlal Nehru: Yes.

Mr. Speaker: But if we cannot finish, then of course we shall sit on Saturday. I shall watch as to how the business progresses and we shall then be able to decide. That is the announcement I have to make.

The Honourable Shri Satyanarayan Sinha: If we propose to sit on Saturday for sugar debate, we will not be able to put through the business of the House by then unless it decides to sit a little late every day.

The Honourable Shri Jawaharlal Nehru: An hour or so.

The Honourable Shri Satyanarayan Sinha: One hour or a little more. We want to finish the whole thing by Saturday.

Mr. Speaker: We may resort to that procedure. I have no objection, though personally I am always so averse to sitting after five o'clock.

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): We may start at ten o'clock in the morning.

Mr. Speaker: That also will be difficult. We shall sit late. It all depends upon the progress we make.

Shri H. V. Kamath (C. P. and Berar: General): May I bring to your notice one little difficulty with regard to this? Several committee meetings, Select Committee meetings, etc., have been fixed after 5 o'clock and if we sit here late till 6 or 6.30, I for one cannot see how these meetings can be held.

Mr. Speaker: Those matters are subject to adjustment and they will be duly decided, so that hon. Members will have time to attend this House.

Mr. Naziruddin Ahmad (West Bengal: Muslim): I should like to mention one point. There are a large number of important Bills pending before the House. We should have an idea as to what Bills are likely to be taken up. In that case, we may concentrate our attention on those Bills.

Mr. Speaker: I think that would be done in course of time. By tomorrow, Government will be in a position to state what particular Bills they think are of an urgent nature and therefore must be put through by the end of this session.

ABDUCTED PERSONS (RECOVERY AND RESTORATION) BILL—*concld.*

Mr. Speaker: Now we come to the other Bill. Clause 1 was under discussion. There are a number of amendments. First, Shrimati Durgabai's amendment.

Shrimati G. Durgabai (Madras: General): Sir, I beg to move:

"That in sub-clause (2) of clause 1 of the Bill, the following be added at the end:

'and shall remain in force upto 31st October, 1951'."

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

The object of my amendment is to fix a time-limit on the life of this Bill. The Members of the House are aware that the Bill as it stood made no provision for the duration of this Bill. Perhaps, it was the intention of the Government to carry on this work without specifying any particular period or

[Shrimati G. Durgabai]

time as long as there is one woman to be recovered and restored. That was also my strong conviction and I believe that even if there is one single woman who is willing to go back and whose recovery and restoration would naturally take a little more time and where delay becomes inevitable in order to recover her and also apprise her relations to whom she should be restored, there should be really no time-limit and therefore the time factor should not enter into the matter. But having regard to the feelings and the opinions expressed in this House by the hon. Members, I was inclined to put in this amendment, specifying a particular period during which this Act will be in force. I am not taking much time, but I only hope that in specifying this time-limit, it would not be taken advantage of by the parties concerned—either by the abductor or by the abducted or the authorities who are concerned with this recovery activity or the subordinate officers who are in charge of this particular work, but that they would only use the time to the best of advantage and also in the best interests of the abducted and recovered women. I only hope that there will be no further complaint that there is a breach on the part of either Dominion to restore women and show good results. I only hope that Pakistan, about whose activity there are doubts expressed and whose sincerity in the work is really questioned by Member after Member, would take note and a lesson from the results we have been able to achieve in our Dominion in recovery activity. Thanks to the leadership in our country that we have been able to get social workers who are not only public spirited, but non-communal in their outlook, and therefore, they are inspired by the noble example set up by the Father of the Nation and also other leaders whose support and whose help are available in plenty for recovery activity in this country. Let the workers of Pakistan also be inspired by the same example. Let them be non-communal and public spirited and unflinching in their stand to restore the women who have been abducted. I only hope that they will tighten up their machinery and that their machinery will be in full swing and before long, before this Act expires, there will be no complaint and there will be complete satisfaction that both the Dominions have done their very best and there are not many women to be recovered or restored. With these few words, I commend my amendment to the acceptance of this House.

Mr. Chairman: What about the next amendment of yours?

Shrimati G. Durgabai: Not moving, Sir.

Mr. Chairman: Then, Mr. Pataskar.

Shrimati G. Durgabai: I may suggest that you may kindly put my amendment to the House first.

Mr. Chairman: I will put all amendments together.

Shrimati G. Durgabai: If my amendment is accepted, the other one will be barred.

Mr. Chairman: I see. Does the hon. Minister accept this amendment?

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Transport and Railways): In order to save the time of the House, I may straightaway say that I shall accept Shrimati Durgabai's amendment to the effect that in sub-clause (2) of clause 1 of the Bill, the following be added at the end: "and shall remain in force upto 31st October, 1951."

Mr. Chairman: In view of the acceptance by the hon. Minister of Shrimati Durgabai's amendment, does Mr. Pataskar wish to move his amendment?

Shri H. V. Pataskar (Bombay: General): It is more or less the same. Sir, I do not wish to move it.

Mr. Chairman: I shall, therefore, put the amendment to the House.

The question is:

"That in sub-clause (2) of clause 1 of the Bill, the following be added at the end:

'and shall remain in force upto 31st October, 1951'."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Mr. Chairman: In regard to the Preamble there is an amendment in the name of Sardar Bhopinder Singh Man. Does the hon. Minister accept it?

The Honourable Shri N. Gopalaswami Ayyangar: No, Sir, I cannot accept it.

Sardar Bhopinder Singh Man (East Punjab: Sikh): Sir, I move:

"That in paragraph 2 of the Preamble to the Bill—

(i) after the word 'recovery', the words 'and exchange' be inserted; and

(ii) after the word 'pending', the words 'exchange and' be inserted."

Sir, I am quite conscious that I would be incurring the displeasure of the hon. the Mover in moving this amendment, but after listening to his speech and the certificates of commendation that he has been so liberal in bestowing upon Pakistan officials, the Muslim League there and generally on the working of the recovery programme as regards Hindu girls in Pakistan, I have been left with no choice but to move my amendment. Perhaps, Sir, I might be giving offence to certain other friends also who have got a moral sense more acute than mine, but it will be conceded that as we come originally from Pakistan this Bill affects us the most.

Shri C. Subramaniam (Madras: General): On a point of order, Sir, there is absolutely no reference to exchange in the body of the Bill. I don't know how it can be brought into the Preamble. It will make the Preamble meaningless. We take the Preamble last so that it may be in conformity with the Bill which we have actually passed.

The Honourable Shri N. Gopalaswami Ayyangar: Before you give your ruling on this point of order, I only wish to mention one small matter. The object of what my hon. friend the Sardar Sahib said seems to me to be simply to controvert whatever certificate I may have given to the people and officers on the other side of the border. He will have that opportunity when the motion for the Third Reading is put before the House. He need not seek that opportunity with regard to this particular amendment, so that even if the point of order is accepted, he won't lose that chance.

Mr. Chairman: What is the reply of the hon. Member to the point of order?

Sardar Bhopinder Singh Man: Sir, this Bill deals with the expeditious recovery of the abducted Muslim women in India. After these girls have been recovered and brought to the transit camp, some of them at least are bound

[Sardar Bhopinder Singh Man]

to be ultimately transferred to Pakistan, in other words, there is bound to be an exchange. There is nothing repugnant in the Bill itself which will debar my amendment being considered. I, therefore, submit that my amendment is perfectly in order inasmuch as after the girls are recovered there must be an exchange between our girls from Pakistan and the Muslim girls recovered in India.

Shri C. Subramaniam: But how can you provide for it in the Preamble?

Mr. Chairman: All the clauses have been accepted by the House and I find that the language used throughout is "recovered". The hon. Member ought to have given an amendment then. I don't see how he can bring it in the Preamble. I, therefore, rule his amendment out of order.

Shri H. V. Pataskar: Sir, before you put the Preamble to the House, I would like to make one suggestion. The Preamble begins with the words: "Whereas an agreement has been reached between the Government of India and the Government of Pakistan for the recovery and restoration of abducted persons:". I suggest that any reference to the agreement should be eliminated because there is no reference to that in the whole of the Bill.

Mr. Chairman: The hon. Member should have tabled an amendment to this effect at the stage of the consideration of the clauses. The hon. Member did not send any amendment at that stage and I cannot accept his suggestion unless it is acceptable to the hon. Minister.

The Honourable Shri N. Gopalaswami Ayyangar: No, Sir, I cannot accept it.

Sardar Bhopinder Singh Man: In view of the fact that my amendment has been ruled out, I am perfectly entitled to speak on the Preamble before you put it to the House. I have in mind the first paragraph of the Preamble: "Whereas an agreement has been reached between the Government of India and the Government of Pakistan......"

Sir, this Bill that is before the House for discussion is the result of an agreement which was arrived at between India and Pakistan for the restoration of Muslim girls in India and Hindu girls in Pakistan. I shall be perfectly entitled to know that whereas we have given such good proof of our anxiety to restore Muslim girls to Pakistan, apart from those certificates that have been lavishly bestowed on Pakistan, I am anxious to know what progress in regard to restoration of Hindu girls in Pakistan has been made?

When a Member, of course, very daringly said,—not that I personally am against it,—(when he was interrupted, "what are your own suggestions?")—"obviously war", it was a derisive laughter that greeted his observation. Well, Sir, if it is not going to be war, if moral persuasions have failed as, obviously, they have failed, in view of the facts that have been given to us,—I might also observe what greater price could we give by way of moral persuasion than the life of the Father of the Nation, sacrificed at the altar of persuading the intransigent and absolutely unwilling attitude of Pakistan—what further moral persuasion is expected of us so that Pakistan will be willing to behave as we have done here? If it is said that moral persuasion has failed, and there is no eventuality either that it will succeed in the near future, and there is not going to be a war, then, may I know what other methods India is going to take to have the second part of the agreement expeditiously carried out? Lest I might be misunderstood, I want to make it perfectly clear that so far as the recovery of women in India is concerned, I am one with the Mover and in no way should the efforts at recovery be abated. I do consider the barbaric insult offered to Indian womanhood and Muslim womanhood on both sides of the Dominion as the darkest blot on the fair name of humanity and I want to remove that. Certainly, in this case, I should not forget the excellent work done by our sister of mercy Mridula Sarabhai and her selfless band of social workers. In this respect, I am told that there is equally excellent work going on in Pakistan. My information is that Miss Amtus Salam, while engaged in recovery work in Bahawalpur, had to go on a hunger strike and fast unto death. I may also inform the House that they may not be carried away by the name of Miss Amtus Salam; she is a disciple in the Sevagram Ashram and she is well known in India. She had gone to Bahawalpur to do recovery work and I am told that she had to meet with obstacles, step after step. I am not quite sure in spite of the assurances given by the hon. the Mover that excellent work is going on in Pakistan, whether the facts are.. ....

The Honourable Shri N. Gopalaswami Ayyangar: May I correct the hon. Member. I do not agree that I have characterised the work as excellent; but I certainly said that those responsible for policy in the other Dominion were all sympathy for speeding up the work and so on. No doubt, the results, I have always acknowledged, have been poor in comparison with the results in India. I referred to certain happenings in the other Dominion which entitle us to hope that things would be better in the future than they have been in the past.

Sardar Bhopinder Singh Man: I am exactly trying to show that this hope which is being given to us is a false hope and that we should not live on this hope which is belied by the fact, that whatever women were recovered were not recovered through the agency of social workers, but the bulk of the recovery was due to the military evacuation organisation, and since the promulgation of this Ordinance, the recovery work has been retarded there, and the work is showing no signs of improvement. This hope which is given is absolutely unfounded on facts and it is a false hope.

Mr. Chairman: Now, I will..............

Sardar Bhopinder Singh Man: I have not yet finished, Sir.

Mr. Chairman: The hon. Member sat down and I thought he had finished.

Sardar Bhopinder Singh Man: I thought as it was time for lunch, you were going to adjourn.

An Honourable Member: The hon. Member may be permitted to continue his arguments at the Third Reading stage.

Mr. Chairman: The hon. Member may continue his argument in the Third Reading stage.

Sardar Bhopinder Singh Man: If I will be given a chance to speak.

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): Subject to the condition that the hon. Member does not repeat what has already been said.

Mr. Chairman: That is implied.

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 Shri N. Gopalaswami Ayyangar: Sir, I move:

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

Mr. Chairman: Motion moved:

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

Sardar Bhopinder Singh Man *rose.*

Mr. Chairman: The hon. Member may continue after lunch. The House stands adjourned till 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. Mavalankar) in the Chair.

Sardar Bhopinder Singh Man: Sir, now that Shri Ayyangar, the hon. Minister of Transport, who is in charge of this Bill has got this legislation passed according to his wishes..................

The Honourable Shri N. Gopalaswami Ayyangar: Very much amended in accordance with the wishes of the House.

Sardar Bhopinder Singh Man: It is in pursuance of an agreement. I am anxious that having done our part of duty as we have been doing it for the last so many months, my attention now turns to the Hindu and Sikh women who were left in Pakistan. After all the agreements are never unilateral agreements. For the success of agreements it is quite essential that the other party should be discharging its own function as faithfully in the letter and spirit of the legislation as we have been doing here. Besides, even for the success of this measure in India, it is highly essential that there should not be any anxiety left in the minds of Indian nationals about the women who have been left in Pakistan. It is conducive for its working that the hon. Mover should, at this late stage, at least be able to give us some sort of assurance and amplify the assurance he has already given us that in future there are hopes that Pakistan will be working much better. So far their working has not been as satisfactory as we wished it and in such a state of affairs, time and speed mean a lot; as the days pass by, and this measure will be getting old, we should not hope that after probably one year many girls will be recovered and any girls recovered after four years, will be able to adjust themselves here in India; so that the time-factor is highly essential. That is why we want concrete and absolutely substantial suggestions and assurances from the Minister as to in what way he hopes that Pakistan will be doing much better. Many friends have called my suggestions or the suggestions of my friend Pandit Bhargava sometimes as barbaric but I consider that when we are not having any war over this issue, and moral persuasions have failed, then our methods are barbaric. We wait here and many friends wait outside to see the efficacy of the methods pursued by the hon. Mover to see that certain tangible and concrete results are achieved. But so far the results are absolutely disappointing and for me it was a pathetic sight to watch the hon. the Mover—erstwhile leader of the Indian Delegation in the U.N.O.—who was defending India's case there, to come here and pay unwarranted compliments to that Government. He said, maybe the people were retarding the process but of course the Government or certain officials who were responsible for this recovery were quite honest but I do not believe there is much difference between people and Government in a democratic set-up. As facts go, it is not only the people of Pakistan who are retarding the recovery of the women but as has been substantiated, 2,000 Hindu girls are being detained by the officers, by the officials of Pakistan and I may here point out that these officials are magistrates and the majority of them are police officials who, during the holocaust of 1947, abducted and retained many of the Hindu girls. In this case, I believe the police is a great factor in recovering these Hindu girls. The same police is holding 2,000 girls.

Sir, I do not believe there is any difference between the people and the government or the officials. These officials who are responsible, and this government which is so impotent as not to recover two thousand women from its own officials, I have no faith in them, and I believe this government is giving false hopes to the country. Why not tell us, "These women are gone, and gone for ever?" You are not prepared to go to war over this matter. I do not know why. If you are prepared to do so for a few inches of land in Kashmir, why not over the honour of our women? Sometimes the honour of women is more important and is likely to affect our political prestige. If you want any respect for your democratic or your moral or your civilised methods, and if you consider my method barbaric and uncivilized, I would only request the government to kindly show us some tangible results coming out of your moral persuasion and your democratic methods. Whenever outstanding disputes are enumerated, disputes outstanding between this country and Pakistan, they mention canal water, Kashmir and evacuee property, and such is the weakness of our government, they do not mention this question of recovery of our women. If the question of the canal waters can go to the U.N.O. if the Kashmir question can be referred to the U.N.O. why can't we take this important issue of recovery of women also to the U.N.O.? Any U.N. Commission can come here and make investigations and we can prove our case to the hilt that our Indian women are being detained there against their will. I may also tell the House that what is a matter of disgrace and shame to us, is a prize and a gift to those in Pakistan, and I fail to understand how this policy of our Government is going to make Pakistan part with this prize and gift.

And moreover, this agreement is a general one, and I do not know whom to blame for it. I will blame my own government, but in this agreement the districts of Gujrat, Jhelum, Rawalpindi and Campbellpore, were not covered. And the result is this. I shall read from an official publication—"According to official reports received by the East Punjab Government, females were separated from their males at Jhelum. Males were all herded together and cut down with axes and saws, as orders were issued not to waste a round on Kaffirs. The womenfolk were then allotted so many to each group of Pathans." In Gujrat area the number of abducted girls was estimated at 4,000. And the position is, these women are not under the purview of the agreement. And therefore, from Lahore and other places these girls trickle to these four districts. Being in the military area, no outside agency can visit them and so these abductors and the girls have a safe refuge in those districts. Apart from these districts, most of the women taken out from Kashmir were taken to the tribal areas, beyond the North West Frontier and we have not been able to trace them. The situation being so hopeless, why give false hopes to the people that recovery process in Pakistan will be much better? I do not see any reason for this hope. Perhaps—I do not want to insinuate—perhaps in order to secure a free passage for this Bill, this compliment or hope was given. Or it was due to the hon. Mover's legal acumen that he could draw such an inference, but people like me, with less subtle brains will not draw such a conclusion. What I want is to know if there is any substantial hope, and in what way Indian girls held in Pakistan will be recovered and restored to us.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I do not want to prolong this discussion, but yesterday when we were considering clause 8, *viz*, that detention should not be questioned by any court, I submitted that provision is against the spirit of the Constitution. During the discussion, I

[Pandit Thakur Das Bhargava]

had to admit that I had nothing in my possession to controvert the statement of the hon. Mover of this Bill when he said that everything was going on smoothly and no sort of coercion or no sort of tyranny was exerted on any woman. When the proceedings of this House were published in the papers this morning, a gentleman came to me—and he is now sitting in the Visitors' Gallery. He gave me a statement which I propose to pass on to the hon. the Mover of the Bill. The story he gave me and which I consider to be quite true is one which I must tell the House. Sir, one Munwar Sultana was married to this man in 1946—long before these abduction affairs and this partition of the country took place. After that, when this Ordinance was passed, this girl was taken possession of by the police, probably under this Ordinance, and she was taken to a camp in Delhi. This man who was having some business here as an automobile engineer or some such business, petitioned the authorities that Munwar Sultana—then named Kamala Devi, was married to him already, she was about 29 or 30 years of age, and that she was living with him for a long time. He tried to move the authorities, but the authorities would not hear his case for as we know, the opinion of the Assistant Sub-Inspector determines the fate of the lady. The lady was not released and so he went to the High Court and filed a *habeas corpus* application and the High Court gave him justice, issued a summons to produce the lady and at the same time they passed orders asking the Commandant of the camp to allow this gentleman to have the affidavit of the girl Munwar Sultana. As soon as these orders were received, the Commandant or the Deputy Commissioner in this case, restored the lady to his possession. Since then the lady was living with this man for a year or so. This happened in October 1948. On 26th August, 1949, she was arrested again from his house. After leaving Delhi he had gone to Jhalawar on business and on the 26th August, 1949 when her child was only 7 days old, she was per force taken to camp and for the past four months she is now in the custody of the Muslim lady social workers at Jullundur. His younger brother is in Jullundur and she is sending letters to this younger brother and I have got some of them in my possession. They are such pathetic letters. Since the House has already devoted a long time to this subject, I do not want to read them out in detail, but I will pass them on to the hon. Minister for him to kindly read these letters.

Some Honourable Members: We want to hear them.

Pandit Thakur Das Bhargava: If you allow me, Sir, I will read the letter.

Mr. Speaker: The hon. Member may give the substance of the letter.

Pandit Thakur Das Bhargava: I think, Sir, that would be enough. The lady has complained that for two days she and her child were made to sleep on the floor and that every kind of coercion was being brought on her to agree to go to Pakistan. She is not willing to go to Pakistan. She does not want to go to her brothers who are living in Lahore.

Shri R. K. Sidhva (C. P. and Berar: General): Who forces them, the police?

Pandit Thakur Das Bhargava: No, the women social workers from Pakistan. Sir, she wants to live with her husband. Sir, this is not a solitary case. There are also cases of Hindu girls, who were not at all Muslims, who were arrested under similar circumstances and it was only after the intervention of some Minister that they were allowed to rejoin their husbands. The whole difficulty, Sir, is that these girls are taken to a camp and their relations have no sort of access to those girls. I am not complaining against the procedure of these girls being taken to the camps, because after all when a girl is taken, some facilities for influencing and knowing her true mind must be given to her by Muslims on one side and Hindus on the other. But I do not know why at the same time these girls should not have access to their relations here if they do not want to go. After all, the girl is kept in the camp only for the purpose of finding out whether the girl really wishes to go away or remain here, for the purpose of registering her free consent. Only Muslims are allowed access to the camp in Jullundur and then she is kept under such conditions that she can never express her mind independently. I think this is altogether unfair. We only want to seek her real and free will; and for that purpose both parties should be allowed free access to her and have an opportunity of influencing her.

Now, as regards children, I would like to say this. I see nothing about this in the agreement between the two countries. There is no condition there about the children. So far as children are concerned, a very good argument was given by Mr. Kunzru and others who have spoken on this point. This child must be called illegitimate according to the interpretation of my friend, the Mover of the Bill. If this child goes to Pakistan and accosts the brother of the woman as *Mama*, that man will never tolerate his being called *Mama*, and the father in Pakistan of that woman will never tolerate his being called *Nana*. This will be an unwanted child there and will not be treated in the manner in which it ought to be treated. Therefore my submission is that so far as these children are concerned, they will be considered perfectly legitimate by the law, because they are the off-springs of regular marriages, and the husbands recognise those marriages. You may not recognise them as marriages under this law, but a marriage between a major man and a major woman is perfectly valid. You may not recognise them as marriages because there is an agreement between this Government and the other Government. Therefore my humble submission is that this child I have been referring to is a legitimate child of the man who had married its mother and he has got the right of guardianship and there is no reason why anybody should force that child to go to Pakistan. Therefore whatever the hon. the Mover may do with regard to Sikh and Hindu women—and my friend Sardar Bhopinder Singh Man has made a fervent appeal in that respect—I do submit that there is no reason why these girls who are citizens of India, if they want to live here, should be forced to go away. If her real desire is to go, I have no objection, but if they do not really want to go, then, Sir, they should not be forced to go, and you can never know what the real feelings of these girls are so long as their relatives are not allowed to have access to them and so long as they are under the supervision and control of the social workers from Pakistan. Therefore, my humble submission is that every effort should be made to see that these women are not forced to go back and are not treated in a manner in which their real wish cannot be found.

Then in regard to other matters, section 8 for example, we are not bound by any agreement. Therefore we can change the provisions of the law. It does not look nice that we should go against the right of every citizen of India to have the benefit of a *habeas corpus* petition. I know that after the 26th January that portion of the law will become void, but what till then? I will ask the hon. Minister to kindly consider the point from the point of view of this lady whose case I have given. Previously the High Court gave her protection, but now this Ordinance comes in the way and no High Court can give her liberty. The High Court proceedings were fruitful and both the Counsels agreed that this was a case in which further proceedings should be stopped, and now because of the Ordinance this man cannot go to the High Court and any attempt there will be infructuous. I do not know how this man could recover this lady now. As regards the child, it is perfectly legitimate

[Shri R. K. Sidhva]

as she was regularly married in 1946. Take the case of a Hindu girl also. Any Assistant Sub-Inspector can arrest any of them and send her to the camp where any amount of coercion can be used. In the case of the lady I have mentioned, there must be some method by which she can get justice. This man gave me his story in tears. I can only sympathise with him. Therefore my humble submission is that in regard to these cases we want a modification of the agreement. In fact, in regard to these children the Pakistan Government has not made this rule and that is not the subject of any agreement. Therefore in regard to these children, the Government can by its own will modify its present provision. In regard to section 8, there is no provision in the agreement of Pakistan, and so the Government of India is competent to deal with that matter as it pleases. Therefore my humble submission is that in regard to these two matters, the law should be changed.

Mr. Speaker: I may remind hon. Members that this is the Third Reading stage. I am afraid they are going into too many details and I cannot allow this kind of discussion to continue.

चौधरी रनबीर सिंह: सभापति महोदय, इस बिल का समर्थन करते हुये मैं अपने दिल का दुख प्रकट किये बगैर नहीं रह सकता। यह भारत के इतिहास में एक धब्बा होगा कि हमारे देश में एक ऐसा भी समय आया था जब कि हमें अपनी मुसलमान बहिनों को निकालने के लिये कायदे और कानून की शरण लेनी पड़ी थी। जहां मैं यह जानता हूं और यह मानता हूं इस बात से भी आंख नहीं मीची जा सकती कि इसके लिये किसी हद तक हमारे कुछ नालायक भाई जिम्मेवार हैं परन्तु बहुत हद तक पाकिस्तान के लोग और उसकी सरकार भी जिम्मेवार है। मैं माननीय मन्त्री महोदय से पूछना चाहता हूं कि यद्यपि पाकिस्तान की तरफ से यह कहा जाता है कि वह हमारी लड़कियों को निकालने की कोशिश कर रहे हैं, कभी हमारे माननीय मन्त्री महोदय ने कान्फ्रेंसों में पाकिस्तान की सरकार से यह पूछा है कि उसने उन गवर्नमेंट सर्वेण्ट्स में से कितनों को, जिनके खिलाफ यह शिकायत है कि उन्होंने हमारी भगायी और छीनी हुई बहिनों को रखा हुआ है, मुअत्तल किया है और कितनों के खिलाफ इन्क्वायरी की है? मैं यह चाहता हूं कि जिस वक़्त वह बहस का जवाब दें तो इस पर भी रोशनी डालें। इससे पाकिस्तान के लोगों की ही नालायकी जाहिर नहीं होती बल्कि वहां की सरकार की भी नालायकी जाहिर होती है और उनकी यह इच्छा जाहिर होती है कि वह स्वेच्छा से या बगैर कोई दबाव पड़े हमारी बहिनों को हमारे देश में नहीं भेजना चाहते हैं और ऐसी हालत में उन भाइयों को और उस सरकार को मजबूर किया जाना है तो जैसा कि भूपेन्द्रसिंह जी मान ने सुझाव दिया था मानना चाहिये था। हर एक बहिन का हमारे दिल में आदर है बल्कि हमारा देश तो एक सिक्यूलर स्टेट है और हमारे देश के समझौते का मुकाबला उस देश से करना कहीं भी ठीक नहीं है। वह देश एक थीयोक्रेटिक स्टेट (theocratic state) है।

वहां पर हमारी बहिनों के बारे में हम शक कर सकते हैं और सिक्यूलर स्टेट के अन्दर कोई आदमी शक करे कि यहां मुसलमान स्त्रियों के साथ अच्छा व्यवहार नहीं किया जायेगा, मैं नहीं समझता कि वह जायज़ है। हमारे देश के अन्दर जो रिकवरी (recovery) हुई वह इस बात को साबित करती है। इसका यह मतलब नहीं निकालना चाहिये कि यहां पर ज्यादा बहिनें थीं, यह तो बिल्कुल गलत होगा। यह बात तो इतिहास भी बताता है कि हमारी हिन्दु और सिक्ख औरतें पाकिस्तान में तिगुनी रह गई हैं, वह वहां पर आज भी मौजूद हैं। इस लिये मैं यह समझता हूं कि यह ठीक है कि उन्होंने ऐसा नहीं माना, पर अगर सरकार चाहती है कि हमारी बहिनें उधर से आयें तो उसके लिये कोई और चारा नहीं सिवाय इसके कि इसमें भी अदला बदली का उसूल मान जाय। आखिर इस देश में हम हिन्दु कोड बिल बनाने जा रहे हैं जहां आप औरतों को आदमियों के तरह हकूक दे रहे हैं तो क्या वजह है कि अगर आदमियों को आना है तो अदल बदल के उसूल को मान कर लाये जाते हैं तो फिर बहिनों के लिये भी क्यों न अदला बदली की जाय? मेरी समझ में नहीं आता कि जब कानून सबके लिये एकसा है तो वह उसूल क्यों नहीं बहिनों के लिये लागू हो। इस लिये नहीं कि हम इन बहिनों को कष्ट देना चाहते हैं।

यहां पर जो मुसलमान बहिनें हैं, वह तो यहां के मुसलमानों के साथ शादी भी कर सकती हैं। मगर वैस्ट पंजाब में हमारे कोई हिन्दु और सिक्ख भाई नहीं हैं, जिनके साथ वह शादी कर सकें। इस लिये मैं समझता हूं कि यह जो अदला बदली का हिसाब है वह किसी न किसी शकल में मानना चाहिये।

एक दूसरी छोटी बात जो मेरे दिमाग में आती है वह यह है कि जहां तक बच्चों का ताल्लुक है, हमारे मन्त्री महोदय का इरादा यह है कि उनको बाहर भेज दिया जाय। शायद उन्होंने अनाज की कमी को दूर करने की जिम्मेवारी अपने ऊपर ले ली है। शायद वह यह समझते हैं कि जो मुसलमान बहिनों से बच्चे हुये हैं उनको पाकिस्तान भेजकर अनाज की कमी पूरी हो जायगी। यह तो हमारे देश के साथ एक मजाक होगा। आमतौर पर हमारे यहां पंजाब में यह रिवाज है, खासतौर से मेरी और सरदार भूपेंद्रसिंह मान की कम्युनिटी में यह रिवाज है कि चाहे किसी मजहब या कम्युनिटी में शादी क्यों न हो, हम उसके बच्चे को नाजायज बच्चा नहीं मानते हैं। उसको भी हम बराबर का हक देते हैं। यह खतरा कि हम उनको जायज बच्चा नहीं मानेंगे, मैं समझता हूं कि बिल्कुल फजूल खतरा है। उनके साथ वैसा ही सलूक किया जायेगा जैसा कि शादीशुदा औरत के बच्चे के साथ किया जाता है या होता है। इस लिये मैं मन्त्री महोदय से पण्डित ठाकुर दास भार्गवा की तरह इस बात पर जोर देता हूं कि आगे जो समझौता हो उसके अन्दर इस बात का ध्यान रक्खें कि इन बच्चों को कम से कम हिन्दुस्तान में ही रहने दें। इससे अनाज की कमी में कोई ज्यादा कमी होने वाली नहीं है।

(English translation of the above speech)

Ch. Ranbir Singh (East Punjab: General): Sir, while giving my support to this Bill I cannot help giving expression to my mental anguish. It will be considered a blot on Indian history that there ever was a time in our country when we had to take recourse to law and procedure with a view to recover our Muslim sisters. Whereas I realize and concede that the fact cannot be overlooked that some of our misguided brothers also share the responsibility to a certain extent, greater fault lies with the people and even with the Government of Pakistan. I wish to ask the hon. Minister whether, in view of the claim advanced on behalf of Pakistan that they are making efforts to recover our girls, he ever questioned the Pakistan Government at the conferences as to how many of the Government servants, who are charged with detention of our abducted and forcibly seized sisters, have been suspended and against how many of them has an enquiry been started. And, I request that when he replies to the debate he should also throw light on that aspect of the question. This does not simply signify that the people of Pakistan are iniquitous, it also points to the unworthiness of that Government. It also signifies their intention not to send our sisters to our country voluntarily or without pressure being brought to bear on them. Under these circumstances, if those brothers and that Government are to be compelled to act, the suggestion made by Bhopinder Singhji Man should have been adopted. Every sister commands our reverence. Our country is a secular State and it is in no way proper to compare an agreement arrived at in our country with that of the other. The other country is a theocratic State. We can have doubts with regard to our sisters there but it is not justified for anyone to entertain the suspicion that fair treatment will not be meted out to Muslim women in this secular State. This is borne out by the recovery that has taken place in our country. This should not be taken to mean that there was a larger number of (abducted) sisters here. Such an inference would be entirely wrong. This is a fact of history that the number of our Hindu and Sikh women detained in Pakistan is three times larger, and that they are still there. Hence although it is true that they have not admitted this I feel that if the Government wants that our sisters should be recovered from there there is no other alternative except that the principle of exchange be accepted in regard to them. We are out to enact a Hindu Code whereby we shall be giving the same rights to women as to men. There is no reason then why the exchange method should not be resorted to for the recovery of our sisters when it was used for the recovery of men. When the law is one and the same for all I fail to understand why the same principle be not made applicable in the case of our sisters. It is not suggested that we want to cause suffering to these sisters.

3 P. M.

The Muslim sisters who are here could even marry the Muslims living here. But there are none of our Hindu and Sikh brothers in the West Punjab whom the Hindu and Sikh women there might marry. Hence, I think that this exchange arrangement should be carried on somehow or the other.

Another minor point that occurs to me concerns the children. Our hon. Minister is in favour of sending them away. Maybe he has assumed responsibility for making up the deficiency in foodgrains. Maybe he thinks that the food scarcity would be over if the children born to our Muslim sisters are sent over to Pakistan. This would be a sort of joke with our country. There is a general custom in our Punjab, particularly in the community to which I and Sardar Bhopinder Singh Man belong, that, regardless of religion or community of the woman one marries, the offspring is not regarded as illegitimate, and we give him an equal share. The fear that we may not treat them as legitimate children is to my mind entirely baseless. They will be accorded the same kind of treatment as is accorded to the child born of a regularly married woman. Hence, I wish to emphasize this point and appeal to the hon. Minister, as was done by Pandit Thakur Das Bhargava, that whenever an agreement is to be made in future he should have it provided therein that these children at least are kept in India. No appreciable improvement in the food situation is going to result by acting otherwise.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, I move:

"That the question be now put."

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

Mr. Speaker: Does the hon. Minister wish to make a reply?

The Honourable Shri N. Gopalaswami Ayyangar: Sir, I only wish to assure hon. Members that all I have said in the course of the debate I certainly intend to implement. The hopes I have held out are not false hopes in any sense. I do look forward to things being better in the future.

As regards the particular case which was mentioned by Pandit Thakur Das Bhargava I have in my possession certain facts which I shall make available to him, because I do not want to take up the time of the House. When I make them available to the hon. Member and when he comes to know about the facts he will probably see that a different complexion could be put upon the whole case.

In regard to the other matter about the closed districts to which my hon. friend Sardar Man referred, I only wish to say that just as Pakistan has certain closed districts, we have also closed certain districts to Pakistan on our side, for instance, Gurdaspur and Kangra. What has happened in these cases is that the closure was not due to the districts having to be closed for this particular purpose. Orders for such closure were issued on both sides. The tension between Pakistan and India over the question of military operations in Kashmir was great and each Dominion did not want the other to get too near the borders, thereby giving them an opportunity of learning what was happening on the other side. Now, even though the districts are closed on both sides, recovery work is going on in those districts. Even in Gujrat and other places in Pakistan which are closed, our social workers have been allowed to accompany Pakistan police, and some recoveries have been made even from those districts, so that the recovery organisation is not altogether neglecting these areas. There are certain things which are in the way and we are trying to remove them.

As for the future, I think hon. Members can only hope, as I do, that things would be better. Whether those hopes should be described as false at the present moment or whether they will come true in the future is a matter which you have to wait for and see. I am very glad that so far as the general principles of the Bill go, they have received the approval of the House. With regard to individual cases of hardship, if every such case is given to me I can find out whether it has been dealt with, and dealt with in a just way. And I shall go into the facts of the case mentioned by Pandit Thakur Das Bhargava. I have them actually before me now but as I do not want to take up the time of the House I don't want to place them before the House.

Shri C. Subramaniam: In view of the specific and serious charges made, will it not be better if the House is made aware of the facts in this matter?

Mr. Speaker: In that way the House will be unnecessarily spending away its time on individual cases. That is not desirable.

Shri C. Subramaniam: But the making of the charges has been allowed and it has created a very bad impression.

The Honourable Shri N. Gopalaswami Ayyangar: The fact is in this particular case—I am told though I have not verified it with the papers—there was no release of the particular person by the High Court. What was done was, I understand, that there was a release by the Deputy Commissioner. The woman was left astray during the period of the riots. And she married somebody here. But I understand there had been a marriage with another person who had gone over to the other side, and she has children by that marriage. There are other facts which I do not want to place before the House now for the reason I have already mentioned. But there is another side to the story.

Shri R. K. Sidhva: Is it a fact that she came here in 1946 as Pandit Thakur Das Bhargava said?

The Honourable Shri N. Gopalaswami Ayyangar: Sir, if you want me to relate the whole facts I shall do so.

Mr. Speaker: No. I do not think it is necessary.

The Honourable Shri N. Gopalaswami Ayyangar: I think I need say no more on this question.

Mr. Speaker: The question is:

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

The motion was adopted.

INLAND STEAM-VESSELS (AMENDMENT) BILL

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): Sir, I beg to move:

"That the Bill further to amend the Inland Steam-vessels Act, 1917, be taken into consideration."

Sir, this is a wholly non-controversial Bill. The operation of inland steam vessels in each Province of the Dominion of India is regulated by the Provincial Governments concerned by the grant of certificates, which will be in force for a term, to the vessels and certificates of competency or licences to the operators. When Bengal was partitioned orders were passed on both sides that certificates issued by each Dominion will be recognised by the other Dominion. These orders came to an end on 31st March, 1948, and after negotiation it was decided that each Dominion should recognise the certificates issued by the other on payment of a fee. This Bill has been brought in pursuance of that agreement. What is happening is that without passing a reciprocal Bill on the other side they are already collecting a fee, whereas our authorities are of the opinion that without legislation we cannot collect the fee. Therefore, this Bill authorises the Bengal Government to collect the fee for vessels registered in Pakistan. There is only one clause in this Bill and it does not bring in any controversial issue whatsoever.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Inland Steam-vessels Act, 1917, be taken into consideration."

Shri R. K. Sidhva (C.P. and Berar: General): Sir, I am in support of this Bill but I have a question to ask on this matter. The hon. Minister stated that the other side is collecting the fee and we are not collecting it for want of legislative authority. Has any effort been made by Government to see that by means of an executive order this legitimate fee is paid by these companies to the West Bengal Government? If not, why did the Government allow so much money to be unclaimed? The money could have been collected pending the passing of legislation. Sir, this Bill is necessary but I want an explanation from the hon. Minister as to why the fees were not collected by an executive order.

The Honourable Shri K. Santhanam: I have already explained that our authorities were of opinion that without legislative authority they could not collect the fee. Of course it was possible to issue an Ordinance but it was considered that the matter was not sufficiently important for passing an Ordinance. That is why we have brought forward this measure.

Sjt. Kuladhar Chaliha (Assam: General): Sir, I am entirely in support of this Bill. Let me explain the position to Mr. Sidhva. We have a large number of vessels plying along the Brahmaputra and unless there is mutual collaboration we shall not be in a happy position. It is in the best interests of our country that this Bill has been brought forward and I entirely support it. Perhaps Mr. Sidhva will understand me better if I tell him that the number of Pakistani inland vessels coming into India is less than the number of Indian vessels entering Pakistan. This is a Bill of reciprocity which will remove a certain amount of bitterness between the two Dominions. I trust more measures like this will be passed so that we can have better feelings towards each other and thus pave the way for better relations between the two Dominions.

Mr. Speaker: The question is:

"That the Bill further to amend the Inland Steam-vessels Act, 1917, be taken into consideration."

The motion was adopted.

Mr. Speaker: The question is:

"That clauses 1 and 2 stand part of the Bill."

The motion was adopted.

Clauses 1 and 2 were added to the Bill.

The Title and the Preamble were added to the Bill.

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

"That the Bill be passed."

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

CINEMATOGRAPH (SECOND AMENDMENT) BILL—*Contd.*

Mr. Speaker: The House will now take up further consideration of the following motion moved by the hon. Shri R. R. Diwakar on the 9th December:

"That the Bill further to amend the Cinematograph Act, 1918, be taken into consideration."

Shri R. K. Sidhva (C.P. and Berar: General): Sir, I welcome the provisions of this Bill. As the hon. Minister has stated, it is desirable that there should be a central authority for the purpose of certification of films in view of the conflicting decisions on films given by Provinces in the past. As far as that aspect is concerned, I am absolutely in agreement with what the hon. Minister has stated and also with what is contained in the Bill.

Sir, he wants a Central authority to be appointed for this purpose but he has not given us any idea as to what that authority would mean financially. We don't know how many officials or non-officials he is going to appoint on the authority. And we don't also know the cost involved to the State in appointing such an authority. Sir, I want to draw your attention to this. It is only fair that the House should be made aware of what is going to be the cost as a result of a measure like this. The House is asked to pass a Bill without knowing what the financial implications would be. In the House of Commons there is a practice that whenever there is a Bill which necessitates any expenditure........

Mr. Speaker: To cut short the matter, I might inform the hon. Member that that particular provision is under consideration.

Shri R. K. Sidhva: I am thankful to you, Sir.

Mr. Speaker: And I am going to make a statement about the Rules of Procedure to be amended.

Shri R. K. Sidhva: I am very glad and thankful to you, Sir, for introducing this system.

Mr. Speaker: Order, order. There is no introduction yet—it is under consideration.

Shri R. K. Sidhva: That means the Ministers will have to give that information to the House. I might tell the House that in the new Constitution it has been provided that all the rights and privileges prevailing in the House of Commons shall be enjoyed by this House.

Mr. Speaker: He may now proceed with the Bill.

Shri R. K. Sidhva: Sir, when you say you are considering the idea, I want to know from the hon. Minister as to what will be the expenditure on the central authority. I don't know how many officers he desires to appoint but they will be many because there are 14 languages and films have to be certified in all those languages. Does he want to appoint 14 officers? The House should be informed of it. I don't say that you can't get a person who does not know more than one language. I have already moved an amendment saying that there should be a maximum of not more than seven officers.

Shri M. Tirumala Rao (Madras: General): Each knowing two languages at least.

Shri R. K. Sidhva: I don't think we will find any difficulty in getting them. But I want to know definitely from the hon. Minister what is the number that he is going to appoint and what would be the cost. That is the point I wanted to make clear. Regarding the other point, my speech has been shortened by your interruption and giving the assurance that this system is going to be introduced in this House. With these remarks and with the hope that the hon. Minister will clear this point, I support the measure.

Shri H. V. Kamath (C.P. and Berar: General): Sir, the Bill which was introduced by the hon. Minister of State for Information and Broadcasting last week seeks to centralise censorship of films. It is a sequel to an Act which we passed earlier this year, whereby we vested authority in the Centre so far as sanctioning of cinematograph films for exhibition is concerned. Censorship to my mind, whether of art or literature or even, may I say, of politics and philosophy, is at best a necessary evil. The object of censorship is to reconcile the liberty of the individual with the security of the society and the stability of the State. It is with this end in view that all censorship has got to be regulated. Here in this Bill, we are seeking to vest all power, in a Central Authority constituted by the Central Government and this Authority will have very wide powers as regards the censorship of films produced or imported into this country. Now, Sir, certain aspects of this matter deserve, in my humble judgment, earnest consideration by my hon. colleagues in this House.

As I have already said, censorship is a difficult process. Not all men are qualified to be censors—I mean not qualified to be wise censors. Anybody can censor anything, but that is not what we want. What we want is that this power should be exercised with a view to seeing that the individual is not deprived of his own healthy recreation or instruction and, at the same time, with a view to ensuring that the stability of the State is not jeopardized. We have to strike a balance between these two. Here is the rub and here is the crux of the matter. How to proceed about it? By this Bill we are going to dispense with all the Provincial Boards of Film Censors and substitute them by a Central Authority wherein I suppose all the various provinces or, at least, all the various linguistic groups or linguistic areas will be represented. That is, I suppose, the object of the Bill and that is how it is going to be realized. One of the difficult aspects of this matter is that there are nuances and shades in the various languages spoken in this country, and unless on this Central Authority all the languages are represented, it will be difficult for this Authority to arrive at a sound judgment with regard to a film in a particular language which is not represented on this Central Authority. I will take a very trifling instance which will give an indication of the other difficulties that beset us on this path. There is a very simple word in Hindi *sala*. The dictionary meaning is "wife's brother". But it is used in a very abusive or very derogatory sense. I remember an incident in London. Once in one of the courts in London, a Britisher was seated in the front row listening to the court proceedings—rather the court proceedings had not started and he was there to watch them. But behind him were two Indians. He was seated with his hat on. He had not removed his hat and was thus obscuring the vision of these two who were behind him. They tried to disparage him. They said: *Kaisa baitha hai sala*. They thought he did not know the language. He quietly turned round and said: *Kuchh bhi kaho sala mat kaho*. This word is at times used in a very disparaging or derogatory sense. (*An hon. Member*: It sometimes denotes very affectionate relations.) Suppose in a particular film in a particular context this word appears and is used by some of the characters, you can imagine the difficulty. It is only one instance of the other difficulties that beset us in this problem. A member of the Authority who does not know the language in its various shades of meaning might say, "It is not an objectionable word" and others who know the sense and the context might say, "It is permissible in the context." Therefore, this is one of the difficulties that we have to admit and that is why I am stressing this fact that language experts—they should be experts in all the Indian languages—must be represented on this Authority. Otherwise, difficulties may arise.

There is another instance which I might give in regard to another aspect of this matter. There are certain customs among various people of our country—among various groups or castes of people in the country,—which while reprehensible in one part of the country are not so regarded in another part of the

[Shri H. V. Kamath]

country. When the debate on the Hindu Code Bill was in progress in the last session, I remember one of my hon. colleagues referred to a custom in the South where marriages between first cousins are permitted. Immediately Pandit Thakurdas Bhargava or Mr. Tyagi got up and said "If this happened in the Punjab, the parties to such a marriage may be stoned to death." Supposing there is a film depicting such marriage between first cousins—I mean a marriage between a man and the daughter of his uncle (which custom passes muster in the South and there is nothing objectionable or reprehensible in it)—supposing such a film is shown in other parts of the country, it may not be understood, or it may be misunderstood by others. A member of the Authority who does not know this custom may also be in a similar position. Therefore we have to be on our guard before we invest the members of the Authority with undue powers of censorship.

There is one other provision in this Bill which I would like the House to bestow some attention on and that is this: sub-clause (7) of clause 6 reads as follows:

> "Notwithstanding anything contained in this Act, the Central Government may, of its own motion, by notification in the official Gazette, direct that—
>
> (a) a certified film shall be deemed to be an uncertified film in the whole or any part of the territories to which this Act extends......"

This, to my mind, is an unnecessary provision. This lifts censorship beyond the realms of art, aesthetics and literature to that of politics.

The Central Government is brought in here only with a view to seeing that politically undesirable films are not exhibited. Government has invested this Central authority with very wide powers of certification and non-certification. Over and above that Government wants to reserve to itself the right of further censorship. This power of revision, I am afraid, will be utilised to do away with so-called politically dangerous films. Government must have full confidence in the authority which they are going to constitute and there is no point in reserving to itself further power—may I say—of political censorship.

My hon. friend, Mr. Diwakar, while moving this motion the other day said that once this Bill comes into force producers will be careful, and keen on producing good films which will be sought after not merely by the Government and the Board, but also by the people of this country. But I am afraid things are not what they seem. They could be much better. I do not know how far I can vouch for the truth of a report which appeared in the *Hindustan Times* recently. For the benefit of my hon. friend Mr. Diwakar I shall read out the relevant portions of this London letter which relates to production of a film in India.

> "Mr. and Mrs. McEldowny at a Press Conference said they are going out to India to make a picture. They assured us that they have the patronage of our Government and even of the Prime Minister. The book chosen is *The River* by Rumer Godden, who was brought up in India. In this book the Indians are either servants or fade tactfully into the scenery. It is definitely not a book that will reflect either Indian life or culture or the reality that is the present, and it really surprises me that such a venture is still tolerated in our country. The philosophy of India is to be spouted through the lips of a 'half-caste' girl (according to Mrs. McEldowny) to an American war veteran hero of World War II.
>
> Jean Renoir, the well-known French director, is to direct the picture. and I am indeed surprised that with so many well-known writers and interpreters of Indian life, these people have chosen a book written by a person of Anglo-Indian (in the old context) views, and are allowed to make it in India. Let them make it in Hollywood, we have no objection, and let them not further insult us by putting out a Hindi version."

This, Sir, is one of the facts that has come to my notice. I pass it on to the Minister for what it is worth. I hope the report is not correct, but it is one of the well known papers in India that has given out this version.

There is another book called 'Kim' by Rudyard Kipling. I reliably understand that parts of the book are anti-Indian but that permission has been given by the Government of India to shoot scenes from that book in India. One of the well known American actors has come to India and shooting, I am told, has already begun. I don't know what permission the Government of India has given or what patronage they have extended. But these two films are instances in point to show that things are not going all right, if press reports are correct. I hope this will be borne in mind and the hon. Minister will go into these matters before things go worse in our country. Subject to these remarks which I have made, I think the Bill is a step in the right direction, so long as care is taken to see that the Board is constituted of members representative of the various provinces and languages and are gifted with wisdom and discernment in regard to the place of art, literature and politics in human life.

Sardar Bhopinder Singh Man (East Punjab: Sikh): Sir, I welcome this move to centralise the censorship of films. The necessity for so doing is quite obvious. The object in view is that we want to have one common pattern and standard for the whole country. It has been observed in the past that films certified in one province were not certified in some other province and *vice versa*. To remove these anomalies and incongruities I think it is quite necessary to have a common authority for the whole country and I for one welcome the measure.

The success or failure of this measure will depend to a great extent on the nature of the rules and regulations framed by the licensing authority. Sometimes it is quite essential to have some sort of censorship in the domain of art. When we have got certain restrictive measures so far as speech is concerned, or even ordinary writings are concerned, it is quite essential that we should have some restrictive laws for the screen. I don't know how far it is advisable for Government to interfere in the production of films. But I do want that some sort of rule or regulation should be framed and instructions issued to the licensing authority to restrict the length of the films. During the last two or three years the nature and standard of production of the Indian films have considerably deteriorated, and I do want that some sort of method should be found out by which we may be saved from the torture of sitting through a film which is sometimes as long as 14,000 feet and at times threatens to be even more. Oftentimes our trailers threaten to become pictures themselves. I consider this to be sheer waste of celluloid. I want the public to be saved from these stupid songs, the silly dances and absolutely foolish situations.

I want to make a suggestion for the serious consideration of the hon. Minister. Before a picture is actually produced, would it not be much better if the plot, the songs and scenerio are submitted to the Licensing Authority and a provisional license issued. This will obviate situations where considerable sums of money are sunk in the production of films and which in the end are not certified by the Board.

With these remarks, Sir, I do hope that the restrictions on film footage will lead to some improvement in our production.

Shri S. V. Krishnamoorthy Rao (Mysore State): Sir, the main object of the Bill is to establish a Central Censorship Board to remove the anomalies created by the working of the Provincial Boards. Clause 7 gives power to a local board or Provincial Government to suspend certification of certain films. But I think it will not apply to films certified by the Central authority. With that end in view, an amendment stands in my name and in the name of my hon. friend Mr. Pataskar that the provincial Governments and the local authorities should have power to prevent the exhibition of such films on the ground of public peace. I hope that amendment will be acceptable to the Hon. the mover. With that amendment, I support the motion before the House.

Shri C. Subramaniam (Madras: General): Sir, this Bill seeks to amend an enactment which was passed in 1918. When the original enactment was passed, the Cinema industry had not been fully developed in India. Even in foreign countries, this industry has today developed out of all recognition. Talkies have come into existence, colour films have come in, and the entire industry has taken a different shape. It plays a very vital role in the national life of every country. In the field of entertainment, it has almost displaced all other forms of entertainment such as drama, etc. After thirty years, we are amending the Bill in such a way as will not serve the purpose we have in view.

Censorship was in existence for the last 30 years. In spite of the censorship, one hon. lady Member declared on the floor of the House that she would not allow any of her children to witness an Indian film show. Yes; it is so. Because, we find that most of the Indian films try to appeal to the baser instincts of the people and sexual love is depicted in a most vulgar form and it is no wonder......

Sardar Bhopinder Singh Man: In Indian pictures?

Shri C. Subramaniam: Yes, in Indian pictures. I know in foreign pictures sexual love is depicted in a certain way; but that is natural to their mode of life. What is natural for western culture and western civilisation may not suit us. For example, when we see a western gentleman and a lady dancing together, it looks quite natural; but when we see our own ladies dancing with men, it is revolting. The other day I went to a fashionable club and I found Indian ladies dancing with Indian gentlemen. It was revolting to me. I may be a little conservative. I do not know what my hon. lady friends in this House think about it; perhaps they may think that it is part of their freedom and all that. Therefore what might look natural in a western picture might look very much out of tune in an Indian film. Everybody is agreed, most of the people are agreed that in showing sexual love, Indian films are going to the extreme. It looks quite out of tune altogether. Not only in the Hindi films; it is much more so in Madras in the Tamil films. One is vying with the other and almost competing in showing vulgar scenes in many pictures. This should be cut short.

Another tendency which, I think, should be curtailed is the portraying of Hindu Gods and Goddesses in the pictures. Parvathi Parameswara is a glorious conception in Hinduism. But, when we see Parameswara and Parvathi depicted in some of the films, it is almost revolting. Even an atheist cannot do so much propaganda against the Gods. I do not think that any young man who sees the films will have any respect for our Gods and Goddesses. Gods make vulgar signs at the Goddess; voluptuous dances are performed in the court of these Gods and Goddesses. If even the ordinary law the Indian Penal Code is allowed to apply, I am sure these things would have been brought under the section wherein the ridiculing of or wounding the religious feelings is made an offence. Under the guise of censorship, we are giving a licence for this vulgarity and antireligious pictures to be exhibited. I saw a film depicting Christ, I think it is The Ten Commandments. They thought that the personality of Christ was so holy that no man should be asked to represent Christ and they showed only the hand to depict the hand of Christ. It is held so sacred. Here, Gods and Goddesses are characterised I do not know by what sort of people. Whatever be their private character, the manner in which they are depicting the Gods in the Indian picture is very objectionable. That should be put a stop to.

In these two respects, we find censorship has failed. The censorship has failed because of the meagreness of the Act which existed then. What did that Act say? The same thing as is found in the Bill: "If the Authority after examination considers that a film is suitable for unrestricted public exhibition..." What is this suitability for public exhibition? What is the standard by which it has got to be judged. You appoint a censor board for the purpose of censoring; but you have absolutely not given any standard to judge these films. Because the original enactment did not lay down any standard whatsoever, everybody who became a censor had his own eccentricities and idiosyncracies and passed off films. What is the result? Today we find so many undesirable films being produced and respectable ladies think that their children should not see these films. That is the state of affairs. I thought that the hon. Minister in bringing forward this will before the House, would give us an account of how he is going to enforce all these things. No doubt he says a Central Authority will be constituted. It may maintain a uniform standard of vulgarity. It may go to that extent only. How are you going to remove all these objecticnable features which are being manifested in the Indian pictures? Absolutely no idea is given as to how he is going to do this. I thought he would at least mention this in the rule making powers, so that he would be able to prescribe certain standards. But, there is absolutely no mention of this even in the rule making powers. It only deals with the manner in which the Authority shall be constituted, the delegation of any of the powers of the Authority, the procedure of the Authority for examining and certifying, appointment of officers, and all those things. Absolutely no mention is made about the standards which have got to be maintained in the films, and how they are going to be judged. It is because of this lacuna in the original enactment that we are finding today the sorry state of affairs in the Indian films. When the hon. Minister wants that a law should be passed for the purpose of censoring, should he not take the legislature into confidence as regards the standards which he is going to set up. In my opinion, the legislature should have a say in the setting up of standards. We should provide a law to ensure that the pictures should maintain such and such standards. We find absolutely nothing of that sort; we say only that a Central Authority has got to be constituted. What is to be its composition, there is absolutely no idea. Is it going to be an one-man authority? At least in the original enactment, it was stated that in the Board there shall be a majority of non-officials. Even that clause is not to be found here. We do not know whether it is going to be a Board or an one-man authority. He should have at least explained this in his speech. He did not mention any of these things, but mentioned only some anomalies arising out of provincial censorship.

He did not mention what is this authority going to be. Then he says one Central Authority—Where is it going to be situated?—Most probably in Bombay. Then what about persons producing films in Madras? They have to go to Bombay. It says 'If the authority after examination considers that a film is suitable etc.'. Therefore the Authority has to examine the film before granting certificate. Therefore these films have to be exhibited before them. Therefore the man has to go to Bombay and exhibit his film and there will be the usual delay to get a certificate. On the other hand the Bombay producers will have an advantage as they will be able to exhibit it in Bombay and get a certificate then and there. The Central Authority, if it is to effectively function it must have as many linguistic representatives as there are languages. Are you going to make it such an unwieldy body? If you are going to appoint only one man for each language, then as regards, say the Tamil pictures, that man will be the sole authority to judge whether it is a good picture or not. It might be said that they are going to refer it to some sort of non-official authority in Madras itself and take their opinion and on their opinion give a certificate. It would be illegal under the Bill because it says if the authority after examination considers that a film is suitable for unrestricted exhibition it should grant a certificate. It cannot substitute the opinion of another body. Therefore necessarily the Central Authority will have to examine every film before giving its opinion and grant certificate. That being so there is going to be a lot of difficulty for producers in Madras or Calcutta or other regions other than Bombay if the Central Authority is going to be in Bombay. If it is going to be situated in Delhi, it will be difficult for all. Therefore my view is that there should be regional boards in each zone—one for the East in Calcutta, one in Bombay and one for the South and one in Delhi. These regional authorities should be given power to examine the films and give certificates which should be valid throughout India and for cases of appeals, there should be a Central Authority--for purposes of co-ordinating the entire activities of these boards as an appellate body. There is a feeling that centralization of everything will make matters better. I am making a prediction to-day that if we are going to have a Central Authority with a few officials or non-officials, it is not going to function at all and it will be a farce. If you want to have effective censorship, have these regional boards who should be given authority to give certificates and the Central Authority, if necessary, may act as Appellate authority. Then in sub-section 4 of the proposed Section 6 gives power to Central Government as the appellate authority and the Central Government may after such enquiry, as it considers necessary, pass such orders thereon as it thinks fit. You are constituting an authority which will consist of the most competent persons available, technically and culturally qualified to judge films. Why should the Central Government interfere with their judgment? How are they better qualified to say that the authority is wrong? Who will be the Central Government—perhaps the Secretary or the Minister concerned. How is the Minister more competent than the Authority to judge whether a film is good or bad. There is going to be nepotism and favouritism and political considerations will surely creep in if you allow Central Government to interfere in cases where the Central Authority, as it is suggested in this Bill, rejects a film that it is not suitable, or for the Central Government to say that the judgment of the authority is wrong. As far as these Licensing authorities are concerned, they should be quasi-judicial bodies and they should be autonomous bodies and the Central Government or Provincial Government should not interfere with these. In cases where power is given either to Provincial Government or Central Government in respect of decisions made by quasi-judicial bodies, not only you find political considerations entering but all sorts of wire-pullings will be there and ultimately this authority will be reduced to a farce. They think Government will in any case give certificates and why not we ourselves give. Therefore where the authority has refused to grant a certificate on the ground that it is unsuitable for public exhibition or it is only suitable for restricted exhibition, then Central Government should not interfere there and the power given in this Bill should be removed. In view of these I have given an amendment replacing the entire Section 6 constituting regional authorities. As far as possible the Central Government should be kept out of the purview altogether. It might be in certain cases that after grant of certificates it might come to the notice of the Government that a film is objectionable in certain respects. In view of the changed circumstances then under proposed section 7 the Central Government may be given power in order to prohibit the film from being shown but when a certificate was refused, to give the Central Government power to grant certificate is going beyond what is necessary. So only in that view I have given an amendment replacing section 6. I would request the hon. Minister to study it before refusing to accept it. The present provisions in the Bill are going to work great hardship. Therefore don't think that the Central Authority situated somewhere will work satisfactorily. Perhaps the hon. Minister might

say "I am going to have the Central Authority and also constitute branches in two or three places."

Shrimati G. Durgabai (Madras: General): May I enquire through you, Sir, what happens in cases where films which are permitted to be exhibited in any one province are rejected in another province?

Shri C. Subramaniam: It is the Central Government constituting regional authorities. Over that is the Central Authority. Just like High Courts in Madras, Bombay or Calcutta, when they get seized of the matter, when they come to a decision as far as that particular matter is concerned, the decision becomes final and binding on all courts. In the same way the certificates of the Regional Boards should be valid throughout India, unless it is interfered with by the Central Government or the Central Authority. It is not as if the Provincial Government is constituting its own provincial authority. Here the Centre is taking the entire power and constitutes regional authorities. You may call the Central Authority as the appellate authority if you like but it is under the Central Government, under the direction of the Minister in-charge. So there is going to be no conflict at all in this. For the smooth and efficient working of this, and so that it may not cause difficulties to the pro-

4 P.M.

ducers, it is necessary that regional boards should be constituted.

There is just one more matter and then I shall close. This industry has been growing and so far no official enquiry has been made into this industry, as to how it has developed and how it should progress or develop in the future. It is time that a commission of enquiry is appointed to enquire into the whole matter and to submit a report either to the Legislature or to the Government suggesting how censorship should work and how this industry should develop. This commission should be given full scope to inquire into everything concerning this industry. Unless such a commission is appointed, the Government will not have sufficient materials. It is necessary, Sir, that we should set right all the abuses that we find now in the Indian cinema industry so that the cinema may play its vital role in educating the public, in building up the character of our people, and in moulding public opinion.

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

Shri Satis Chandra Samanta (West Bengal: General): Sir, this Bill seeks to introduce the Central censorship of films. Till now the Provincial bodies were formed by the provincial governments for censorship of films. If this Bill is passed and the Provincial authorities are replaced completely by the Central authority, some difficulties will be felt. I propose the Central authority should be the final authority and the provincial boards which exist now should be nominated bodies, half to be nominated by the Centre and the other half by the provincial government. This provincial authority will be a recommendary body and the final censorship will rest with the Central Authority. My contention is that a single authority nominated by the Central Government will not function as successfully as the provincial authorities with the nominees of the Provincial Government on it. The licensing authority now is the District Magistrate and so this work of censorship was going on all right. Now if we completely centralise the authority and this work of censoring, then I fear those films which will be suited to that particular region will not be in all cases, selected. The feeling of the local people should be represented predominantly. Our difficulty is that films certified by one province may be refused a certificate by other provinces. This difficulty must be removed by the Central authority, but the feeling of the local people who are the best judge of what films should be shown in what place,

[Shri Satis Chandra Samanta]

that should be taken into consideration. With this in view, I have tabled an amendment asking the Bill to be referred to a Select Committee, but I would not press this amendment, if the hon. Minister will tell us that he would take into consideration the views and the feelings of the provincial public as represented by the Provincial Boards.

Sir, this cinema showing was not in our country in the past, and for deriving innocent instructive pleasure, our people were having *Jatra* performances or *Jatra* theatres. Those things are going to vanish. When the Cinematograph Act is completely revised, I think Government should bring these *Jatra* performances and theatrical performances also under that Act, and Government should see that these avenues are made available to the people for deriving innocent pleasure. With these words, Sir, I place my views before Government for their consideration.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, I move:

"That the question be now put."

Mr. Chairman: Closure has been moved. I shall put it to vote. The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri R. R. Diwakar (Minister of State for Information and Broadcasting): Sir, I am very much obliged to the Members who have taken part in this debate and ....

Babu Ramnarayan Singh (Bihar: General): And not to those who have kept silent?

The Honourable Shri R. R. Diwakar: Of course, their co-operation is greater. I am thankful to many of the Members who have given me very useful hints in the matter of constituting the censor boards and other things. In the first place, as I pointed out in the speech that I made in moving the motion, it is quite true that the Film Enquiry Committee has been constituted and it is doing its work and there is no doubt that it will make its recommendations in a few months time. But as this particular matter, namely, Central Censorship was already on the anvil, and as a special amendment was made and accepted in January 1949 to the Government of India Act with a view to put through this legislation and since all the preliminaries had been gone through, namely, consulting Provincial Governments, getting the consent of the Central Standing Advisory Committee and consulting the producers and the industry, I thought this piece of legislation may go through, rather than wait for the next eight months or so. That is my estimate of time required for the Enquiry Committee's report and the consideration of the Report by the Government and so on. Now, I think that since this particular amendment concerns only one provision, *viz.*, Central censorship, I think it will be to our advantage if it is possible for us to work according to this position for the next few months. When the final recommendations of the Enquiry Committee are there, we may have to amend the whole Cinematograph Act in a comprehensive manner and if by that time we get experience by constituting this Authority, I think it will stand us in good stead so that we shall be able to give final touches to the Act in this respect and thus make that comprehensive amendment or possibly a substitute Act quite good in every respect.

Now, as regards some of the objections raised, I think that so far as the principle of the Bill is concerned, *viz.*, that there should be Central censorship, the majority of the members are agreed and have also realised the difficulties, the anomalies, which are inherent in the present system. At the same time I on my side am quite cognisant of the many difficulties in a Central authority taking the responsibility of censorship. As I have already pointed out, there are a number of things, different tastes, diverse customs and manners, diverse languages and also particular regions in which these diversities are very acute and keen. I have said that it should not be impossible for accommodating all these diversities and also the needs of the different languages and regions and I think that when I explain to the House the general structure of censorship which is contemplated for the present, there would be no doubt left that the machinery would be quite capable of meeting the needs of the situation regarding not only of the languages and regions but also of ensuring sufficient facilities to the producers so that there is the least possible delay, the least possible harassment in the matter of their films being censored.

Today, the cinematograph industry in India is a developing and expanding industry. It is already occupying the second place from the point of view of production in the whole world. There is no doubt that, as many hon. Members have pointed out, the quality of production is not of a very high order. Well, it may be a matter of opinion, but I think it does not depend only on one single factor if this quality is to improve. I think the public and the public taste is one of the constituent factors, and then there are the producers. If I may give you some information about other countries, in England, for instance, there is no censorship as such by the Government. It is the industry itself which constitutes an authority and it is they who censor production, and the Government simply formally sanctions the opinion of that particular authority set up by the producers themselves. Possibly we would have to wait for a long time to arrive at that development but I think that would be the best kind of censorship which should be made available in a democracy. The producers will be able to respond to the general standards which are required by the public and then there would be a mutual response between the public and the producers and the Government will then be only a sanctioning authority. I hope that in the near future such a thing will develop and the producers will come together more and more and will be able to set up certain standards. So far as today is concerned, the producers have welcomed Central censorship and therefore I do not think that there will be any complaint on their side.

Now, Sir, a number of friends suggested certain things about Provincial Boards and the Central Board. Now, this authority which we are visualising under this amendment is an authority which can function regionally also and thus make it convenient for the producers in different centres and thus avoid all delay in the matter. Today, as it happens, in India, Bombay, Madras and Calcutta are the three chief producing centres and there are also the chief ports of entry. Films coming from outside, from other countries, have to enter India through one of these ports. There are some smaller ports, no doubt, but usually films from other countries enter India through these ports of entry. There will be these three regional authorities, but they will be working as part and parcel of the Central Authority, and each one of these authorities will be guided by panels of people belonging to that place, at any rate knowing those particular languages. For instance, we can visualise a panel of five for each of the languages, for Tamil, Telugu, Kannada, Gujarathi, Marathi, and so on. In these producing centres, regional authorities will be constituted, which will work as part and parcel of the Central authority through regional offices which will be guided by these panels belonging to each one of the languages. That is to say, there would not be any difficulty either in the matter of taking films to

[Shri R. R. Diwakar]

them, or those films being judged by people who know those particular languages. Moreover it is not only a question of language. When there is censorship, there is the question of taste, the question of culture, the question of education, the question of standards. All these things are involved in what is called censorship. Some friends pointed out that no standards are laid down in this piece of legislation. I do not think that any standards can be laid down by legislation. Censorship itself means and includes the laying down of a standard. That standard will have to be laid down by the Censors. The standard will naturally be of such a type as would accord with the standards—moral and others—which a particular society agrees to and respects at a particular time. I think the Censors will have to work along that line.

Shrimati G. Durgabai: On a point of information, Sir. May I know whether it is expected of this Board to lay down certain rules for the better standard of films before the film is taken or to make the censorship only a post-mortem business?

The Honourable Shri R. R. Diwakar: I think it has a double function. In fact as censorship goes on evolving I visualise a general standard and code of censorship which will be common to all these regions. But so far as actual censorship is concerned, it will be carried on by the Regional Authorities. These Regional Authorities, however, are part and parcel of the whole Central organisation and they will constitute one single authority. That is how we are visualising the structure of this censorship. I do not think therefore that there is any fear of censorship being only post-mortem examination of films or that any rigid standards will be laid down *a priori* and all things judged by those *a priori* standards.

Shrimati G. Durgabai: Sir, my point has not been answered. My point is this. Today the censorship has got only a post-mortem effect; after a film is actually got ready and so much of money and energy have been spent upon it the film is censored and it is found either suitable or unsuitable. If general rules could be laid down, either under the rule-making power of this Board or otherwise, even before a film is taken as to the exact lines on which a better type of film could be taken, I think that would save unnecessary and unproductive waste in this direction.

The Honourable Shri R. R. Diwakar: I pointed out to the hon. Member and to the House that such a kind of code or general direction cannot be laid down *a priori* from the beginning. It will have to evolve and some time will elapse before this double function can be exercised by the Censors. For instance, today we cannot lay down right at once that such and such rules must be followed. It is only after a general code has been evolved that it can be done—and that too after some experience has been gained.

Shri C. Subramaniam: Would there be any Rules at all?

The Honourable Shri R. R. Diwakar: Certainly.

Shri C. Subramaniam: If it could be evolved later, why not consider it now?

The Honourable Shri R. R. Diwakar: They have to be evolved by the Censors, not by me—not by Government. It is not the Government that has to lay down these Rules. They will have to be evolved by the Censors, and that is a matter of some time, of consultation with all the different Provinces, of seeing how the present Boards are running, what Codes they have evolved and what is the kind of code which has to be evolved out of the codes which are in existence.

Dr. V. Subramaniam: Will it not be advisable if Government were to exhibit some samples of films, say, on educational matters or in respect of acting—comic acting and things like that—so that they could be taken as a model by producers of films and be developed further?

The Honourable Shri R. R. Diwakar: I do not think that Government can produce certain films, keep them as models and ask producers to produce like them. I think the most practical way is this. There are the Provincial Boards working today. They are following certain codes. All that knowledge and experience will have to be pooled and out of that a general code will have to be evolved. When such a general code is evolved, producers will naturally have that code before their eyes when they produce films. That would be the constructive and positive side of censorship. When that code is placed before the industry, naturally the producers will take it as a model if they really wish to see that waste in their production is cut down to as little as possible. In that way there will be a kind of action and reaction between the general code evolved and the attempts of the producers to put things on the screen which are as entertaining as possible and as money-making as possible, according to them. This action and reaction will ultimately work both as a restraint on anything going wrong and also as a guidance to the producers when they want to produce new pictures.

As regards certain remarks made by some hon. Members about foreign films I wish to say this. Two companies, I was told, were shooting certain films here, one based on Rudyard Kipling's novel "Kim" and another on a novel called "The River". So far as my information goes, regarding "Kim" all the objectionable material which was there in the novel has been dropped. It is not that Government sponsors or in any way patronises or helps any of these people. But when they come here and ask for certain ordinary facilities such as petrol or things like that, it is only these ordinary facilities, which are given to others, that are given to them. There is no patronage or special favour shown to any of these companies. I think even the statement that has been published in the "Hindustan Times" has no basis. In fact there is no patronage as such extended to any of these companies and I should say that that statement is a baseless statement.

Shri H. V. Kamath: On a point of information, may I ask whether care is taken to see when foreign producers come to shoot films in this country, that the objectionable portions in the books on which their films are based are definitely excised before permission is given to them to start shooting in this country?

The Honourable Shri R. R. Diwakar: There is no law on the statute book today to ban any person from coming here and shooting any picture. Therefore under no law can that be done. But if the film is shown here, naturally censorship comes into play and the censors can ban the whole film if anything objectionable is found in it.

Shri H. V. Kamath: But can a film which is anti-Indian be made in our own country and shown in other countries?

The Honourable Shri R. R. Diwakar: As I pointed out, there is no law to prevent that.

Shri H. V. Kamath: Why not make such a law? We are a free nation now. It is high time such a law was made.

Shri C. Subramaniam: Why not put in a clause into the Bill to that effect?

The Honourable Shri R. R. Diwakar: That is a different matter. That is not just at present before us.

Shri C. Subramaniam: That is before us. We are making a law on this subject and if we think it is necessary to have the power we should have that power to prevent such films being taken here.

Shri H. V. Kamath: At the production stage we must have the power.

The Honourable Shri R. R. Diwakar: It cannot come within the scope of this particular amendment. Not that the point is unimportant or that it will not be taken into consideration when the Inquiry Committee give us their report. After all they are reporting on all these matters, that is on the question arising out of people seeking any facilities here and things of that nature. On all these matters the Film Inquiry Committee is going to report. Therefore that matter will be considered at that time. All that I say is that in this particular amendment it is not indicated.

Shri Suresh Chandra Majumdar (West Bengal: General): On a point of information. Sir. I understand that a Cinematograph Commission is already functioning in the country and that it has issued a questionnaire to the public. I do not know whether the terms of reference of that Commission include the subjects in this Bill. If so it would be better to await the Report of that Commission and then to proceed with legislation in this matter. I want to get information on that point from the hon. Minister.

Mr. Chairman: Any way it is beyond the scope of this Bill.

The Honourable Shri R. R. Diwakar: I have already explained that point. They will also report about censorship no doubt but this matter has advanced so far that it should not wait.

Shri H. V. Kamath: On a point of clarification, may I ask whether it is open to an Indian producer to go from this country to a foreign country, produce a film which is objectionable from the point of view of that country, and exhibit it in India?

The Honourable Shri R. R. Diwakar: I don't know of any law in any other country but there is no law against it in India that I know of.

Shri H. V. Kamath: That is because British-made law is still extant.

Shri Suresh Chandra Majumdar: Inasmuch as censorship is a thorny problem, and as it is already within the terms of reference of that Committee, I would beg of the hon. Minister to pause and consider whether he should hurry with this Bill just now.

Mr. Chairman: I think all those points can be raised when the report of that Committee comes up before the House.

The Honourable Shri R. R. Diwakar: Moreover, I have already stated that this question has come to a certain stage and we could no longer wait merely because that Committee will submit its report after six months. If we do so there will be delay, because even after receipt of the report two or three months will be taken for its consideration.

Certain suggestions were made by some hon. friends for setting up standards. It was stated that love scenes and such other things which are no doubt very natural to Western societies seem to be very exciting or horrible or disgusting to people in this country. Now, I think all these matters differ from Province to Province, from strata to strata of society and practically from person to person. Therefore, no general standard can be laid down by the Government. We will have to leave it for the censors to have certain rules and develop certain standards and when they are developed and crystallised, I think the censors will be able to set good standards, good enough for the society we are living in.

Some friends made suggestions regarding documentaries and educational films. They are very welcome suggestions. If I may give some information to my hon. friends, I may say that the Films Division is already bringing out documentaries. During the last year it brought out about twenty-five documentaries and about sixty news reels. Some news reels have been sent out for exhibition in other countries as well. The more we advance in production and in experience, the more would it be possible to have a greater number of educative and documentary films which will help the people in knowing a number of things through visual means which it is not possible for them to learn through books.

As regards amendments moved, I may say I am going to accept two, one moved by Shri Krishnamoorthy Rao and the other one by Shri Pataskar. As regards the other amendments, I have pointed out that there is no meaning in referring this Bill to a Select Committee as it refers to only one item which we have discussed in detail.

As regards the suggestion that the Provincial Boards should be allowed to function independently or autonomously, I think that suggestion cuts at the very root of this amending Bill and therefore it is impossible for me to accept it. While these regional authorities will be working as part and parcel of one single constituted authority, there would be no difficulty if the central authority is helped by the regional panels which are good enough not only for the needs of the language but also for good taste, culture, education and generally for judging the quality and the effect of a particular film on society. There would be speed enough because they would be working in the regions without involving any delay for the producers. Time would be saved and there would not be much expenditure to the producers. I think it will be a synthetic way of dealing with the central as well as the provincial authorities in the matter of censorship.

An important point was raised by Mr. Sidhva about finances. He asked what would be the finances required for this central censorship. I may point out that today the Provinces have to spend something on censorship. So, it is not as though the Provinces can get their censorship done without spending anything. They are spending something. The central censorship will not cost us more than about Rs. $2\frac{1}{2}$ to 3 lakhs. Naturally we will try to cut it down as much as possible. Where at present we need not have a censor or a panel we would not appoint them. We would appoint them only as and when the need arises. For instance, there are very few films in Malayalam—probably only one or two are produced every year. So, it may not be necessary to keep a panel throughout the year. Immediately there is a film in Malayalam or some other similar language, it may be necessary to have a panel but not otherwise. In that way we shall be economising to the greatest possible extent. The censorship fees will be fetching us about Rs. $1\frac{1}{4}$ lakhs. Of course it is a rough figure but still it is a calculated figure.

I think I have covered almost all the points.

Shri C. Subramaniam: Sir, he has not stated what would be the composition of this authority or the manner in which it is going to be constituted.

The Honourable Shri R. R. Diwakar: I have stated that there will be a central censor and we are proposing to locate the central office in Bombay.

Shri C. Subramaniam: So it is going to be a one-man authority?

The Honourable Shri R. R. Diwakar: He will be the central censor. There will be three deputy censors in each of the three regions—Bombay, Madras and Calcutta—and they will be guided by panels of five for each of the languages. That Panel will not be only for language, but they would be appointed from the point of view of culture, of education, of setting standards, etc. in that particular region. That is how we are visualising the Authority. I have also pointed out the amount of money that may be required and also the inter-relation between the Regional Authority and the Central Authority. I have also pointed out how it will work to the advantage of both the producer and the region and language concerned.

Shri C. Subramaniam: Even now it is not clear. The Authority which ultimately decides whether a picture is suitable or not for exhibition should be distinct and definite. Is the Chief Censor to be the Authority which will be the deciding authority or is it the Censoring Board composed of the Chief Censor and these three or four Deputy Censors who would constitute the Authority? That is not clear at all. It may be that some officer may be working under the Censor. We want to know who is the ultimate Authority contemplated under this law for the purpose of granting the certificate.

The Honourable Shri R. R. Diwakar: The Deputy Censor will work in a region guided by the Panel. That will be the Authority. If they are unanimous, then nobody need interfere. If there is any difference of opinion, they will refer to the Central Censor, who will himself also be guided by a Panel. That will be the final authority.

Shri C. Subramaniam: I am afraid I have not made myself understood.

The Honourable Shri R. R. Diwakar: But I am making it clear in this manner. Supposing there is a producer who goes to the Deputy Censor. The Deputy Censor sits with the Panel and they see the picture and supposing they agree unanimously on passing it, whether it is A or U, then the Central Authority has merely to sanction it formally.

Shri C. Subramaniam: So the Central Authority is different from these Deputy Censors?

The Honourable Shri R. R. Diwakar: They are part and parcel.

Shri C. Subramaniam: There may be officers working. You have to make a distinction between them and the Authority contemplated under this Bill. Who is the Authority? Is it the Chief Censor or the Chief Censor including the Deputy Censors? When the Authority has to come to a decision, the Authority should be definite. Who is the Authority that comes to a decision? I want to know whether it is going to be a single man Authority or is it going to be a Board?

The Honourable Shri R. R. Diwakar: The ultimate authority is the Central Authority. But the whole thing is one. It is not a different Authority. The whole Authority is one and the working will be in those three different regions.

Shri Satis Chandra Samanta: What will be the situation when the Panel differs from the Deputy Censor?

The Honourable Shri R. R. Diwakar: I told you. If the Deputy Censor differs from the Panel, they can refer the matter to the Central Censor.

Shri Satis Chandra Samanta: Then, do I take it that the Deputy Authority will refer and in spite of the Deputy Authority and the Panel disallowing, the producer will go to the Central Authority?

The Honourable Shri R. R. Diwakar: Yes, the producer when he differs from the decision, has always the right to appeal.

Mr. Chairman: The question is:

"That the Bill further to amend the Cinematograph Act, 1918, be taken into consideration."

The motion was adopted.

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

"That in clause 2 of the Bill, in the proposed sub-section (2) of section 1 of the Cinematograph Act, 1918, for the word 'Dominion' the word 'Union' be substituted."

The Honourable Shri R. R. Diwakar: I may explain that these matters will automatically change after the 26th January, 1950. Till then this word has to be retained.

Mr. Chairman: We are still a Dominion. I think the amendment would be out of order. I rule it out. The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 to 5 were added to the Bill.

Shri C. Subramaniam: I would like to point out a difficulty. If the Authority is going to be constituted in the way in which the Minister suggested in his reply . . . .

Mr. Chairman: Are you moving your amendment?

Shri C. Subramaniam: I would like to know the reaction after I explain it, if there is any reaction at all. I would like to explain the difficulty and then move my amendment.

Mr. Chairman: There are other amendments. Mr. Sidhva, do you propose to move your amendment?

Shri R. K. Sidhva: Yes, Sir. I am moving my amendment. I move:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 6 of the Cinematograph Act, 1918, after the word 'Authority' occurring in line 2, the words 'consisting of not more than seven members' be inserted."

The Honourable Shri R. R. Diwakar: I do not accept the amendment.

Shri R. K. Sidhva: Just now the interpretation given by the hon. the Mover of this Bill is before the House. Let me state at the outset that in clause 6 the subject matter, namely, the Authority, is very vague. I have never seen a Bill where the Central Government is going to establish an Authority and it is not mentioned as to what will be its composition and what will be its functions. Functions, of course, will be the censoring of films. But the main point regarding the composition is not mentioned and the hon. Minister in his speeches also has not made it clear. He said, "There will be a Censor. There will be Deputy Censors. There will be Panels." But as my hon. friend Mr. Subramaniam rightly pointed out repeatedly, let us know what will be the composition. The Minister says: "There will be a Chief Censor; then in the regions a Deputy Censor and if the Deputy Censor does not agree, then it comes to the Centre." Now, let us know whether the three persons constitute the Deputy Censors, or is it only one person? We want to make that point clear. As I understand it, there will be only one man—the

[Shri R. K. Sidhva]

Chief Censor. Why not make it clear? Why beat about the bush? The Bill is of such an important nature—it involves an amount of 2 lakhs and 50 thousand rupees expenditure according to him. Let us know how this figure has been worked out. He has not told us. He says he is going to incur Rs. $2\frac{1}{2}$ lakhs expenditure and get an income of Rs. $1\frac{1}{2}$ lakhs. That is not going to satisfy the House. The House should be informed as to how he worked out these Rs. $2\frac{1}{2}$ lakhs. What will be the nature and cost of it? Apart from that . . . .

Mr. Chairman: Order, order. Does it not come under proposed section 9(2) (a) rule making powers?—the manner in which the Authority shall be constituted comes under that clause.

Shri R. K. Sidhva: No, Sir. This is absolutely different. My point is, the composition is first not known. This is very important. In his speech also, he has not at all made it clear. It is not clear if it is going to be only one person to decide the fate of so many films. He says there will be three centres, Bombay, Madras and Calcutta, and three Deputy Censors. What will become of the other provinces, I want to know. He has not made it clear.

The Honourable Shri R. R. Diwakar: There are no producers there.

Shri R. K. Sidhva: Well, if there are none, there are going to be, There are going to be producers in the Punjab.

The Honourable Shri R. R. Diwakar: If so, at that time there will be Censors.

Shri R. K. Sidhva: Therefore, in each province there should be some kind of regional authority and one man will be sitting in the Board. In Bombay, in Madras, in Calcutta, he said a Deputy Censor will function in each region, as I have understood him. But he has not made it very clear. He has spoken half a dozen times in answer to my hon. friends' questions and it was not clear at all. The explanation of the Minister in regard to this provision is not at all clear to us. In the case of all other Bills there is a clear definition of the authority. In the case of the Bill relating to the Delhi Transport Authority the Bill distinctly states that there shall be three officials and three non-officials. Similarly in the case of the Industrial Finance Corporation the authority is distinctly mentioned. So also in the case of the Rehabilitation Board the authority is clearly defined, and an amendment is coming to that provision.

Mr. Chairman: I think the matter was made perfectly clear. I think there will be a Central Officer at the headquarters, three Provincial Deputy Censors in the producing centres. Each of them in turn will be assisted by a panel of five members.

Shri C. Subramaniam: We are not here concerned with the officers employed by the Authority. We definitely want to know who is the Authority referred to in clause 6. Does it mean the Principal Censor and the three deputy censors sitting together constitute the authority or is it only the Principal Censor who will be the authority under this Bill. The Minister has not yet given us a straight answer.

Shri R. K. Sidhva: This is the first time that I hear that these five will constitute the authority.

Mr. Chairman: I think the hon. Minister said that.

Shri R. K. Sidhva: If that is so, then the Authority will be distributed in the different centres. I want that they should be in one Central place. According to him the Centre will be one in Bombay, the sub-centres will be in Calcutta and Madras. If they differ then the matter will be referred to the Centre. It will be difficult for the producers if the authority is diffused like this. Authority, as it is commonly understood, means one Central authority, or one body. The Bill in this respect is very defective. As I have said, I have accepted the principle of the Bill. I am not opposed to the principle as some of the hon. Members are. I am in favour of our setting up a central organisation. But I say that as far as this clause is concerned the Bill is highly defective in that respect. If the composition of the authority is not made clear it will create many complications. Producers would be put to great difficulty and hardship. I, therefore wish that this matter should be put beyond doubt. I do feel that after hearing the arguments that I have advanced, the hon. Minister will see his way to associate some non-official members to form this authority.

The Honourable Shri R. R. Diwakar: Possibly the hon. Member has confused the procedure that is intended to be followed with the structure in regard to this matter. The Central Censor will be one single authority. Clause 6 lays down the manner in which the authority can exercise its powers in the matter of certification of films. Sub-section (2) (b) of proposed section 9 enables the authority to delegate any of its powers to such person or persons as the authority may nominate in this behalf.

Shri C. Subramaniam: But how can you delegate power under a rule-making power? If it is provided in the Act that it is open to the authority to delegate its powers then it is all right. But delegation of authority could not be done under the rule-making powers.

The Honourable Shri R. R. Diwakar: The proposed section (6) (1) says that the Central Government may "prescribe the manner in which the Authority shall exercise the powers conferred on it by this Act." The power is conferred on the Central Government according to that provision of the section.

Mr. Chairman: In view of this explanation of the Minister, does the hon. Member wish to press his amendment?

Mr. R. K. Sidhva: No, Sir, I do not wish to press it.

Shri H. V. Pataskar (Bombay: General): Sir, I move:

"That in clause 6 of the Bill, in sub section (6) of the proposed section 6 of the Cinematograph Act, 1918,—

(i) after the word 'exhibition' the words 'of any film' be inserted; and

(ii) the words 'of any film' occurring at the end, be omitted."

Now, sub-section (6) of proposed section 6, as it stands at present, runs as follows:

"(6) For the purpose of disposing of any appeal under this section, the Central Government may demand the exhibition before any authority specified in this behalf of any film."

What I am seeking to do by this amendment is to transpose the words

P. M. "of any film" to its appropriate place. This is more or less a drafting amendment and I hope it would be acceptable to the hon. Minister.

The Honourable Shri R. R. Diwakar: I am prepared to accept the amendment, Sir.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in sub-section (6) of the proposed section 6 of the Cinematograph Act, 1918,—

(i) after the word 'exhibition', the words 'of any film' be inserted; and

(ii) the words 'of any film' occurring at the end, be omitted."

The motion was adopted.

Shri H. V. Pataskar *rose*.—

Shri R. K. Sidhva: It is now five o'clock, Sir.

Mr. Chairman: The House will sit till six o'clock.

Shri R. K. Sidhva: Not today. Today, we have got other engagements.

Shri B. L. Sondhi (East Punjab: General): We have got a Select Committee, Sir.

Shri H. V. Pataskar: I think my amendment is acceptable to the hon. Minister.

Mr. Chairman: We will finish this clause. How many hon. Members have got to attend Select Committee?

Shri B. L. Sondhi: Seven or eight Members.

Mr. Chairman: The hon. the Speaker made it clear that the House will sit till six o'clock.

Shri Ramnath Goenka (Madras: General): What the Speaker said was, if it is necessary, we will sit till six o'clock. Not today, but hereafter.

Mr. Chairman: Is it the general desire of the House that we should go up to six o'clock?

Some Honourable Members: Not today.

Mr. Chairman: At least we will finish this clause. I hope the House will co-operate.

Shri H. V. Pataskar: Sir, I move:

"That in clause 6 of the Bill, in the heading of the proposed section 7 of the Cinematograph Act, 1918, for the word 'certificates', the words 'exhibition of films' be substituted."

There is again another amendment, Sir. As a matter of fact, it relates to the same subject.

Mr. Chairman: You may move that also.

Shri H. V. Pataskar: Sir, I move:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 7 of the Cinematograph Act, 1918, for the word 'certificate', the word 'exhibition' be substituted."

Sir, the question is very simple. What we have provided in section 6 is the granting of a certificate by the Central Authority. By this section 7, we are giving the provincial Governments the power to suspend the exhibition in particular cases of films in spite of the certificate granted by the Central Authority. I want that instead of suspending the certificate, they should

suspend the exhibition of the film in a particular province or area. It is not proper that a certificate granted by a Central Authority should be suspended by any provincial or subordinate authority. That is the object of these amendments and I think they will be acceptable to the hon. Minister.

The Honourable Shri R. R. Diwakar: I am accepting the amendments.

Dr. Mono Mohon Das (West Bengal: General): I have three amendments. I do not know how it will be possible to finish them today.

Mr. Chairman: Are you moving the amendments?

Dr. Mono Mohon Das: Yes.

Mr. Chairman: Are they acceptable to the hon. Minister?

The Honourable Shri R. R. Diwakar: I accept the amendments of Mr. Pataskar.

Dr. Mono Mohon Das: I want to move my amendments; but it is now five minutes past five.

Mr. Chairman: I will put Mr. Pataskar's amendments to vote.

The question is:

"That in clause 6 of the Bill, in the heading of the proposed section 7 of the Cinematograph Act, 1918, for the word 'certificates', the words 'exhibition of films' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 7 of the Cinematograph Act, 1918, for the word 'certificate', the word 'exhibition' be substituted."

The motion was adopted.

Mr. Chairman: Dr. Mono Mohon Das.

Dr. Mono Mohon Das: Shall we go on today? It is past five.

Mr. Chairman: We will take up the other amendments tomorrow. The House stands adjourned till 10-45 tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Tuesday, the 20th December, 1949.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Tuesday, 20th December, 1949.

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

QUESTIONS AND ANSWERS

(*See Part* I)

11-44 A.M.

RIGHTS AND PRIVILEGES OF MEMBERS

Pandit Govind Malaviya (U.P.: General): Sir, may I crave your indulgence to allow me to raise before you a point regarding the privilege of Members of this House?

Mr. Speaker: I have, in this connection of raising of points, already told the House a number of times that, any Member wishing to raise any point or to make a suggestion, should first see me in my Chamber, so that I can know what matter is going to be raised and thereby the time of the House might be saved. The hon. Member might see me in my Chamber and raise the point tomorrow.

Pandit Govind Malaviya: May I take half a minute not about the point but just to say that I am extremely sorry I was not present in the House when you were pleased to make that ruling. I was not aware of it. I wish to raise a point with regard to an urgent matter. If you permit me, I will do so.

Mr. Speaker: I do not think I should depart from the wholesome practice of the Member being required to see me first. Otherwise there is always the chance of the discussion going offhand. Therefore, the hon. Member may see me in the Chamber when I retire. He may raise the point at 2·30, if he likes.

Pandit Govind Malaviya: Thank you, Sir.

Mr. Speaker: Provided, of course, I agree to it.

Pandit Govind Malaviya: Of course.

ANNOUNCEMENT *RE* RULES OF PROCEDURE AND CONDUCT OF BUSINESS

Mr. Speaker: I have to make an announcement to the House, as I said yesterday, with reference to the Rules of Procedure and the Committee that this House had appointed for the purpose of considering amendments to the rules.

[Mr. Speaker]

Hon. Members will remember that in the 1948 Autumn Session, I appointed a Committee under my Chairmanship for examining the existing Rules of Procedure and the Conduct of Business of the Assembly. Hon. Members were invited to make suggestions for consideration by the Committee. As no suggestions had been received, I reminded the hon. Members of the matter during the last Budget Session and I had to extend the time for making such suggestions as hon. Members might have in view. This opportunity also was not availed of and no suggestions were received from any one.

In the meantime, in order to prepare the ground for the work of the Committee, I myself considered the question and recorded my opinion on various matters of procedure in a note, which I forwarded to the Government for an expression of their views on the important matters of procedure, including financial procedure, that were raised in the note.

While the proposals that I made were being examined by the Government, Constitution-making made rapid progress and the Constitution of India has now been finally adopted by the Constituent Assembly. As some of the matters that I had raised in my note were of considerable importance, I came to the conclusion that the suggestions that I had made should be brought to the notice of the Drafting Committee presided over by the hon. Minister of Law, Dr. B. R. Ambedkar. My suggestions were carefully examined and the more important points now form part of the Constitution of India. I would invite, in particular, the attention of hon. Members to the provision in regard to the special address by the President at the commencement of every session. This corresponds to the King's speech in the House of Commons and is both an act of State and a Government pronouncement of importance, the responsibility for which rests wholly with the Cabinet. Time will be allotted for discussion of the matters referred to in the address and there will, in effect, be a general debate upon the policy of the Government as outlined in the President's speech. This is a suitable method of starting the business of the session both for constitutional and practical reasons, and I hope the time devoted to it each session will be well spent.

The procedure in financial matters has been completely re-cast and the modern system of votes on account, votes of credit and exceptional grants has been put in the Constitution. It will no longer be necessary for the House to vote all the demands for grant by the 31st of March. Provision has also been made for the passing of Appropriation Bills. A consolidated fund of the revenues of India has also been constituted. I will not refer to these matters in detail as hon. Members are already familiar with them.

Another important provision of the Constitution relates to the powers, privileges and immunities of each House of Parliament and of the Members and Committees of each House. In the first instance, this provision only related to the privileges of Members, but at my request, the provisions were expanded so as to include the privileges not only of Members but of each House of Parliament and of its Committees. The privileges of the House are now co-extensive with those of the Parliament of the United Kingdom and include the power to initiate proceedings against any one who is guilty of the offence of contempt of Parliament. It was in the fitness of things that the sovereign Parliament of India should be endowed with these powers.

It has also been provided that, until Parliament otherwise provides by law, the quorum to constitute a meeting of either House of Parliament shall be one-tenth of the total number of Members of the House. This is in conformity with the position as it stands at the present time and has worked well in practice.

Hon. Members will observe that the fundamental matters relating to procedure have been adopted in the Constitution. There are now a few matters of lesser importance which are under consideration and will find a place in the Rules of Procedure in due course. I have in mind the suggestion regarding the allotment of time to private Members for debate at the end of the business on certain days, the formation of an Estimates Committee, the suggestion for having a financial memorandum attached to every Bill which involves expenditure, and the reform of the procedure relating to Committees. It is obvious that these matters require very careful consideration and some of them are, at present under active consideration.

As hon. Members are aware, I have been empowered under the provisions of the Constitution to adapt the Rules of Procedure which will apply to the Parliament which will come into existence on the 26th of January 1950. Such of the suggestions as have received careful consideration and are ripe for adoption will be incorporated in the new Rules which will be adapted under my directions. The remaining suggestions will, of course, be considered by the House itself or any Committee appointed by it in due course when the House considers the Rules of Procedure under the relevant provision of the Constitution.

In view of the position that I have stated above, there remains nothing for the Committee formed about a year ago and I do not, therefore, think it necessary or convenient to convene, at this stage, any meeting of the Committee. The matter will now be dealt with when the Parliament begins to function.

Shri H. V. Kamath (C.P. and Berar: General): May I invite your attention to the fact that upon the receipt of these draft Rules of Procedure and Conduct of Business—I suppose this was referred to in your Statement—several of us, at least a few of us, gave notice of amendments to these rules and, so far as I can recollect, you announced in the House that those amendments given notice of by Members would be taken as suggestions for the Committee. That is one point.

Secondly, you were good enough to state just now that the privileges, immunities and rights of the Members of this House would be co-extensive and practically identical with those enjoyed by the Members of the House of Commons in the United Kingdom. Will you be so good as to let the Members of this House have a copy of those privileges, immunities and rights enjoyed by M.Ps. in the U.K.? Most of us are not quite cognisant of that matter of privileges enjoyed by M.Ps. in England.

Mr. Speaker: I can clarify the position. What I had received were some amendments, most of which were of a verbal character.

Shri H. V. Kamath: No, Sir. Some of them were substantial.

Mr. Speaker: May be, but very few. What I wanted were really suggestions in regard to the general lines and points which hon. Members would like to have included in the Rules of Procedure. It was for that purpose that I again reminded the House, as I stated just now in the Statement, and I was awaiting the receipt of these. In the meanwhile, as I have stated, the Constitution itself has now adopted a number of those suggestions. So there practically remains nothing to be done so far as the Committee is concerned. Of course, as this House will not be in existence after the 26th of January 1950 any discussion of the rules by this House or a Committee of this House will be more academic than useful.

Shri H. V. Kamath: Have those amendments lapsed now? What has happended to them?

Mr. Speaker: They have lapsed already and when the House sits under the new Constitution on the 26th January 1950 or at a later date, it will be governed by the new Constitution, and the Rules of Procedure will survive because a provision in the Constitution has given me power to adapt the rules to meet this situation. Hence the Statement I have made just now. We shall consider that matter later on.

As regards knowing the rights and privileges of Members and all that, I would advise hon. Members to carefully go through a big volume called "May's Parliamentary Practice" which gives all details about the privileges of the Members in the House of Commons. It is not possible to take them out separately, have a compilation and then print them at short notice.

Shri H. V. Kamath: May I request you to direct the Secretariat of this Assembly to give us a brief resume of them?

Mr. Speaker: The hon. Member will see that if we were to take anything *en bloc*, perhaps—as the Secretary tells me just now—we might infringe the copyright of somebody somewhere. The best course is, therefore, to make a reference to the book and if and when an occasion arises we shall see as to whether it is a matter of privilege or not.

Pandit Lakshmi Kanta Maitra (West Bengal: General): What copyright are you referring to, Sir, in regard to these privileges?

Mr. Speaker: I do not propose to argue that matter now. What I was referring to was May's 'Parliamentary Practice'—it is a well-known book.

Shri Mahavir Tyagi (U.P.: General): There is one difficulty about what you said, Sir. I could not yet understand as to how the next session of the Parliament will be summoned, for the President will be elected only two or three days earlier. Will due notice be given to the Members?

Mr. Speaker: I think it is a problematical question which the hon. Member is raising; but I may assure him that everything will be seen or attended to, with a view to seeing that nothing illegal takes place.

I am told that His Excellency the Governor General is being authorised for the purpose and there will, therefore, be no difficulty.

Shri R. K. Sidhva (C.P. and Berar: General): Sir, in regard to the rights and privileges of the Members of Parliament, the hon. Dr. Ambedkar who piloted this Constitution, when asked to define what they were, replied that he himself was unaware of them. He was not able to supply any information. To avoid any kind of confusion it is very necessary that we must have some sort of a guide of our rights and privileges. It seems there is nothing existing in the Library.

Mr. Speaker: I think it is no use entering into any argument. I do not know what the hon. Dr. Ambedkar said, but I cannot believe that he is unaware of the privileges of the House. But the privileges will be found by referring to any book on Parliamentary Practice and hon. Members will do well to study those books. We will now proceed to the Legislative Business.

BANKING COMPANIES (AMENDMENT) BILL

The Honourable Dr. John Matthai (Minister of Finance): Sir, I beg to move for leave to introduce a Bill to amend the Banking Companies Act, 1949.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Banking Companies Act, 1949."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

PATENTS AND DESIGNS(EXTENSION OF TIME) BILL

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): Sir, I beg to move for leave to introduce a Bill to provide in the case of displaced persons for the extension of the time limited by or under the Indian Patents and Designs Act, 1911, for the doing of acts thereunder.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide in the case of displaced persons for the extension of the time limited by or under the Indian Patents and Designs Act, 1911, for the doing of acts thereunder."

The motion was adopted.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I introduce the Bill.

UNDESIRABLE IMMIGRANTS (EXPULSION FROM ASSAM) BILL

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Transport and Railways): Sir, I beg to move for leave to introduce a Bill to provide for the expulsion from Assam of undesirable immigrants.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the expulsion from Assam of undesirable immigrants."

The motion was adopted.

The Honourable Shri N. Gopalaswami Ayyangar: Sir, I introduce the Bill.

BUSINESS OF THE HOUSE

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): With your permission, Sir, I would, on behalf of Government, like to announce the programme of the Government business for the rest of the session.

There are two Bills which Government want to be postponed to Budget Session, 1950, after formal motion. They are the Estate Duty Bill and the Ajmer-Merwara Tenancy and Land Records Bill.

The following is the business which Government would like to put through before the session concludes.

There are two resolutions: (i) Extension of Controls and (ii) Revision of Convention relating to separation of Railways from General Finance.

Then come the Bills. They are: Cinematograph Amendment Bill, The Delhi Premises (Requisition and Eviction) Amendment and Validation Bill, Imports and Exports (Amendment) Bill, The Professions Tax Limitation (Amendment and Validation) Bill, Taxation Laws (Extension to Merged States) Amending Bill, The Central Reserve Police Force Bill and The Police Bill.

[Shri Satyanarayan Sinha]

Then there are supplementary demands relating to Railways and General Finance.

The following are the Bills, Sir, which, if time permits we would like to put through: The Banking Companies (Amendment) Bill, The Industrial Disputes (Appellate Tribunal) Bill, The Mines Bill, The Air Force Bill, The Army Bill and The Administration of Evacuee Property Bill.

I have to make one request, Sir. In view of the urgency of some of this Government business and also in view of the fact that we have decided that we are not going to sit beyond Saturday, I would suggest that the House may sit for one hour more (that it till 6 P.M.) every day till Saturday.

Shri Ajit Prasad Jain (U.P.: General): Sir, Government promised on the floor of the House that they were going to allot a day for the discussion of the sugar muddle. Obviously that means that Government will come out with some proposal in the form of a resolution. I do not find any mention of it in the list read out by the hon. Minister of State.

Mr. Speaker: The hon. Member was not, perhaps, present yesterday. It was specifically mentioned yesterday that some time would be allotted to the sugar discussion.

Shri Ajit Prasad Jain: The doubt arose in my mind because there was no mention of it in the list read out by the hon. Minister of State.

Mr. Speaker: That statement is made with reference to my remark yesterday that Government should give an idea of the legislative measures which they want to be put through during this session.

Shri R. K. Sidhva (C.P. and Berar: General): The hon. Minister of State stated that the House should sit till 6 o'clock. Yesterday, in reply to the same suggestion, you stated that you were personally not in favour of sitting beyond five. Let me tell you, Sir, that some of us after five o'clock have to study papers and if you take one hour from us, it would not be possible for us to study the agenda for the next day. I do not think it is fair to the House. Nor do I think that Government expect us to come here unprepared and assent to whatever they say. Some of us work right up to 11.30 P.M. Surely, it is unfair that one hour of our time should be taken.

Mr. Speaker: I am in entire sympathy with the conclusions of the hon. Member, though for separate and different reasons. I need not say what my reasons are. But, if we have to put through the work there are two methods of doing it: either hon. Members must be very short in their speeches and absolutely to the point avoiding all repetitions or we must sit longer hours. I do not want any hon. Member to carry a feeling that he has not been permitted to speak as much as he would like to, though it is not possible often times to allow Members to have all their own way. Therefore, if the Members make shorter speeches, I have no objection to get up at five.

Dr. P. S. Deshmukh (C.P. and Berar: General): Shorter speeches can only be made after more preparation.

Mr. Speaker: All these arguments are alive in my mind, but sometimes I feel that it is better to thoroughly study fewer measures and fewer subjects rather than try to study all.

I am coming to conclusions in view of my own capacities and other people might be estimating their capacities differently, and I have no quarrel with that situation. Therefore, if our progress is quite good, then later on, we may not sit up to six and we may finish by five. It is only a question of three or four days. These Bills have been before this House for a long time; hon. Members have tabled amendments long before and there is nothing new to be done now. If Government were to bring in at this stage any new measure, which requires study, I could understand the argument, but their time is taken away............

An Honourable Member: Three Bills were introduced today.

Mr. Speaker: They are not coming; they are merely introduced. I do not think they are included in the list of priorities. Hon. Members will get ample time from now till the next session of the Parliament.

Shri Mahavir Tyagi (U.P.: General): I want to know, Sir, whether Government takes your permission or at least sanction about the volume of business that they want to do in this House. I submit, Sir, that it is for you to see how much time ought to be spent and how many Bills ought to be discussed.

Mr. Speaker: Order, order.

Shri B. L. Sondhi (East Punjab: General): We are absolutely being treated as sweated labour. There is a Select Committee meeting at 9.30 and at the end of the day's sittings, there is another meeting at 5.15 P.M. On top of all, there are advisory committees. In fact I do not know how many committees there are.

Mr. Speaker: The other business may be adjusted later on. Now any more time taken means sure extension up to six o'clock.

Pandit Thakur Das Bhargava (East Punjab: General): I suggest that lunch time may be curtailed by an hour and we may sit till 5.30 P.M.

Shri Mahavir Tyagi: I think they are taking too much advantage of the absence of an Opposition.

Mr. Speaker: It is no use passing any remarks or complaining. After all, we must take into consideration the collective will and the collective convenience. It is not possible to meet the convenience of each one or the will of each one.

As regards the arrangement for the agenda, I might assure hon. Members that I am consulted in the matter, but I must also admit that, after all, I can only make an estimate. The Government are the proper judge of the urgency of a particular measure, and I can only judge roughly as to what time is likely to be taken up. Some times our estimates go wrong and a matter which is considered to be a matter of 15 minutes or an hour takes perhaps days, just as on certain questions, supplementaries go to the length of ten minutes. Therefore, one cannot help these things. We have already taken 15 minutes over this now.

Shri H. V. Kamath (C.P. and Berar: General): May I request you, Sir, to see that at least, at the commencement of the Provisional Parliament the business of the House would be so arranged as to provide for a longer session rather than unduly long hours every day?

Mr. Speaker: That is a suggestion which will be considered both by Government and other Members also. I can only request and advise. Now we will proceed with the further consideration of the Bill.

Shrimati G. Durgabai (Madras: General): May I know, whether the Question Hour could be suspended in order to give some more time to hon. Members like Mr. Sidhva for preparation?

Mr. Speaker: Order, order. Unless hon. Members are absolutely unanimous on that point, I shall not be willing to suspend the Question Hour.

CINEMATOGRAPH (SECOND AMENDMENT) BILL—*contd.*

Mr. Speaker: Now we will proceed with the further consideration of the Bill further to amend the Cinematograph Act, 1918. Clause 6 was under discussion yesterday.

Dr. Mono Mohon Das (West Bengal: General): Sir, I move:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 7 of the Cinematograph Act, 1918, after the words 'breach of the peace,' the words 'or resentment among a certain section of the public' be inserted."

Sir, this sub-section (1) of the proposed section 7 deals with or describes the condition under which the Provincial Government or any officer under the Provincial Government can impose a ban upon the exhibition of certain films. Sir, it is stated here that the only condition that will be taken into consideration for the imposition of the ban is the breach of peace. Whenever a Provincial authority finds that there is a prospect of a breach of peace, then and then only the Provincial Government will be allowed to impose a ban upon the exhibition of a certain film.

My amendment proposes, Sir, to add one more condition to this condition already enumerated in the Bill, namely the breach of peace. My amendment proposes to add another condition, namely, whenever the exhibition of any film causes or tends to cause resentment among a certain section of the public, then also the Provincial Government should be authorised to impose a ban upon the exhibition of a film. Sir, a breach of peace is the ultimate and the accumulated result of continued dissatisfaction or resentment among a certain section of the public. There can be no breach of peace until and unless a certain section of the public or some people are highly dissatisfied or exasperated. Therefore, Sir, resentment and dissatisfaction among a certain section of the public are the pre-requisite conditions, conditions, which must precede a breach of peace. It may be argued, Sir, that the words "breach of peace" also means resentment among a certain section of the public, but in my judgment, it appears that there is a difference of degree between 'breach of peace' and creation of resentment among a certain section of the public. The exhibition of a certain film may cause resentment and dissatisfaction among a certain section of the public but not to the degree of causing a breach of peace. Moreover, Sir, what is the object of exhibiting a film? The main object is to give recreation, to give relaxation, to entertain, to give amusement to the general public, but if instead of giving recreation or relaxation or amusement or entertainment to the general public, the exhibition of a certain film wounds the feeling of a certain section, creates dissatisfaction and resentment among a certain class of people, then, Sir, it defeats its own purpose. Therefore, Sir, I have proposed that another condition, namely, the creation of resentment among a certain section of the public should also be added to the condition which has been laid down in the Bill, namely, 'breach of peace' under which the Provincial Government or some officers under this Government are entitled to impose a ban upon a film. I hope, Sir, the hon. Mover of the Bill will be kind enough to consider my proposition and accept my amendment.

Mr. Speaker: Amendment moved:

"That in clause 6 of the Bill, in sub-section (1) of the proposed section 7 of the Cinematograph Act, 1918, after the words 'breach of the peace,' the words 'or resentment among a certain section of the public' be inserted."

The Honourable Shri R. R. Diwakar (Minister of State for Information and Broadcasting): I am not accepting that amendment. It is not at all necessary. It is covered by the words "breach of the peace".

Dr. Mono Mohon Das: I beg to withdraw my amendment.

Mr. Speaker: Has the hon. Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Shri Basanta Kumar Das (West Bengal: General): Sir, I move:

"That in clause 6 of the Bill, in sub-section (2) of the proposed section 7 of the Cinematograph Act, 1918, the following be added at the end:

'and in case of confirmation the Provincial Government shall forward a copy of such order to the Central Government'."

I only want, Sir, that the Central Government or the Central Authority must be in the know of things, if a District Magistrate or a Commissioner passes an order of suspension for two months.

The Honourable Shri R. R. Diwakar: I do not propose to accept this amendment.

Mr. Speaker: Does the hon. Member press the amendment?

Shri Basanta Kumar Das: I do not press, Sir.

Dr. Mono Mohon Das: Sir, I move:

"That in clause 6 of the Bill, in sub-section (3) of the proposed section 7 of the Cinematograph Act, 1918, for the words 'refer the matter to the Central Government for decision.', the words 'prolong the period of suspension.' be substituted."

Sir, this sub-section (3) of the proposed section 7 describes the procedure to be followed by the Provincial Governments, if, in their judgment, they think that the ban imposed upon the exhibition of a certain film should be extended for a period more than two months. The procedure that has been laid down here is that the Provincial Government will refer the matter to the Central Government, and the Central Government in their infinite wisdom, from a thousand miles away, will have the authority to continue the imposition of the ban upon that particular film. If my amendment is accepted, then, the sub-section will read thus:

"No order made under this section shall remain in force for more than two months, but the Provincial Government may, if it is of opinion that any such order should continue in force for a further period, prolong the period of suspension."

My amendment proposes to give into the hands of the Provincial Governments the entire authority, the entire power to prolong the ban imposed upon a certain film, if in their judgment it is thought likely that the film will cause a breach of the peace in the locality. The maintenance of law and order is an entirely Provincial Subject. It forms Entry No. 1 of the State List in our new Constitution. Moreover, Amusements, Entertainments, Theatres, Dramatic Performances, Cinemas have also been placed in the State List, Entry No. 33. Only the authority to sanction cinema films for exhibition has been entrusted into the hands of the Centre. Due to this authority which

[Dr. Mono Mohon Das]

has been given by Entry No. 60 of the Union List of the new Constitution, the Central Government now comes forward to take away from the hands of the Provincial Government the right to extend the ban which has been essentially necessary even for the maintenance of peace and order in the province.

Sir, I can understand the argument put forward that a strong Central Government is essential for the welfare of this country. But, I do not understand, I cannot understand this unhealthy greed for power on the part of the Centre at the expense of the Provincial Governments. I cannot understand this attempt to bind down the hands and feet of the Provincial Governments even in matters of law and order, even in matters of maintenance of peace in the Provinces. I know that the cinema industry of our country has occupied a very soft corner in the hearts of everybody: not only of the general public, but also of the Government. The otherwise shy capitalists of the country do not mind investing their wealth upon the cinema industry. Ladies and gentlemen of our middle classes who are very vocal about their difficult financial circumstances, find enough money to bestow their patronage upon their beloved cinema stars. Moreover, the Ministry of Commerce, in spite of the fact that there is a great dearth of foreign exchange in our country, does not mind spending a few lakhs of Rupees for importing cinema materials. Our Ministry of Industry and Supply, in spite of the fact that there is a great scarcity of building materials in the country, do not mind sanctioning huge quantities of building materials for construction of cinema houses in different parts of the country.

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): The hon. Member is entirely wrong. The Government of India has not given any sanction for any cinema houses.

Dr. Mono Mohan Das: I stand corrected. Our Ministry of Information and Broadcasting comes forward stretching their arm to protect the cinema industry from the tyranny of the Provincial Governments. Yesterday, the hon. Minister told this House that our country is second only to the United States so far as the cinema industry is concerned. I do not know whether there is any other industry in which India stands second to the United States of America. It is a matter of great misfortune that the cinema industry......

Mr. Speaker: Order, order. The hon. Member is going into a much wider field of discussion. After the debate at the consideration stage, he has now to restrict himself only to the amendment concerned. He is going into the general question; that is not permissible.

Dr. Mono Mohon Das: However, Sir, I resent very much this encroachment of the Central Authority on the Provincial Governments and I hope that the hon. the Mover of this Bill will accept my amendment and allow the Provincial Governments to enjoy the power which they have been enjoying so long.

Mr. Speaker: Amendment moved:

"That in clause 6 of the Bill, in sub-section (3) of the proposed section 7 of the Cinematograph Act, 1918, for the words 'refer the matter to the Central Government for decision.', the words 'prolong the period of suspension.' be substituted."

The Honourable Shri R. R. Diwakar: I am not accepting the amendment.

Mr. Speaker: Does the hon. Member press his amendment?

Dr. Mono Mohon Das: Yes, Sir.

Mr. Speaker: The question is:

"That in clause 6 of the Bill, in sub-section (3) of the proposed section 7 of the Cinematograph Act, 1918, for the words 'refer the matter to the Central Government for decision.', the words 'prolong the period of suspension.' be substituted."

The motion was negatived.

Shri Basanta Kumar Das: Sir, I move:

That in clause 6 of the Bill, in clause (a) of sub-section (2) of the proposed section 9 of the Cinematograph Act, 1918, the following be added at the end:

'with representatives from various interests particularly from educationists and the industry concerned'."

Sir, as I was not present in the House, I had no opportunity to hear the hon. Minister and to know as to how he will constitute the Central Authority. I think the main interests concerned in this matter are the interests of the educationists and the industry. I want that the film industry in this country should be turned to the advantage of education. That should be the first and foremost duty of the film industry in this country.

That can be done only through the help of the educationist and the co-operation of the industry. Therefore, I want that there must be some indication that their representatives will be there in the Authority. Therefore, I have tabled this amendment.

Mr. Speaker: Is the hon. Minister accepting it?

The Honourable Shri R. R. Diwakar: I do not propose to accept it.

Shri Basanta Kumar Das: I do not press is, Sir. Sir, I move:

"That in clause 6 of the Bill, after clause (g) of sub-section (2) of the proposed section 9 of the Cinematograph Act, 1918, the following new clause be added:

'(h) the manner in which a non-adult guilty of surreptitiously witnessing a film restricted to adults may be dealt with'."

Sir, it is provided that if a film exhibitor be guilty of showing a film to unauthorised persons, he will be dealt with according to law but it is nowhere provided that if a non-adult person is guilty of a similar offence, be will be punished. I want it to be provided in the rules.

The Honourable Shri R. R. Diwakar: I do not accept it. The responsibility is already laid on the exhibitor and it cannot be laid again on non-adults.

Shri Basanta Kumar Das: I do not press it.

Shri R. K. Sidhva (C. P. and Berar: General): There is an amendment standing in my name. I would like to make a change. I move:

"That in Clause 6, after sub-section (4) of the proposed Section 9, the following sub-section be inserted:

'(5) All rules made by the Central Government under this Act shall be laid before the Dominion Legislature as soon as may be after they are made'."

The Honourable Shri R. R. Diwakar: I accept the amendment.

Mr. Speaker: The question is:

"That in Clause 6, after sub-section (4) of the proposed Section 9, the following sub-section be inserted:

'(5) All rules made by the Central Government under this Act shall be laid before the Dominion Legislature as soon as may be after they are made'."

The motion was adopted.

Mr. Speaker: Amendment No. 28.

Shrimati G. Durgabai (Madras: General): It is a negative amendment.

Shri Lakshminarayan Sahu (Orissa: General): I have an amendment to clause 7.

Mr. Speaker: Which is that amendment?

Shri Lakshminarayan Sahu: 'That in sub-clause 7 of clause 7 of the Bill.........'

Mr. Speaker: That has been disposed of yesterday. I am referring to No. 28. The amendments of the hon. Member to new Section 7 were called yesterday and disposed of, I believe. Perhaps the hon. Member was not present. The hon. Member's misapprehension arises because of some misprint in the copy of the Bill. Clause 6 is an omnibus clause of this particular Bill and the figures printed in bold type 7, 8, 9, 10 and 11 are really new sections in that clause 6. That amendment has been disposed of already and nothing can be done now. If he wants to move No. 28, he may do so.

Shri R. K. Sidhva: It is a negative amendment, Sir.

Mr. Speaker: It is not a negation. Proposed section 11 is a part of clause 6 of the Bill.

श्री लक्ष्मीनारायण साहु: म प्रस्ताव करता हू :

"That in clause 6 of the Bill, the proposed section 11 be omitted."

वाचस्पति जी, इस प्रस्ताव के देने का मेरा उद्देश्य यह है कि अगर हम लोग सेन्सरशिप आफ फिल्म्स (Censorship of films) सेनट्लाइज (Centralize) करते हैं तो इसमें बहुत दिक्कतें आयेंगी खास कर इसके सोचने में कि पब्लिक मारल्स (Public morals) क्या हैं। पहले तो हमें यह देखना है कि जितनी अबसिनिटीज (obscenities) हैं उनको ठीक करने के लिये क्या करना चाहिये। उसको हर एक प्रान्त ठीक कर सकते हैं। एक वर्ड (word) एक प्रान्त में व्यवहार किया जाता है, दूसरे प्रान्त में उसका दूसरा अर्थ आता है। ऐसे शब्द प्रयोग करने से बहुत झगड़ा हो जायगा। सेन्सरशिप का उद्देश्य है पब्लिक मोरैलिटी (public morality) को ठीक करना और यह बात कहीं भी इसमें नहीं रखी गई है। इस लिये में चाहता हूं कि इसमें यह लिखा जाय कि हम पब्लिक मोरैलिटी कैसे ठीक हो इसकी कोशिश करेंगे। बिल में कहीं भी नहीं लिखा है कि हम लोग सेन्सरशिप इसके लिये बनाते हैं। इस लिये में चाहता हूं कि आखीर का जो सेक्शन (section) है कि हम प्रान्त के हाथ से पावर (Power) ले लेते हैं इसको हटा दिया जाय। प्रान्त के हाथ में पावर रहना जरूरी है क्योंकि जब तक यह न मालूम होगा कि एक प्रान्त की भाषा कैसी है, एक प्रान्त के विचार क्या हैं तब तक सेण्टर (Centre) क्या कर ? में तो दो बातों पर जोर देता हूं, एक भाषा के जरिये से और दूसरे दृश्य

के जरिये से। ऐसा हो सकता है कि पब्लिक मोरैलिटी के नाम पर हम ऐसे दृश्य दिखायें जो बम्बई में ठीक मालूम हों और वहां की पब्लिक मोरैलिटी को ठीक मालूम हों, लेकिन दूसरे प्रान्त में दिखाने से पब्लिक मोरैलिटी उसे पसन्द न करे। ऐसी अडचनें हैं और इसके लिये हमें प्राविन्सेज (Provinces) को क्षमता देनी चाहियें। दूसरे यह है कि जब हम पब्लिक मोरैलिटी की बात कहते हैं तो वह पब्लिक मोरैलिटी दृश्य में भी हो सकती है। वह दृश्य कैसा हो बम्बई और दिल्ली में ऐसे डान्स (dance) हो सकते हैं जिनको आदमी पसन्द करते हैं, लेकिन ऐसे स्थान हो सकते हैं जहां ऐसे डान्स को आदमी पसन्द न करें। इस लिये में चाहता हूं कि इस आखिरी क्लाज (clause) को हटा देना चाहिये।

(English translation of the above speech)

Shri Lakshminarayan Sahu: Sir, I move:

"That in clause 6 of the Bill, the proposed section 11 be omitted."

Sir, my object in giving this amendment is that if we would centralize the censorship of films then a lot of difficulties will have to be faced and specially in determining the public morals. In the first place we have to take into consideration the steps that we have to take to eliminate all sorts of obscenities from the films. This thing can be done by the different provinces. A particular word may commonly be used in one province but the same word carries an altogether different meaning in another province. A lot of confusion will be created if such words are used. The object of censorship is to raise the standard of public morality and this object has nowhere been mentioned in this Bill. Therefore I wish that it should be mentioned in the Objects and Reasons of the Bill that we would try to take such steps whereby the standard of public morality would be raised. It has nowhere been mentioned in this Bill that we impose film censorship in order to achieve this object. Therefore I wish that the last section, that provides for taking over of power from the provinces, should be omitted. It is essential for the provinces to have this power, because till such facts, as to what is the language of a certain province or what is the code of morality in a particular province, are not ascertained then what the Centre can do in this respect? Therefore I emphatically say that the standard of morality can be raised through the agency of two things in particular, firstly through the language of the films and secondly the scenic representation of the various scenes. It is just possible that in the name of public morality we may allow such scenes to be shown in films as may appear quite normal and in accordance with the public morality in Bombay, but when shown in other provinces may not appeal to the public morality there. Such difficulties are there and in order to eliminate such anomalies we should delegate power to the provinces. The second thing is that when I talk about public morality I wish to say that it can also be depicted by the scenes shown in the films. What can be such scenes? In Bombay and Delhi such dance scenes can be shown that the people like, but there can be such places where people may not like such dance scenes. For this reason I wish that this last clause should be omitted.

Mr. Speaker: Amendment moved:

"That in clause 6 of the Bill, the proposed section 11 be omitted."

The Honourable Shri R. R. Diwakar: I do not propose to accept it. That power is not newly given. It was already in the old Act. There the power was

[Shri R. R. Diwakar]

with the Provincial Government. Here the only change is that the Central Government will have that power for the purpose of exempting educational or some such institutions which show these films *ad hoc*.

Mr. Speaker: The question is:

"That in clause 6 of the Bill, the proposed section 11 be omitted."

The motion was negatived.

Shri C. Subramaniam (Madras: General): I want to say something. Sir, yesterday when we were debating the proposed section 6, I wanted the hon. Minister to state what would be the composition of the Authority which is contemplated under this Bill. Either the Minister himself had no clear conception of it or he did not want us to understand what this Authority would be. The matter was left as vague as it was possible. To my question as to what would be the Authority, the reply he made was 'The Deputy Censor will work in a region guided by the Panel'. That will be the Authority. And again, if they are unanimous, then nobody need interfere. But if there is any difference of opinion then they will refer the matter to the Central Censor who will himself be guided by a panel. That will be the final authority. The reply given by the hon. Minister contemplates two sets of authorities. One is the Deputy Censor assisted by a panel which will be 'the' authority—that is the word he has used, and then there is another, the Central Censor, who himself will be guided by a panel and will be the final authority. I respectfully submit that this Bill does not contemplate two sets of authorities at all. It contemplates only one authority, and that is the Central Authority. There is no question of one authority deciding a thing and another authority, in case of any conflict or difference of opinion sitting in judgment as an appellate body or as a revising body to give the final decision. The hon. Minister said that he was going to constitute three regions in which Deputy Censors will be acting and the Deputy Censors will be guided by a panel of advisers. They will be merely advisers. Then what will be the function of the Deputy Censor? Will he have the power to issue certificates? That has not been made clear. If he has got that power, that will be only as a delegated authority, and under the rule-making powers the power can be delegated to any person or persons. So he will be acting on behalf of the authority, and if the person issues a certificate, it will be a certificate of the authority under the delegated power. Where is the question of an authority again sitting in judgment? That is not provided in the Bill at all. Therefore once you delegate power to the Deputy Censors who might be guided by a panel of advisers, and these Deputy Censors have to issue the certificates there is no question of anybody else sitting in judgment over that, whether there is a conflict or not.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen.)]

If you do not give that power to the Deputy Censor, who is guided by a panel of advisers, I mean the power to issue certificates, then what else are you going to delegate to him? After all, you should know that in the rule-making powers, under the proposed section 9 sub-section (2) (b) you have—"the delegation of any of the powers of the Authority to such person or persons as the Authority may nominate in this behalf." What are the powers of the authority? It is only to issue certificates "A" or "U" and nothing more. Examining is not a power; giving judgment is not a power. Giving certificates is a power. And you cannot delegate the duty of judging to one authority and then reserve the power of issue of certificates to the Chief Censor. It cannot be that way at all. Here is a Deputy Censor aided by an advisory body. They are unanimous that a certificate should not be granted. Can they reject the application? Once

rejected there is no question of any appeal to the Central Censor. And still, if the Central Censor endorses it, on whose opinion does he endorse it?

Shrimati G. Durgabai: I understood from the hon. Minister's speech that if there is a difference of opinion between the Deputy Censor and his panel, then the appellate authority is the Central Censor. I think that is the point made out by the hon. Minister. So the Central Censor functions only in case there is a difference of opinion. Otherwise the matter will be dealt with by the Deputy Censor as advised by the panel. If they are unanimous, no question of appeal arises. Perhaps this is done in order to give great latitude to the provincial interests, in connection with whose interests the Provincial Deputy Censor and his panel will be working.

Shri C. Subramaniam: Does it mean that if there is a unanimous opinion, then that opinion is binding? Is that the position? Is the Deputy Censor entitled, when there is unanimity of opinion, to refuse a certificate? If that is not so, what is the position? If he is entitled to refuse a certificate, is there any appeal to the Chief Censor? Nothing is made clear here. I submit that if you want that these regional boards should act as issuing authorities, the only course was to accept my amendment, but still the hon. Minister says that these Deputy Censors will form part of the Central Authority. Certainly they are not part of the Central Authority at all. It is the authority which is given this power, and it is not as if that very function of judgment should be delegated to another person. It cannot be done. If you want to delegate it, why do you not recognise it in the Act itself? There will be regional bodies and they will be entitled to go into the matter and give certificates, and in case of difference of opinion or any party feeling aggrieved, they should go to the Central Censor. On the other hand, by saying that it is "the authority", which has this power, you are making the position of the Deputy Censor and the panel anomalous in the Bill.

Secondly, I would like to know what is the position of the Chief Censor. He would be guided by a panel. Is that panel only an advisory body or is it intended that the Chief Censor along with the panel shall form the authority? This has not been clearly stated so far. Is it the intention that the Chief Censor along with the panel shall be "the Authority"? On the other hand, it has been stated that the Chief Censor who will also be guided by a panel shall be the Authority. So the Authority will be the Chief Censor, and he will be advised by a panel. There is a distinction between saying that the Chief Censor is the authority and he shall be guided by a panel and saying that the Chief Censor along with the panel shall be the Authority. The two are quite different. Is it the intention that the panel will be an advisory body and the Chief Censor will be the Authority? If that is the case, you are making the Chief Censor a dictator, nothing less than that. He will be a law unto himself. We are placing no restrictions or limitations on his power. If he refuses a certificate, there is only the Minister if the matter goes to the Central Government. The opinion of this one person will be the law as far as the cinema industry is concerned. Is that contemplated in this Bill? I do not think that is the intention of the hon. Minister. So far the hon. Minister has not made it clear whether the authority will be the Chief Censor who might act as a Chief Executive Officer of the panel. If that is the intention, he has not made it so far clear. I would here submit that even the Rangachari Committee's Report which was formed for the purpose of going into this matter, has recommended that you may appoint a chief Censor and he shall be the Chief Executive Officer of the Central Board and he shall not have a right to vote. On the other hand, here, these people, the board or the panel as it is called, is made an advisory board and the Chief Executive Officer is made all in all and he is given entire power. When it relates to the entire industry—and I think we [illegible] more than a hundred films a year in India—it means that this

[Shri C. Subramaniam]

man is constituted the sole authority to say whether a certificate should be granted or not. Under the Bill that man, the Chief Censor, has the sole authority and he has got the power to over-ride every other advice given by any other body. Sir, I respectfully submit that it should not be like that. If at all, the Central Authority should be a Board consisting of officials and non-officials and the Chief Censor contemplated by the hon. Minister should be no more than the chief executive officer, and he should not have the right to vote at the Board's meetings then only will it work satisfactorily. Otherwise you will be constituting this man as the dictator in this important industry where not only so much of money is involved but where human factors such as the cinema stars are involved, and you will be giving this one man absolute power, thereby providing plenty of scope for corruption.

Mr. Chairman: I think the hon. Member has already laid too much stress on the point. He might go on to his next point.

Shri C. Subramaniam: Sir, there is one other point to which I objected. Why should the Central Government have the power to interfer, either to grant a certificate when it is refused or to cancel a certificate. The hon. Minister has not so far justified the powers which he is taking for the Central Government. Even in the Rangachari Report it is mentioned that no power to any other body should be given beyond the Central Board of Censors. If after examining a film the Censors refuse to give a certificate, why should the Government have the power to say "all right, grant the certificate"? It is not as if once the Censors refuse to grant a certificate it becomes absolutely final. It is open to the producers when circumstances change or when they have made the required alterations in the film to go again before the Authority and ask them to examine the film under the altered circumstances or say "we have made these alteration, see whether the film is now suitable or not." When such provisions are there I do not see why the Central Government should have this power. Even though I referred to this matter in my speech the hon. Minister has not touched that aspect at all.

I am glad that the hon. Minister explained with regard to the proposed section 11, that the power of exemption will not be applied to the ordinary class of films but only to educational films etc. But I respectfully submit that before the House is asked to pass the clause he should make it clear as to what is the authority contemplated by him—whether it is the Chief Censoring Officer or it will be a board. He should make that point clear.

Shri Upendranath Barman (West Bengal: General): Sir, I want to make a small point for the consideration of the hon. Minister, and that is with reference to the wording of sub-clause (3) of clause 6. This clause has been inserted only in order to throw some obligation on the Authority to inform the person applying for the certificate about the decision that it makes. First of all the Authority may either refuse unrestricted public exhibition or refuse public exhibition restricted to adults. These are the two circumstances. But the wording of the clause is: "If the Authority is of opinion that a film is neither suitable for unrestricted public exhibition nor for public exhibition restricted to adults, it shall inform the person applying for the certificate of its decision." To my mind it seems that by this conjunctive clause the obligation is thrown upon the Central Authority to inform the person only in the case where no permission whatsoever is given. But suppose the Authority gives permission only for public exhibition restricted to adults. In that case also that person should have the option to apply to the Central Government to revise the decision of the Authority.

The Honourable Shri R. R. Diwakar: In that case he gets the certificate.

Shri Upendranath Barman: But he may not be satisfied with that and may like to apply to the Central Government that his case is fit enough for unrestricted exhibition.

The Honourable Shri R. R. Diwakar: There is the appeal.

Shri Upendranath Barman: I am just pointing out the effect of the conjunction "neither......nor" in this clause. This conjunction means that it is only when permission is refused altogether that he will be informed and will have the option to appeal. To my mind the proper wording would have been:

> "If the Authority is of opinion that a film is not suitable for unrestricted public exhibition or for public exhibition restricted to adults......"

In that case the wording would have been quite proper. That is my submission. The hon. Minister may kindly consider that point.

The Honourable Shri R. R. Diwakar: To dispose of the second point first. the question of informing the person concerned arises only when permission is refused, because he has to go to a higher authority in appeal. If this responsibility is not laid on the Censor, it would be difficult for him to proceed, whereas in the case of giving a certificate, whether it is for unrestricted or restricted exhibition, the certificate is in his hands—there is with him the writing of the Censor on which he can proceed. Therefore I do not think it is necessary in the other case to lay the obligation on the Censor.

Shri Upendranath Barman: The time allowed is only thirty days, from the date of decision.

The Honourable Shri R. R. Diwakar: As regards the point raised by Mr. Subramaniam about the Authority and about the procedure, I think on account of the procedure that I explained—which would of course be the subject-matter of the Rules—and the use of the word "Authority", a little confusion has crept into this matter. I am very glad that he has raised this point at this stage so that I can make matters clearer. The Central Censor, along with the Board or the Panel, would constitute the Central Authority. So far as the Regional or Deputy Censors are concerned powers would be delegated to them under clause 9 (2) (b) as I pointed out yesterday. Therefore there would not be any difficulty in working this out. No doubt yesterday I used the words "guided by" and possibly that was not as clear as it ought to have been. I am glad Mr. Subramaniam has raised this point to enable me to clarify it.

Shrimati G. Durgabai: On a point of information, Sir. May I know whether the Members of the Panel attached to the Central Censor will be drawn from the Panels attached to the Deputy Censors?

The Honourable Shri R. R. Diwakar: That would be a matter which we will have to think out. I cannot say anything offhand just now.

Shrimati G. Durgabai: Some indication may be given because there is a lot of doubt expressed on account of the constitution and the functions of the Central Board.

The Honourable Shri R. R. Diwakar: There need not be any doubt about the Board. The Panel will be the best possible under the circumstances and naturally it will be drawn from all parts of the country. I do not think we can go into further details.

Another point which Mr. Subramaniam raised was about the right of appeal to the Central Government. Since the Central Authority is one which gives a final decision on films, there must be some right of appeal from this decision.

[Shri R. R. Diwakar]

That is why the Central Government has been vested with that †power of hearing appeals. That is the only explanation which I could offer for the point raised by Mr. Subramaniam.

Sir, with this explanation and clarification, I see no difficulty in the way of the House accepting the clause as it stands.

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 Shri R. R. Diwakar: Sir, I move:

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

Mr. Chairman: Motion moved:

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

Shri Mahavir Tyagi (U. P. General): Sir, even after listening to the whole discussion and the arguments not forward by my hon. friend, the Minister in charge, I really do not yet find the objective with which this Bill has b produced. As far as I could see it is only just to facilitate the trade or industry. if that is the only objective then I could understand the Bill to be all right. It gives facilities to the trade by making the censorship work easier. In the Statement of Objects and Aeasons there are a few words which provoke me to make this remark: It is mentioned there:

"With a view to remove such anomalies and to introduce uniformity in censorship which will help to raise the standard of films as a medium of education and healthy entertainment......"

I wonder whether censorship will really lead to these laudable objectives of providing healthy entertainment and raising the standard of films as a medium of education.

Sir, I do not yet see whether Government have really formulated their policy. Are their objectives clear? What is the economic policy which they want to propagate through these films? Is there any policy at all? What is their moral policy? What are the morals they want to propagate through this Bill? Are they clear about it? What I find after independence is that these films are eating deep into our civilization, culture and morals and it seems that table manners' and 'bed-room freedom' are going to be the be-all and end-all of the life of the nation. We are propagathing these ideas and our life is getting very costly. On acIount of the cinemas, different types of fashions are imported into our lives. Our old ladies—my mother and grandmother—as they used to be would no more respected because in the cinemas we are now propagating ladies of a different type and a different culture. They don't cut their nails but cut their hair instead. The blood-red-beaked and nailed woman is becoming the ideal of the nation and girls are coping her now. Our whole culture, our dress our songs, our literature are all being eaten into by these cinemas.

An Honourable Member: Close all the cinemas.

Shri Mahavir Tyagi: Also, our dress is becoming very costly and our furniture is becoming very costly because we are aping all those thingss hown in the pictures. We know no simplicity. Our goal is not clear. Will your 'club-bred' I.C.S. or other service man really achieve those objectives which the nation really demands of you? It is the 'domestic breed' that can deliver the goods.

Mr. Chairman: Does the hon. Member propose to take long?

Shri Mahavir Tyagi: I will take only five or ten minutes more.

Mr. Chairman: Then the House will stand adjourned till 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.

RIGHTS AND PRIVILEGES OF MEMBERS

Pandit Govind Malaviya (U. P. General): I am grateful to you Sir, for allowing me to submit to you the point about privilege which I wished to place here this morning, although I should like to request to you most respectfully to be pleased to consider once more whether, in view of the practice prevailing in the House of Commons as laid down by May, it is not an encroachment on the rights and privileges of the Members of this House that they should not be able to raise in the House points regarding privilege without first submitting them to you in your Chamber. I shall be greatful if you will reconsider the matter. I shall say nothing more about it.

Shri Mahavir Tyagi: (U. P. General): I am afraid you are mistaken when you say that the Speaker laid down this rule in regard to points of privilege. It was about the other points that the Speaker did so.

Mr. Speaker: Order, order. Let him finish.

Pandit Govind Malaviya: The point that I wished to raise here this morning was this. This House adopted yesterday the motion to take the Hindu Code into consideration. When the House debated that motion on Wednesday last, at about four o clock in the afternoon. during the course of the debate, after consultation between the Deputy-Speaker who was in the Chair, the hon. Law Minister and the Chief Whip, the Government announced that they would give another day for that discussion and that day would be Saturday last. I then stood up and submitted that as we had not anticipated that the House would meet on Saturday some of us had made engagements. and that I personally had unavoidable engagements at Benares on Saturday and Sunday which I could not give up. The Government were very kind and generous and they therefore fixed Monday for the debate. I mentioned Tuesday and some other Members mentioned some other dates, whereupon Mr. Deputy-Speaker was good enough to say that I was an important Members and the Government had therefore fixed Monday to accomodate me and that the matter should end there. So Monday was fixed. The Deputy-Speaker further mentioned that on Monday the Members would be able to participate in the debate up to Lunch time and after Lunch the hon. Law Minister would reply. After the rising of the House that day, I waited upon Mr. Deputy-Speaker and explained to him that the earliest I could arrive in Delhi from Benares would be by the one o'clock plane on Monday and requested him to allow me an opportunity of submitting my views to this House on that matter after Lunch. He very kindly agreed to do so.

[Pandit Govind Malaviya]

Yesterday, Sir, I arrived by that plane but on arrival here I found that the House had choked out the debate by adopting a closure motion in the morning. In this connection, I beg to submit, Sir, that if I had happened to have views on the subject which were in conformity with the decision arrived at by the House, the fact of my not having been able to express myself would not have mattered. But, as is probably well known, I have been wholly opposed to the adoption of that motion that the Hindu Code......

Shri T. T. Krishnamachari (Madras: General): On a point of order, Sir. May I ask if this is a question of priviledge against the tyransy of the House?

Mr. Speaker: Let him develop his point and then we shall be able to know further.

Pandit Govind Malaviya: Therefore, Sir, as I said, if I had been of the same view as the decision of the House, it would not have mattered. But I have been wholly opposed to it. I have said that so long as energy lasted in me, I would endeavour by all right means to see that the Bill was not passed.

Therefore, Sir, I submit that when a Member depends upon the decision of the Chaid announced openly on the floor of this House and arrives here in accordance with that decision in the hope that he will be able to place his views before the House and thereby endeavour to convert that views of those who did not agree with him, I submit, Sir, that when that decision and promise of the Chair is not observed and when that opportunity is denied to that member, then, Sir, it becomes a very grave injustice which requires to be set right. For Sir, if the Chair's decision cannot be depended upon things will become impossible.

I might mention, Sir, that yesterday I met Mr. Deputy-Speaker at the Benares aerodrome when he was on his way to Calcutta. He told me that he regretted that he had not been able to leave a note for you as he had promised to do to the effect that he had promised to give me an opportunity after Lunch. He told me that it had slipped from his mind when he was talking to you before his departure. But, Sir, that fact does not make any difference, because when a statement is made by the Chair, in consultation with the Government on the floor of the House, and if even that statement cannot be relied upon, I am afraid that the entire rights and privileges of the Members of this House come almost to nothing; and if the rights and privileges of the Members of this House are reduced to that extent I am very doubtful whether this House fill be able to serve the very purpose for which it exists.

You, Sir, are the custodian of the rights and privileges of the Members of this House and, I therefore, appeal to you to do in this matter what you think right and suitable, so that the injury which, in my opinion, has been done might be set right and the wrong which has been done may be suitably corrected.

Besides, this. I submit, Sir, that due to these facts the entire proceedings of this House yesterday in relation to the Hindu Code have been vitiated and I hope that you will take necessary action in the matter.

Mr. Speaker: I do not thing this question of alleged breach of privilege really requires long ruling. The hon. Member has raised two Members are first point is that he thinks that the rights and privileges of Members are seriously interfered with—if they are not permitted to raise any points of privilege without first consulting the Chair, or informing the Chair. I am afraid, it is not possible for me to agree with that view, because points are raised for clarification or solution and I do not see how they can be immediately clarified or solved on the floor of the House, unless the Chair is aware of what

is really worth being brought before the House will be permitted by the Chair. every Member be given an opportunity of saying whatever he wishes to say under the guise or pretence of raising a matter of privilege.

Pandit Govind Malaviya: That has been the practice in the House of Commons.

Mr. Speaker: I think the House will agree that they will credit the Chair with that much of commonsense and sense of justice that, every point which is really worth being brought before the House will be permitted by the Chair In case the Chair goes so wrong as to refuse even the legitimate points that should be allowed to be raised, hon. Members have got the remedy in their hands of removing the person occupying the Chair. That is as regards the first part of the hon. Member's point and I think the practice that I am following here is on the whole, very necessary and wholesome in the interests of saving the time of the House and also maintaining its decorum and decency.

The other part relates to his having been deprived—as he believes—of the opportunity of having his say. One need not notice very seriously his argument that the proceedings of the House are, therefore, vitiated; that does not call for any reply at all. I may assure the hon. Member that nobody—neither the Government nor the Chair much less the present occupant of the Chair (he has already said that I had no knowledge of it)—had the least or remotest idea of debarring any person from expressing his views if he wished to do so. In a sense it is unfortunate and very much regretted that he should have lost his chance but it all developed in a way for which nobody is really responsible. If a Member is keen to be here for a particular measure and to give his views. I think it is his first duty to give precedence to this engagement over others. It is more or less as a matter of convenience that Members are given latitude. Those ltitudes cannot be construed as privileges. Other wise, it would be impossible for this House to function in the absence of one Member on one day, another Member on another day, and so on.

No doubt, as the progress was estimated it was stated that some convenience would be given to the hon. Member and if the discussion had continued till 1 P.M. yesterday, nobody would have objected in view of what Mr. Deputy-Speaker had said here as to giving the hon. Member a chance of having his say. But it is too much to expect that, after the moving of the clousure the matter should be kept pending just for one Member who was not present here. That is how look at the matter. I do not think it is a matter of privilege at all; it is only a matter of some kind of convenience which was expected to be given but which in the circumstances which subsequently developed could not be given. The matter ends there and the hon. Member need not entertain any fears that the rights and privileges of Members will be reduced to nullity if this kind of thing goes on.

I do not think I need take more time over this.

CINEMATOGRAPH (SECOND AMENDMENT) BILL—*contd.*

Shri Mahavir Tyagi: Sir, I am speaking under the stress of a strong whip and also perhaps under the incidence of a little bit of displeasure of the hon. Minister, the mover of this Bill. But, Sir, to catch the thread of the first part of my speech I was saying Sir, that the cinema industry is producing a degenerated race of red-beaked and blood-nailed ghosts of girls that are marching into our society today. I was suggesting, Sir, that this Censor should not only censor the films from the point of view of encouraging the industry

[Shri Mahavir Tyagi]

as it is, because after all, a film industry is not a productive industry. It does not add any further surplus values to the wealth of the nation. Therefore if we only encourage the industry, the industry thrives, but it does not help the nation at all.

Shri B. L. Sondhi (East Punjab: General): They have got so much of sales tax.

Shri Mahavir Tyagi: The Government might have a different opinion but this industry does not get any surplus values out of such production unless these films are sent outside and they bring money to the country from foreign countries. Wealth remains as it was and this industry does not produce any wealth. Therefore, I submit that we need not encourage any industry which is not productive at all. But then, Sir, we could make this film productive, if we can make the best use of the film, because after the radio the film is the next biggest......

Mr. Speaker: Order, order. May I point out to the hon. Member some considerations? One is that the present stage is the third reading stage of the Bill. Therefore, the scope of the discussion is very much limited. The other is that the particular point under discussion under this Bill, looking at its scope is, whether the Censorship should be centralized or it should be left to the Provinces as it is at present. That is the limited scope of discussion over this Bill. The policy of censoring, the desirability of having films, the way in which the whole thing should be censored, these will not be matters which will now be pertinent at this stage.

Shri Mahavir Tyagi: Sir, may I point out that in the Statement of Objects and Reasons, it is mentioned that centralization is being made to raise the standard of films as a medium of education, and healthy entertainment. You did not listen to the previous part of my speech, Sir, and I could not fully acquaint you with what I was developing.

Mr. Speaker: Then he need not repeat it.

Shri Mahavir Tyagi: What I was saying was that the film censor must be centralized, but they should not be censored only from the point of view of giving encouragement to the industry. They must be censored from the point of view of education. Today the film rides high on the morals of the nation. It may give birth to a new nation, so to say of high morals and lead us to practice the big motto of "Simple living and high thinking". It is from that point of view that censorship must be centralized. I demand from the hon. Minister to put before the House information as to what are the criteria on which censorship will work. That point has not been clarified. So far we do not know what is the main objective of censorship upon films. Is it a question of *laissez faire*? Are the films only to play to the tastes of the people? Would they go wild with whatever taste they want to have? If they have no guidance in this respect they will lose their native taste and talents all over the country. Then, I am afraid the censoring will be of no use. It should not be only an industrial venture. What I demand is that the methods or the lines or the directions which are to be given to the censoring authority must be put before us. We must know what is our aim and to what is it that we are leading our country. The present policy is eating into the very economic life of the nation and making it more expensive. I submit, Sir, that in a cinema unless one is either a super-human or sub-human he only reacts psychologically by way of identification. Whatever scene is on the film, one identifies himself with the scene unless one is very subjective. The cinema always acts upon a man and he loses his subjectiveness. Whenever there is any scene in a film, the visitor just identifies himself with some of the actors of his choice and he carries a mental impression of having personally undergone the experience of that life. In fact whatever the story is every visitor, unless he is a super-human man, he becomes an actor or a part of the story, and identifies himself with what he likes best. I, therefore, submit after experiencing, although temporarily a high standard of living, it is very difficult for a man to come back home with its humbler and simpler environments. I, therefore, submit that the cinema is propagating really too high a standard of living, and we are pining to live a very high standard; which is not commensurate with the average standard of wealth of the country. I submit that the censorship must be centralized and it is not as if one man can control the whole business. There must be a panel of persons. The hon. Minister must say whether there will be psychologists on that panel and men of the educational Department. We have seen that Russia controlled the film industry and through cinemas alone they could proceed with the constructive part of their revolution. They first had the destructive part of revolution but when they came to doing the constructive part of their revolution, they did it by means of films? Is there any plan before the Government? Have they planned out their economic programme which they want to propagate through the cinema? Have they a scheme of education? What kind of education they want to propagate to the nation? These are the points which I want to stress. I want to know what are the aims and how this cinema will radiate a new life or will encourage our own civilization.

One more point, Sir. Will there be musicians on your Board? The biggest danger of the cinema today is that our old treasures of music have been spoiled by the cinema in a most vulgar manner. Sir, poetry is fast becoming prose and prose is becoming too Prosaic, there is neither any prose nor poetry, and there is no literature. Music is being adulterated, with discordant notes which are jarring. We had our music which was developed on a highly scientific basis and that music is being adulterated with various wild notes with the result that the music is losing its basis altogether (*An Honourable Member:* Murdered) I ask: Will the censoring authority guarantee the purity of that music which our ancestors had evolved without the help of musical instruments. So I beg to know whether there will be a strict censorship to protect our poetry, our music, our language, art, dress and fashion and our morals and culture? Will our standard of living be censored? Then who will be the censoring authority? I want you to inform the House. It is a vital point which concerns the nation and the House.

I want to know whether you are taking civilians on this Board. By civilians, I do not mean the paid civilians. I submit, Sir, after all, as things are the civil servants of the State, the Ministers and the hon. Members of this House compose all the Committees as if they have the monopoly of all wisdom and everything. I want to know whether you are going to take learned people, outside this House and outside the precincts of the Government into this Board. My submission is, if there is any plan in the mind of the hon. Minister, he must let the nation know that the censorship will be on such healthy lines and that the censorship will help the nation to progress. If that is the plan, from the constructive point of view, I agree that the Authority must be Central. After all, the Central Authority will be really in a position to spend more for getting experts and their opinion, and a centralised authority giving directions will tend to unify our taste also and help the nation to progress better than a provincial authority could do.

I have to submit one more point and it is this. At present, the cinemas are catering only to the urban people. Urban manners, urban way of living, etc., are being shown. The rural population does not get a proper benefit from the

[Shri Mahavir Tyagi]

cinemas; nor is their way of life pictured. I am a villager. I love the rural environments. My mother used to put on a *lahnga*. All that dress is fast going out of use. All the ornaments worn by the people in my mother's days and my grandmother's days will not be exhibited in any cinema. I think that that dress and those ornaments must also be respected and should not be discarded to be replaced by the colourful dress and the ghostly looking things of the present day. No respectable young man would even like to smell the girls of the cinema inspired fashion today; where shall they be married? They are so ghostly looking. I hope the Censoring Authority will also look into this important aspect of the matter.

The Honourable Shri R. R. Diwakar: Sir, I have really nothing to add at this stage. I may only say that I shall give the most respectful attention to all the suggestions that hon. Members have made.

Sardar Bhopinder Singh Man (East Punjab: Sikh): Not Mr. Tyagi's suggestions; it will be suicidal.

Shri R. K. Sidhva: He has made certain suggestions which are objectionable.

The Honourable Shri R. R. Diwakar: They will not be attended to naturally. (*Interruption*).

Mr. Speaker: Let him go on.

The Honourable Shri R. R. Diwakar: At this stage, I have nothing to say, but to commend the motion to the House.

Mr. Speaker: The question is:

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

The motion was adopted.

DELHI PREMISES (REQUISITION AND EVICTION) AMENDMENT AND VALIDATION BILL

The Honourable Shri N. V. Gadgil (Minister of Works, Mines and Power): Sir, I beg to move:

"That the Bill to amend the Delhi Premises (Requisition and Eviction) Act, 1947, and to validate certain orders, be taken into consideration."

Sir, during the war period, under the Rules framed under the Defence of India Act, the difficulties in respect of accommodation were got over. After the war was over, in 1947 an Ordinance was passed practically reproducing some of the main provisions contained in those Rules and in 1947 the Delhi Premises (Requisition and Eviction) Act was passed. It is due to expire on the 31st of this month. It was expected that in the course of these two years, the accommodation position in the Capital and its suburbs would improve; but experience has shown that it has become more acute on account of a variety of reasons and the necessity now is for the Government to come before this hon. House to pass another Bill which will extend the provisions of the Act of 1947 for a period of three years.

Now, Sir, it will be my duty to give certain facts to the hon. House to show how very urgent is the necessity to pass this Bill. In the first place, I will tell the House that 369 houses have been under requisition, not under the provisions of this Act, but under the provisions of the Defence of India Rules. Only 81 houses have been requisitioned under the Act of 1947 in the course of the years 1947, 1948 and part of 1949.

Shri Deshbandhu Gupta (Delhi): Only 81 houses have been requisitioned?

The Honourable Shri N. V. Gadgil: Under this Act of 1947, whereas 369 are under requisition under the Defence of India Rules. The present position so far as the Government needs are concerned is this.

Shri Deshbandhu Gupta: Is the hon. Member speaking of New Delhi Houses or the whole of Delhi?

The Honourable Shri N. V. Gadgil: The whole of Delhi. In New Delhi, there are no more than 500 houses; out of that 369 are not surely requisitioned.

So far as the Government needs are concerned, we require 170,000 square feet of accommodation for offices, although the screened demand so to say, (in the sense that demand has been accepted by our Accommodation Advisory Committee) comes to about 50,000 sq. feet. As regards accommodation for our officers of all classes, I may inform the hon. House that there are 13,000 officers of all classes without accommodation from the Government. God above and they below know how they are living and where they are living. We have been able so far to give accommodation to 15,000 officers of all classes. Out of these 13,000 who are still without any accommodation, about 5,000 are refugee officers who have come from Pakistan and who have been absorbed in the various departments of the Government of India. All told, 7,492 applications for accommodation have been received from the displaced persons or refugee persons who are now in the employment of the Central Government.

As I stated, out of that, we have been able to provide accommodation for 2,102.

Shri H. V. Kamath (C.P. and Berar: General): How many received?

The Honourable Shri N. V. Gadgil: The number of applications received is 7,492 from refugee officers alone; out of them 2,102 have been provided. In order to give as much facility as possible and to make the best use of the accommodation available, the Government of India relaxed certain rules about sub-letting.

We allowed our officers to share the accommodation as far as possible with the refugee officers, in the first instance, and with non-official refugees, in the second. That also was extended in the case of hon. Members of this House with what result—all those who have shared and acted accordingly know to their cost. As a result of this, there was indeed good response and out of the 1,200 officers who draw more than Rs. 600 per month by way of salary, 416 have been sharing their own allotted accommodation with refugees both officials and non-officials. There are 12,000 officers who are occupying Government accommodation and whose salary is less than Rs. 600. Out of that 6,400 have been sharing the allotted accommodation both with refugee officials and non-officials.

Now, I am conscious of the fact that this huge problem cannot be solved by merely allotting existing accommodation, on howsoever equitable rules or by howsoever equitable procedure. After all a cake divided into two equal parts on the whole remains one cake and not a grain is added. Therefore something has been done in the way of providing more accommodation for the officers of Government of India. The hon. House is aware that there are 3,200 units out of which 200 flats for higher officers, 2,000 for clerks and 1,200 quarters for Class IV Officers are under construction. About 50 per cent. of this accommodation is nearly ready and on the 25th of this month the allotment will start. Speaking roughly, about 1,200 units will be available by the end of beginning of next

[Shri N. V. Gadgil]

month but the whole number will be ready for accommodation by the end of March 1950. If it was left to myself and my Ministry I would have gone on with this building programme on a larger scale and with greater speed but, you, Sir, and the Members of this hon. House know very well that it is not possible for circumstances over which few of us have any control.

At the same time, apart from the building programme undertaken by the Government of India for accommodating their officers, the Relief and Rehabilitation Ministry also have been doing quite a lot and there are 4,000 units at present under construction in Kingsway, Azadpur, Kotla, Purana Kila and their programme also includes building of 2,000 further units in Malipura, Gangapura and other places. The relevance of this programme so far as this Bill is concerned is this. There are nearly 1,389 units belonging to Government which are in the unauthorised occupation of refugees who are mostly non-officials and a few officials. You are aware in the months of September/October/November 1947 as a result of partition, hundreds of people were pouring into this Capital and it was very difficult to take a very strict view of the law. We therefore decided that vacant houses left by Muslim employees, may be, for the time being, occupied by officials or non-official refugees and permanent adjustments and allotments would be made later on. I do not know whether it was the right policy or wrong policy but it was a human policy, Sir. The total number of units thus occupied was 2,957. Now the Government of India was obliged to decide whether they would allow all these units to be occupied in an unauthorized manner or would they be justified in evicting them gradually, making alternative accommodation as far as possible, available to them. There was another aspect to this question. There were, on the one hand, refugee officers actually in the employment of Government who were without accommodation and they were getting nothing because they were Government servants, loyal citizens, and law-abiding citizens. On the other hand, about 2,957 units were occupied by refugees in an unauthorized manner. I know necessity makes many people do things which in normal circumstances they would not like to do or perhaps would never do. Taking this generous and a liberal view of the whole situation, from time to time as I have stated already, we have been makeing available alternative accommodation for those whom we gradually evicted. Now nearly 2½ years are over, and now it is, I think, something which, even the House will agree, that this state of things cannot continue long and we can't afford to allow 5,000 of our officers to remain without any accommodation, a fact which has affected and which is bound to affect the efficiency of the work in the respective offices. We therefore decided that by the end of March 1950, the 1,389 people should be evicted and as far as possible alternative accommodation should be given to them. The Relief and Rehabilitation Ministry have agreed to give as I stated 590 houses before March 1950. That number will be given alternative accommodation. Even otherwise we will try our best to give alternative accommodation for the rest. It was equally difficult for the R. & R. Ministry to give any preference to these unauthorised occupants; for, their argument was that those who were law abiding and, did not act as others have acted—why should they stand out in preference to those who have gone out of the normal way and have occupied in an unauthorized manner units belonging to the Government of India. However, I am greatly obliged to that Ministry for having agreed to accommodate 600 before the financial year is out and I have no doubt that with the sympathy for which that Ministry is known, they will also come to my help, if at the end of the financial year I find a hundred or two still without accommodation and they will also—as I said—be accommodated. What that problem in terms of money means, is the House will be—I cannot say delighted—but be pained to know that the arrears after recovery is Rs. 8,10,000. The other day a question was asked for

information about arrears of rent in Delhi and other places in respect of Government buildings. Not that I was reluctant to give the information—about Delhi it was ready, but the question embraced all the accommodation, not only in Delhi but also in Calcutta, Bombay, and other places in the Union territory. At the same time, I was very much reluctant to make public that this huge amount is due to the fact that several persons have entered government premises and have been in continuous occupation for several years. Sir, the Government of India, by Press Note dated the 19th August, 1949 have called for information from everyone who is in unauthorised occupation of government buildings and the Press Note states clearly that those who register themselves, will be given alternative accommodation as far as possible. In order to make the recovery, not of rent, because the moment I call it "rent" I know what that will imply in a law court, but in order to help in the recovery, I decided that those who pay "damages" they will also be preferred in the matter of being given alternate accommodation. Under the present rules I could have insisted on recovering from every one of them what is known as economic rent, under Rule 45(b) of the Fundamental Rules. But I also realised, and the fact was also brought to my notice by prominent Members of this House including hon. Mr. Bakshi Tek Chand, and I decided to give certain concessions and I also agreed to recover the arrears by instalments. I am only enumerating these facts to show that in every way, and in every form, we have dealt with the displaced persons as sympathetically as possible. Now, Sir, as I stated, it is not only the need of the Government of India as such, but there are other obligations of the Government of India in the matter of providing accommodation. One of these is to make provision for the foreign embassies. There are about forty here already, and nearly thirty-three houses—probably the best houses in New Delhi—are already in their occupation. They also require accommodation for their staff, for their offices and so on, and we are bound to provide them. It is also, therefore, necessary that in order to enable the Government of India to do this, the Government of India must have power for requisitioning and for eviction. I find, Sir, from the Order paper, certain amendments in the names of my hon. friend Mr. Jaspat Roy Kapoor, and my hon. friend the inevitable Mr. Sidhva. Hon. Deshbandhu Gupta has also given notice of an amendment which I just got as I rose to move this motion. So far as my hon. friend Mr. Kapoor's amendment is concerned, I greatly appreciate what he has proposed; but in the light of what I have stated, he will also appreciate the position of the Government of India. I assure him that if anything is possible to be done to help those displaced persons who are in the occupation of government accommodation, that will be done. But I am sure he will not ask me to do the impossible. He has suggested that in the definition of 'public purpose', accommodation for displaced persons should be specifically incorporated. As the rules stand, there is enough power according to me for that, and I can tell him that I have exercised it in a few cases. But at the same time, I shall certainly consider that point when I propose to revise the rules. But as regards the other point of making it a statutory obligation on the Government of India to find alternate accommodation, I think he will appreciate my difficulties if I say that it will be very difficult for the Government of India to accept that.

Then there is one amendment in the name of Mr. Sidhva giving me more than what I want. I want the Act to be in operation for a period of three years, and he has been generous, for the first time in his life in this Assembly, to give it for three years more. As a Member of the Government I would have gladly accepted it, but as a real democrat I would not like to accept it, because I know that this Act on the one hand, caters for a very urgent need, but at the same time, to some extent, it causes hardship. So I think after

[Shri N. V. Gadgil]

three years there would be time to review the whole position and if the government of the day comes before this House which has been always reasonable and responsive, I have not the slightest doubt, Sir, that that Government would be able to carry out whatever they think to be appropriate in the highest interests of the country.

Now there is then the proposed amendment of my hon. friend Shri Gupta, and it is something which I cannot accept. He wants this Act not to apply to new constructions. Now, when the new constructions are completed, there is no control over the allotment of the accommodation that is available and so here is a vast field for *pugree*. I have received innumerable complaints on this score. But the main argument that was advanced by Mr. Gupta last time when this was under discussion was that this would discourage construction of new buildings.

Shri Deshbandhu Gupta: Has it not?

The Honourable Shri N. V. Gadgil: I do not think it has done that. A few months ago a deputation of building contractors and house owners came up and I had some discussions with the hon. Member for Delhi also who apparently thinks that landlords are the only miserable people who deserve protection. As a result of all this, I agreed that Government will not requisition any building which the owner has built for his own purposes, for his own family, and I have also agreed that if there is any additional new construction, then I will not requisition fifty per cent. I would requisition only fifty per cent and the other half will be available for the landlord to play with his conscience in whatever way he likes. I have gone to this extent. I do not know whether it was correct for me to have gone to that extent, but I am prepared to watch this as an experiment during a period of six months, and if as a result of this new constructions come into being, I shall certainly modify the Act in the way he desires. But if, on the other hand, as a result of this, the tenants are not getting any protection, but the landlords are getting more profits, then surely as a representative of the poor people and of a government which believes in doing justice to many as against the few, my duty will be clear.

These are the main points I wanted to make and I hope the House will agree to my motion for consideration.

Mr. Speaker: Motion moved:

"That the Bill to amend the Delhi Premises (Requisition and Eviction) Act, 1947, and to validate certain orders, be taken into consideration."

شری دیش بندھو گپتا : جناب سپیکر صاحب ! مجھے افسوس ہے کہ میں اس بل کی مخالفت کرنے کیلئے کھڑا ہوا ہوں- ابھی آپکے سامنے آنریبل منسٹر صاحب نے جو بھاشن اس بل کے امنڈمنٹ پیش کرتے ہوئے دیا ہے اسکو سنکر مجھے بہت مایوسی ہوئی - اس بل کے اغراض و مقاصد (Statement of objects and reasons) میں سب سے پہلی وجہ یہ ظاہر کیگئی ہے کہ موجودہ ایکٹ ۳۱ دسمبر کو ختم ہو رہا ہے - حالانکہ ایکٹ میں اسبات کی گنجائش ہے کہ گورنمنٹ آف انڈیا محض ایک نوٹیفکیشن کے ذریعہ اسکی میعاد ایک سال کیلئے بڑھا سکتی ہے - اسلئے میں یہ سمجھتا ہوں کہ اس پرکار کا امنڈمنٹ لانے کا کم سے کم یہ وقت نہیں تھا - گورنمنٹ

کے پاس کافی اختیارات پہلے ہی ایکٹ میں موجود ہیں وہ ایک معمولی نوٹیفیکیشن کے ذریعہ اسکی میعاد ایک سال کے لئے بڑھا سکتی تھی - لیکن مجھے دکھ سے کہنا پڑتا ہے کہ حالت ایسی ہو گئی ہے کہ ہماری نیشنل گورنمنٹ ارڈیننس گورنمنٹ بن گئی ہے - وہ آج آرڈیننسوں کے ذریعہ راج کرنا چاہتی ہے - اسے اس بات کا خیال نہیں کہ لوگوں کی شکایات کیا ہیں - لوگوں کو کن کن باتوں کی تکلیف ہے اور کن کن آپتیوں کا سامنا کرنا پڑتا ہے - اسکے لئے اسے ذرا بھی چلتا نہیں ہے - لوگ کیا کہتے ہیں یہ سننے کی پرواہ نہیں کرتی بلکہ وہ لیسٹ ریزسٹنس (least resistance) کا راستہ اختیار کرتی ہے - اور جب جی میں آتا ہے آرڈیننس جاری کرکے یا نئے نئے بل پیش کر دئے جاتے ہیں - ایسا ہی اب کیا جا رہا ہے ایک سال کی میعاد بڑھانے کی اجازت ہے لیکن اس سے فائدہ نہ اٹھا کر تین سال کا اضافہ کرنیکے لئے ترمیمی بل پیش کر دیا گیا ہے - اور لطف یہ ہے کہ وزیر صاحب کو یہ بھی پتہ نہیں ہے کہ پچھلے سال جب ۴ سال کی میعاد مقرر کی گئی تھی تو وہ سمجھوتہ کے طور پر ہوئی تھی - میں نے اسوقت بھی اسکی مخالفت کی تھی اور اندیشہ ظاہر کیا تھا کہ کہیں یہ مستقل صورت اختیار نہ کر لے - میں آج بھی یہ کہتا ہوں کہ آپ مکانوں کی کمی کے مسئلہ کو اسطرح حل نہیں کر سکتے - قانون کے میعاد کو دو سال بڑھا دیجئے یا تین سال بڑھا دیجئے اسکا حل نہیں ہو سکتا - میں سمجھتا ہوں کہ انہیں رائے عامہ سے ڈرنا چاہیئے - افسوس ہے کہ اب پبلک اوپینین کا بھی کوئی ڈر گورنمنٹ کو نہیں رہا ہے - بل کے اغراض و مقاصد میں صاحب صدر جو دوسری بات ہے کلاز (۲) میں ظاہر کی گئی ہے - اسمیں صرف سنٹرل گورنمنٹ اور ایمبسیز (راج دوتوں) کا ذکر ہے - حالانکہ واقعہ یہ ہے کہ سنٹرل گورنمنٹ اور ایمبسیز کے لئے اتنے مکان نہیں لئے گئے ہیں جتنے کہ ڈپٹی کمشنر کے حکم سے لوکل حکام کے لئے ریکیزیشن کئے گئے ہیں - مجھے تعجب ہوا جب منسٹر صاحب نے بتایا کہ کل ۸۱ مکان اس ایکٹ کے ماتحت دو سال کے عرصہ میں ریکیزیشن کئے گئے ہیں - حالانکہ چیف کمشنر نے ایڈوائزری کونسل میں جو جواب جولائی ۱۹۴۹ میں میرے ایک سوال کا دیا تھا - اسمیں بتایا تھا کہ ۱۱۰ مکانات جون ۱۹۴۹ تک ریکیزیشن کئے گئے ہیں - یہ بیان میرے پاس موجود ہے - اور پھر آج منسٹر صاحب یہ کیسے کہہ رہے ہیں کہ کل ۸۱ پریمیسز ریکیزیشن کئے گئے ہیں - اس کے علاوہ مجھے یقین ہے کہ پچھلے چھ ماہ کے عرصے میں اور بھی ۱۰۰ سے زیادہ مکان ریکیزیشن ہو گئے ہونگے - جسکا آنریبل منسٹر کو علم ہونا چاہیئے تھا - اس کے علاوہ صاحب صدر اسوقت میں نے اور بعض دوسرے میمبران نے اعتراض کیا تھا - کہ اگر آپ کی ضرورت صرف ایمبیسیز اور گورنمنٹ آف انڈیا کے ملازمین کے لئے ہے تو آپ نیو دہلی سے باہر کیوں جاتے ہیں - تب بتلایا گیا تھا کہ اسمیں صرف دریا گنج اور سول لائینز کے علاقے بڑھائے گئے ہیں - اور اگر آگے چلکر اشد ضرورت ہوئی تو اور علاقے شامل کئے جائینگے - لیکن ہوا کیا کہ ایکٹ پاس ہوا نہیں کہ ساری پرانی دہلی کو

[شری دیش بندھو گپتا]

اسمیں شامل کر دیا گیا - اور نہ صرف یہ کیا گیا بلکہ زیادہ تر مکان پرانے، دھلی کے ریکیزیشن کئے گئے - جسکا کہ منسٹر صاحب کو نہ علم ہے اور نہ اندازہ -

میرے پاس چیف کمشنر کے ایڈوائزری کونسل کی کارروائی ہے - جس میں یہ بھی بتایا گیا تھا کہ جون سنہ ۱۹۴۹ تک ۲۴۵ مکانات کو نوٹس دیا گیا تھا اور ان میں سے ۱۲۰ مکان ریکیزیشن کئے گئے ہیں - جسکا مطلب یہ ہے کہ ۱۲۵ کے قریب مکان ایسے تھے جنھیں ریکیزیشن کرنیکا نوٹس دینے کے بعد چھوڑ دیا گیا - جناب صدر! ھاؤس کے معزز میمبروں کو آجکل کی گورنمنٹ کی مشینری کیسے چلتی ہے اسکا اندازہ ہے - اسلئے ھاؤس آسانی سے سمجھ سکتا ہے کہ ایک دفعہ مکان کے ریکیزیشن ہونے کا نوٹس ملنے کے بعد اگر وہ مکان چھوڑ دیا گیا تو اس سلسلہ میں مکان‌دار کو کیا کچھ کرنا پڑا ہوگا اور کتنے لوگوں کی خوشامد اور جیب گرم کرنی پڑی ہوگی - اس کے علاوہ آپ اسکا بھی اندازہ کر سکتے ہیں کہ اس چکر میں کتنے دن تک انکے مکان خالی رہے ہونگے - لیکن آنریبل منسٹر کو اسبات کا کوئی احساس نہیں ہے - جب میں نے یہ سوال چیف کمشنر کی ایڈوائزری کونسل میں اٹھایا تو انھیں تسلیم کرنا پڑا کہ واقعی اسکا administration بڑا defective رہا ہے - انکے نوٹ کے الفاظ یہ ہیں:-

"Of late the work of requisition and allotment of houses has not been done satisfactorily. Requisition proceedings have been conducted somewhat on irregular lines, and the allotment of houses has been done by more than one authority. As a result, there has been considerable confusion and discontent. The whole matter has been considered by the Chief Commissioner. The following instructions are issued."

یہ نوٹ اگست سنہ ۱۹۴۹ میں میرے اندولن کے بعد چیف کمشنر نے جاری کیا تھا - جناب صدر! میں ایک نہیں کئی مثالیں ایسی دے سکتا ہوں کہ لوگوں کو جن مکانوں کے نوٹس دئے گئے ان پر ایک سال سے پولیس کے تالے پڑے ہوئے ہیں - اور مکان بالکل خالی ہیں - نہ ہی تو یہ گورنمنٹ کے کام آتے ہیں نہ پبلک کے اور نہ لینڈ لارڈ کے کام آتے ہیں - اور نہ ہی لینڈ لارڈ کو انکا کرایہ ملتا ہے -

شری مہابیر تیاگی: آپ کے خیال سے کتنے مکان خالی ہونگے -

شری دیش بندھو گپتا: اس کے سلسلے میں جناب کی توجہ میں چیف کمشنر کے ایڈوائزری کونسل کے جواب کی طرف دلاؤنگا -

Prof. N. G. Ranga: May I ask for some clarification from my honourable friend? Are there any landlords in the City who have not been able to realise their rents? Is it not a fact that they are making much more money now?

Shri Deshbandhu Gupta: How does it arise?

Mr. Speaker: Let it not be argued between the hon. Members.

Shri Deshbandhu Gupta: My friend has not followed me, Sir, perhaps because of the difficulty of language. For his benefit I might explain it in English. My point was that this measure is being enacted without due regard to its provisions and the assurances given by the Honourable Minister on the floor of the House. In actual practice a number of houses have been requisitioned by the local authorities, they have been sealed and are lying vacant for more than one year; they are neither being used by the Government servants nor by the landlord nor by any tenant. In this connection, let me refer to a question which I asked and the reply given by Government. The question was:

"May I know the number of houses which were sealed under orders of the Deputy Commissioner and remained unoccupied for more than and up to six months?"

The answer was:

"In about 13 cases premises which were found vacant at the time of the service of the preliminary notice were sealed to evade occupation by bogus tenants."

ایک سال سے یہ مکان بند پڑے ہیں اور یہ کسی کے کام نہیں آ رہے - میں نے یہ بات چیف کمشنر کی نوٹس میں لا دی اور وقتاً فوقتاً آنریبل منسٹر کی توجہ بھی اس کی طرف دلائی ہے کہ دھلی میں اس قانون کا دراپیوگ کس طرح سے ہو رہا ہے - لیکن افسوس ہے کہ ان کی توجہ صرف ان ہی مکانوں کی طرف رہی ہے جو کہ ایسٹیٹ آفیسر کے ذریعے ایمبیسیز اور گورنمنٹ آف انڈیا کے لئے ریکیزیشن کئے جاتے ہیں - ھمیں کچھ خبر نہیں ہے کہ شہر میں اس قانون کے نام پر کتنی اندھیر گردی مچ رہی ہے اور کتنے لوگوں کو اس کی وجہ سے تکلیف ہو رہی ہے - وہ کہتے ہیں کہ میں لینڈ لارڈ (Landlord) کی تکلیف کا زیادہ خیال رکھتا ہوں - لیکن میں پوچھنا چاھتا ہوں کہ آپ ٹیننٹس (Tenants) کی تکلیف کا کیا خیال رکھتے ہیں - جو مکانات خالی پڑے ہیں کیا وہ ٹیننٹس (Tenants) کی مدد کر رہے ہیں - اگر نئے مکان نہیں بنیں گے تو کس پرکار ٹیننٹس کی مدد ہوگی - کیا گورنمنٹ کے قانون کی تین چار سال اور میعاد بڑھانے سے مکانوں کی تعمیر میں جو رکاوٹ پیدا ہوگی اس سے ٹیننٹس کی مدد ہوگی - میرے خیال میں اگر وہ سمجھتے ہیں کہ ایسا کر کے وہ ٹیننٹس کی مدد کر رہے ہیں تو وہ بڑے دھوکے میں ہیں -

میں نے ایک امنڈمنٹ کا نوٹس دیا تھا مگر اس کو آنریبل منسٹر نے سمریلی رجیکٹ (Summarily reject) کر دیا ہے - ترمیم کی مراد یہ تھی کہ کم سے کم نئے مکانات پر یہ قانون نہ لگایا جائے - تاکہ نئے مکان بنانے والوں کے لئے کوئی انسینٹیو (Incentive) رہے - کوئی کشش رہے - ایسا کرنا ضروری ہے تا کہ نئے مکان بنیں بند نہ ہو - پچھلے دو سالوں میں بہت کم مکان بنے ہیں - اچھا ہوتا اگر وزیر صاحب بتلا سکتے کہ پچھلے دو سالوں میں کتنے نئے مکان بنے ہیں - میرا مطلب ان مکانوں سے نہیں ہے جو کہ گورنمنٹ نے اپنے لئے بنوائے بلکہ میں یہ پوچھتا

[شری دیش بندھو گپتا]

ھوں کہ شہر میں کتنے نئے پرائیویٹ (Private) مکان بنے - آخر اس بڑھتے ھوئے شہر میں ہزاروں پرائیویٹ مکان ھر سال بنتے تھے - کیا انہوں نے یہ جاننے کی کوشش کی کہ ان دو سالوں میں ایسے کتنے مکان بنے اور ان میں سے کتنے ریکیزیشن (Requisition) کئے گئے ھیں - میں نے اس بارے میں بھی ایک سوال کیا تھا جس نے جواب میں چیف کمشنر نے بتلایا تھا کہ کل آٹھ نئے مکان تھے جو کہ گورنمنٹ حاصل کر سکی ھے - میں پوچھتا ھوں کہ کیا اتنی کم تعداد مکانات کو لینے کے لئے ایسا قانون بنانا ضروری ھے جس سے ھر شخص کو جو کہ نیا مکان بنانا چاھتا ھے ڈر ھو جائے کہ اُس کا مکان ریکیزیشن ھو جائے گا - کیا یہ عقلمندی کی بات ھے - کہا جاتا ھے کہ اس سے پگڑی کو روکنا مقصود ھے مگر مجھے تعجب ھوتا ھے کہ اس ھاؤس میں ایسی کمزور دلیلیں دی جاتی ھیں - میں پوچھتا ھوں کہ کیا پگڑی کو روکنے کے لئے رینٹ کنٹرول ایکٹ (Rent Control Act) موجود نہیں ھے - کیا وہ ختم ھو گیا ھے - پھر کیا میں یہ بھی پوچھ سکتا ھوں کہ گورنمنٹ نے کتنے کیسز (cases) رینٹ کنٹرول ایکٹ کے ماتحت چلائے اور پگڑی کو روکنے کی کوشش کی - مجھے افسوس کے ساتھ کہنا پڑتا ھے کہ محض اس طرح کے قانونوں اور سلوگنس (slogans) سے گورنمنٹ نہیں چل سکتی اگر حکومت چلانی ھے تو ھمیں مکانوں کی کمی کے مسئلہ کو حل کرنا ھوگا - وزیر صاحب کو چاھیئے تھا کہ لینڈ لارڈز (landlords) کی ایک کانفرنس (conference) بلاتے اور ان کا کواپریشن (cooperation) حاصل کرنے کی کوشش کرتے - یہ قانون دو سال کے لئے تھا اور اب آنریبل منسٹر پھر تین سال کے لئے اس کی میعاد بڑھوانا چاھتے ھیں - لیکن ان دو سالوں میں انہوں نے یہ جاننے کی کوشش نہیں کی کہ شہر میں پہلے کی طرح نئے مکانات کیوں نہیں بن رھے - کیا انہوں نے یہ پوچھنے کے لئے کبھی لینڈ لارڈز کی کانفرینس بلائی کہ وہ مکانات کیوں نہیں بناتے اور ان کی مشکلات کیا ھیں - کیا انہیں معلوم ھے کہ ان کو سیمنٹ آسانی سے نہیں ملتا - تھوڑا بہت پبلک ورکس (Public Works) کے ٹھیکیداروں سے بلیک میں مل جاتا ھوگا - لوھا نہیں ملتا - اینٹوں پر پابندی ھے - ضرورت ھے کہ ان چیزوں کی سہولیت دی جائے - اور تعمیر کے راستے میں جو رکاوٹیں ھیں دور کی جائیں - تاکہ مکان بنانے والوں کو اینکریجمنٹ (encouragement) ملے - محض قانون کی میعاد بڑھا دینے سے نہ تو ٹینینٹس (tenants) کی بھلائی ھو سکتی ھے اور نہ گورنمنٹ کی نیک نامی ھو سکتی ھے - اور نہ سمسیا کا حل ھو سکتا ھے - جناب صدر! میری یہ رائے ھے کہ اس قانون کی اس وقت کوئی ضرورت نہیں ھے - موجودہ ایکٹ میں گورنمنٹ کو اختیار ھے کہ وہ ایک برس کے لئے نوٹیفیکیشن (notification) کے ذریعہ میعاد بڑھا سکتی ھے - ھاؤس کے سامنے کتنے اور ضروری کام پڑے ھیں - اس قسم کے بلوں پر ھاؤس کا وقت لینا نامناسب ھے - گورنمنٹ نوٹیفیکیشن کر کے ایک سال کے لئے میعاد بڑھا سکتی ھے اور اس عرصہ میں اس بات کی کوشش کر سکتی ھے کہ لوگوں کو اپنے طور پر مکانات بنوانے میں سہولیت ملے -

جناب صدر! میں نے پچھلی مرتبہ بھی جب یہ سوال ھاؤس کے سامنے آیا تھا بہت سی تجویزیں پیش کی تھیں کہ کس طرح سے دھلی میں ھاؤسنگ انڈسٹری (housing industry) کو ترقی دی جا سکتی ھے - لیکن اب تک ان پر کوئی دھیان نہیں دیا گیا - میں ان تجویزوں کو دھرا کر ھاؤس کا مزید ٹائم (time) نہیں لینا چاھتا تھا - لیکن کیا کیا جائے - اگر ایک لڑکا امتحان میں فیل ھو جاتا ھے تو اس کو پھر وھی کتابیں پڑھنی پڑتی ھیں - اس لئے مجھے بھی اپنی تجاویز دھرانے کی ضرورت محسوس ھو رھی ھے تاکہ گورنمنٹ کے کانوں پر جوں رینگے اور ھاؤسنگ انڈسٹری ترقی کر سکے - جناب صدر! میں آپ کی اجازت سے کہنا چاھتا ھوں کہ گورنمنٹ کو اس مسئلہ کو ایک ریلسٹ (realist) کی نظر سے دیکھنا چاھیئے - مثال کے طور پر نئی دھلی میں سینکڑوں بڑے بڑے بنگلے موجود ھیں - ان میں بڑے بڑے احاطے (compounds) ھیں اور تمام ضروری سروسیز موجود ھیں - میں نے تجویز کی تھی کہ گورنمنٹ لوگوں کو اجازت دے کہ وہ ان احاطوں میں نئے مکان (ایڈیشنل اکوموڈیشن) بنوا سکیں - مگر افسوس ھے کہ گورنمنٹ آج تک کوئی فارمولا نہیں بنا سکی کہ جو لوگ اپنے کمپاونڈ میں اڈیشنل اکوموڈیشن بنانا چاھتے ھیں وہ اس کے مطابق بنوا سکتے - سرکار کے یہاں اتنا ریڈ ٹیپ (red-tape) ھے کہ فائیلیں ایک دفتر سے دوسرے دفتر میں گھومتی رھتی ھیں اور اس طرح برسوں بیت جاتے ھیں - آج گورنمنٹ شادی پور میں اور دوسری جگہوں میں شرنارتھیوں کے لئے مکانات بنوانے پر لاکھوں روپیہ خرچ کر رھی ھے - لیکن جہاں سروسیز موجود ھیں ، نہ پانی کی دقت ھے ، نہ سینیٹری سیورس (sanitary sewers) کی دقت ھے ، اور نہ بجلی کی دقت ھے اور نہ گورنمنٹ کو روپیہ لگانا پڑتا ھے لینڈ لارڈز اپنے بنگلوں میں اپنے روپے سے ایڈیشنل اکوموڈیشن بنانے کو تیار ھیں - وھاں کوئی سہولیت نہیں دی جاتی ھے - بلکہ ان سے یہ کہا جاتا ھے کہ اگر وہ ایڈیشنل اکوموڈیشن بناویں گے تو ان کو ایڈیشنل پریمیم (premium) دینا ھو گا - اب آپ خیال فرمائیے کہ ایک طرف تو یو - کے (U. K.) کی ڈیموکریٹک گورنمنٹ (democratic government) ھے اور دوسرے آزاد ملکوں کی سرکاریں ھیں جو نئے مکان بنانے والوں کو اینکریجمینٹ (encouragement) دیتی ھیں اور سبسی ڈی (subsidy) دیتی ھیں - اور ایک ھماری سرکار ھے کہ ان کے راستہ میں نئی نئی رکاوٹیں پیدا کرتی ھے اور کوئی ایسا فارمولا نہیں بنا سکتی کہ ان کو اینکریجمینٹ ملے -

[شری دیش بندھو گپتا]

جناب صدر ! میں تو اس درجہ مایوس ہوں کہ یہ کہنے پر مجبور ہوں کہ قانون کی میعاد کو تو تین سال ہی کے لئے کیوں بڑھایا جاتا ہے - مستقل (permanent) کیوں نہیں کر دیا جاتا - اگر آنریبل منسٹر یہ ایشیورنس (assurance) دے سکتے کہ سنہ ۵۲ کے بعد اس قانون کی ضرورت نہیں رہے گی تب تو تین سال کی میعاد مقرر کرنا سمجھ میں آ سکتا تھا - میں پوچھنا چاہتا ہوں کہ ان کا کنسٹرکٹو پروگرام (constructive programme) کیا ہے- جس سے کہ سنہ ۵۲ تک وہ اس مسئلہ کو حل کر لینگے - صرف یہ کہنے سے کہ انہوں نے چار یا پانچ ہزار مکان اپنے کلرکوں کے لئے بنوا لئے ہیں یہ پرابلم (problem) حل نہیں ہو سکتا - آج ہمیں جنتا کو صاف صاف بتلانا چاہیئے کہ کس طریقے پر ہم اس ہاؤسنگ (housing) کے مسئلہ کو حل کر سکتے ہیں -

یہ بتلانے کی ضرورت نہیں ہے کہ روٹی اور کپڑے سے زیادہ آج ہاؤسنگ کا مسلہ ہے- اگر آپ دھلی کی سڑکوں سے گزرئے تو آپ دیکھیں گے کہ ابھی تک پٹریوں پر رفیوجیز پڑے ہوئے ہیں - سارے دنیا کے ایمبیسیڈر یہاں سے گزرتے ہیں لیکن آج دو سال ہو گئے کہ ہماری گورنمنٹ ان کو یہاں سے نہ ہٹا سکی- چند روز ہوئے اسٹیٹسمین میں نکلا ہے کہ اس طرح کی رہائش سے کیسی کیسی اخلاقی بیماریاں دھلی میں پیدا ہو رہی ہیں- یہ تمام باتیں اس لئے ہو رہی ہیں کہ ہاؤسنگ کی طرف کوئی توجہ نہیں کی جاتی اور اس کو کوئی اہمیت نہیں دیجاتی - کام کرنے کا کوئی طریقہ نہیں ہے کہ آنکھیں بند کر کے گاڑی کو دھکیلتے جائیں اس طرح سے گورنمنٹ نہیں چل سکتی - میں سمجھتا ہوں کہ دھلی والوں کے ساتھ ایک بڑا بھاری انیائے ہو رہا ہے - دھلی والوں کے منہ میں زبان نہیں ہے - دھلی کی آبادی ڈھائی گنا ہو گئی ہے لیکن دھلی والوں کی مصیبتیں کوئی نہیں محسوس کرتا - دھلی والے مکان بناتے ہیں تو اس کے ریکیزیشن کا نوٹس آ جاتا ہے اس سلسلے میں میرے نوٹس میں ایک ایسا کیس آیا کہ کوئی ۹ مہینے سے ایک مکان پر تالہ ڈالدیا گیا - اس میں سوداگر کے بورے پڑے تھے غریب مکان دار کا کافی نقصان ہو گیا وہ بورے وہیں بند پڑے ہیں اور قیمتیں گر جانے سے اس میں کافی خسارہ ہو گا- یہ نقصان کیا گورنمنٹ دیگی ؟

پھر کرایوں کا کوئی فیصلہ نہیں ہوتا - لینڈ لارڈس کو پیسہ نہیں دیا جاتا بلکہ کرایہ بھی نہیں مقرر ہوتا وہ بیچارے کبھی تحصیلدار کے دفتر میں ٹھوکریں کھاتے ہیں کبھی ڈپٹی کمشنر کے یہاں جاتے ہیں - غرضیکہ کوئی پوچھنے والا نہیں -ایسی اندھیر گردی میں سمجھتا ہوں کہ گورنمنٹ کے لئے کوئی کریڈٹ کی چیز نہیں ہے ابھی سدھوا صاحب نے کہا کہ اس کی میعاد اور بڑھا دی جائے انہیں کیا معلوم کہ دھلی والوں پر

کیا گزرتی ہے- میمبران یہاں آتے ہیں بنگلوں اور کانسٹی ٹیوشن ہاؤس میں ٹھہرتے ہیں انہیں کیا معلوم کہ یہاں کیا ہو رہا ہے اور یہاں مکانوں کی کیسی دقت ہے - صرف پگڑی کا نام سن لیا ہے- ہر بات میں کہہ دیتے ہیں کہ اگر ایسا نہ کیا گیا تو پگڑی شروع ہو جائیگی - پگڑی کو روکنے کے لئے آپ کے پاس علحدہ قانون موجود ہے آج لوگوں کے بنے بنائے مکان اکیوزیشن کے ڈر سے ادھورے پڑے ہوئے ہیں - ہمیں چاہیئے کہ ہم انہیں سہولیت دیں تاکہ وہ اپنا مکان بنا سکیں - لہذا میں پھر دھراتا ہوں کہ اس طرح کے قانون سے یہ مسئلہ نہیں حل ہو سکتا میں ہاوس کا ادھک سے نہ لیکر آنریبل منسٹر سے کہوں گا کہ وہ نئی دھلی کو ہی دھلی سمجھیں اور اگر قانون پاس کرنا ہی ہے تو اس کا اطلاق صرف نئی دھلی پر کریں -

میں امید کرتا ہوں کہ آنریبل منسٹر صاحب محض دلائل کے لئے دلائل دینے کی کوشش نہ کریں گے بلکہ سمسیا کو حل کرنے کی کوشش کرینگے اور اس طرح کے قانون پر دارومدار نہ کر کے جنتا کا کواپریشن نئے مکانات کے بنوانے میں حاصل کرنے کی کوشش کریں گے -

(English translation of the above speech)

Shri Deshbandhu Gupta: Sir, I am sorry to have to stand in opposition to this Bill. I was greatly disappointed to hear the speech which the hon. Minister delivered before you just now in moving this amending Bill. In the Statement of Objects and Reasons of this Bill the very first reason given is that the present Act is to expire on the 31st December. There is, however, a provision in the Act itself that the Government of India can extend its operation for a year simply by means of a notification. Hence, I feel that the present, at least, was not the time for the bringing in of an amendment of that nature. The Government already enjoys considerable powers under the previous Act. Its term could be extended by one year by means of an ordinary notification, but things have come to such a pass that our national Government, I am grieved to say, has become an Ordinance Government. It wants, today, to rule by means of ordinances. It cares not to ascertain what are the peoples' grievances and what are the various difficulties which they have to experience. It is not in the least worried about the various hardships they have to face. It does not care to listen to what the people say. On the other hand, it chooses the path of least resistance. Whenever it likes it issues ordinances or brings forward new Bills. This is what is being done now. One year's extension of the term is permitted, but instead of that provision being utilized, an amending Bill has been introduced for effecting an extension for three years. What is more, the hon. Minister is unaware that when the term was fixed as two years, last year, it was done by way of a compromise. Even on that occasion I opposed it and expressed my fear lest it should become a permanent measure. Today again I say, you cannot solve the problem of housing scarcity in that manner. Even if you extend the term for two years or even three years you cannot thereby effectively solve the problem. I feel that he should have fear of public opinion. It is a pity that the Government no longer has any fear of public opinion. The second consideration included in the Statement of Objects and Reasons of the Bill is mentioned in Clause (2). It mentions the Central Government and the embassies, even though the fact is that so many houses have not been requisitioned for the Central Government and the

[Shri Deshbandhu Gupta]

embassies as for the local officers by order of the Deputy Commissioner. I was surprised when the hon. Minister stated that 81 houses in all had been requisitioned under the Act during the period of two years, although, in the statement which the Chief Commissioner made at a meeting of the Advisory Council in July, 1949, in reply to one of my questions, he stated that 110 houses had been requisitioned up to June, 1949. I have this statement with me. How is, then, the hon. Minister stating today that 81 premises, in all, have been requisitioned. And, I am sure that, in addition to that number, even more houses, exceeding 100, must have been requisitioned during the period of the last six months, of which the hon. Minister should have knowledge. Moreover, Sir, an objection was made in the House then by me and also by some other Members that if the Government's need was restricted only to the employees of the embassies and the Government of India why should they go beyond New Delhi. It was then stated that only the areas comprising Daryaganj and the Civil Lines had been added, and that more localities would be added later on only if this was found most essential. But, what did actually happen? The Act was no sooner passed than it was made applicable to the whole of Old Delhi, and not only was it made applicable it was mostly in Old Delhi that most of the houses were requisitioned, of which the hon. Minister has neither knowledge nor a proper idea.

I have with me the proceedings of the Chief Commissioner's Advisory Council, wherein it was stated that up to June, 1949 notices in respect of 245 houses had been given out of which 120 houses had been requisitioned. This means that about 125 houses were such as were released after the requisitioning notice had been served. Sir, the hon. Members of this House are familiar with the working of the present day machinery of the Government, and the House can easily understand that when a house is released after the issuing of requisitioning notice what various steps the landlord must have been obliged to take, what entreaties he must have had to make and the palms of how many different persons must he have been obliged to grease. Besides, you can also realize for how many days those houses must have remained vacant while these complications lasted. But, the hon. Minister simply has no feeling about it. When I raised this question at the meeting of the Chief Commissioner's Advisory Council, he had to admit that the administration in that behalf had really been very defective. His note runs thus:

"Of late the work of requisition and allotment of houses has not been done satisfactorily. Requisition proceedings have been conducted somewhat on irregular lines, and the allotment of houses has been done by more than one authority. As a result, there has been considerable confusion and discontent. The whole matter has been considered by the Chief Commissioner. The following instructions are issued."

This note was issued by the Chief Commissioner in August, 1949, after my agitation. Sir, I can cite not one but several instances in which houses in respect of which notices were served on people have had police locks on them for a year but they are quite vacant. They are being used neither by the Government nor by the public, nor by the landlords. Nor are the landlords being paid the rent in respect of them.

Shri Mahavir Tyagi (U.P.: General): How many houses, do you think, must be vacant?

Shri Deshbandhu Gupta: I would, in this connection, draw your attention to the reply given by the Chief Commissioner at the Advisory Council meeting.

Prof. N. G. Ranga (Madras: General): May I ask for some clarification from my hon. friend? Are there any landlords in the City who have not been able to realise their rents? Is it not a fact that they are making much more money now?

Shri Deshbandhu Gupta: How does it arise?

Mr. Speaker: Let it not be argued between the hon. Members.

Shri Deshbandhu Gupta: My friend has not followed me, Sir, perhaps because of the difficulty of language. For his benefit I might explain it in English. My point is that this measure is being enacted without regard to its provisions and the assurances given by the hon. Minister on the floor of the House. In actual practice, houses have been requisitioned by the local authorities, they have been sealed and are lying vacant for more than one year; they are neither being used by the Government servants nor by the landlord nor by any tenant. In this connection, let me refer to a question which I asked and the reply given by Government. The question was:

"With reference to the reply given......may I know the number of houses which were sealed under orders of the Deputy Commissioner and remained unoccupied for more than and up to six months?"

The answer was:

"In about 15 cases premises which were found vacant at the time of the service of the preliminary notice were sealed to evade occupation by bogus tenants."

For the past one year, these houses have remained sealed and are proving useful to none. I have brought the matter in the notice of the Chief Commissioner and have also, at times, drawn the hon. Minister's attention to the manner in which the law in this respect was being misused in Delhi. I am sorry to state that their attention has, so far, remained confined to those houses only which are requisitioned through the Estate Officer for use of the embassies and the Government of India. He is hardly aware of the preposterous excesses committed under cover of this Act and of the consequent acute inconvenience being caused to numerous people in the City. He claims to be more mindful of the hardships caused or likely to be caused to the landlords. But I would like to know in what way he takes into consideration the hardships being experienced by the tenants. How can the houses lying vacant at present prove helpful to the tenants? Unless construction of new houses is undertaken the tenants will remain unhelped as ever. Will it go to benefit the tenants any way if there is an obstacle placed in the way of construction of new houses as a result of agreeing to a three to four years' extension to this legal measure brought forward by the Government. In my opinion they are labouring under a great illusion if they consider their action any way beneficial to the tenants.

Besides, I had given notice of another amendment which the hon. the Minister had summarily rejected. The amendment in question sought that, at least, the new houses should not be governed by this Act, leaving thereby some scope for a little incentive and attraction to the prospective house-builders. Such a course is necessary to adopt so that construction of new houses may not stop altogether. Very few new houses have been built during the past two years. It would have been better if the hon. Minister had disclosed the number of new houses built in the last two years. I do not mean thereby those houses which the Government got built exclusively for their own purposes. My query, on the other hand, relates to the private houses built in the City only. After all thousands of private houses used to be built every year in this ever-expanding City. Did he ever try to investigate into the number of such houses built during these two years? I would like to know it also as to how many of those houses he got requisitioned. I had made an enquiry also in this behalf and the Chief Commissioner had revealed that the Government were able to requisition eight houses in all. It is surely not a wise thing to enact a law of this type simply to requisition such a small number of houses—a

[Shri Deshbandhu Gupta]

law which, nevertheless, is a source of perpetual fear of future requisitioning to the private house-builders. They justify its enactment on grounds of providing a check to *pugree* system. I am simply amazed to note the weak nature of arguments advanced in this House. May I know if we have not the Rent Control Act as the proper measure to stop such practices. Is that Act no more effective to check *pugree*? May I also know as to how many cases were challanned under that Act to check that practice? I have to state with regret that a Government cannot be run on a law of this kind or mere slogans. If we really mean to run the administration, it is imperative that we set ourselves to solve this problem of house-shortage. The hon. Minister should have convened a conference of the landlords to secure their co-operation. Originally the life of this Act was restricted to two years but the hon. Minister now comes to seek an extension for three years. In these two years, however, he has made no efforts to find out the reason as to why no more new houses were being built in the City. Did he ever call a conference of the landlords to know the cause of their inability and other difficulties as regards the construction of new houses? Is he aware that they are unable to get cement easily? The limited quantity they might procure is possible only in the black-market from the contractors of the Public Works Department. Nor can they get any iron and bricks which are controlled. It is necessary that facility to procure these materials should be extended and other obstacles be removed to provide encouragement to the prospective house-builders. The mere extension in the law can do no good to the tenants, neither redound to the prestige of the Government nor provide a solution of the problem. Sir, I am of the opinion that there is no necessity of this law at present. In the present Act it is provided that the Government can extend it for one year by promulgating a notification. The House has to deal with many other important things; it is improper to involve its time in such like Bills. The Government could extend it for one year by a notification and meanwhile make efforts to provide facilities to people to build houses on their own initiative.

Sir, on the last occasion also when this issue had come before the House, I had made many suggestions indicating ways and means to promote the housing-industry in Delhi; but they seem to have received little consideration so far. I had no wish to take any more time of the House by repeating those suggestions, but, just as a student, once failed in an examination, has to read the same books again, so it has become necessary for me to repeat my arguments so that the Government may become a little alert and the housing-industry may progress. Sir, with your permission I wish to call upon the Government to view this problem in a realistic manner. For sake of an instance, there are hundreds of big bungalows in New Delhi which have spacious compounds within them. The said bungalows are equipped with all types of 'services'. Previously I had suggested that the Government should permit people to construct a sort of an 'annexe' in their compounds by way of additional accommodation. But I am sorry to note that, so far, they have failed to formulate any policy to enable the intending builders to have additional accommodation in their compounds. There is so much of a 'Red-tape' at work in Government offices that a file has to move from one office to the other and so the years pass by. Lakhs of Government rupees are being spent these days on Shadipura and other places on construction of houses for the displaced persons, but no facility is offered to places where 'services' exist already; where there is no difficulty about water, electricity or sewers; where the landlords are willing to construct additional accommodation in their bungalows on their own expense and where the Government are not called upon to incur any expenditure. On the other hand they are required to pay additional premium in case they decide to have additional accommodation built. On one side there are instances of the democratic Government of U.K. and governments of other countries who

encourage the house-builders and even sanction grants of a 'subsidy' whereas here in this country, our Government puts up fresh obstacles in their way every now and then. It is incompetent to chalk out a formula to provide them any encouragement. Sir, I am so much disappointed as to say that it is no good to extend it for three or four years only. They may well enact it as a permanent measure. The extension could be understandable provided the hon. Minister can give assurance of its being no longer necessary after 1952. I want to know if he has to offer some constructive programme whereby we could solve the problem by 1952. The mere statement that some 4,000 to 5,000 clerks' quarters have been built, brings us no nearer its solution. We should make it quite clear to the public as to how we intend to solve the 'housing' question. It begs no elucidation to say that next only to food and cloth, we are faced today with this problem of housing. If you happen to pass by the roads in Delhi, you will find thousands of refugees living on the pavements even now. The ambassadors from all over the world pass along these places but the Government have failed to remove these refugees even though full two years have gone by. A few days ago the *Statesman* had published that living in such conditions has, at places, given rise to many peculiar unsocial and immoral practices and diseases in Delhi. All this is happening because no attention is being paid to the housing problem nor we attach any importance to it. This is not a proper way to work; this means to go on pushing the cart with eyes closed. It is impossible to run the Government like that. I regard the people of Delhi as victims of an injustice of high magnitude. They possess no voice to raise. The population of the City has jumped to two and a half times of what it was before, but none seems to care for the hardships of its people. A notice of requisition is served on them as and when they happen to build a house of their own. In the recent past I have come across a case with regard to a house which remained sealed for nine months. Within this house there were bags of soda-ash. The poor house-owner has suffered much loss. The bags remain within the house and a further loss is feared due to prices going down. Are the Government prepared to pay out this loss?

Besides, the rents are not determined, the landlords are not paid. Even the rent is not fixed. The poor fellows have, sometimes, to knock about in the *Tahsildar's* office and sometimes they have to go to the Deputy Commissioner. In short, there is no check by anybody. Such chaotic conditions are, I think, not creditable to the Government. Just now Mr. Sidhva gave his opinion that the term should be further extended. How should he know what hardships are suffered by the people of Delhi? The Members come here and stay in bungalows or at the Constitution House. What do they know what is happening here and what a great hardship is being faced in the matter of houses. They have simply heard the name of *pugree*, so that on every occasion it is said if this is not done this would encourage the *pugree* system. You already have the specific law to deal with the practice of *pugree*. The houses already in an advanced stage of construction are lying as they are, for fear of requisitioning, further progress in their construction being held up. We should provide the people with facilities to enable them to complete them. Hence, I repeat that the problem cannot be solved by means of a law of that kind. I shall not take any more time of the House and suggest to the hon. Minister that he should regard New Delhi alone as Delhi and that if he must have this measure passed he should make it applicable to New Delhi alone.

I hope the hon. Minister will not try to put forth arguments for the sake of arguments but make an effort to solve the problem. He should not depend on legislation of this kind but try to secure the co-operation of the public in the construction of new houses.

Shri Jaspat Roy Kapoor (U.P.: General): Sir, I feel that we must express our gratitude to the hon. Minister of Works, Mines and Power for having placed

[Shri Jaspat Roy Kapoor]

this Bill before us for our consideration. I do not agree with my hon. friend Mr. Deshbandhu Gupta who would have preferred that, rather than bring forward this Bill before us, the hon. Minister may have extended the old Act by one year merely through notification. While on the one hand Mr. Gupta has a grievance that very often this Government wants to carry on its business by issuing Ordinances and notifications, on the other hnad, when the Government, even though they had the power to extend the period of the old Act by notification, have brought forward this Bill to give us an opportunity to express our views on it and to make criticism of its various provisions and to suggest suitable amendments therein, he has again a grievance as to the procedure that has been adopted. This is saying things in a contradictory manner. While I am in agreement with some other portions of the speech of my hon. friend, I cannot agree with him in this criticism. I think the hon. Minister for Works, Mines and Power has done very well to come forward with this Bill before us and to ask us for our support to it and to suggest such amendments as appear to us to be necessary and reasonable.

Shri Deshbandhu Gupta: Extension for three years.

Shri Jaspat Roy Kapoor: I support this Bill to the extent to which it goes. But I am of the view that this Bill does not go far enough, because the scope of this Bill is very limited. According to this Bill and the previous Act, buildings can be requisitioned only for the purposes of Government, and not for the purposes of the general public. So I think the scope of the Bill is very limited. It would have been much better if it had been wider and more extended. I will deal with this aspect of the question presently, but in my introductory remarks I only desire to submit that I support this Bill to the extent it goes and I very much wish that it may have gone much further.

While supporting this Bill, I must submit that I do not feel happy at all over the circumstances and over the situation which have necessitated the bringing forward of this Bill. The accommodation position in Delhi is very acute. It was argued two years ago when the previous Act was introduced that it would ease, but today we are told by the hon. Minister that not only does the acuteness still prevail but rather it has increased. During this period of two years, we should have expected the Ministry of Works, Mines and Power to adopt the necessary measures to remove this acuteness. Rather than having done it in a satisfactory manner, they have acted in such a way that today we find that the position is still worse. It is stated in the Statement of Objects and Reasons of this Bill that the Government has not the necessary finances to carry on a building programme on any extensive scale. That may be so. But this acuteness in the financial position is of recent origin. A few months ago, this financial stringency did not exist. But even if it did, may I ask why the Ministry should not have summoned to its aid private capital and private enterprise? Could they not have thought of approaching the various big insurance companies to persuade them to invest the huge resources which they have in their coffers in the building of various colonies in different parts of Delhi? The industrialists had been summoned to Delhi on various occasions recently to take counsel with them and to ask them to increase the production of this commodity and that commodity. Could not the Ministry of W.M.P. have followed the example of the Industries and Supply Ministry and the Home Ministry in this respect?

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen).*]

Could they not have called a conference of big capitalists, both of Delhi as also of outside? Could they not have called a meeting of the Managing Directors of the big insurance companies and requested them to invest their capital in a building programme in Delhi? I think

4 P.M.

this is what they should have done. But they did not do it. If they have thought in that direction, I would be glad to know that from the hon. Minister. But so far as we know, up till now nothing of that sort has been done. I, therefore, think, Sir, that while this Bill is necessary, merely confining ourselves to such legislation would not serve the purpose we have in view. Nor should the Government confine their activities merely to a building programme for their own government servants. As I have submitted, Sir, they must think of constructing buildings for the general public as well. That they have not done.

Now, Sir, the object of this Bill is two-fold. Firstly, it provides for the requisitioning of private buildings for government purposes and secondly it provides for the eviction of unauthorised occupants of government premises. There is no doubt, Sir, that there is a great shortage of accommodation in Delhi—everybody knows it only too well. That is because of the fact that the population of Delhi has increased considerably, particularly during the past two years on account of the influx of refugees. Many of the unscrupulous local landlords, taking advantage of the fact that the demand is much greater than the supply, have resorted to very unfair practices. Several of them have not only been charging exorbitant rents, but have been demanding heavy sums of money in the shape of what is now notoriously known as *pugree*. The amount of this *pugree* goes up even to many thousands—10 thousand, 20 thousand and 25 to 30 thousand. It need not be said, Sir, that I am making any exaggeration in this respect. I know it for a fact that in some cases *pugree* to the extent of 25 to 30 thousand has been charged—and charged from those who have come over here from Pakistan.

This pugree money is charged now not only by the unscrupulous landlords, but this money is shared even by the tenants themselves. Some tenants who have no more use of the premises which they are occupying, as far instance when they are leaving Delhi either on transfer or for some other reason, would not leave the premises unless and until the landlord also agrees to share the *pugree* money with them. This *pugree* money is charged in two forms: either in the absolutely naked form of hard cash or in the shape of exorbitant prices for their furniture. Pieces of furniture worth about Rs. 2,000 are sold for as much as Rs. 10,000 or Rs. 15,000, so that no criminal charge may be brought against the person who is charging that money. This evil is increasing like anything and it has assumed very alarming proportions. Such being the regrettable state of affairs, I should have thought that the Government would have come forward with a provision whereby this evil practice could be put an end to.

The problem, as will be readily admitted, is a huge one, but this Bill does not even touch the fringe of it. As I have already submitted, Sir, it seeks to requisition property only for government servants. May I ask, Sir, why only government servants are to be looked after by this Government? Why should not the necessity of the general public be looked after? This Bill seeks to ignore the convenience and the necessity of the general public absolutely. It does not look at the problem from that angle at all. The Bill is not conceived that way. May I ask, Sir, is it to the credit of a democratic government, is it to the credit of a popular government, that it should look to the comfort and to the convenience of merely government servants and should not think at all of providing necessary accommodation to the public at large. I submit,

[Shri Jaspat Roy Kapoor]

Sir, it is a very wrong policy and I very much wish that the Government should incorporate in this measure power to requisition private property for the purpose of accommodating members of the general public as well. Let it not be said that I am making a suggestion of an astounding character..

In the United Provinces we have an Act which empowers the District Magistrate to requisition property for private individuals also. Not only that, it goes much further. According to the law in force there, whenever any building is vacated by any tenant the landlord has got to inform the District authority that the particular premises has fallen vacant and it can be allotted only in the manner the District Magistrate suggests. Now something like that ought to have been incorporated in this Bill. Then and then alone could any relief have been given to the general public. As the Bill stands at present, relief can only be give nto the government servants and none else. The definition of "public purpose" according to the old Act is "any purpose which is so declared by rules made under this Act".

Mr. Chairman: May I just bring to the notice of the hon. Member the statement made by the hon. Minister that the rules are going to be changed enlarging the scope of the words "public purpose."

Shri Jaspat Roy Kapoor: What the hon. Minister said while moving this motion was that in the rules "public purpose" would include the rehabilitation of refugees. My submission is that "public purpose" should not only include rehabilitation of refugees, but also requisitioning of building for any member of the public, be he a refugee or not.

As I was submitting, we have in the United Provinces a law in force which covers the entire public. I think the hon. Minister for Works, Mines and Power will take my suggestion into consideration, and even if he is not prepared to go the whole way and does not emulate the good example of the U.P. Government, I hope he would at least definitely include rehabilitation of the refugees within the meaning of "public purposes". My hon. friend, the Mover has assured us that he is prepared to consider this suggestion and that while reframing the rules, he will so reframe them that this may be included as one of the 'public purposes'. I am grateful to him for giving us that assurance. While I am on this, I may point out to him that heretofore the interpretation of 'public purposes' and the interpretation of the rules which have been framed by his Ministry have been of a very narrow character. While in the old city of Delhi the District authority, the Deputy Commissioner, has been good enough to requisition certain premises for the purposes of refugees holding that he was duly authorised to do so within the rules that have been framed, so far as New Delhi is concerned, the interpretation has been entirely a different one. The Estate Officer of the Government of India who is duly authorized to requisition premises in New Delhi has definitely held the view that it is not open to him to requisition any premises for the purpose of accommodating refugees. Not only that, Sir, may I, with your permission, bring to the notice of the hon. Minister a very regrettable case of a person who is a very respectable person and a duly registered refugee and in fact he is even related to me. He saw the Deputy Commissioner here and he requested him to requisition a particular property which was going to fall vacant in New Delhi. He was instructed by the Deputy Commissioner that he should approach the Estate Officer in that respect because the Deputy Commissioner had no authority in that behalf as the building was in New Delhi. He, however, recommended the application that was sent to the Estate Officer here. That particular gentleman visited the Office of the Estate Officer half a dozen times and up till now he has had no

definite reply in writing, but he was orally told that it was beyond the jurisdiction of the Estate Officer to requisition any property for him, because he was a private individual and not a Government servant. Not only that, Sir, that particular property which was going to fall vacant did fall vacant after a few days and that particular property was not requisitioned even for Government purposes and the previous occupant of that property after having a large sum of money as *Pugree*, left that property and went away somewhere else. This is the way in which these things are going on under the very eyes and under the very nose of the Central Government. I wish, Sir, that such a thing should not be allowed to happen and that the Government should come to the help and rescue of the general public also.

Now that the hon. Minister is pleased to give us an assurance that the rehabilitation of refugees also shall be considered to be a 'public purpose', I will not take the time of the House in saying anything more than this. I will only say that in doing so, the hon. Minister will be adopting the right course because the Government has already taken the responsibility of giving accommodation to three lakhs of refugees here, that is, those who have been duly registered, persons who have come from West Punjab by December, 1947 and others who have come from Sind and the N.W.F.P. up to some day in February, 1948. The Government have taken upon their shoulders the responsibility of providing roofed accommodation to these refugees. The hon. Prime Minister and the hon. Minister of State for Rehabilitation have said more than once that they will see to it that every refugee is properly accommodated. That being so, Sir, I think, it is absolutely necessary that the rehabilitation of refugees must be one of the duly recognised public purposes. Whether it is under the Act or under the rules, does not make any difference.

Now, Sir, I come to the other object of this Bill, and that is the eviction of unauthorized occupants of Government property. This is a new provision which is going to be incorporated in this Bill. It was not there in the previous Act and according to the Statement of Objects and Reasons of this Bill, we are told that many a Government premises are under unauthorized occupation by refugees. So, Sir, the only object of incorporating this new provision in the Bill is to see that the refugees who are in possession of Government premises in an unauthorized manner may be evicted and if they refuse to do so, there is a new provision which is going to be added in this legislation and it is to the effect that such persons shall be liable to imprisonment up to six months and a fine of Rs. 1,000. Well, Sir, I would not for a moment suggest that we should encourage unauthorized occupation of Government premises. Far be it from me to suggest that, but then while trying to evict unauthorized persons from Government premises, we must not forget the tragic circumstances under which the refugees had to occupy these Government premises. Firstly, they could occupy these Government premises only because they were vacant and for that reason much of the sting of the unauthorized occupation goes away and, therefore, if a particular Government building during 1947-48 was lying vacant and if the persons turned away from Western Pakistan came over here and occupied those vacant buildings, well it may be illegal, it may be unauthorized, I do not think, Sir, that they were very much unjustified in doing so under the stress of necessity. After that, what do we find? The Government has taken upon itself the responsibility of providing them with due accommodation. From time to time our Prime Minister and even the Cabinet have held that they shall not take stern measures to remove these refugees from the Government premises which they have occupied in an unauthorized manner until and unless suitable alternative accommodation is provided for them. I think, Sir, that it was some time in December 1948 when it was given out in the Press that according to the decision of the Government no unauthorized occupant, if he is a refugee, shall

[Shri Jaspat Roy Kapoor]

be turned out unless and until and so far as possible, of course, suitable alternative accommodation is provided to the refugee. That was definitely given out in the Press in December 1948, and I have reason to believe, Sir, that this was a definite decision arrived at by the Cabinet itself. Now that being a definite decision of the Cabinet, I do not see any reason why we are enacting a legislation on the subject contrary to that decision. It should be specifically provided in the legislation itself that no refugee shall be turned out from any Government premises, unless so far as possible, of course (I repeat the words so far as possible, of course) suitable alternative accommodation, suitable according to the view of the Government and not suitable according to the view of the person who is going to be evicted, unless and until a suitable accommodation is provided to the person who is going to be turned out. Not only that, only so recently as August 1948 a definite statement was issued by the Government to the following effect. With your permission, Sir, I will read it out. It is not a very long one. It appeared in the papers dated August 14 1949 and I am reading from the *Hindustan Times*, Sir. It was to this effect:

"All displaced persons who are in unauthorized occupation of Government premises or are sharing Government accommodation with the allottees or have been given temporary allotment by the Estate Officer or are holding accommodation on sub-lease from the allottee, are requested to register themselves with the Estate Officer, "N" Block, Raisina Road, New Delhi, immediately, says a Press note.

Applications giving the following particulars in a form obtainable from the Estate Officer should be forwarded to the latter, so as to reach him not later than August 31, 1949. The Estate Officer will issue a registration card in acknowledgement of the application. Those who get themselves registered as above, will be given consideration for alternative accommodation before eviction, and those who fail to do so will be evicted without being considered for alternative accommodation."

My submission is, Sir, that after this definite declaration of the Government policy, after this definite assurance given by the Government (and yet, more, Sir,) I remember that our hon. Prime Minister during the last rainy season gave out a similar definite assurance to the refugees that none of them shall be turned out from the places which they are occupying unless suitable alternative accommodation was provided for them. After all these definite assurances by the Government, after this decision of the Cabinet, and after this assurance by the Prime Minister, the question is, should all these assurances now be ignored and whether we should come forward with legislation to the effect that such unauthorised occupants shall now be driven away from the places which they are occupying, and if they fail to do so, they are threatened with imprisonment for six months or a heavy fine of Rs. 1,000? I know that the hon. the mover of this Bill has assured us that the Government will do their best to secure suitable accommodation and that they are not going to take any stern measures to remove these persons from the places which they are now occupying up to March 1950. While we ought to be grateful to him for giving that assurance, the question is, is that enough to serve the purpose of the refugees? Certainly not. What is going to happen after March 1950? We know what little can be done during the period between now and March 1950. It may be possible to construct a few scores or a couple of hundreds of houses by the Ministry of Rehabilitation. A few hundreds of houses are not going to solve this problem. It is absolutely necessary that the assurances given by the Ministry, the decision of the Cabinet and the assurances of the hon. the Prime Minister must be respected and given effect to and we must have in this Bill a definite provision to the effect that the unauthorised occupants shall not be driven out, provided they are refugees, unless and until suitable alternative accommodation is given to them. Let this provision be not of a general nature; let that provision be in conformity with the assurances which have been held out, to the effect, that all those persons who

had duly given the required information to the Estate Officer that they are in unauthorised occupation of the buildings, and to whom the Estate Officer had issued a certificate to that effect, according to that notification, should not be evicted unless and until suitable alternative accommodation is provided for. I, therefore, submit that in this respect the hon. the mover would do well to give his serious consideration and see his way to accept the amendments which I have proposed in this connection. I have nothing more to say. I would appeal to the hon. the mover once again to look to the difficult conditions in which the refugees are living and to take a very sympathetic view of the whole situation. He should not be carried away by such considerations that in a certain number of cases the refugees have not behaved well. While making his introductory speech, the hon. the mover wanted us to realise how many of us, members of this House who have refugees as our sub-tenants or as our co-tenants, knew to our cost that we had not done the right thing. It may be that in one or two or half a dozen cases, the refugees had not behaved well. There may be some hundreds of cases in which they did not behave well. But, looking to the very large number of refugees, I think it cannot be said as a general proposition that in all cases the refugees have acted in a way that they lose all our sympathy. All refugees should not be tarnished with the same brush.

Shri M. Tirumala Rao (Madras: General): Sir, I do not want to take up the time of the House very much except that I am tempted to go into some of the provisions of the Bill which may work as a hardship on some of our friends.

The Government seem to be enamoured of instituting one Authority after another. Recently we had the experience of a Transport measure brought forward by my hon. friend Mr. Santhanam who wanted an Authority. Just now, Sir, your predecessor, the Minister of State in chage of Information and Broadcasting has brought into existence another Authority by means of his Bill. Thus, during the course of a week, we have brought into existence.........

The Honourable Shri N. V. Gadgil: There is no Authority here.

Shri M. Tirumala Rao: I know; the Authority is there already. I want to know how that Authority has been working under your control. Of course, the provisions of the Bill are drastic: but the situation is also drastic. What I feel is that the housing problem is so acute that it deserves the attention exclusively of one gentleman who may be called a Deputy Minister or a Minister of State. There is no use of loading, however broad the shoulders of my hon. friend may be, his shoulders with the great responsibility of looking after the very heavy port-folios like Works, Mines, Power and Houses. It may be seen from the pictures published in the newspapers.........

Shri H. V. Kamath: Housing comes under the Health Ministry.

Shri M. Tirumala Rao: Technically, housing comes under the Health Ministry; but the practical job of bringing into existence the houses and the production of the materials for their construction falls to my hon. friend.

Dr. P. S. Deshmukh (C.P. and Berar: General): Housing to the extent of prefabrication is probably under the Health Ministry.

Shri M. Tirumala Rao: After fabrication, the houses come to my hon. friend's care. When you see the magnitude of the problem, it is not enough for the Government to come to the House and ask for some powers to eject some thousands of people and also to imprison them or fine them. The Government must look upon this problem in a broader aspect and devote more attention to this than merely asking this House to arm them with some penal powers.

[Shri M. Tirumala Rao]

As my hon. friend has suggested, there are very many varieties of people who have come to squat in Delhi as long as it is convenient. As long as this *laissez faire* policy is followed, nobody will be willing to vacate the premises that they have been occupying for so many months. But, what about the house-less poor people who are spending these cold nights in shivering cold in shed without proper covering over their heads? You must have seen the pictures published in the "Statesman" three or four days ago; you will realise how inadequately the housing problem is being tackled by the Government. I would ask the Government to take a more comprehensive and extensive view of the matter than merely tinkering with a few powers here or there to arm their officers with. We are living in Government houses: we know how the Estate office is dealing with this problem.

Shri Mahavir Tyagi: He is charging high rents.

Shri M. Tirumala Rao: They are increasing the rent. There are so many miscellaneous items in this rent. There are gardens; we have never seen the face of the gardener except the item gardening in the Bills. There are flower-beds; the plants are all pining for the attention of the Minister or his officers. With regard to the Constitution House, Sir, I am amazed that they have not got proper rules. If you ask a guest to be entertained, the guest goes on staying for six months or eight months. I have got a notice where I have been illegally mulcted to the extent of Rs. 800 by the Government. Anyhow, I was stiff enough and I threatened them that I was not going to yield to their arbitrary rules. I can understand the difficulty of the Minister and his officers in evicting the persons.

Shri H. V. Kamath: May I ask whether my hon. friend wrote to the Estate Office that that person was no longer his guest when he did not want him to continue as his guest?

Shri M. Tirumala Rao: I wrote to the Estate Office. I did not want to take the time of the House. But as my hon. friend is curious to know, I shall tell how we suffer.

I authorised one person to be temporarily entertained as a guest; but the Estate office had stretched its meaning to be six months. They never told me of this for six months.

Mr. Chairman: Let us confine ourselves to this Bill.

Shri M. Tirumala Rao: This is with regard to the problem of eviction, with regard to illegal occupation with or without the knowledge of the Government staff. That is what I am going to stress

Prof. Shibban Lal Saksena (U. P.: General): Did you tell them that he is no longer your guest?

Mr. Chairman: There should be no flurried talk across the table. Will you proceed?

Shri M. Tirumala Rao: I will finish in two or three minutes. I will give them the information that they want.

I had authorized one Mr. Sharma to stay for 4 days in the Constitution House. Another gentleman by name Padmanabhan managed to stay for 7 months and the Estate Office deducted Rs. 700. When I went to the Estate Office one of the subordinates there had the cheek to say to me 'You have to evict the person' whom I had not authorized. I can understand some of the unfortunate M.L.A.s trying to take protection under this eviction clause.

I completely agree with Mr. Kapoor that the poor tenant is at the mercy of the very greedy landlords who want to extort exorbitant rents—not only that, but also *pugree*. But I want that the Department of my hon. friend must act efficiently. If the points that have been brought by my friend Mr. Gupta are correct that several houses are being kept locked up without being used either for tenants or for Government purposes, it is time that my hon. friend the Minister devotes a little more attention to see how his Department is working. With these words, I generally agree with the principles of this Bill.

Shri R. K. Sidhva (C.P. and Berar: General): Sir, ever since the war started, there have been many controls and many expected that after the war controls would be removed but controls have been stiffened after the war on account of the necessity that had arisen in this country for various articles, and therefore the controls—in principle which is good—have become really an evil and therefore these measures have been all unpopular but this is the only measure—the rent control and requisition act—which is most popular.

Some Honourable Members: Not at all.

Shri R. K. Sidhva: Not in Delhi. But I can say that Government deserves credit that despite the opposition of a few landlords—not in Delhi only but in the various provinces—they have mustered courage and said that it is in the interest of the largest number of people and must continue. I entirely agree and am glad that this Bill has been brought to this House. Of course at times it happens that a house occupied by a landlord is requisitioned by Government for their officers or for private purposes for the better interests of the class of people for whom they want the house to be requisitioned. There are instances where requisitions have been done not in a justifiable case but the fact remains that the requisitoning is necessary not only in the interest of the officers but also in the interest of the general public and if it had not been enforced, there would have been chaos in the country. This Government is popular as far as this Act is concerned. I have no doubt about that as I move among the people. My friend Mr. Gupta of course is a resident of Delhi and knows better about Delhi than I do. He says I am residing in the Constitution House lavishly and therefore I don't know anything. But Sir, I remain six months in a year moving about on the streets with my eyes open and for the rest in a 12 x 10 ft. room in the Constitution House. I don't reside on the Keeling Road in a small palace. But from the little room that I occupy in the Constitution House I see what is happening in Delhi. I must state that I have tabled an amendment and I wanted to go further but the Minister does not want to accept it.

Shri Deshbandhu Gupta: May I interrupt him and know whether he realizes that he is giving powers to evict thousands of tenants?

Shri R. K. Sidhva: I am coming to it.

The Honourable Shri N. V. Gadgil: I am not evicting anybody excepting unauthorized occupants.

Shri R. K. Sidhva: I know my friend Deshbandhu has a very sincere purpose for which he has objected to this Bill. Of course he represents that class of people and it is natural that he must oppose the bill as he has done. But for the larger number of persons, for the greater good of the country I am sure my friend Mr. Gupta who is always liberal-minded, would support it and withdraw his opposition. This is a measure in which there are difficulties. I know various Governments and particularly this Government have acted in requisitioning houses wrongly but individual cases have no place when the principle is

[Shri R. K. Sidhva]

good. Certainly we have brought certain cases to the notice of the Minister and the Estate Officer, from time to time, and they have not been redressed but that does not mean that we should oppose a very good measure which will benefit a large number.

My friend, Mr. Kapoor, has exhaustively mentioned about the eviction of refugees. I entirely agree with him. The problem of refugees is very acute and I know they have unauthorisedly occupied many Government houses and they have been allowed, through the generosity of Government to remain for a long time without paying any rent and Government have done the right thing. But certainly at some stage some steps have to be taken for ejecting them, and then it is necessary that alternative arrangements should be made for them. There is no question about it and I am sure Government which is always spending large sums of money for rehabilitation will bear this in mind and see that while we are giving them power to eject persons through this bill, they will certainly bear in mind that the displaced persons are not put to great hardship. My friend Mr. Gupta rightly stated that food and shelter are greater than even services. I entirely agree with him. The housing problem has become so acute and he mentioned certain immoralities that have come about through lack of houses. It is therefore the duty of Government to see that the displaced persons are put in a proper place as early as possible. Mr. Gupta asked what have Government done during this period and how many more houses have been built and why not have a programme for a number of years. My friend forgets that every day there is an increase in the population of Delhi. Every day some persons are entering into Delhi thinking that there is all kinds of facilities available here. That is the position. How can the Government fix up a programme when the population is fluctuating in the sense that they are growing more and more in number?

Shri Deshbandhu Gupta: My question was whether requisitioning had not retarded the building of more houses?

Shri R. K. Sidhva: Yes. There are not as many houses built in Delhi as in other parts of India. I don't know who is responsible for that. My friend should not hold the Government only responsible for that but also the landlords. The landlords want from Government certain kinds of guarantees that they shall allow them to realize certain percentage from rent and Government should not take away these buildings etc. These guarantees cannot be given. The landlord must remember that he increases the value of the land immensely. What was the price of a house five years ago and what is the price now? To that extent he is benefited which should not be lost sight of. If the material is not available, I must certainly say that Government are at fault and they must see that building materials are available. In Bombay many new houses are coming up and I don't see why they can't do it in Delhi. My friend Mr. Gupta should take it up and he should call a Conference of landlords, and ask them why they have not built more houses. If he feels that building materials are not available, he must complain and I shall support it but has he taken that step and has he called a Conference of landlords? It is his duty also to do the right thing by the State and therefore while I entirely agree with......

Mr. Chairman: May I request the hon. Member to discuss the principles of the Bill rather than continue comments on the conduct of another hon. Member?

Shri R. K. Sidhva: Sir, I am speaking on the Bill, Sir, especially on the subject of requisitioning houses. I say that if there had been more houses constructed, there would not have been this necessity to requisition these houses.

The requisitioning of houses would have automatically stopped. It is not the Government that should do its duty but the public or the private people also have to build more houses. That is the point I am making out. In light of this discussion, I am sure my hon. friend Mr. Deshbandhu Gupta will withdraw his opposition to this Bill, which I am sure will receive the heartiest support of the House; if not the unanimous support, at least a very large number of Members of the House will support it.

Sir, I do not want to go into the general question of having a building programme and having a plan before Government. We know under what circumstances the Government have had to cut down their building programmes. I only want to say that this Bill has my entire support. Sometimes the Government has succumbed to the pressure brought by the landlords and the capitalists I would request them not to do so. They must be impartial and just as they have been all along and they must see that they do not surrender to this kind of pressure.

Shri Deshbandhu Gupta: Does my hon. friend realise that he is not talking on the Rent Control Bill?

Shri R. K. Sidhva: But you have talked about all sorts of things. If you had confined your remarks to requisitioning only, I would not have been obliged to make these remarks. You brought in all sorts of things in this debate.

Mr. Chairman: The hon. Member will please confine himself to the Bill and bring his remarks to a close.

Shri R. K. Sidhva: Therefore, Sir, I commend this Bill for the support of the entire House, and I am sure my friend Mr. Gupta will be generous enough to withdraw his opposition to the Bill.

Shri H. V. Kamath: Sir, I do not want to make a long speech, but only want to get a little information from the hon. Minister in the course of his reply to this debate. I hope he is listening, Sir, because I would like to get this information. He has referred to the acute shortage of accommodation in the country as a whole and also in Delhi, and in the Objects and Reasons of the Bill he has referred to the construction of Government units in Jungpura, Nizamuddin and other places. May I know from the hon. Minister whether in computing the number of units under construction or that are going to be constructed next year, he has calculated or taken into account the number of houses that are going to be built by the housing factory under the Ministry of Health? That factory is expected to make about a hundred houses per week, commencing from next March or so. Are these houses also being taken into account when thinking of measures to relieve pressure on accommodation? I feel it is a little unfortunate that this part of house construction, that is to say, the building of prefabricated houses has been divorced from the Works Department of the hon. Mr. Gadgil's Ministry and made over to the Ministry of Health. I want to know whether there is coordination between the works branch, I mean the P.W.D. branch of the Ministry of Works, Mines and Power and the Health Ministry, I mean the housing part of the Health Ministry. Really speaking, it should have been under the Works, Mines and Power Ministry, but I do not want to quarrel about that now; and I only want to know how many prefabricated houses will be built and how many of them will be made over to the refugees and also to the Ministry of W.M.P. to relieve pressure on accommodation. On the Board of Directors of this Housing Factory, the Ministry of Industry and Supply, the Finance Ministry and the Labour Ministry are all represented, along with the Ministry of Health. I do not see why the Ministry of Works, Mines and Power which is intimately connected with the building of houses and providing accommodation has not been represented on this board at all.

[Shri H. V. Kamath]

I would like to know whether the hon. Minister has at all moved in this matter, and whether it is not necessary to associate one of his engineers with the Board of Directors of this housing factory. I would therefore, request the hon. Minister to look into these matters and if possible, to give a reply to these points in the course of his reply to the debate on this Bill.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, 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 Shri N. V. Gadgil: Sir, I do not propose to deal with all the points. A point was raised by my hon. friend Mr. Deshbandhu Gupta about the exact number of requisitioned houses. What I said was, or what I meant to say was, in any case, that the number that was given was the number of houses requisitioned by the Central Government for the Central Government. The Delhi Local Administration has requisitioned 110 houses up to the end of March 1949, or as has been said by Mr. Gupta, up to the end of June. He said that 245 notices were issued and actually 120 houses were requisitioned, that clearly shows how carefully the thing is done by the local authority.

Now, as regards new houses, Mr. Gupta apparently thinks that the provisions for controlling the rent are quite enough. But that is not so. As the hon. Member knows, the rents are fixed by a government officer—the Rent Controller, and according to the present provision, 6 per cent. returns are calculated and rents are fixed accordingly. But the question of *pugree* comes in when the house is allotted. Allotment does not rest with the Government, but with the owner or the landlord, and he may allot it to anybody by taking *pugree*. The only relief that is open to the tenant is to go to a criminal court for giving the *pugree* or if the rent is high, to go to the Controller to fix the proper rent and get the rent adjusted.

The only force in the arguments advanced is to what extent this would affect new constructions. As far as I know, the main factor in that respect is the inadequacy of building materials, and the second factor is the habit of Delhi investors to speculate. They purchase land or plots and then sell it at higher prices and it is only very recently that the prices have come down. Due to this reason, the buildings which ought to have come up by now, have not yet been built.

Now, Mr. Kapoor has spoken very earnestly and I am moved, let me confess; and I am prepared to consider his suggestion for the inclusion of displaced persons in the definition of "public purposes". He will, however, agree that I cannot do it just now, but when I revise the rule, I will certainly give it my best consideration. But the only difficulty will be that if I allot requisitioned houses to a private person it is very difficult for me to get the rent. The privity of contract is between me and the landlord to whom I have got to pay the rent whether I receive it from the private tenant or not. In the case of an official, I can immediately deduct the rent from his salary. But I am not going to exaggerate this difficulty. What I promise is that I shall consider this. As it is, I am doing it to some extent. But I shall extend it, and if I am so advised I shall certainly include it in one of my Rules.

As regards eviction I wish to assure the House that whatever has been promised in the Notification of 14th August 1949 will be done. The details as to

the manner in which the problem has been reduced from time to time have been given by me when I moved for consideration. There are just 1,300 people and not more. 600 houses have already been promised by the Rehabilitation Ministry. I will take up that question. At the same time I expect that hon. Members will not insist that I should give alternative accommodation which the unauthorised occupants would consider to be suitable. That matter must rest with me.

Shri Jaspat Roy Kapoor: I had also suggested similarly.

The Honourable Shri N. V. Gadgil: I am very glad. In regard to displaced persons, if I were to accept Mr. Deshbandhu Gupta's suggestion, surely I cannot come to his relief. If I am to extend the exemption from 50 per cent. to 60, 70 or 80 per cent., on the one hand you ask me to provide for displaced persons and, on the other, you want that all the new constructions should be exempt from requisition procedure.

Shri Deshbandhu Gupta: You will have many more new constructions.

The Honourable Shri N. V. Gadgil: You will see the incongruity of it. I have gone as far as I can go and I am sorry that I cannot go beyond that.

Sir, I am very grateful to my hon. friend Mr. Sidhva for the speech made by him and I have already forgotten the troubles he has given me so far in his supplementaries.

Shri Jaspat Roy Kapoor: Will the hon. Minister consider the advisability of summoning a conference of representatives of insurance business etc. in connection with the building programme?

The Honourable Shri N. V. Gadgil: The suggestion made by my hon. friend to call upon investors and managers of companies to come and establish their headquarters here. I shall consider. But this involves a big proposition, namely, of Government undertaking the responsibility and obligation of housing non-official people. That was one of the recommendations of the Bhore Committee. But to what extent we can do it in the present circumstances is certainly a matter for consideration. But I can assure my hon. friend that I will give my best consideration to the suggestion which he has made, and I do hope he along with his friends will co-operate with me.

Shri Jaspat Roy Kapoor: Will he consider the suggestion that the investment of insurance funds in such projects may be considered as investment in "approved securities"?

The Honourable Shri N. V. Gadgil: That also shall be considered. As regards the complaints in the Constitution House which was referred to by my hon. friend Mr. Tirumala Rao, I think in the interest of the good name of the Members of this House it is desirable that I should not reply to that criticism.

As regards the remarks made by Mr. Kamath I want to state that the houses that will come into existence as a result of the housing factory going into commission are not included in this.

Shri R. K. Sidhva: Why should the pre-fabricated factory be within the jurisdiction of the Health Ministry? I don't understand it.

Shri H. V. Kamath: To what use will these houses turned out by the housing factory be put?

The Honourable Shri N. V. Gadgil: They will be allotted to government servants; they will also be sold to members of the public.

Shri T. T. Krishnamachari (Madras: General): Not to members of the Constituent Assembly?

The Honourable Shri N. V. Gadgil: I think they are also members of the public.

Shri Deshbandhu Gupta: May I know whether an enquiry will be made into the maladministration of the provisions of the Act and the instances that have been brought to his notice of houses lying vacant for twelve months and not used by any government servant?

The Honourable Shri N. V. Gadgil: Obviously they are few in number, but I shall certainly take them into consideration.

Shri H. V. Kamath: Will the hon. Minister consider the desirability of associating one of his Engineers with the Board of Directors of the housing factory?

Shri B. Das (Orissa: General): I think the policy relating to the housing factory scheme and the distribution of those houses is the sole responsibility of the Cabinet and not that of any particular Minister.

The Honourable Shri N. V. Gadgil: Sir, I don't think I need reply to it.

Mr. Chairman: The question is:

"That the Bill to amend the Delhi Premises (Requisition and Eviction) Act, 1947, and to validate certain orders, be taken into consideration."

The motion was adopted.

Shri R. K. Sidhva: Sir, I have tabled an amendment to clause 2 which reads thus:

"That in clause 2 of the Bill, in the proposed sub-section (4) of Section 1 of the Delhi Premises (Requisition and Eviction) Act, 1947, for the figures '1952' the figures '1955' be substituted.' "

Sir, my reasons are very simple. We know the position of the housing problem in Delhi, and I am quite confident that at the end of 1952, with the best of efforts of the Government, the housing problem will not be solved as we expect it to be solved. I do not want the Government to come to this House frequently when a measure of such kind is certainly necessary. For a period of five years the Government should keep such a programme that after a particular period the question of continuity of the Act may not arise. With this object in view I have brought this amendment. The hon. Minister, stated that as a democratic practice he wants to come before the House again in 1952. But does he give the assurance that by 1952 the housing problem will be solved and that he will not come before the House again, asking for extension of the Act? Considering the vastness of the problem, should not five years be the minimum period? I think the hon. Minister will reconsider the position.

The Honourable Shri N. V. Gadgil: Sir, I am not accepting my friend's amendment.

Shri R. K. Sidhva: If, despite my appeal, he is not prepared to accept my amendment, I will not move it.

Dr. P. S. Deshmukh: Sir, I want to speak on the clause. I for one welcome the step taken by the hon. Minister in bringing this Bill before the House rather than resorting to a mere Notification. My reason is that it gives the House an opportunity to discuss the condition of housing as a whole and also consider how far these provisions have been effective and beneficial. Sir, it is quite well known that the whole position is most disgraceful, and I do not endorse the compliments paid by my friend Mr. Sidhva to the Estate Office.

Shri R. K. Sidhva: I paid no compliments to the Estate Office; I complimented the Minister on the Bill.

Dr. P. S. Deshmukh: I think that the whole Estate Office requires to be completely overhauled. There are a number of hon. Members of this House who have been victimised by this Estate Office. There have been complaints to the hon. Minister. I do not know what he had up his sleeve when he threatened one hon. Member of this House by saying that he did not want to enter into the facts of the case because it was likely to expose that particular Member or some Members. The fact remains that a good many of the hon. Members of this House acted up to the suggestion of the hon. the Prime
5 P.M. Minister and some persons who were not really refugees have taken undue advantage of the goodness of the Members of this House. Members come here for legislative work and not for fighting cases in the law courts of Delhi. In so many cases people have had to pay Rs. 500 or Rs. 1,000 without staying in the house for long periods and in spite of correspondence with the Estate Office and complaints to the hon. Minister we have found that a very large number of Members of this House have suffered. If that is the condition of hon. Members of this House, who are supposed to be the legislators for the whole of India, you can imagine how this Act must have been enforced throughout the Province of Delhi to the detriment of the general public as well as Government officials. The hon. Minister has come forward with a measure asking for an extension of three years but in his speech he said the extension was only for two years. Though I have not given notice of an amendment, I would really welcome these provisions being in force only for a year more, so that at the end of a year we may have another opportunity of taking stock and examining the whole position.

Sir, he has admitted that there is housing scarcity and that he is trying to do his best. But nothing is moving forward. I fully agree with the criticism that has been levelled by Mr. Deshbandhu and hope that the hon. Minister, the democrat that he is, will institute an enquiry into the working of the whole Department including the Estate Office and see that no room is left for legitimate complaints in this respect. Here is a Bill which wants to make provision for requisitioning and eviction, but that by itself is no relief to anybody. Here it is merely removing certain people from certain premises and putting them into certain others. There are a host of cases in which requisitioning has been done wrongly. Of course, the power of eviction is sought to be taken for the first time, but we have no doubt that if the Department and the Estate Office are going to work in the manner they have done so far, there is every likelihood that these extensive powers will be more misused than used rightly.

So, I would have really liked to take stock of the position at the end of a year and be able to tell the Minister how far these powers which he and his Ministry will get have been used for the good of the people. From that point of view, I think this extension of three years is too much. I think it was a mistake of the press, a printer's devil probably, that instead of 1951 the figure 1952 has been inserted. Everybody heard the hon. Minister repeat more than twice that he wanted this enactment only for two years. I want the hon. Minister to come forward and say that it is a mistake and that it should be 1951 instead of 1952.

The Honourable Shri N. V. Gadgil: Sir, I want to reply to only one point. It is about the grievance of certain hon. Members of the House who, in response to the appeal of the Prime Minister, shared their accommodation with refugees. The legal difficulty is that the privity of contract was between the hon. Member and the Government—there was no privity of contract in the other case to enable the Government to recover rent from the sub-tenant or the sharer. Even when

[Shri N. V. Gadgil]

the house had been surrendered, we found it very difficult to get possession but, of course, after some efforts possession had been recovered from most of the persons who continued to stay after the respective houses were surrendered by the hon. Members. We are trying to see whether it is possible for the Government of India to sue them and recover the money and repay the money already deducted from the allowances of the hon. Members.

Sir, there is nothing that can justify the criticism of the Estate Office. The Estate Office went by the rules and I think we are strictly within the limits of the law.

Shri B. L. Sondhi (East Punjab: General): Why do you want it for two years instead of one?

Mr. Chairman: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Pandit Hirday Nath Kunzru (U. P.: General): Sir, it is five o'clock now.

Mr. Chairman: We are to go on till six.

Shri Deshbandhu Gupta: May I be permitted to move my amendment?

Mr. Chairman: It is not in time. The hon. Member has sent in his amendment late and the hon. Minister is not agreeable to accept it. Therefore, I don't allow this amendment to be moved.

Shri Deshbandhu Gupta: May I be permitted to offer some remarks?

Mr. Chairman: The hon. Member has already made his speech, but if he persists, I will certainly allow him.

Shri Deshbandhu Gupta: I won't take long. I only wish to request the hon. Minister to reconsider the question which was raised by my amendment. He says he will be willing to give up to 50 per cent., but there is a practical difficulty there. Who is going to decide which 50 per cent. is to be requisitioned? In a residential house particularly, it becomes practically impossible to divide the house fifty-fifty or twentyfive-seventyfive. In view of that, I would request him to reconsider the position and give an assurance to the House that while framing the rules he will make an experiment and see for one year whether the removal of this restriction, so far as the new houses are concerned, is helpful or not. I think such an assurance will satisfy the general demand and the housing industry also will get an impetus.

The Honourable Shri N. V. Gadgil: I do not want to go beyond 50 per cent., but in implementing that policy laid down in the Government of India *communiqué*, I am quite prepared to discuss further any practical difficulties. In fact, I don't want the policy to be one which cannot be implemented. So, I am quite prepared to discuss that with him and it is not necessary to accept his amendment.

Mr. Chairman: 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.

Shri Jaspat Roy Kapoor: Sir, in view of the assurance given by the hon. Minister to the effect that the policy as stated in the notification of August, 1948, will be adhered to, I don't propose to move my amendment to clause 5.

Mr. Chairman: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Shri Jaspat Roy Kapoor: Sir, I beg to move:

"That for clause 6 of the Bill, the following be substituted:

'6. *Amendment of Section 12, Act XLIX of* 1947.—In clause (e) of sub-section (2) of section 12 of the said Act, for the words "premises requisitioned", the words "Government premises as defined in *Explanation* to sub-section (1) of section 11 of this Act" shall be substituted.' "

Sir, I understand the hon. Minister is prepared to accept this amendment, hence I ventured to move it. My object throughout has been to vest the Government with higher powers than they have thought it necessary to take under this Bill. The object of my amendment also is identical. Under the present definition of Government premises, those premises would not have come in which Government has taken on lease. My amendment seeks to fill that lacuna.

The Honourable Shri N. V. Gadgil: I accept it.

Mr. Chairman: The question is:

"That for clause 6 of the Bill, the following be substituted:

'6. *Amendment of Section 12, Act XLIX of* 1947.—In clause (e) of sub-section (2) of section 12 of the said Act, for the words "premises requisitioned", the words "Government premises as defined in *Explanation* to sub-section (1) of section 11 of this Act" shall 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.

Shri Jaspat Roy Kapoor: Sir, I beg to move:

"That in clause 7 of the Bill, in the proposed new section 15A of the Delhi Premises (Requisition and Eviction) Act, 1947,—

(i) the words 'with simple imprisonment for a term which may extend to six months, or' be omitted; and

(ii) the words 'or with both' be omitted."

If my amendment is accepted, clause 7 of the Bill will read thus:

"15A. *Penalty for offences.*—Whoever contravenes any provision of this Act or of any rule made thereunder, or any order made or direction given under this Act, or obstructs the lawful exercise of any power conferred by or under this Act, shall be punishable with fine which may extend to one thousand rupees."

This is entirely a new clause which is proposed to be incorporated in the old Act. In the old Act there was no provision for inflicting any punishment on any person who defies the provisions of the Act. Of course, the normal law

[Shri Jaspat Roy Kapoor]

of the land was there. Now, Sir, this new penalty clause is sought to be introduced in the old Act. I have no objection to such a clause being incorporated. But then I am afraid that the penalty that is proposed in this clause is a little too much, particularly in view of the fact that any contravention of the provisions of this Act would be punishable with simple imprisonment. If only persons who refuse to vacate a building were to be punished, that would have been a different matter, but the sub-section says that whoever refuses to obey any order whatever, passed under this Act, shall be punishable with imprisonment. That appears to me to be much too high and I submit therefore that this amendment of mine may be accepted by the hon. Minister.

Mr. Chairman: Amendment moved:

"That in clause 7 of the Bill, in the proposed new section 15A of the Delhi Premises (Requisition and Eviction) Act, 1947,—

(i) the words 'with simple imprisonment for a term which may extend to six months, or' be omitted; and

(ii) the words 'or with both' be omitted."

Shri Deshbandhu Gupta: I rise to support the amendment moved by my hon. friend.

The Honourable Shri N. V. Gadgil: To save the time of the House, I may say that I propose to accept this amendment.

Shri Deshbandhu Gupta: But I have one request to make to the hon. Minister in this connection.

The Honourable Shri N. V. Gadgil: If you make a speech, I will oppose it!

Shri Deshbandhu Gupta: I will not make a speech, but I will make a request. My request to the hon. Minister is this. From the Statement of Objects and Reasons the difficulty which has provoked my hon. friend to bring forward this amendment to the Act seems to be that he has not been able to get Government quarters or Government buildings cleared of unlawful possession. If that is the only object for which this penal clause is being introduced, I would request the hon. Minister to see that it does not apply to other sections. For instance, I would draw his attention to section 3, sub-clause (iii) of the Act, which says:

"Where the competent authority decides that it is necessary to requisition the premises for any public purpose, he shall call upon the landlord and the tenant or the person in possession by notice in writing to show cause within seven days why the premises should not be requisitioned."

The onus on the landlord or the tenant under this clause of the Act is that he has got to show cause within seven days. Supposing he submits his explanation within ten days, even then he will be liable to be considered as disregarding an order passed by the competent authority and would be liable to the punishment which is envisaged in this penal clause. I think the implications of this provision have not been fully realized. It should either be restricted to Government quarters or Government buildings where Government is sure, or it would result in difficulties. I would request the hon. Minister to revise it and not take such wide powers which are unnecessary and will create great practical difficulties in the administration of this Act.

The Honourable Shri N. V. Gadgil: Sir, I accept that amendment.

Mr. Chairman: The amendment has been accepted.

Shri Deshbandhu Gupta: But what is the explanation of the hon. Minister to the point raised by me?

Mr. Chairman: Does the hon. Minister wish to make any reply?

The Honourable Shri N. V. Gadgil: I don't want.

Mr. Chairman: The question is:

"That in clause 7 of the Bill, in the proposed new section 15A of the Delhi Premises (Requisition and Eviction) Act, 1947,—

(i) the words 'with simple imprisonment for a term which may extend to six months, or' be omitted; and

(ii) the words 'or with both' be omitted."

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.

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."

Prof. N. G. Ranga: Sir, I am glad that this Bill has reached this stage. We are all in favour of it. At the same time, I want to impress upon the hon. Minister and the Government that it is high time that Government shouldered the responsibility of providing housing for all the people of Delhi, if not other cities in this country. It is many years since other countries have taken up such responsibility. In England, as one of our friends had said, they have already got a separate Minister for Housing and a Ministry for it, and they have taken upon themselves the responsibility of providing housing not only in one city, *i.e.* London, but also in all the cities of that country. In this country, unfortunately, the only thing that the W.M.P. Ministry seems to be anxious to do at long last is to control the rents that are being charged for these houses and also to take certain powers in order to requisition certain houses for providing housing for some of the Diplomatic Corps and some other people in Government service and, may be a few others who are private citizens. This is really not enough. Government should try to take early steps to go much farther than this, and if they are to give satisfaction to people at least in this city, then they should themselves take up the house building programme as one of their most important functions. I sincerely hope that the hon. Minister will try to develop his own functions in the desired direction and in that way help the enforcement of this Act itself and make it much more easy than it is today. He himself admits—and everybody knows that in spite of the Act that he has had till now and in spite of the other steps taken......

Shri B. L. Sondhi (East Punjab: General): On a point of information, Sir, Prof. Ranga is asking the hon. Shri Gadgil to intensify the house-building, but may I state that house-building is not his department, but it is the department of the Health Minister?

Prof. N. G. Ranga: I am glad that my hon. friend Mr. Sondhi has given me this information, but unfortunately it is a part of the Government and Government has got to shoulder this responsibility. (*An hon. Member*: **It is joint responsibility.**) I sincerely hope that it would be possible for the hon. Minister and the Government to come forward before this House with their proposals in order to develop their functions in the desired direction.

The Honourable Shri N. V. Gadgil: Sir, I have not much to say by way of reply, except that I agree that accommodation is one of the primary necessities along with food and clothing. When there is a short supply of all these the public must agree to a system of control. When there is abundance there is no necessity of any control. But, as yet, the Government of India have not accepted housing of non-officials as an obligation, although there is a recommendation to that effect in the Bhore Committee's Report. However, the suggestion made by my hon. friend Prof. Ranga will be noted and considered when the relevant policy is formulated.

Mr. Chairman: The question is:

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

The motion was adopted.

Mr. Chairman: I may just inform hon. Members that the address to be given by shri Mohan Lal Gautam and Mr. Tajamul Hussain which was fixed at 5-15 P.M. will be delivered as soon as this House adjourns.

Pandit Hirday Nath Kunzru (U. P.: General): I propose that the House should now adjourn. The House is depleted; the members are tired. Is it desirable to take up such important matters as the two resolutions on the agenda at this stage? It is very unfair that such important matters should be taken up now.

Mr. Chairman: It was decided this morning that the House shall sit till six and I think hon. Members will have no objection to sit till 6 o'clock. If the House is willing there is no reason why it should adjourn now.

Pandit Hirday Nath Kunzru: If it is the desire to get the two resolutions through by six o'clock, then it is a different question. But if it is the desire that there should be an intelligent discussion on these resolutions, then I think undeniably it is necessary that the matter should be postponed till tomorrow.

Shri O. V. Alagesan (Madras: General): The hon Minister of State for Parliamentary Affairs has invited us to the A.I.R. studio at 6-15 P.M. today to listen to the various versions of *Jana Gana Mana*. He has been complaining that we have not responded to his previous invitations.

Mr. Chairman: The business of the House should have precedence over all other engagements. As this matter has already been settled, I would request the hon. Dr. Syama Prasad Mookerjee to move his resolution.

RESOLUTION *re* EXTENSION OF PERIOD MENTIONED IN SECTIONS 2 AND 3 OF INDIA (CENTRAL GOVERNMENT AND LEGISLATURE) ACT, 1946, AS ADAPTED

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): Sir, I beg to move:

"That in pursuance of the proviso to section 4 of the India (Central Government and Legislature) Act, 1946, as adapted by the India (Provisional Constitution) Order, 1947, this Assembly hereby approves the extension of the period mentioned in sections 2 and 3 of the said Act for a further period of twelve months commencing on the first day of April, 1950."

Sir, this Resolution is of a non-controversial character. It seeks to extend by one year more the operation of the Essential Supplies Act of 1946 and the Requisitioning of Land Act of 1947. The House will recall that according to the present law it is open to Parliament to extend the operation of these two Acts by one year by passing special resolutions. Now, Sir, the maximum period up to which such extension can be given is the 31st of March 1951. That is the present law. Meanwhile, the new Constitution will come into operation and according to its provisions, if it is desired that any of the powers which are incorporated in these Acts should be exercised by the Central Government, then special legislation would be passed. Obviously, it is not possible for Parliament to pass such special legislation before 31st of March 1950. Therefore, it is essential that these two Acts should operate for a further period of one year.

Of course, I can assure the House that there will be no occasion for Government in future to come up before Parliament with a similar resolution. This is the last extension that can be obtained according to the present law. Meanwhile I take it Government will have to confer with the Provincial Governments and decide for itself as to which of the powers which are now vested in the Central Government according to these two Acts should continue to remain vested in the Central Government. That will take some time.

Shri R. K. Sidhva (C. P. and Berar: General): May we know whether it would be possible to bring this matter before the first session of the new Parliament?

The Honourable Dr. Syama Prasad Mookerjee: I am afraid it will not be possible. The provinces will have to be consulted and the entire policy of control and regulation will have to be determined by the Central Government in accordance with the provisions which have been incorporated in the new Constitution. That cannot be done very quickly. Meanwhile, we cannot have a vacuum and the continuance of the existing provisions, therefore, is imperative.

I hope, Sir, that the House will accept the resolution and meanwhile enable Government to negotiate with the Provincial Governments with a view to deciding how future legislation should be undertaken with regard to regulation and control.

Mr. Chairman: Resolution moved:

"That in pursuance of the proviso to section 4 of the India (Central Government and Legislature) Act, 1946, as adapted by the India (Provisional Constitution) Order, 1947, this Assembly hereby approves the extension of the period mentioned in sections 2 and 3 of the said Act for a further period of twelve months commencing on the first day of April, 1950."

Prof. N. G. Ranga (Madras: General): Sir, I am glad to be able to support this Resolution. But at the same time. . .

Mr. Tajamul Husain (Bihar: Muslim): The quorum is thirty; we are not thirty at present.

Shri T. T. Krishnamachari (Madras: General): The Ministers are here and the bell may be rung.

Prof. N. G. Ranga: Sir, I was saying that I was in favour of this resolution myself, but at the same time, I wish to remind the House of my request to the Government made repeatedly that it is high time that Government

[Prof. N. G. Ranga.]

should institute a departmental inquiry at least into the working of these controls from the experience that they had gained so far in the working of these controls. It is a notorious fact and an admitted fact even from Government quarters that in the train of these controls corruption has come in. Black marketing also has set in with the result that the moral tone of our social and commercial life has gone down very seriously. It is necessary, Sir, that the Government Department other than the department which is entrusted with the task of enforcing these controls should be expected to conduct an enquiry and see whether exactly these things are going wrong and in what manner things can be improved, either in the supply or the transport, their distribution between one province and another, between one state and another and whether the various distributive means that are adopted can be improved. Everyone knows that if you were to make use of the means of co-operative stores and societies, many of these evils can be minimised and yet co-operative societies have not been used in any Department even. On the other hand, various private interests and private merchants have been utilised with the result that black marketing could not be controlled at all. On the other hand, it has been very much on the increase. Therefore, Sir, I do not wish to detain the House any longer. I only wish to request the Government once again to institute an inquiry without any more delay, at least to get the results of that enquiry and try to enforce them before this Act comes to be renewed again next time.

Secondly, I wish to remind my hon. friend the Minister incharge of this that even last year, we warned him that it might not be possible for him to do away with these controls within the period that he had asked the sanction of this House for, that was two years and it is quite clear now that it would not be possible either for this House or the country to do away with these controls for another five years to come. Just now, a few minutes back, our hon. friend, Mr. Sidhva was warning the Minister in charge of Works, Mines and Power, that it would be necessary for him to have the power to control the rents and also the occupation of these houses in Delhi city for more than two years and I wish to warn the hon. Dr. Syama Prasad Mookerjee again even in regard to these essential supplies and other industries, it would not be possible for him to do away with these controls for the next five years even with the best possible effort that he could possibly make and the Government could possibly make. Therefore, there is all the greater urgency for them to explore every possible means in order to improve the purity of the administration, its efficiency and its capacity to give satisfaction to our people.

Shri R. K. Sidhva: I have always advocated that the control is good in principle, but administratively it has been so defective that it has become unpopular and with that unpopularity Government also have unncessarily come in for adverse criticism from time to time and therefore, Sir, with the best of efforts that Government have put to combat that evil, that is to say black-marketing or hoarding or profiteering which has come through control, they have not been successful in stopping them. It is not so simple that all the time and every time when the Act expires the Government could come to this House and say that they want to extend it. I do feel, Sir, in this Resolution the items for control are paper, textiles, cotton and woollen, foodstuffs, petroleum, petroleum products, spare parts, mechanical vehicles, coal, iron and steel and mica and so on. I have already stated that the foodstuff control ought to remain, as I know the condition of the country. The requisitioning of land, that also has to stand. Just a few minutes ago, I stated that the requisitioning of land is really a popular measure and that people have accepted it cheerfully. But as far as other commodities are concerned, I do not see any reason why Government should

not consider them now. Although it may be as I stated that control is good in principle, why should they now burden all the Departments with controls to be continued? Steel is produced at Rs. 200 per ton here against Rs. 300 per tion of imported iron (*An hon. Member*: It is Rs. 600). It is Rs. 600. I am sorry. Iron and steel are meant mostly for agricultural and building purposes; for building purposes, there are many people who could afford to pay more and why then should they incur such a large expenditure. Rs 1,45 lakhs is spent only in the administration of one section of the Iron and Steel Department. I do feel as the hon. Minister just now stated that this measure will be for a short time and I would not have said anything if he had stated that under the new Constitution when the next Parliament meets, in the first session, he is going to bring a new measure in pursuance of the articles that we have passed in the Constitution, but he said that it is not possible to bring it in the first session. It may be at the end of 1950 or 1951. I do not know, when he is going to bring it but he has to bring it under the new Constitution. Still it will take one year. I would request him to bear in mind this matter. I am not opposing and there is no meaning in opposing from that point of view, although my hon. friend Prof. Ranga stated that last year we told the Minister that he should kindly revise this and bring it to the House next time as to what articles were really necessary for control and we see in the resolution the same articles are shown without any clarification or extra explanation being given to the House as to how far the control is really justified. In view of the shortness of time, he does not feel it necessary to give a detailed statement. At least in that event we should have been informed that all these articles are absolutely to be controlled because the condition is bad. I would request him that in regard to all essential articles excepting foodstuffs, requisitioning of land and rent control, he must seriously give his earnest consideration. Abolishing all these control Departments will bring a great deal of saving to the State. I agree that we must import as much as possible until we have self-sufficiency in the Industrial department. Control brings Government unncessarily into contempt and unpopularity, for no fault of theirs. Therefore, Sir, I contend that we have made our best efforts and we have given them also power. While I cannot oppose because opposition has no meaning just now, I hope that the hon. Minister will kindly bear in mind the suggestions that I have made.

चौधरी रणवीर सिह: सभापति जी, मैं कण्ट्रोल के खिलाफ हूं लेंकिन जिस तरह से सिधवा साहब नें कहा कि फूड आरटिकल्स (food articles) के लियें तो कण्ट्रोल की आवश्यकता है और दूसरी चीजों कें लिये कण्ट्रोल की आवश्यकता नहीं है मैं इससे सहमत नहीं। जब तक आप यह समझते हैं कि फूड आरटिकल्स के लिये कण्ट्रोल हो उस वक्त तक आप दूसरी चीजों के कण्ट्रोल के बगैर काम नहीं चला सकते। क्योंकि देश में अनाज की कमी है और अनाज की कमी को दूर करने के लिये आपकें लियें जरूरी है कि आप किसानों को सस्ता कपड़ा, सस्ता लोहा और दूसरी चीज सस्ती दें। या तो आपको इसके लिये तैयार होना चाहिये कि आप अनाज भी महंगा लें, चाहें कितने महंगे दामों को मिले। या आपको देहात के इस्तेमाल की जितनी चीजें भी हैं उन पर आप कण्ट्रोल जारी रक्खें। दोनों फायदों को आप एक साथ नहीं ले सकते। आज देश की ऐसी अवस्था है कि अगर आप एकदम से तमाम कण्ट्रोल को हटा देंगे तो पता नहीं कैसी हालत होगी। अभी आयरन (iron) के कण्ट्रोल

[चौधरी रनबीर सिंह]

का जिक्र किया गया। आयरन की जो ब्लैक मारकेट (black market) की प्राइस (price) है उससे आप हिसाब लगा लीजिये और जो कण्ट्रोल प्राइस (Control price) है उसका हिसाब लगा लीजिये। अगर आपने कण्ट्रोल हटाया तो तकरीबन जो ब्लैक मारकेट प्राइस है उससे जरा नीचे उसकी कीमत मुकर्रर होगी। आप चाहते हैं कि किसान उस कीमत पर लोहे को खरीदें और फिर आपको सस्ता अनाज दें। मैं समझता हूं कि आप धोके में रहेंगे। इस लिये मैं इस प्रस्ताव का समर्थन करता हूं।

(English translation of the above speech.)

Ch. Ranbir Singh (East Punjab: General): Sir, I am opposed to the control system, but I do not agree with my hon. friend Mr. Sidhva that while foodstuff control ought to remain, control on other articles is not necessary. So long as you feel that the food articles should remain under control, you cannot do without imposing a control on other articles, because the country is short in food production and with a view to overcome this shortage, it is very necessary that you should arrange to supply cloth, iron and other articles to the farmers at cheaper rates. Either you ought to be prepared for this that you also procure the foodgrains at an enhanced rate—at whatever costlier price it might be available; or continue the control of all the articles which are frequently used in the rural areas. You cannot have both the advantages. The country is to-day in such a condition that in case you abolish all the controls all at once, then God knows what will happen. Just now reference was made to the control of iron. You can very well imagine what is the black-market price of 'iron' as compared to the controlled price. If you remove the control, then its price will be fixed a little below its black-market price. You want that the peasants should buy steel at that price and still supply you foodgrains at cheaper rates. I apprehend you would be mistaken. Therefore, I support this Resolution.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I do not wish to make a long speech. Prof. Ranga rightly reminded the House of the points which were raised in the course of the discussion of this resolution last year. The Government is not enamoured of controls. In fact, we are not anxious to continue the controls on commodities where they can really be avoided. It is really a choice between two evils. Of course, when we try to operate the control machinery in respect of some commodities, we expect co-operation not only from the official agencies, but also from non-official sources. In some cases we have already withdrawn the controls, the items which Mr. Sidhva has referred to. We are constantly examining and re-examining the position with regard to the other commodities and if we find that there are some in respect of which control is not necessary, in view of improvement of supply position, Government will not hesitate to re-examine.

Shri R. K. Sidhva: Which items have been de-controlled?

The Honourable Dr. Syama Prasad Mookerjee: We have withdrawn controls, as you pointed out, on newsprint, spare parts of mechanically propelled vehicles, mica and woollen textiles.

Shri R. K. Sidhva: But, the Resolution contains them all right.

The Honourable Dr. Syama Prasad Mookerjee: The Resolution gives the power to impose control. Take, for instance, newsprint. It may be necessary for us to re-impose some sort of control if we find that the situation

deteriorates. All that the Government now desire is to keep the power in hand. Under the new Constitution a completely different structure has been contemplated. It will no longer be necessary to transfer power to the Central Government by means of such an *ad hoc* resolution.

An Honourable Member: No more; no more.

The Honourable Dr. Syama Prasad Mookerjee: The Central Government will have to decide in respect of which commodity control should continue and what functions should remain in the hands of the Centre or in the hands of the provinces. When considering these matters, some legislative proposal must come before the House and the House will then certainly be entitled to know what changes Government propose to make and how it is proposed to distribute the powers between the Central Government and the provincial Governments. But, so far as this year is concerned, we do not want to bring about a deadlock. This is the last time that this House has the power to continue the operation of the present powers, for one year. Therefore, Sir, I have to ask the House to agree to give these powers to the Government now.

Mr. Chairman: The question is:

"That in pursuance of the proviso to section 4 of the India (Central Government and Legislature) Act, 1946, as adapted by the India (Provisional Constitution) Order, 1947, this Assembly hereby approves the extension of the period mentioned in sections 2 and 3 of the said Act for a further period of twelve months commencing on the first day of April, 1950."

The motion was adopted.

Mr. Chairman: I find that the attendance in the House is thin and does not warrant the continuance of the business. The House stands adjourned till 10-45 A.M. tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 21st December, 1949.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Wednesday, 21st December, 1949

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

QUESTIONS AND ANSWERS

(*See Part I*)

11-45 A.M.

MOTION FOR ADJOURNMENT

EVICTION OF AN INDIAN BANK IN LAHORE BY PAKISTAN GOVERNMENT

Mr. Speaker: I have received a notice of an adjournment motion by an hon. Member of this House for the purpose of discussing a definite matter of urgent public importance, namely:

"The action of the Pakistan Government in evicting an Indian bank in Lahore from its premises without notice and without providing alternative office and residential accommodation."

Obviously, this motion is not admissible at all, as it cannot be brought in this House to discuss the action of the Pakistan Government.

Incidentally, I might inform the House that it has been a regular practice here to read out all adjournment motions to the House and give the Speaker's decision in the House and I have stuck to that practice because it is a wholesome practice working as an automatic check on a capricious or autocratic ruling out of motions and thereby the members also come to know the grounds on which various motions are ruled out. But I may say, as I have once said before, that in cases of motions of this type which are obviously against all rules on adjournment motions, I do not propose henceforward to read them to the House and then give my decision.

Shri R. K. Sidhva (C.P. and Berar: General): May I know who is the hon. Member?

Mr. Speaker: I do not propose to disclose the name. It is therefore that I said in the beginning: "a notice of an adjournment motion from an hon. Member."

PANEL OF CHAIRMEN

Mr. Speaker: I have to inform the House that under sub-rule (1) of Rule 3 of the Rules of Procedure and Conduct of Business, I nominate Pandit Thakur Das Bhargava, Shri S. V. Krishnamoorthy Rao, Shrimati G. Durgabai and Shri T. A. Ramalingam Chettiar on the Panel of Chairmen.

COMMITTEE ON PETITIONS

Mr. Speaker: I have to announce that under sub-rule (1) of Rule 65 of the Rules of Procedure and Conduct of Business, the following Honourable Members will from the Committee on Petitions, namely: Pandit Thakur Das Bhargava, Shri S. V. Krishnamoorthy Rao, Shri R. K. Sidhva, Shrimati Dakshayani Velayudhan and Shri B. Das.

BUSINESS OF THE HOUSE

Mr. Speaker: Before the House proceeds with the Legislative business, I may just clear one misunderstanding. I was told that hon. Members were in doubt yesterday as to whether the House should sit up to six o'clock or not, under the impression that I had not made the position clear. I might now make it clear and say so that there may be no further misunderstanding on their part, that the House will sit up to six o'clock for the conduct of business.

Now the House may proceed with the Legislative business.

Shri H. V. Kamath (C.P. and Berar: General): Sir, in spite of the announcement of the Government Chief Whip yesterday that two Bills would be dropped, they have been given priority in the list of business today.

Mr. Speaker: It is as he stated yesterday, I think. He said that the motion will be made and the further stages will be dropped. This is what he stated. The constitutional position is that if a motion in respect of these Bills is not made, then they will lapse. So it has become necessary to make the motion.

Dr. P. S. Deshmukh (C.P. and Berar: General): May I say a word on the point of procedure. Sir, you have very often announced your intentions, your resolutions or decisions on certain points. May I voice my feeling that these decisions of yours very often involve and encroach upon the privileges of the Members and of this House. Would it not be possible for you to appoint a Committee which will look into these questions before you make up your mind and give a ruling, against which we have no chance of protest or discussion?

Mr. Speaker: I may inform hon. Member that all the decisions which I give are according to the precedents of this House and in cases not governed or in which I do not find a precedent, they follow the usual Parliamentary practice. But if, in any case any hon. Member has to discuss any matter with me, he can see me in my Chamber and discuss the matter with me. I do not propose to allow any argument and it is not possible to appoint a Committee of this House for everything. Thereby the work would be impossible.

ROAD TRANSPORT CORPORATIONS BILL

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): Sir, I beg to move for leave to introduce a Bill to provide for the incorporation and regulation of Road Transport Corporations.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the incorporation and regulation of Road Transport Corporations."

The motion was adopted.

The Honourable Shri K. Santhanam: Sir, I introduce the Bill.

ARMY BILL

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, I beg to move for leave to introduce a Bill to consolidate and amend the law relating to the government of the regular Army.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to consolidate and amend the law relating to the government of the regular Army."

The motion was adopted.

The Honourable Shri Satyanarayan Sinha: Sir, I introduce the Bill.

ESTATE DUTY BILL

Mr. Speaker: Now we shall take the other Bills. I believe the motions will simply be made and no further discussion is going to take place.

The Honourable Dr. John Matthai (Minister of Finance): I move that the Bill to provide for the levy and collection of an estate duty in the Provinces of India, as reported by the Select Committee, be taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill to provide for the levy and collection of an estate duty in the Provinces of India, as reported by the Select Committee, be taken into consideration."

Shri M. Thirumala Rao (Madras: General): Sir, I have got a motion that the consideration of the Bill be postponed to the Budget Session, 1950.

Mr. Speaker: He has to make a motion for postponement. He may make the motion. That will regularize the procedure.

Shri Thirumala Rao: I move:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

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

Mr. Speaker: The question is:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The motion was adopted.

AJMER-MERWARA TENANCY AND LAND RECORDS BILL

The Honourable Shri Jairamdas Doulatram (Minister of Food and Agriculture): I beg to move:

"That the Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and certain other matters in Ajmer-Merwara, as reported by the Select Committee, be taken into consideration."

Mr. Speaker: Motion moved:

"That the Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and certain other matters in Ajmer-Merwara, as reported by the Select Committee, be taken into consideration."

Shri M. Thirumala Rao (Madras: General): Sir, I move:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The Honourable Shri Jairamdas Doulatram: I accept the amendment.

Mr. Speaker: The question is:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The motion was adopted.

RESOLUTION *RE* REVISION OF CONVENTION RELATING TO SEPARATION OF RAILWAY FROM GENERAL FINANCE

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Transport and Railways): Sir, I rise to move the resolution which stands in my name. I move:

"This Assembly, after considering the recommendations of the Committee appointed by it in April 1949 to review the Convention relating to the separation of railway from general finance which was adopted under the Assembly Resolution, dated the 20th September, 1924, and in supersession of that and all other previous resolutions on the subject, resolves:

(1) that railway finance shall continue to remain separated from general finance;

(2) that the general tax-payer shall have the status of the sole share-holder in the railway undertaking;

(3) that on the capital invested out of general revenues in the railway undertaking as computed annually, general revenues shall receive only a fixed annual dividend;

(4) that for a period of five years, commencing from 1950-51, the annual dividend shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines;

(5) that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it any adjustment considered necessary, having regard to the revenue returns of the railway undertaking, the average borrowing rate of Government and any other relevant factors;

(6) that the existing railway reserve shall be renamed the Revenue Reserve Fund and utilised primarily for maintaining the agreed payments to general revenues and for making up any deficit in the working of the railways;

(7) that a Development Fund shall be constituted for financing expenditure for the following purposes:

(a) passenger amenities,

(b) labour welfare, and

(c) railway projects which are necessary, but unremunerative;

(8) that for meeting the cost of replacement and renewal of assets, the Depreciation Reserve Fund shall receive, for the next five years, a minimum contribution of Rs. 15 crores per annum chargeable to the working expenses of the undertaking;

(9) that the railway surplus shall be available for distribution amongst the Revenue Reserve Fund, the Development Fund and the Depreciation Reserve Fund to the extent the last named needs strengthening over and above the minimum annual contribution;

(10) that a Standing Finance Committee for Railways and a Central Advisory Council for Railways shall be constituted in the manner laid down in the motion adopted by this House on 23rd March, 1949;

(11) that the annual estimates of railway expenditure shall be placed before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demands for grants for railways by the Assembly; and

(12) that the Railway Budget shall be presented to the House, if possible, in advance of the general budget and separate days shall be alloted for its discussion and the Minister for Railways shall then make a general statement on railway accounts and working. The expenditure proposed in the Railway Budget, including the appropriation to the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund shall be placed before the House in the form of demands for grants. The form the budget shall take, the details it shall give, and the number of grants into which the total vote shall be divided, shall be drawn up by the Ministry of Railways in consultation with the Standing Finance Committee for Railways.

2. This Resolution shall come into force from 1st April, 1950."

Sir, this Resolution accepts the recommendations of a Committee which the House elected during the last Budget Session and in the Resolution which provided for the election of this Committee, it was directed that the Committee should make recommendations before the 31st of December, 1949. Those recommendations were made by the Committee on the 3rd of December, and Government having considered these recommendations are coming now before the House with this Resolution for the purpose of getting the acceptance of the House to the recommendations embodied in this Resolution.

Now, Sir, it is just over 25 years since the Legislative Assembly of that time first took the decision to separate Railway from General Finance and also adopted certain other recommendations, some of them providing for the manner in which a contribution from Railway Finance to General Finance might be made in addition to the interest charges that were being paid. It also provided for a Standing Finance Committee and a Central Advisory Council and certain other ancillary matters. That Convention, as it has come to be called, was in operation for a number of years. The idea at the time this Resolution was passed was that the Convention should be reviewed periodically for the purpose of seeing how it worked and what changes it needed. Attempts were made to review the Convention from time to time and the last of these attempts was in the year 1942-43 when the war was on. The Resolution adopted in the year 1943 was that, so far as the contribution to General Revenues was concerned, the provisions of the 1924 Resolution should cease to operate. The Resolution directed certain *ad hoc* contributions from that year and, I think, also the following year and provided that for the subsequent years, the contribution should be decided on an *ad hoc* basis according to the circumstances attending both the administration of General Finances and the administration of Railway Finances. It is under that Resolution that the contribution has been determined during the years since 1942-43.

These arrangements have not worked in a very satisfactory fashion. Everybody who has studied this question has felt that a more satisfactory and perhaps a more permanent solution of this problem should be brought about and that was why the House, in spite of the recommendation of the Indian Railway Enquiry Committee, appointed this Committee in April last for the purpose of examining the whole question and making recommendations.

Pandit Hirday Nath Kunzru (U.P.: General): Did my hon. friend say that this Committee was appointed in accordance with the recommendation of the Indian Railway Enquiry Committee?

The Honourable Shri N. Gopalaswami Ayyangar: I said, in spite of. The Indian Railway Enquiry Committee was not averse altogether to an examination of this question. It only wanted postponement of this examination for a period, I think, of about five years. But, as the House will remember, when this point was taken up in the course of the debate appointing this Committee, I myself pointed out in reply that it was unnecessary to postpone consideration of this matter and the House agreed with me and the Committee was appointed. Now, Sir, the Committee's report is unanimous. I should like to take advantage of this occasion to pay a tribute to the work of the Members of this House on the Committee, the amount of attention

12 NOON

that they gave to the whole question and the very satisfactory conclusions, if I may describe them to be so, that they arrived at after the examination that they carried out.

[Shri N. Gopalaswami Ayyangar]

There are a few points which I would like to lay down,—I do not want to take up the time of the House too much—and I think it is necessary for the House to get hold of the principles whose acceptance really swayed the recommendation of the Committee. Railways are essentially a public utility undertaking; but that undertaking has to be run on a commercial basis. The fact that it is a public utility undertaking requires, in the first place, that it should render an essential service in the public interest, and secondly, that it should provide a service of the highest possible quality in regard to safety, amenities and the like, and thirdly, that it should not take advantage of the monopoly it enjoys as regards railway transport for the purpose of exploiting its victim, if I may call him so, namely the consumer of the service and thus attempt to profiteer. The fact that it has to be run on a commercial basis demands, firstly, that it should be run on sound business lines, secondly, that it should pay an economic remuneration to labour and capital: in other words, an adequate wage to the labour employed in the undertaking, both skilled and unskilled, and it should also pay a fair dividend to the shareholder. The State is the sole shareholder of this undertaking. The shares are not on the market, however; they are not hawked about on the exchanges. So, it follows that the dividend should not be less than the rate at which the Government usually borrows. It might be slightly higher than such rate of interest; but it should not be so high as to disable rendering of the service to the public or in a manner constlier than necessary or to necessitate the raising of fares and freights unduly or to starve the building up of reserves which are so necessary for avoiding over-capitalisation in the financing of replacements and renewals, for the improvement of the quality of the service, for the making of provision for increasing amenities and giving more and more facilities to passengers on the one hand and consignor and consignee on the other, and for extending the service to areas which cannot by themselves pay the minimum dividend on the capital invested. These are the fundamental conceptions at the back of the recommendations of the Committee. After paying the dividend, a dividend calculated on the basis of these principles, if a surplus is realised, commercial considerations demand that such a surplus should be ploughed back into the industry either in the shape of immediate expenditure of the kind I have already refererd to, or in the shape of strengthening the reserves which are accumulated for such expenditure in the future. To divert any portion of such a surplus as an extra contribution to general revenues either on the formula of the 1924 Convention or in an *ad hoc* manner for each year as in the 1943 Resolution could not be related to any acceptable principle of sound financing applicable either to railway or to general finance. To do so would introduce a certain amount of uncertainty into both General and Railway finances. It will be unhealthy from the point of view of both. General finance has to count upon something definite which it can get from the working of the railways each year; otherwise any planning that it may undertake is prejudiced by the uncertainty that will prevail. Railway finance has also to be assured that, if the administration of the railways does bring into existence a surplus, it can have full control over that surplus for the purpose of overtaking heavy arrears of maintenance and improvements. Also it will be enabled to find money for expansion in various directions. It will find the funds ready to hand for the purpose of effecting improvements, for the purpose even of maintenance of proper standards both in operation and amenities. If General finance should come to lean upon transport in the shape of railways for meeting deficits and for avoiding other taxation, it is a development which will certainly not be healthy. Any levy or tax particularly on State or public-owned transport for financing general expenditure is bad in itself and difficult to justify. Perhaps hon. Members will remember—such of them as have had occasion to look through the debates of 1924—that the spokesmen on behalf of the Government in those days made a great point of the fact that a tax on transport is a bad tax, and while the spokesmen of Government in those days would have been content with a smaller contribution to general revenues from railways, those who spoke for the public in the House in those days wanted a larger contribution. The reason for this was natural, if we remember the circumstances of the time. Those were days when a considerable number of the railways were administered by companies whose headquarters were in England and the popular leaders always thought that, if more money was left in the hands of the railways, it would be money which the foreign investors will annex, and it will not be money which will be available for expenditure in the interests of the user of railways in the country. A compromise was reached and the 1924 Resolution was the result. Now, I refer to that particular aspect of the debate in 1924 only to draw attention to the fact that the Committee which has just now reported to the House realised that, if we were going to treat the general tax-payer as the sole shareholder of this public utility-*cum*-commercial undertaking, then the shareholder should not be entitled to anything more than his dividend and, once that dividend is paid, all surplus which accurues must be surplus which should be ploughed back into the undertaking either at once or through accumulated reserves in the future. Now, the House might ask me, 'Well, supposing general finance was in a bad way and they wanted that some addition should be made to general revenues from sources other than the usual ones and having examined all possible sources for such funds, they came to the conclusion that some contribution from those who use the railways might well be taken for the purpose of strengthening general finances in a particular year or in a series of years'. Assuming that that is the conclusion reached by the Government and the Assembly, the proper way to levy that contribution would not be to come and ask the railway undertaking to pass over some of its surplus after payment of dividend, to the general tax-payer, but the method should rather be to explore the possibilities of imposing a tax on fares and freights for general purposes. Hon. Members will remember that both in the Government of India Act of 1935 and in the new Constitution which will come into force on the 26th January next, there are provisions which enable the hon. Finance Minister to tap these sources in a more direct way. Under Article 269 of the new Constitution, a tax on railway fares and freights could be imposed by the Centre but the proceeds of that tax have got to be distributed to the different States. But there is another provision in Article 271 which enables the Centre to add a surcharge to such a tax for Union purposes only. So if the hon. Finance Minister wants to raise some money out of those who use the railways, that. I suggest, would be the proper way to get that contribution and it should not be the practice hereafter to look to the surpluses realized on this commercial undertaking for the purpose of adding to the dividend which is assured to the general tax-payer.

There is another point which hon. Members might perhaps ask in this connection. Let us take the years in which the war was on. Surpluses of huge dimensions were realized on the Railways in those years. When such windfalls are realized on the Railways and it could be contended that those windfalls were due to the large expenditure that out of general revenues was being incurred on account of the war, is it right that the general tax-payer should be denied a share of these windfalls? Now, Sir, I agree that in those years General finances did stand in need of assistance but, if that assistance was to be taken from the overflowing surpluses of the Railway undertaking in those days, I suggest for the consideration of the hon. Finance Minister, if such a situation should arise in the future, that the share that is taken out of railway surpluses should not be taken as a free gift from the Railways but should be taken in reduction of the capital at charge of the Railways. If we paid, as we did during those

[Shri N. Gopalaswami Ayyangar]

years, 30 or 35 crores every year to general revenues, that went into the General Exchequer and enabled the hon. Finance Minister of those days to avoid borrowing to that extent and it is only right that, in view of the fact that we have to pay interest on the amount which has been placed at the disposal of the Railways, we should be given the liberty to pay back some of the debt whenever we are in a financial position to do so.

It is also not quite accurate to say that those windfalls were the result of large expenditure from general revenues. No doubt the general revenues expenditure did contribute to the realization of those surpluses. But the surpluses were realised at more than ordinary cost to Railways because the operation of the Railways in the congested conditions of those days did produce an amount of deterioration in lines, rolling stock and other things which required to be put right soon after or almost immediately after the war by more than ordinary expenditure on these different items. Perhaps hon. Members will realize that between the years 1940/41 and 1945/46 no less than 154 crores were paid to the General Revenues from Railway surpluses!

Now, Sir, I refer to these aspects because I want the House to realize that by saying that the general revenues should get only a 4 per cent. dividend on the capital at charge, the Committee has made no recommendation which can be attacked on grounds of principle or reasonableness.

I turn to another point and that is this. I feel there is some indication of it in one or two of the amendments of which notice has been received, *i.e.*, it has been contended that perhaps it would be the right thing to do to subject the net income from Railways to income-tax. I wish to draw the particular attention of hon. Members to the fact that, under the law, the income from Railways is not liable to income-tax—has not been liable so far—and if I can say it, subject to correction, I do not think that under the new Constitution income from Railways could be subjected to Union Income-tax. So long as Railways are not a Corporation, apart from Government, and are owned and run by Government themselves, I do not think the income from Railways will be subject to income-tax. But even assuming that such income was assessable to income-tax, only the surplus could be taxed. On this basis between 1924/25 and 1949/50, *i.e.*, for 26 years, the tax including surcharges, super-taxes, Excess Profits Tax and all the other taxes—I believe there was a surcharge on Super-tax also for some years—including all these, the total tax which could have been levied on Railway surpluses during that period has been calculated to be 193 crores. The actual payment from Railways to General Revenues during that period was 222 crores—about 30 crores more than what income-tax would have brought to General revenues.

Shri Jaspat Roy Kapoor (U.P.: General): What would it come to if 4 per cent. dividend were added to it?

The Honourable Shri N. Gopalaswami Ayyangar: I can give you some figures about that but I do not know if it will help us in this debate. During those 26 years, the dividend at 4 per cent. has been calculated to be 745·72 crores. I find that the contribution actually made, as I have already told the House, was 222 crores and the interest calculated at the rates which were in vogue then would have amounted to 737·78 crores making a total of 959·78 crores. Now, I do not know if one need base any conclusion on those figures. Of course we have got to remember that the net income has to be arrived at after making reasonable provision for necessary reserves. If that had been done the income-tax estimate would have been much lower. Then, the provision for depreciation

made is also lower, I believe, than the depreciation allowable under the Income-tax Act in the case of industries. In the first place Income-tax is not leviable. In the second place, if it is levied in the proper way, I rather think that perhaps the amount that would accrue to General Revenues, after you make proper deductions for reserves and for adequate depreciation, will probably be smaller than what actually would be payable under the 4 per cent. dividend rule.

Prof. Shibban Lal Saksena (U.P.: General): At what percentage have you charged so far for the Depreciation Fund?

The Honourable Shri N. Gopalaswami Ayyangar: I will probably say something about it in the course of my remarks, or perhaps later on. It is one-sixtieth, and if it is corrected with reference to the estimated lives of the assets properly and so on, it would come to about one-fiftyfifth. One-sixtieth really amounts to Rs. 11½ crores now. If it became one-fiftyfifth, we probably will have to add another crore. That is the position.

Shri B. P. Jhunjhunwala (Bihar: General): What is the rate at which it should be allowed according to the Income-tax practice?

The Honourable Shri N. Gopalaswami Ayyangar: I am not very familiar with Income-tax deductions.

Mr. Speaker: There are different rates for different items. They are not identical.

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid it will be a rather complicated calculation. But I am almost certain that the deduction for depreciation will have to be much more than what we are actually paying to the Depreciation Fund today.

There is also one other aspect which I should like the House to take notice of, and that is that the history of our capital at charge is also one which would well repay examination from the stand-point of the Railways. But the Committee and I did not think that it was necessary to burrow into that particular aspect of railway finance, because we thought that past practice in this respect should be respected as far as possible and the 4 per cent. dividend should be leviable on what is today shown as capital at charge in the railway accounts. There are, for instance, cases where capital has been added to in respect of increased expenditure on account of price inflation, in regard to expenditure on minor works, in regard to premia paid on the purchase of railways from companies and so on. And if we made allowance for all these, we probably would have a smaller capital at charge than we have today.

The other thing I should like to draw the attention of the House to is this. The House will remember that a few minutes ago I said that the better way of dealing with the large contributions that Railways made to General Revenues in the war years would be to have taken those contributions in reduction of the debt which Railways owe to General Revenues. If that had been done, out of Rs. 154 crores, even if we had deducted the usual contribution to General Revenues for those years, the remainder would have reduced our capital at charge by about a hundred crores of rupees.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairman).*]

I am not saying these things for the purpose of asking my honourable colleague to agree to a reduction of the capital at charge. I do not propose to ask him to do that, but what I wish to say is that the proposals of the Committee are proposals which err on the side of a liberal attitude towards General Revenues, and they could not be attacked on the ground that the dividend proposed for

[Shri N. Gopalaswami Ayyangar]

payment to General Revenues is something which is not worth looking at, as some hon. Members of the House seem to think, from the trend of the amendments of which they have given notice.

I do not think I will take up more time of the House. I would only refer to some of the parts of this Resolution. I have said enough about the dividend. Now, it is necessary that whatever we decide as being the rate of dividend to be paid at once, it should not be in force for a longer period than would be justified in the present circumstances. In the first place, things have got to settle down as regards the experditure on operation, maintenance, improvement etc. of the Railways themselves. In the second place, the Government have to watch the money market and watch how the rate of interest on their borrowing will express itself in the next few years. When conditions both on the Railways and in respect of General Finances reach a more stable level than they are in today, there should be provision for a review and a revision of the rate of dividend. That is provided for in parts (4) and (5) of this Resolution. The House will appoint a Committee, perhaps in the fifth year of the Convention, in order to examine the matter and report as to what changes might be necessary.

We propose to continue what is now called the Railway Reserve. We propose to call it the Revenue Reserve Fund. It will be utilised primarily for the purposes mentioned even in the 1924 Resolution, namely, maintaining agreed payments to the General Revenues and also financing any deficit in the working of the Railways. With regard to other Funds, the Committee has taken the view that it is inadvisable to multiply the number of earmarked funds. So they have provided that, in addition to the Depreciation Fund which will be called the Replacements and Renewals Fund in the future, and the Revenue Reserve Fund, there should be only one other fund, namely, the Development Fund. As hon. Members know, there is what is called a Betterment Fund now. And the amount accumulated in that Fund is intended for expenditure on the provision of increased passenger amenities. There is an amount of about Rs. 13·5 crores which will be the balance of that Fund at the end of the current year. There are other demands for expenditure. One is the large problem of labour welfare of various descriptions. This has not in the past been attended to with the same interest that it should have been. It has been considered necessary that special attention should be paid to it and a portion of these accumulated funds should be spent from year to year on labour welfare.

Then there are cases where railway projects are very necessary from the general economic, agricultural and industrial points of view. But more and more it is coming to be realised that, at the present prices of materials, the present wages and so on, it is not always possible to produce a scheme which would satisfy the minimum-return test. But the lines are very necessary from a general economic point of view. The Committee has taken the view that in such cases, whatever is required for the purpose of making a project remunerative from this minimum-return point of view, if it is necessary to finance part of it, or even the whole of it in some cases, out of revenue—that is to say out of funds which are not borrowed—that should be taken out of this Development Fund and the project should be proceeded with.

In the case of replacements and renewals of assets which are ordinarily financed from the Depreciation Fund, the practice has been that a portion of the cost including that due to inflationary factors, and the cost of any improvement in the value of the asset, should be charged to capital and not to the Depreciation Fund. We propose to alter that. The whole of the cost

of replacement and renewal should be met hereafter out of the Replacements and Renewals Fund.

After making the contributions to the Depreciation Fund, and after paying the dividend, whatever surplus may be available should be distributed among the Revenue Reserve Fund and the Development Fund, in the first instance, and if there is any amount which could be spared it should be added to the Replacements and Renewals Fund for the purpose of strengthening it because it is badly in need of such strengthening on account of the arrears of replacements and renewals which we have still to overtake. In this connection, I should like to refer to a recommendation which was made by the Indian Railway Enquiry Committee. They suggested that for the next five years there should be a contribution to the Depreciation Fund at the rate of Rs. 22 crores per annum. What we have done on that recommendation is this, that we have gone a little further than what they have recommended. We have suggested that the ordinary annual contribution should be Rs. 15 crores, but we will have a balance at the end of the current year of something like Rs. 74 crores, and with the help both of the balance and the increased contributions we shall make during the next five years, we shall be in a position to spend out of this Fund at the rate of Rs. 25 crores a year and yet at the end of the five year period leave a balance of Rs. 25 crores in the Fund.

Pandit Hirday Nath Kunzru: May I ask my honourable friend whether the Indian Railway Enquiry Committee has said anywhere in its report that after a contribution of Rs. 22 crores to the Depreciation Reserve Fund had been made, the balance in the Depreciation Reserve Fund should not be drawn upon to meet such additional amount as might be necessary for the purpose of meeting the depreciation charges? Let me explain. My honourable friend has stated that the action taken by Government will yield a better result than what would be achieved under the recommendation of the Railway Enquiry Committee.

The Honourable Shri N. Gopalaswami Ayyangar: I see the hon. Member's point. Perhaps I was not very accurate in what I said. The Indian Railway Enquiry Committee recommended that a contribution of Rs. 22 crores annually should be made to this Fund. I do not accuse them of having been ignorant of the fact that there was a balance of Rs. 74 crores in that Fund. They have certainly not said, in so many words, that that balance should not be drawn upon. What I was suggesting was that in place of the Rs. 22 crores, we contemplate an expenditure of about Rs. 25 crores per annum on this account. The Committee referred to a contribution and I am referring to probable expenditure on this, and that is about three crores more than what they suggested should be the annual contribution. It is quite possible that they had at the back of their minds that the balance could be drawn upon to a larger extent than three crores per annum which would be what our suggestion would amount to. That is a small piece of arithmetic we need not quarrel about.

The remaining clauses of this Resolution, Sir, practically repeat what is contained in the Resolution of 1924 and I don't wish to say anything more now. I would ask the House to accept the Resolution which is the result of very careful examination by a Committee which has unanimously recommended it.

Mr. Chairman: Resolution moved:

"This Assembly, after considering the recommendations of the Committee appointed by it in April 1949 to review the Convention relating to the separation of railway from general finance which was adopted under the Assembly Resolution, dated the 20th September, 1924, and in supersession of that and all other previous resolutions on the subject, resolves :

[Mr. Chairman]

(1) that railway finance shall continue to remain separated from general finance;

(2) that the general tax-payer shall have the status of the sole share-holder in the railway undertaking;

(3) that on the capital invested out of general revenues in the railway undertaking as computed annually, general revenues shall receive only a fixed annual dividend;

(4) that for a period of five years, commencing from 1950-51, the annual dividend, shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines;

(5) that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it any adjustment considered necessary, having regard to the revenue returns of the railway undertaking, the average borrowing rate of government and any other relevant factors;

(6) that the existing railway reserve shall be renamed the Revenue Reserve Fund and utilised primarily for maintaining the agreed payments to general revenues and for making up any deficit in the working of the railways;

(7) that a Development Fund shall be constituted for financing expenditure for the following purposes:

(a) passenger amenities,

(b) labour welfare, and

(c) railway projects which are necessary, but unremunerative;

(8) that for meeting the cost of replacement and renewal of assets, the Depreciation Reserve Fund shall receive, for the next five years, a minimum contribution of Rs. 15 crores per annum chargeable to the working expenses of the undertaking;

(9) that the railway surplus shall be available for distribution amongst the Revenue Reserve Fund, the Development Fund and the Depreciation Reserve Fund to the extent the last named needs strengthening over and above the minimum annual contribution;

(10) that a Standing Finance Committee for Railways and a Central Advisory Council for Railways shall be constituted in the manner laid down in the motion adopted by this House on 23rd March, 1949;

(11) that the annual estimates of railway expenditure shall be placed before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demands for grants for railways by the Assembly; and

(12) that the Railway Budget shall be presented to the House, if possible, in advance of the general budget and separate days shall be allotted for its discussion and the Minister for Railways shall then make a general statement on railway accounts and working. The expenditure proposed in the Railway Budget, including the appropriation to the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund shall be placed before the House in the form of demands for grants. The form the budget shall take, the details it shall give, and the number of grants into which the total vote shall be divided, shall be drawn us by the Ministry of Railways in consultation with the Standing Finance Committee for Railways.

2. This Resolution shall come into force from 1st April, 1950."

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): I may suggest that all the amendments may be moved first and then the discussion to follow may be on the amendments and the Resolution.

Mr. Chairman: But Mr. Subramaniam's amendment is for substitution of the entire Resolution.

The Honourable Shri K. Santhanam: Even that may be discussed along with the others. Only when finally putting it to vote, you may put that amendment first.

Mr. Chairman: Then all the amendments may be moved without speeches, and honourable members may speak after all the amendments are moved.

Shri C. Subramaniam (Madras: General): Sir, I beg to move:

"That for the original Resolution the following be substituted:

'This Assembly after considering the recommendations of the Committee appointed by it in April 1949 to review *inter alia*, the convention relating to the separation of railway from general finance, resolves:

(i) that the existing method of allocation of railway surplus be continued during the year 1950-51; and

(ii) that the Committee be asked to re-examine the position in the light of the existing circumstances associating itself such experts as it may consider desirable and necessary and submit its report before 30th September, 1950'."

"That in the first paragraph,—

(i) part (2) be omitted; and

(ii) for part (4) the following be substituted:

'(4) That for a period of three years commencing from 1950-51 the annual dividend shall be a sum calculated at the rate of 5 per cent. on the capital invested including the capital invested on strategic lines'."

"That in the first paragraph,—

(i) for part (2) the following be substituted:

'(2) That the railway administration be treated as a corporation for the purpose of the assessment of corporation tax and its surplus revenues after taking into account interest charges and a reasonable appropriation for its depreciation fund be taxed as such'; and

(ii) parts (3), (4), (5) and (8) be omitted and the subsequent parts be renumbered accordingly."

Shri Nandkishore Das (Orissa: General): Sir, I beg to move:

"That after part (2) of the first paragraph the following new part be inserted:

'(2A) that it shall be the endeavour of the State to utilise the Railways and its resources in encouraging agriculture, industries, training of technicians and technologists in all its workshops arranged on a regional basis, as also starting or encouraging industries complementary to State Railway activities keeping in view the ultimate elimination of its dependence on foreign purchase of its requirements'."

Shri Jaspat Roy Kapoor: Sir, I beg to move:

"That in part (4) of the first paragraph after the word 'dividend' where it occurs for the first time the following be inserted:

'and an amount equal to income tax which would have been leviable if the railway were a commercial undertaking run by a public limited company'."

"That in part (7) of the first paragraph after the words 'following purposes' a comma and the following be inserted:

'a specific sum being allotted every year for each purpose and separate accounts being maintained for the accumulated amount available for each purpose and the expenditure made therefor'."

"That in item (c) of part (7) of the first paragraph after the word 'unremunerative' the words 'at the time of constructions and ten years thereafter' be added."

"That in part (9) of the first paragraph after the word 'distribution' the following be inserted:

'in such proportion as may be fixed with the approval of the Standing Finance Committee for Railways'."

[Shri Jaspat Roy Kapoor]

"That in part (10) of the first paragraph after the figures and words '23rd March 1949' the following be inserted :

'with the addition of three more members to the Standing Finance Committee for Railways'."

"That in part (11) of the first paragraph after the words 'on some date', the words 'so far as possible a fortnight' be inserted."

Shri Nandkishore Das: Sir, I may also be permitted to move all the amendments that stand in my name.

Mr. Chairman: Yes.

Shri Nandkishore Das: Sir, I beg to move:

"That in part (4) of the first paragraph for the figure and words '4 per cent' the figure and words "6 per cent' be substituted."

"That in part (4) of the first paragarph the following be omitted :

'provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines'."

"That after item (c) of part (7) of the first paragraph the following new item be added :

'(d) reduction in fares'."

"That in part (12) of the first paragraph the words 'if possible' be omitted."

"That in part (12) of the first paragraph after the words 'separate days' the words 'not being less than five days' be inserted."

"That in part (12) of the first paragraph the following be added at the end :

'as also the Standing Finance Committee'."

Prof. Shibban Lal Saksena: Sir, I beg to move:

"That in part (4) of the first paragraph for the figure and words '4 per cent' the figure and words '3 per cent' be substituted."

"That for part (7) of the first paragraph the following new parts be substituted and the subsequent parts be re-numbered accordingly :

'(7) that the Betterment Fund shall be continued, and shall be expended solely for providing passenger amenities;

(8) that there shall be a Labour Welfare Fund and it shall be expended for labour Welfare purposes only;

(9) that there shall be a Railway Extension and Development Fund, out of which new projects shall be financed;' "

"That for part (9) of the first paragraph the following be substituted :

'(9) that the Railway Surplus shall be distributed in the following proportions :

(1) 20 per cent. to the Revenue Reserve Fund, until the Reserve Fund is equal to 20 per cent. of the capital invested, when further contribution to it shall cease except upto the amount necessary to keep it at that level,

(2) 20 per cent. to the Betterment Fund,

(3) 10 per cent. to the Labour Welfare Fund, and

(4) 20 per cent. to the Depreciation Fund until the Fund is equal to 20 per cent of the total cost of the Rolling Stock'."

Sjt. Kuladhar Chaliha (Assam: General): Sir, I beg to move:

"That in part (4) of the first paragraph the following be added at the end :

'For the first ten years after the opening of the lines after which their profit and loss will be carried to the general pool'."

Shri O. V. Alagesan (Madras: General): Sir, I beg to move:

"That in part (7) of the first paragraph item (a) be omitted, and the existing items (b) and (c) be re-lettered as items (a) and (b) respectively."

"That after part (7) of the first paragraph the following new part be inserted :

'(7A) That the existing Betterment Fund be continued and expended solely for providing passenger amenities and such sums be added to this fund from year to year for the above purpose;' "

"That in part (9) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

"That in part (12) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

Shri Sita Ram S. Jajoo (Madhya Bharat): Sir, I beg to move:

"That after item (a) of part (7) of the first paragraph the following be inserted :

'provided that priority shall be given to areas where insufficient attention has been so far paid as regards the provisions of passenger amenities in order to bring them on level with other areas'."

Mr. Chairman: Amendments moved:

"That for the original Resolution the following be substituted :

'This Assembly after considering the recommendations of the Committee appointed by it in April 1949 to review *inter alia*, the convention relating to the separation of railway from general finance, resolves :

(i) that the existing method of allocation of railway surplus be continued during the year 1950-51; and

(ii) that the Committee be asked to re-examine the position in the light of the existing circumstances associating itself such experts as it may consider desirable and necessary and submit its report before 30th September, 1950.' "

"That in the first paragraph,—

(i) part (2) be omitted; and

(iii) for part (4) the following be substituted :

'(4) That for a period of three years commencing from 1950-51 the annual dividend shall be a sum calculated at the rate of 5 per cent. on the capital invested including the capital invested on strategic lines'."

"That in the first paragraph,—

(i) for part (2) the following be substituted :

'(2) That the railway administration be treated as a corporation for the purpose of the assessment of corporation tax and its surplus revenues after taking into account interest charges and a reasonable appropriation for its depreciation fund be taxed as such'; and

(ii) parts (3), (4), (5) and (8) be omitted and the subsequent parts be re-numbered accordingly."

"That after part (2) of the first paragraph the following new part be inserted :

'(2A) that it shall be the endeavour of the State to utilise the Railways and its resources in encouraging agriculture, industries, training of technicians and technologists in all its workshops arranged on a regional basis, as also starting or encouraging industries complementary to State Railway activities keeping in view the ultimate elimination of its dependence on foreign purchase of its requirements'."

"That in part (4) of the first paragraph after the word 'dividend' where it occurs for the first time the following be inserted :

'and an amount equal to income tax which would have been leviable if the railway were a commercial undertaking run by a public limited company'."

[Mr. Chairman]

"That in part (4) of the first paragraph for the figure and words '4 per cent.' the figure and words '6 per cent.' be substituted."

"That in part (4) of the first paragraph the following be omitted :

'provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines'."

"That in part (4) of the first paragraph for the figure and words '4 per cent' the figure and words '3 per cent' be substituted."

"That in part (4) of the first paragraph the following be added at the end :

'For the first ten years after the opening of the lines after which their profit and loss will be carried to the general pool'."

"That for part (7) of the first paragraph the following new parts be substituted and the subsequent parts be re-numbered accordingly :

'(7) that the Betterment Fund shall be continued, and shall be expended solely for providing passenger amenities;

(8) that there shall be a Labour Welfare Fund and it shall be expended for labour Welfare purposes only;

(9) that there shall be a Railway Extension and Development Fund, out of which new projects shall be financed;' "

"That in part (7) of the first paragraph after the words 'following purposes' a comma and the following be inserted :

'a specific sum being allotted every year for each purpose and separate accounts being maintained for the accumulated amount available for each purpose and the expenditure made therefor'."

"That in part (7) of the first paragraph item (a) be omitted, and the existing items (b) and (c) be re-lettered as items (a) and (b) respectively."

"That after item (a) of part (7) of the first paragraph the following be inserted :

'provided that priority shall be given to areas where insufficient attention has been so far paid as regards the provisions of passenger amenities in order to bring them on level with areas'."

"That in item (c) of part (7) of the first paragraph after the word 'unremunerative' the words 'at the time of construction and ten years thereafter' be added."

"That after item (c) of part (7) of the first paragraph the following new item be added :

'(d) reduction in fares'."

"That after part (7) of the first paragraph the following new part be inserted :

'(7A) That the existing Betterment Fund be continued and expended solely for providing passenger amenities and such sums be added to this fund from year to year for the above purpose;' "

"That for part (9) of the first paragraph the following be substituted :

'(9) that the Railway Surplus shall be distributed in the following proportions :

(1) 20 per cent. to the Revenue Reserve Fund, until the Reserve Fund is equal to 20 per cent. of the capital invested, when further contribution to it shall cease except upto the amount necessary to keep it at that level,

(2) 20 per cent. to the Betterment Fund,

(3) 10 per cent. to the Labour Welfare Fund, and

(4) 20 per cent. to the Depreciation Fund until the Fund is equal to 20 per cent of the total cost of the Rolling Stock'."

"That in part (9) of the first paragraph after the word 'distribution' the following be inserted :

'in such proportion as may be fixed with the approval of the Standing Finance Committee for Railways'."

"That in part (9) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

"That in part (10) of the first paragraph after the figures and words '23rd March 1949' the following be inserted :

'with the addition of three more members to the Standing Finance Committee for Railways'."

"That in part (11) of the first paragraph after the words 'on some date', the words 'so far as possible a fortnight' be inserted."

"That in part (12) of the first paragraph the words 'if possible' be omitted."

"That in part (12) of the first paragraph after the words 'separate days' the words 'not being less than five days' be inserted."

"That in part (12) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

"That in part (12) of the first paragraph the following be added at the end :

'as also the Standing Finance Committee'."

Shri R. K. Sidhva (C. P. and Berar: General): What is the time allowed for hon. Members' speeches?

Mr. Chairman: I leave it to the Members themselves; but I would request them to be as brief as possible.

Shri C. Subramaniam: Sir, in moving my amendment I am aware that the scales are too heavily weighted against me, in view of the fact that hon. ...thai, the Finance Minister, who is the guardian of the general revenues of the country, was associated with this Committee and he has also appended his signature to the report. But in my view he was acting under a disadvantage. Previous to the present Minister for Railways he was the Minister in charge of the Railways. I do not know whether he was able to release himself from all the old prejudices and attachments in favour of the Railways. It is for the House to judge.

In moving this amendment it is my intention, Sir, to place before the House the other side of the picture—whether this convention, this resolution, if it is adopted will be in the general interest of the country at this juncture. Before I make my points on my amendment I wish to mention one or two facts over which, in my view, there cannot be any disagreement.

The Railways are now considered to be the sole property of the general tax payer and the general tax payer is considered to be the sole share-holder. So, whatever profits accrue from the working of the railways belong to the general tax payer. The same is the case with regard to the general revenues. It is his property and it has to be utilised for his benefit. Therefore, if we take something from the railway finance and utilise it for the purpose for which general revenues are used, it is not as if we are defrauding the general tax-payer in any sense. What is his property in one department is taken and utilised for his own benefit in another department—that is all. Therefore if we view this problem of railway finance and general finance in its proper perspective, there is no question of conflict between one section of the community and another section of the community. In both the person involved is the general tax-payer. From that angle, Sir, I wish to approach this problem and place before the House the disadvantages of adopting this resolution at the present juncture. In my view, Sir, the time is not propitious to undertake the complete separation of Railway Finance from the general finance. We are passing through a general financial crisis: that is admitted. That

[Shri C. Subramaniam]

being so, there should be co-ordinated action among all the departments of Government. After all Railways also are part of the Government. It is an undertaking by the Government. Whatever policy is adopted by the Railway Department is likely to have its repercussion on the general problem of the country.

Mr. Chairman: The hon. Member may continue his speech after lunch. The House stands adjourned till Half Past Two of the Clock.

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: Before hon. Members start the debate over this Resolution, I might just invite the attention to the time-limit rule. This is an ordinary Resolution and 15 minutes time is the time-limit.

Shri C. Subramaniam: Sir, in view of the fact that mine is a comprehensive amendment, I would like to have a little more time.

Mr. Speaker: Unfortunately, I should not be induced to give more time, particularly in view of the fact that we want also to close the session in time.

Shri C. Subramaniam: Mr. Speaker, Sir, when we rose for lunch, I was mentioning that we are passing through a period of financial crisis and that co-ordinated action between the various Departments and the Government is absolutely necessary. The object of the convention as formulated by this Resolution, Sir, has been given by a review submitted by Mr. A. K. Chanda, the Financial Commissioner for Railways. In paragraph 13 this is what he says:

"A convention such as suggested will release the railways from the detailed control now exercised in the matter of allocation of expenditure, basis of contribution to the Depreciation Fund, the financing of un-remunerative developmental projects and other ancillary adjustments. The railway undertaking will thus be able to pursue a progressive policy because it will have a policy of its own and build up adequate resources etc."

Therefore, Sir, if we pass this Resolution, the detailed control which we are now having will be released and will it be in the best interests of the nation that that control should be released at this stage? Sir, in view of this crisis, I have suggested that at the present juncture, it should be postponed. After all, it might be that the Railways might require contributions from the general revenues or the general revenues might require contribution from the railway surplus funds. I am not on that point, but during this period, it is necessary that the allocation of revenues should be made according to the needs of each, according to the needs of the railway revenues and according to the needs of the general revenue. After all, there are ever so many development projects, which we have cut down, because we want to economize. Why should the Railway alone be given a free hand to pursue its own policy? There are very many important projects which we have given up, because we now feel that we should cut our coat according to the cloth. Sir, the passing of this Resolution, in my view, will release the entire control which we are having on the programme of the Railways. That is my first point.

Shri R. K. Sidhva: Will not the Budget come before you?

Shri C. Subramaniam: Yes, Sir. I know it will come before the Assembly. Even if you cut down the Budget, even if you say that those amounts should not be spent, if you pass this Resolution you cannot say that any amount should be handed over to general revenue account and by this Resolution we are committed to take only 4 per cent. and nothing more. Whatever funds may be available in the railway finance, even if you cut down the programmes, you won't be able to get the sums which might be lying idle in the Railway Department.

The second objection, Sir, for passing this Resolution at this juncture is the matter which is dealt with in paragraph 11 of the Report.

"In view of the conclusions reached and the impending integration of the States Units with the Indian Railways without any payment to the Block account will not in future represent the loan liability of the railways. Accordingly, we suggest that two separate accounts, a block account and a loan account should be maintained hereafter."

We are taking over the States Railways and they are going to be amalgamated with the Indian Railways, and Sir, we are taking over railways whose assets are valued at about Rs. 50 crores. Out of this about 2·20 crores are in the way of cash which is to be utilised for laying railways in the Madhyabharat region. Therefore, when we are taking over this 50 crores worth of assets, the General Revenues also will be incurring a responsibility because of the provisions we have made in the Constitution Act. I am referring to article 278 in the Constitution Act, sub-clause (1) clause (b):

"That grant of any financial assistance by the Government of India to such State in consequence of the loss of any revenue which that State used to derive from any tax or duty leviable under this Constitution by the Government of India or from any other sources."

The State were receiving to the tune of Rs. 3·85 crores from the Railways, all the States put together, and we are taking the entire railways. In order to compensate that, we will have to enter into agreement as laid down in article 278, in order to compensate them. What is going to be this agreement and how much the general revenues will be asked to contribute towards that fund is not at all clear at this stage. It would be known only when that agreement is concluded. Therefore, it is not possible now to say how far the general revenues would be affected, because the States Railways are being taken over and the receipts from these Railways would be taken over by the Indian Railways but from the general revenues we might have to compensate the States for the loss of this revenue. That picture is not quite complete.

One other factor, I would like to mention in this connection. It is said that when we say that a four per cent. dividend should be paid, we will get 28 crores; by way of interest charges the railways were paying 22 crores. There is an extra amount of six crores or six and odd crores of rupees. Out of this amount, we should also take into account the extra receipts which the State railways, would be getting, that is 3·85 crores. So, over and above the interest charges which the railways were paying to the Government of India, they would pay only three crores more. It is only three crores which is now proposed to be paid under this resolution to the general revenues. Therefore, till we get a clear picture of our commitments with regard to the taking over of the State Railways, it is necessary that we should postpone consideration of this resolution and take it up a year later or even if it is necessary, two years later.

I wish to say a few points regarding the necessity for contribution to the General Revenues from the Railway finances. Sir, it was the Acworth Committee in 1920-21 that first recommended that there should be a fixed contribution to the General Revenues from the Railway finances. The Legislative Assembly in 1924 adopted the Convention that there should be a contribution of one per cent. and the remaining surplus should be shared by the Railways and the General Revenues in a certain proportion. In spite of the fact that a fixed contribution of one per cent. was laid down, it was further

[Shri C. Subramaniam]

provided that there should be a sharing of the surplus left over, after making provision for all the funds. In this connection, whether it is necessary that the railways should contribute to the general revenues, I would like to point out to the House the view of Sir Jeremy Raisman, who was then the Finance Member here, in the Convention Committee meeting, in 1943. This is what he has stated:

"The Honourable the Finance Member explained the origin of the decision for a fixed contribution of 1 per cent. and his reasons for agreeing to abandon it. Sir Basil Blackett was in favour of a fixed contribution from railways so as to eliminate from the general budget the disturbing effect of fluctuations in the railway budget. Sir Jeremy Raisman considered Sir Basil Blackett's ideal to be illusory. There were three possibilities, (a) the railways might do well and at the same time the general revenues might fare well; this was a normal experience: (b) railways might have bad times when general revenues too were in a bad way; this was also a normal experience; and (c) the railways might do badly while general revenues were doing well; this possibility was remote. In addition there was the war-time possibility of railways doing well when the general revenues were badly off. No permanent arrangement could cater for war. Disregarding the latter, the position was that when railways could afford to make a large contribution the necessity of general revenues was not great, and when the general revenues badly needed assistance, railways could not afford it. It was therefore necessary that general revenues should share with the railways both their good fortune and their misfortune. One cannot ask for a fixed contribution both in fair weather and foul. If railways have not got any money, it is unreasonable to ask them to pay by withdrawing from the depreciation fund accumulations made for renewal of assets. Sir Basil Blackett's ideal of making general revenues independent of the fortunes of the railways was, therefore, impossible of achievement and he (Sir Jeremy) had therefore agreed to abandon the idea of a fixed contribution and to take a share of the surplus when there was one. During war particularly when the allocation of the surplus was made on a consideration of the respective needs of the railways and general revenues, there was no point in retaining the one per cent. contribution as a specific item in the division."

Therefore, it cannot be said that a fixed contribution has a cast iron case and allocated according to the needs of each, general revenues and railway finances. Have we crossed the woods to say that was no longer need the assistance of the one to the other and that it is better now to keep them on an independent footing, the railways paying only a fixed contribution to the general revenues? In this connection, I would like to read a passage from the report of the Indian Railway Enquiry Committee also. This is what they say:

"The railways are a national asset. Just as a shareholder in a company expects larger dividends in more prosperous years, the tax payer expects contributions in surplus years from the railways to the general finances."

Therefore, it cannot be said that a fixed contribution has a cast iron case and it should be accepted here and now. Nor is it such a bad thing that it should be abandoned. What I say is this: let us wait and see what the exact position is later on, so that we can adjust.

There is another thing. After all, the entire financial position of the country is going to be reviewed by a Finance Commission which is going to be appointed under the provisions of our New Constitution: I am referring to article 280. When it goes into the entire financial position of the country, it may have a larger perspective and a full picture of the resources of the country. That Commission may be able to make a better suggestion and a more reasonable suggestion as to how the sharing of the surplus should be made as between the railway finances and the general revenues.

Shri B. Das (Orissa: General): They will have no such power.

Shri C. Subramaniam: They have. I have looked into the article and it says that the President may refer any other matter. If necessary, the hon. Member may look into the provisions.

Shri B. Das: That is stretching too far.

Mr. Speaker: Let him proceed.

Shri C. Subramaniam: With regard to the calculation of the capital at charge also, my hon. friend the Minister for Railways said that it would be more profitable for the railways if a scrutiny is made. I am prepared to join issue with him in regard to this matter. You have not taken into account in your capital at charge over which you are going to pay a four per cent. dividend, the 50 crores assets which you have taken over from the States. If you say that the general tax-payer is the shareholder as far as the Indian railways are concerned, the people in the States are the shareholders in respect of those railways. The States are coming into the picture and their assets are being pooled. Simply because the States Finances Integration Committee has recommended that it is only a question of pooling the resources of one portion of India with the other, can you say that there is no question of compensation arising in this case? While you say that the railways should be run on business principles and that they should pay a dividend on the capital employed, can you say, "Take over these 50 crores and put it on the block account and it should not be included in the share capital." That is what they say in the report. They say, payment will be on the loan account and not on the block account, that the block account will be kept separate, in view of the taking over of the assets of the States railways. I therefore submit that this matter has also to be taken into consideration.

One other factor you will have to take into consideration, in view of the so-called inflationary element in the replacement of locomotives and wagons, the amount utilised for the purchase of wagons and locomotives, a portion of which has been written off under the revenue account. You will have to see whether this is justifiable. In 1945-46 when the Railway Budget was introduced, this is what the then War Transport Member said:

"When, as is happening now, particularly in the case of locomotives, due to the greater carrying capacity or tractive effort, replaces a larger number of corresponding stock, Capital receives credit for the original cost of the superfluous old units, and is debited with the cost of an equivalent capacity or tractive effort at new prices. Due to the wide disparity between the present and the original costs and the large scale of the present replacements, this procedure would involve a considerable increase in the Capital-at-Charge without a corresponding increase in aggregate capacity or tractive effort."

Therefore he said:

"The financial result of these proposals is that, whereas, under the ordinary procedure, out of the total expenditure of 94¾ crores on locomotives and wagons, 16 crores would be debited to Capital and 78¾ crores to the Depreciation Fund, under the revised procedure there will be a debit of about a crore to the Railway Reserve, 22 crores to the Depreciation Fund, 10¼ crores to the Railway Reserve and 61½ crores to Working Expenses."

After all, the high prices were thought to be a temporary phase in 1945-46. The prices that we paid in 1945-46 were not very much higher than what we pay now if not less. Prices are trying to stabilise themselves at this level, unless there is going to be a slump, or a depression, later on. If that be so, I do not see why we should not put down the value at the price which they considered at that time was very high and a portion of it, I think, to the extent of Rs. 21 crores, should be written under the revenue account. You say you are going to separate this railway finance from the general finance and that you are going to consider yourself as a sort of company with a share capital. I ask, are you prepared to have the assets of the railways calculated at their present value and take it as the share money contributed by the general revenues? If you are not going to do that, what is the use of painting a rosy picture and saying that you are going to pay a dividend of 4 per cent? Certainly it is not proper. As a matter of fact, the currency has been devalued. Even the Banks are allowed to revalue their gold holdings when currency is devalued. We have devalued the value of the rupee in relation to the dollar and gold.

[Shri C. Subramaniam]

So, are you prepared to have the assets valued at their persent value? And if you are prepared to do that, I will not even press for 4 per cent. I will be prepared to be satisfied with 3 or even 2½ per cent. If you are not prepared to do that, what is the use of your saying that you are going to run on commercial lines and painting a rosy picture before the House that you would pay a 4 per cent. dividend on the entire capital? Therefore I want the hon. Minister for Railways to take a realistic view. After all, this is not an urgent matter. After all, a new Parliament is going to come into existence from the 26th January 1950 with 121 new members. Therefore, why be in a hurry? I do not submit that this House is not competent to deal with it. My whole point is, why not wait till we get a more complete picture of the finances and resources of the country before you definitely fix how much the railway finance should contribute to the general revenues?

Shri Jaspat Roy Kapoor: Sir, before I proceed to deal with the merits of the subject matter of this resolution and the various amendments of which I have given notice, I would like to express my dis-satisfaction at the fact that this subject was never referred to the Standing Finance Committee for Railways. This subject relates particularly to railway finance and I think, Sir if there was any subject which was eminently fitted for being referred to the Standing Finance Committee for Railways, it was this.

Shri R. K. Sidhva: This Committee was appointed by this House.

Shri Jaspat Roy Kapoor: My hon. friend reminds me that this Committee was appointed by this House for this purpose. Certainly it was so, but it does not seem to be any good reason or any justification why the Standing Finance Committee for Railways should not have been given a chance to consider this report and to analyse its various aspects. Nothing would have been lost thereby. The fact is that the various committees attached to Ministries are merely advisory bodies. It cannot be said that their decision would have in any way adversely affected the decision that this House may arrive at after discussing this report, or that if this resolution and this report had been placed before the Standing Finance Committee for Railways it would have been any dis-courtesy to this House. If it had been done, the Members would have discussed it in all its bearings, and may have made some very good suggestions to the hon. Minister for Railways and he may have profited thereby. May be that the hon. Minister and his gallant lieutenant Mr. Santhanam and all the wise people that compose the Railway Board think that they have nothing to gain by referring the matter to the Standing Finance Committee for Railways or for that matter, any Member of this House, but I submit, Sir, the Standing Finance Committee for Railways should be shown a little more courtesy and that every subject should be placed before them unless for any special reason it does not suit the convenience of the Minister-in-Charge of the particular portfolio.

Having said that, Sir, I now come to the report. On this report, while I think I must congratulate the hon. Minister for Railways, I think I cannot congratulate the other Members of the Committee. I congratulate the hon. Chairman of this Committee because he has been able to persuade every Member of the Committee to come round to his view and there is not one dissentient voice. Even a resisting Member like my hon. friend, Mr. Tyagi, who is not present today, even he could be persuaded to agree to every paragraph of this report, and he had to satisfy himself only by not following the Chairman and the other Members of the Committee in one respect and that was in the matter of selecting the script in which signatures should be appended, for Mr. Tyagi has appended his signature in Hindi.

Shri B. L. Sondhi (East Punjab: General): What about Mr. Sidhva?

Shri Jaspat Roy Kapoor: I am really sorry for Mr. Sidhva that even he could be persuaded and won over by hon. Mr. N. Gopalaswami Ayyangar, but the discredit for this should not go to Mr. Tyagi or Mr. Sidhva but the credit for it must go to my hon. friend, Mr. Gopalaswami Ayyangar, for I know it is very difficult for anybody not to easily agree with what he says.

Prof. Shibban Lal Saksena: You may also succumb to him.

Shri Jaspat Roy Kapoor: I may perhaps with some reluctance. Those hon. Members who formed this Committee have absolutely ignored the cause of the general revenues and there is only one point of view which has been represented in this report and that point of view is of the railway finance.

Shri R. K. Sidhva: This was done with the consent of the hon. the Finance Minister. He was present throughout the meeting.

Shri Jaspat Roy Kapoor: Then all that I can say is that both the hon. Finance Minister and the hon. Minister for Railways have conspired together to agree to something which certainly is not in the interests of the general revenues of the country. They have recommended that hereafter only a fixed dividend of 4 per cent. shall be contributed to the General Revenues. That is not a proposition which is in the interest of the General Revenues. The hon. Mr. Ayyangar suggested that while looking at this problem we should consider the General Revenues as the proprietor of the Railways and as such they should be entitled to a certain fixed dividend. While I am prepared to agree with him in this, I submit that this is not the only aspect of the question. The General Revenues have two positions, one the position of shareholder and another, the position of the State. If we are to look at the Railways as a commercial concern which is expected to pay a certain reasonable amount of dividend to shareholders in return for the money which they have invested in the concern, the General Revenues of a State are also entitled to have their share of income-tax. It is on use saying that under the Constitution it is not possible for the State to levy income-tax on the Railways. It may be so but then what I have suggested in my amendment is not that regular income-tax should be levied on the surplus income of the Railways but that the State must have an amount equal, which will come to the same thing as income-tax, if the Railways were a concern owned and managed by public limited companies. There can be no legal bar to making calculations on that basis. So my submission is that the State must have two things, one, an amount equal to the income-tax to which it would have been entitled if the Railways were run as non-State commercial concerns. Secondly it is entitled to have a certain reasonable amount by way of dividend in return for the capital which it has invested in this business. My suggestion, therefore, is that, in addition to the 4 per cent. which has been suggested in this report, the State must have an amount equal to the income-tax.

3 P.M.

Now let us see what the position then would be. This morning Mr. Ayyangar gave us certain figures from which, I find that uptil now the Railways have contributed to General Revenues about 737 crores by way of interest and 222 crores over and above that. The total comes to about 959 crores. Now their recommendation is hereafter only 4 per cent. should be contributed to General Revenues, according to which the total amount which would have been contributed to General Revenues all these years from 1925 till now would have been only 745 crores. That would have been the effect of it if the present suggestion were considered retrospectively.

The Honourable Shri K. Santhanam: May I point out that the capital of Pakistan Railways has been deducted now and therefore formerly the interest was being paid on the capital of the Pakistan Railways also?

Shri Jaspat Roy Kapoor: Exactly that is so. What I have submitted is, if the present suggestion were to be retrospectively given effect to, that would have been the position. I do not say it may be so hereafter. It is no use saying that interest was paid on the amount which was invested in the Railways which have now gone to Pakistan. There is hardly any argument in support of the contention that hereafter we must have an entirely new basis which would in its ultimate result bring to General Revenues very much less than what it would get if the present arrangement were to continue. If my suggestion is accepted the position would be this. As stated in the report the amount of tax would have come to about 193 crores for the whole period for the whole amount invested and for the whole surplus. Calculated at 4 per cent. the dividend would have come to about 745 crores which figure was given to me this morning in answer to a question put to hon. Mr. Ayyangar. So the total would have been 938 crores. These would have been the three figures; according to the present position the General Revenues had 959 crores, at the rate of 4 per cent. the same would have been 745 crores and according to my suggestion the sum would have been 938 crores. So according to the present suggestion of having only 4 per cent. being contributed to General Revenues, the General Revenues would have lost over 214 crores. According to my suggestion the General Revenues would have lost something and the Railways would have gained something but not a huge amount. It would be a difference of only 20 crores. There seems to be no reason why, when according to the Minister the Railway should be treated as a commercial concern, why all the implications of that suggestion should not be borne in mind when we are attempting to find out as to what is the reasonable amount which should be contributed by Railways to General Revenues.

We talk very often of nationalization. Here is one concern which has been nationalized. Is it suggested that if the concerns are nationalized, the State should earn profit very much less than the profit it is receiving from the concern when it is run by private limited companies or public limited companies? We support nationalization of industries not merely for the fun of it, not merely to have the satisfaction of owning the concerns, but we want nationalization of industries firstly, so that they may be run more efficiently and the more important reason is that the State may earn the profit which goes to private individuals because they are the owners. But if we are to be told that when the industries are nationalized we shall be getting very much less than we are earning now, the whole case for nationalization is thrown to the winds. I would therefore earnestly submit to the Minister for Railways to seriously consider this aspect of the question and not to let the impression go out that if industries are nationalized, the State will lose considerably financially.

Shri B. Das: Why do you not appeal to the Trade Unoins?

Shri Jaspat Roy Kapoor: My second amendment deals with part (7) of the Resolution. In part (7) of para. 1 of this Resolution it is proposed to have one consolidated development fund for financing expenditure for the following purposes: (1) Passenger amenities, (2) Labour Welfare and (3) Railway projects.

Now while I am not very anxious to have too many separate funds, I am certainly anxious that under this main head of Development Fund there should be three specified subheads one for passenger amenities, another for labour welfare and yet another for Railway Projects which are necessary but are unremunerative.

My reason is this that if we have only one consolidated fund without specific sums being earmarked for all these various purposes, the probability is that the first two objects *viz.*, passenger amenities and labour welfare, are likely to suffer and that all that amount or at least a huge amount under the Railway Development Fund is likely always to be spent for Railway projects which may not be very remunerative. These two objects, namely Passenger Amenities and Labour Welfare are very important objects, and I am particularly anxious—and I think every Member of this House will be equally anxious—that the amounts specially ear-marked for these two items should not be allowed to be spent on objects other than these. I know there is a pretty big figure lying to the credit of the Betterment Fund—over Rs. 13 crores—and that is a tempting figure over which the eye of the hon. Railway Minister has fallen. Probably he may be thinking of spending that amount on objects other than amenities for passengers.

Shri R. K. Sidhva: It is ear-marked for this purpose.

Shri Jaspat Roy Kapoor: True. But I do not know what actually is the meaning of this ear-marking. Is it conceded that this amount shall not be touched upon for any other object? Will the sum of Rs. 3 crores which, according to the Report, are to be contributed to this Fund every year, go on accumulating from year to year, and will this sum and the Rs. 13 crores which today remain in the fund not be touched for expenditure for any other purpose?

Shri Mahavir Tyagi (U.P.: General): That was already decided. I did not sign the Report for nothing.

Shri Jaspat Roy Kapoor: Sir, all these assurances are coming from other Members of the Committee. But I would be satisfied only if such an assurance emanates from the hon. Minister of Railways.

The Honourable Shri N. Gopalaswami Ayyangar: May I tell the hon. Member that the recommendation of the Committee is that for the next five years, Rs. 3 crores shall be ear-marked each year for expenditure on passenger amenities.

Shri Jaspat Roy Kapoor: Ear-marking is all right. I want to put a specific question. If all the specified sums ear-marked from year to year are not spent, what is going to happen to that Fund? Will it be open to the Railway Administration after five years to spend all this and the other Rs. 13 crores which have accumulated so far, on other items? That is the simple question to which I want a specific answer. Many other Members are trying to answer on behalf of the Railway Minister, but I would like to have an answer from him on this question.

Shri R. K. Sidhva: We are a party to that Report.

Mr. Speaker: Order, order.

Shri Jaspat Roy Kapoor: I know other hon. Members of the Committee are anxious to take up cudgels on behalf of the Minister and it is easy for the Minister to win over by persuasiveness. Sir, a few minutes have been taken away by means of these interruptions. I hope they will not be debited to my account.

Mr. Speaker: They have also been given away, because the hon. Member need not have answered these interruptions.

Shri Jaspat Roy Kapoor: Sir, I am wiser by your instruction.

Mr. Speaker: The hon. Member has already taken twenty minutes. That also I might tell him

Shri Jaspat Roy Kapoor: I will be finishing in a couple of minutes during which I will merely enumerate the points instead of dilating on them.

[Jaspat Roy Kapoor]

My submission is that if the answer to my question is the same as has been given by the other Members, it is not my intention to press that amendment of mine.

The other amendment of which I have given notice relates to serveral other clauses, but since my time is practically up, I do not want to dilate on that.

There is only one matter to which I would like to draw the attention of the Railway Minister and that is with regard to the composition of the Standing Finance Committee for Railways. The strength of the Standing Finance Committee for Railways is only eleven, whereas the strength of the Standing Finance Committee for General Finances is fourteen. I do not know why the Standing Committee for Railway Finances should also not be composed of fourteen members. Our experience has been that very often it is difficult to find a reasonable number of Members attending the Committee. This House is going to be composed of as many as five hundred Members after the new elections. Even earlier, after 26th January, we will have about three hundred Members regularly attending as against only two hundred Members we were having who were expected to attend Parliament up to the present time. I therefore think that it will be advisable if the strength of this Committee is increased from eleven to fourteen.

Sir, there are one or two minor things to which I need not refer as my time is up.

Prof. Shibban Lal Saksena: Sir, at the outset I wish to congratulate the hon. Minister for Railways for having brought this Resolution before the House. My amendments are really intended to give the Railway Minister more finance. I personally think that the view-point from which the matter has been approached is not the correct view-point. I had to study the history of the separation of Railway Finance from General Finance since the Mackay Report in 1907 or 1908. That Report in fact was not the first Report about Railways and their development. It had recommended that the total mileage of railways should be increased to at least 1 lakh miles. That was considered by them to be the mileage necessary for a country like India. I am sorry to find that in spite of the fact that that recommendation was made as early as in 1908, even now, after forty years, the mileage has remained almost stationary—it is 38,000 miles after deducting the mileage that has gone to Pakistan. Even that much mileage that was felt necessary in 1908 we have not been able to achieve after a lapse of forty years. Our friends have tried to treat the Railways as a kind of milch-cow. In this connection I would like to read certain portions from the Acworth Committee Report. The passage is about Prussian Railways.

The Report says:

> "The question of the separation of the railway finances from the general Budget of the country has quite a long history in other countries. When Bismarck nationalised the railways in Prussia in or about 1878, the scheme as originally put forward provided for a separate railway budget. But when the scheme came to be embodied in an Act, this provision was omitted. Its absence was a constant ground of complaint by Liberal members in the Prussian Parliament. The common phrase was that the railways were treated as 'the milch-cow of the Treasury'."

Even here I think that is the psychology of my friends. They want to treat the railways as the milch-cow of the Treasury. The Report goes on:

> "The Prussian bureaucrats, who appreciated the advantages of possessing an income, which in some years ran as high as 20,000,000, non-votable by Parliament, were too strong for the Prussian Liberals; and the milch-cow remained in charge of the Treasury up to the outbreak of War."

The same has been the history of other countries also where railway finances were part of 'general finances and those countries have generally thought it proper to separate them. My own concern is that we are not treating the railways with the importance with which they need to be treated. We have schemes for new projects like Damodar, Bhakra, Hirakud, etc. But we have seen in the last so many years that transport is a great bottleneck and unless we have sufficient transport we shall not be able to bring about development to the extent we want. I therefore think that the first priority should be given to transport. I therefore feel that whatever is earned by the Railways should be allowed to be spent by the Railways for the development of the railways. At least now we should be able to achieve a mileage of 1 lakh miles. But unfortunately there has been no increase in the mileage and we are practically at the figure at which we were in 1908.

I have suggested that a dividend of only 3 per cent. should be charged. My intention is that we should have only that much which you probably need to pay as interest. The remainder should be spent in developing railways. In fact I want that the entire amount which comes to Railways as surplus should be spent to extend the network of railways in the country because it will be a profitable concern. You will be able to have more transport and better transport. At the same time, it will be yielding income. In future years probably you can have more money for the country as a result of the improved transport. But if you want to take away all the money and starve the Railways, the result will be that you will be where you were. Sir, if you compare the figures of mileage of other countries, you will be shocked. In America, Russia and other great countries that you want to be abreast of, the railways are much more developed and the mileage is much higher than that in our country. My friend Mr. Subramaniam said we are in a difficult position today. I agree this position is there today and will be there for some more years, but we should discuss this subject not from the state of present finances but from the point of view of the future of the Railways. We should have a policy of development and that policy should have to have a very highly developed system of railways in our country which would meet our needs as a great country and also the needs of any situation that might arise in future. Therefore, we should not try to milk the railways or starve them. We should give them as much help as possible and we should measure our development by the new mileage that can be introduced. If we compare the figures of new mileage at the beginning and the way it was developed, with the present rate, it would be very interesting. In those years annually twenty or thirty crores used to be spent on building new lines, but for the past few years we have not been doing that—in fact, we have been dismantling the lines that we have. Therefore, this psychology of treating the railways as a milch cow is not a good psychology. If we have more mileage we will be in a better position. If there is, for example, a war and we have to fight some great Power we will be nowhere without a good network of railways. I, therefore, suggest that we should treat this question not from the narrow point of view of helping the general finances but from the point of view of having a well-developed transport system for the whole country. If you think of the Hirakud, Damodar and other projects as important, you should think of the development of the railways also as an important project. That is why I suggest that 3 per cent. will be a good rate of dividend. The hon. Minister told us that we have paid about Rs. 750 crores as dividend and that about Rs. 220 crores was contributed to the general finances over the past 26 years. That shows that about five or six per cent. has been the net return. Out of this if he takes, as he wants to, four per cent. for the general revenues, what will be left? That is why I say that you must take only that much which you have to pay as interest. Take no more but leave the rest for development.

Shri Jaspat Roy Kopoor: You would like to apply that procedure to all nationalized industries?

Prof. N. G. Ranga (Madras: General): Then the Government will go bankrupt.

Prof. Shibban Lal Saksena: The position of the Japanese Railways was as follows:

"The position of the Japanese railways under the Act of 1909 may be summarised as follows :—

(1) The railways have a separate Capital Account.

(2) Railway profits are devoted to extensions and improvements, and may be supplemented by Government loans.

(3) The whole of the loans issued for railway purposes are charged against the railway account, and the railways pay over each year to the National Debt Consolidation Fund the money required for interest and sinking fund on these loans.

(4) Temporary advances may be made by the Treasury if required to meet railway current expenses."

So, all facilities were given to the railways with the result that after twenty years Japan became a first-rate Power.

Sir, we should not think of money spent on railways as waste. Whatever is earned by them should be spent on their development. The general finances should depend on themselves. My friend Mr. Kapoor asked whether I would like to apply the same principle to nationalised concerns generally. Certainly, I think so. When a concern is nationalised, I think it should be nationalised in the interest of that concern itself—it should not be for the sake of general revenues. General revenues should depend on taxation. (*Interruption*). I am quite prepared to give you the interest on the money you are investing. After all, if you invest so much money on the railways you will be getting a good return. If the railways have a more developed system then you will be getting a better return. My point of view is wholly different from that of my friend Mr. Kapoor. In my opinion, the maximum amount of money should be given to the Railways in order that they may develop and become a real asset fit to stand against any emergency.

My second point is that our railways should become much more paying, and therefore I want that more should be spent on the betterment of the travelling conditions. For that purpose, I say that the Betterment Fund should continue. Although my hon. friend the Minister has promised Rs. 3 crores per year. I do not think that would be sufficient. Of course, I do not say that under our present financial difficulties he should spend more on this now, but at least for the future more money should be spent for improving the facilities for the travelling public. The conditions today are very bad. If you see the conditions in our trains, you will find it is something which is not tolerable. I hope provision will be made to improve these facilities.

Then I have suggested in my amendment that there should be a separate Labour Fund whereby some money will be set apart for the welfare of the workers. Sir, ultimately our transport system and its efficiency will depend upon the willingness of the workers to work and their efficiency. The labour factor should not be ignored; the maximum attention should be paid to it. It is important that the Labour Fund should be separate. However, if my hon. friend Mr. Tyagi's belief is correct that the Minister intends to have some money set apart for Labour Welfare, then I would not press my amendment.

My another suggestion is that there should be a sufficiently big Depreciation Fund. I was surprised to see in the report that there are only 74 crores left in the Fund and as we are spending at the rate of 30 crores a year the Fund would be exhausted soon. The Fund should be there sufficient to meet the charges for renewals and repairs to stock, which may be necessary. It must

be run in a manner as efficiently as a limited company might be run. You must not try to spend from your assets and then say that you have nothing left for depreciation. The railway finances should be run in such a manner that the Depreciations Fund is sufficient to meet all the expenses of wear and tear of the stock.

Sir, I have disposed of most of my amendments. The remaining ones deal with new mileage and development on which I have already spoken. If that is implemented in a planned manner of development we shall, in the foreseeable future, be having a much better network of railways of which we may be proud and our country will be the better for it.

Shri Nandkishore Das: Sir. I don't propose to take much of the time of the House by making a long speech. I would, however, like to make a few observations on the points contained in my amendment. Before doing so, I would like to congratulate the hon. Mover of the Resolution and his colleagues in the Railway Convention Committee appointed by this House in April last, for their placing on record their recognition of the fact that the general tax-payer in the country is the owner and sole proprietor of the railway undertakings. This happy feature of the Resolution, I am sure, will commend itself to the unanimous acceptance of the House. Railways in India, as everybody knows to his cost, were originally intended and administered primarily, if not solely, for the benefit of the British trade and industry and for the easy marketing of the agricultural produce of the British Empire and Dominion countries by providing cheap freight charges and priority concessions. Today the Railways have become our own national concern and as such Indian industry and agriculture should receive every assistance at the hands of the Railway Administration. The convention that is sought to be established through this Resolution is, I am sorry to say, altogether silent on this point. The report of the Committee appears to me to have ignored these considerations and has confined itself only to the financial aspect of the railway undertaking. The general tax-payer of the country, who is the sole owner and shareholder in the concern, will not be satisfied with only a dividend. He must have his agriculture and industry established on a firm footing through the assistance of the Railways. The Railways should therefore have workshops spread over the entire length and breadth of the country on a regional basis in order to provide technical training to the people.

The next point to consider is whether the Railways should be treated as a commercial concern or as a public utility concern. If it is to be treated as a commercial concern, why should you have only 4 per cent. interest and why this contribution to the General Revenues? During the days of company-management, the companies were guaranteed 5 per cent. or 4½ per cent. by the British Government. They also got the land free. These British railway assets were purchased by the Reserve Bank of India and we have a responsibility to pay to the Reserve Bank the same rate of interest.

Again, the Dividend Limitation Act provides for a minimum of 6 per cent. to shareholders, although efficiently managed companies like Tatas were paying a fat dividend to shareholders in addition to paying good wages to their labour and offering iron and steel at prices lower than world prices. Why should the Railways be bound to give only 4 per cent. It should give 6 per cent. dividend. And then, in case they are not prepared to give more than 4 per cent. they need not exclude the unremunerative strategic lines from consideration.

Coming to amendment No. 19, in part (12) of paragraph 1 it is stated that the Railway Budget shall be presented, if possible, in advance of the General Budget. I do not understand the necessity for the words "if possible". Hitherto, the practice has been that the Railway Budget is presented

[Shri Nandkishore Das.]

at least a fortnight in advance of the General Budget: Why should this practice be made subject to the possibility of the Railway Budget being presented after the General Budget?

Coming to amendment No. 20, I propose that a minimum of five days should be allotted for the discussion of the Railway Budget. If I remember aright, we had only two days on the last occasion for the general discussion of the Railway Budget. Up till now, although the Constituent Assembly consisted of more than 300 Members the total strength of the House was only about 200, due to the fact that the Provincial M.L.As. were not attending it. After the inauguration of the new Constitution, we will have a House of 500 Members. In other words, in the place of 200 Members we shall have 500 Members and in such a situation an allotment of five days for general discussion of the Railway Budget will not be too much.

Sjt. Kuladhar Chaliha: I think we had six days.

Shri Nandkishore Das: We had six days including voting on demands. For the general discussion, we had only two days last year.

Coming to my last amendment, I want that along with the Standing Finance Committee for Railways, the Standing Finance Committee attached to the Ministry of Finance should also be consulted in the matter.

These are the observations which I wanted to make.

Sjt. Kuladhar Chaliha: I find a certain amount of difficulty in accepting the fundamental principles of this Resolution. First of all, the whole thing emanates from the idea that it is a limited concern and that the tax-payers are shareholders and we should pay them dividend for the financial investment. I submit that this is a very wrong basis on which to proceed. The idea should be to treat it as a public utility concern and render as much service to the people of the country as possible. Instead, we are taking 4 per cent of it to the general revenues. From the Railway Report we find that we have already contributed about Rs. 221 crores to the General Revenues. In addition, we have got a Depreciation Fund which is not to be found in advanced countries in the world. Such a thing is practically unknown in Germany and Japan. Some of the Railways in Europe have only contributed 7 per cent. of the gross earnings and others have not been able even to do that. In Great Britain, I understand, the Railways hardly contribute to that extent. In South America, Australia and U.S.A., Railways are not able to make even this contribution. Before the recent legislation, the practice in England was to allow for heavy equipment and renewals and no further. As such, by increasing the Depreciation Fund on a scale which does not obtain elsewhere, we have created an unnatural, artificial deficit, which comes to a great amount.

My submission is that we should not contribute 4 per cent. as annual dividend. The Railways should be run on a 'no profit no loss' basis. As my hon. friend Prof. Shibban Lal Saksena pointed out, India has only 36,000 miles of railways. If we take away 4 per cent. towards the dividend, I fail to see how we could make any progress in the direction of extending the lines. This Resolution, though framed in the best interest of the people, has lost sight of the fact that the railways are a public utility concern and are looked upon as a money making affair. I disagree with the Resolution on this fundamental principle. I wish the Members of the Committee on Convention who have sponsored this Resolution had considered it from that point of view. Unless and until we can conceive it in that spirit, I do not think any real progress is possible in our country. My submission is that the hon. Minister will look into the matter from that angle.

For the first ten years the Railways should not be asked to make any contribution either to the General Revenues or towards the dividend, because we want that money to be diverted for providing more convenience for the passengers and also for the extension of the lines. We want our food and other necessities to be transported quickly; we want our capital goods to be carried quickly. For example, in Assam they have constructed a line at a cost of Rs. 8 crores and we must congratulate the Minister of Railways and others who are responsible for it, because it has given us a link with India. I was, however, told by some of my friends on the Government Benches that we would not be able to carry as much goods as we would have wished: all the same, it gives us a direct connection with India.

I have tabled an amendment to part (4) of paragraph 1 to the effect that in the case of unremunerative strategic lines no dividend will be payable on the capital invested for the first ten years after the opening of the lines, after which their profit and loss will be carried to the general pool. As far as I know the only unremunerative line is on the North Western Frontier Railway which has gone out of India and the Assam Railway line up to Ledo and Digboi is a paying proposition.

Shri B. Das: What about the interest charges?

Sjt. Kuladhar Chaliha: I am glad my hon. friend who was a member of the Committee on the Revision of Convention has raised this point. I have no objection to your paying off the loan. But I believe it is a wrong principle to pay off dividends without paying the loan. I think no limited company would have allowed you to pay dividend without paying off the loan. I would request Government to follow this salutary principle. With these words, Sir, I commend my amendment to the acceptance of the House.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairmen).*]

Shri O. V. Alagesan: Sir, I support the resolution before the House except in one respect. Especially, I should like to congratulate the hon. Minister of Railways on his having hit upon a clever device for financing unremunerative lines. Sir, the practice of taking up these works only when a certain minimum is assured, is an obsolete conception. The present practice of insisting upon Provincial Governments and local authorities to guarantee the losses, if any, is also an outmoded one. According to the Resolution, there will be no difficulty in financing unremunerative lines hereafter. The capital expenditure, to the extent to which it will not be paying, will be debited to the Development Fund. Sir, in this connection I may say that even in the Madras Province the practice of insisting on a certain minimum of return for irrigation works has been given up for good. They are now taking up irrigation works even though they may not bring the required percentage of return. I am glad that a similar practice is going to be followed with regard to the construction of unremunerative lines.

Shri C. Subramaniam: What happens when it becomes remunerative later on?

Shri O. V. Alagesan: As soon as it becomes remunerative the General Revenues will have their share, I think. Already the Minister of Railways has laid down a healthy rule. I understand that Provincial Governments will not be asked to give guarantee for main lines even though they may not be paying. Now the principle is extended a little further and all unremunerative lines, whether main or branch, will be brought under this principle. My main objection to this Resolution is only with regard to the Betterment Fund. Sir, it is a matter of common observance that when two rich men quarrel the poor man

[Shri O. V. Alagesan]

in between suffers. Similarly, it is curious that when they compose their differences and agree, then also the poor man suffers. Some time back the hon. the Finance Minister and the hon. the Railway Minister quarrelled over the surplus. The result was that the Betterment Fund was left with a meagre allotment.

The Honourable Shri N. Gopalaswami Ayyangar: No chance of that now.

Shri O. V. Alagesan: When they compose their quarrels and when they are one, the identity of the Betterment Fund itself is lost; that is the danger now.

Shri R. K. Sidhva: That is said.

An Honourable Member: It is ear-marked.

Shri O. V. Alagesan: Yes, I know. Sir, the history of this fund, it will be better to recall here. The Standing Finance Committee for Railways in 1945 recommended that such a fund should be created for providing amenities to lower class passengers and the Government accepted it in the year 1946. That acceptance represented the prick of conscience on the part of the Government for the neglect of and the injustice done to the lower class passengers both in the past and in the present. That is how the fund was created and an amount of Rs. twelve crores was transferred from the reserve to this fund. Also in the same year a sum of Rs. three crores was appropriated to this fund. So it was a fund to begin with of Rs. 15 crores, but when that fund was created, of course, it was said that it will be utilised not only on amenities to passengers but also on works connected with staff welfare and unremunerative operating improvements costing not more than Rs. three lakhs, but actually the fund was not put to any use. Sir, about this, I complained during the debate on the Railway Budget in 1948 and pleaded that this fund, if not wholly, at least mostly, should be used for providing passenger amenities. The hon. Dr. John Matthai, the then Railway Minister, promised that he would see to it that primarily it will be used for passenger amenities, and then the present Railway Minister, during his last year's Budget speech gave us a clear picture of this Betterment Fund. He has shown a very good grasp of the purposes for which this fund was created, but to which it was not diverted, and he said as follows:

"In the course of the Budget debate during February 1948, the House took exception and I consider rightly to this fund being used for financing expenditure other than relating to passenger amenities. Dr. Matthai then assured the House that its wishes would be respected in the future."

Again, Sir, he said:

"The history of this fund must be somewhat disappointing to hon. Members as it is to me. Out of a total expenditure on works from the funds since its inception, namely, Rs. 98 lakhs, the amount that has been spent on passenger amenities proper was only Rs. 13 lakhs up to the end of 1947-48."

Again, Sir, he stated:

"I can find excuses for these shortages but cannot disguise from myself or the House the feeling that more should be done in this direction."

Not only that, Sir. Because of his right grasp of the question, he ordered that about Rs. 27 crores of expenditure incurred on heads other than passenger amenities should be written back to the credit of this fund and he promised that he would see to it that at least Rs. 1½ crores is spent on passenger amenities during the current year. I was anxious to hear from him during his speech what amount has been actually spent in this direction. I hope he would give the figure when he replies to the debate.

Sir, we should like to examine this question of surplus over which there is so much of controversy. What is, after all, this surplus? It represents that

more money was taken from people for less amenities, from people who cannot bear to pay the high fares that are being charged, or it can be put in another way. We have not provided proper amenities for the money that we are taking from them and so there is a surplus. The hon. Railway Minister was saying that the huge surpluses and the allotments made to the general revenues during the war years should have been debited to the capital account. Sir, they represent something like the Sterling balances. The House knows that the Sterling balances were accumulated by the sweat and suffering of this country. Similarly these huge surpluses were accumulated by the Railway, not out of any special attraction that they provided, but under sub-human conditions of travel. It is no use speaking as if those surpluses have been earned by the Railways in a proper and righteous manner after providing service to the public equal to the payment made by them.

Sir, much is made of the fact that the Resolution provides for an expenditure of Rs. three crores every year under this head. But having regard to the past history, having regard to the callous way in which this fund was not utilised, I do not very much hope that it will be fully utilised in future. At least now there is a fund which can be drawn upon when there is a mind as it has been drawn upon during the current year to a certain extent, at the instigation and insistence, and perhaps goading of the hon. Railway Minister. If the whole fund is lost and if it is merged into the Development fund, I am sure that this side will not be looked at all, because the administrations are generally averse to spending anything on passenger amenities. I do not know why it is so.

Reference was made to the report of the Financial Commissioner for Railways. I see there that this subject is not even so much as mentioned. A passing reference is made and that is the attention which is bestowed on this very important subject by the authorities concerned. Now there is wailing and weeping that the Railway Reserve is only left with Rs. six crores and the depreciation fund is left only with Rs. 74 crores and another Rs. 75 crores should be added to it. But nobody says anything about the fact that nothing has been spent out of the Betterment Fund. The fact that there is a fund of Rs. 15 crores seems to offer the biggest temptation and it seems to be the only source which is being looked upon with covetous eyes, I should say. I do not think that any great difficulty will be caused by having a separate fund. The Railway officials are clever enough to keep a separate head of account and manage this fund. It can be done and if the promise is there, not only Rs. three crores but even more can be spent. The whole amount should have been by now spent and this amount which has been gathered for us by the previous Government is proposed to be spent during the course of five years and no contribution is proposed to be made to this fund during this period. That should be noted. It is better that this fund is kept separately and yearly

4 P.M.

allotments are made to this fund and expenditure incurred on the sole purpose of providing passenger amenities. I do not think it will be difficult for the hon. Minister of Railways to accept this suggestion. If he is afraid that the hon. Finance Minister will take away this amount if it is kept as a separate fund, he can utilise it himself; he can take a loan out of it and utilise it for his other projects, namely, construction of new lines, unremunerative lines, etc. There will be no difficulty in keeping this fund intact and I would request the hon. Minister of Railways to accept my amendment though the whip is otherwise. This will not cause him any great difficulty and he will be making good his promise right now instead of asking us to wait for a period of five years and see whether anything is done in this respect or not. He has himself pointed out that only thirteen lakhs of Rupees have been spent from this fund. That only shows that though the fund has been there in name, it has never been put to the use for which it was intended. That is all the more reason why that fund should not be lost as a result of this Resolution. That fund should be kept intact and spent properly.

Shri Sita Ram S. Jajoo: Sir, my amendment is a very simple and self-explanatory one, though on the face of it it may look a little selfish that I should demand this special priority for areas which are considered backward so far as passenger amenities are concerned.

An Honourable Member: You are the latest acquisition.

Shri Sita Ram S. Jajoo: Yes; we are the latest; but we are backward so far as amenities are concerned.

Shri M. Tirumala Rao (Madras: General): You are entitled, that is what I am saying.

Shri Sita Ram S. Jajoo: Thank you for your consideration. It is not a question of concession; it is a matter of right that I demand.

At the time of the Railway Budget discussion last year, we had discussed this question that the passenger amenities were very badly in need of improvement. Now, when we are discussing the convention which we are going to adopt, that is, the revised convention relating to the separation of Railway from General Finance. Hence this important question arises as to how you are going to utilise this Betterment Fund. Even when you recommend that the Betterment Fund be merged with the Development Fund, you have felt that passenger amenities had never been provided according to the needs of the passengers. Even in his budget speech, the hon. Minister of Railways confessed that the Betterment Fund was never utilised fully. I want to ask only one question: why have these funds been accumulated? When they are going to be transferred to the Development Fund, my fears are that for financing railway projects which are unremunerative, the whole fund will go to that. Of course, you have made a provision that three crores of rupees will be ear-marked yearly for a period of five years for passenger amenities. I beg to submit, there are areas which are very backward, where we can say there are no passenger amenities. Even at a railway station like Indore, which is one of the best stations on the meter gauge from the point of view of income, there are no amenities. In the first and second class waiting rooms, there is no furniture. If you complain to the authorities, they say, on account of the revision of the second class fares, they are over-crowded. You do not find even cots. There are no taps in the bath rooms. On some railway stations there are taps; but there is no water. The taps are opened five minutes before the arrival of the trains, but they are closed even before the engine shunts off from the station.

Ch. Ranbir Singh (East Punjab: General): Think of the third class passengers; they are also taxpayers.

Shri Sita Ram S. Jajoo: So far as third class passengers are concerned, there are no waiting rooms; if there are waiting rooms, there is no shed over them and they are not protected from the sun and the rains. There are no benches in these waiting rooms. The third class passenger is the worst sufferer. You have got enough money; but you have not the will to improve these amenities. Why should people suffer in spite of your having huge funds? My area is particularly unfortunate. For the first time, the hon. Minister of State for Railways, Shri K. Santhanam visited my area and he must have seen with his own eyes the conditions obtaining there. (*An hon. Member*: Then you should wait for some time.) Certainly, I will wait but will have another opportunity at the time of the Railway Budget to bring forward our complaints, if any.

There is another important aspect. After the financial integration of the States with the Central finances, you have taken all the railways from the Indian States; you have also taken the reserves from them. In some cases, these Indian States had given loans for which they were entitled to get interest. These assets have also been taken without any compensation. I do not grudge that. I only want to say that where loans have been made from the States, at least a fair share out of the dividend should be given to these Indian States in the backward areas to provide passenger amenities. The third class passengers are the worst sufferers; especially, the third class coaches in the B.B. & C.I. metre gauge are in such a miserably bad condition that less we say the better it is. The conditions are fast deteriorating and are going from bad to worse particularly in Madhya Bharat and Rajasthan regions. I want that priority should be given to these areas where insufficient attention has so far been paid, till they come on a par with other areas. With these words, Sir, I hope the hon. the Railway Minister will look into these matters and accept my amendment.

Pandit Hirday Nath Kunzru: Sir, I fear I cannot congratulate the hon. Minister of Railways on the Resolution that he has placed before the House. He has gained nothing by insisting on the appointment of the Railway Convention Committee in April last. Before I deal with the Resolution that is before the House, I should like to ask the hon. Minister whether the Resolution which is to come into force on the 1st April 1950, when the States Railways, that is, the railways belonging to what are known as the Indian States, will become the property of the Government of India, deals only with the Railways now owned by the Government of India or whether it deals also with the Indian States Railways that it will control from the 1st April 1950. May I have an answer from the hon. Minister to that question?

The Honourable Shri N. Gopalaswami Ayyangar: The general principles underlying the Resolution will apply to the Indian States Railways that will be taken over by us.

Pandit Hirday Nath Kunzru: The Indian Railway Enquiry Committee recommended that the railway surplus should continue to be divided between the Railways and the General revenues in an *ad hoc* manner as is done now and this arrangement, it thought, should continue for five years and thereafter when prices stabilise, a Committee should be appointed to lay down the principles on which the surplus should be apportioned between the Railways and the General revenues. The Resolution that is now before us, although seeming to lay down general principles and to stabilise the position for five years, really does not take into account the situation with which the railways are faced. The Resolution says that for a period of five years, commencing from 1950-51, the annual dividend shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of General revenues in unremunerative strategic lines. The Railway Convention that was adopted by the Assembly in September 1924 laid down that the contribution of the Railways to the General revenues shall be one per cent. of the capital at charge of the commercial lines, excluding the capital raised by the Indian States and the Railway Companies *plus* a share in the surplus remaining after the payment of this charge calculated in ways prescribed in the Resolution passed in 1924. Now, the Resolution says that the Railways shall pay a dividend of 4 per cent. on the capital at charge. When the interest paid on that capital at charge amounts to 3·2 per cent. the General revenues will receive ·8 per cent. on the capital at charge. The Railway Convention of 1924 laid down that from the contribution made by the Railways the State shall pay the interest on the capital invested on and the loss in the working of the strategic lines. There are hardly any strategic railways now. We may therefore take it that the reduced percentage that will have to be paid to the general revenues on the capital at charge will yield very much the same result as the previous percentage did. Considering the fact that the capital at charge on the 1st April 1950 will be a little over Rs. 720 crores, the General revenues will receive between Rs. 5½ and 6 crores annually. The result of the formula recommended by the Convention Committee does precisely the same as the Convention that was in force from September 1924 up to 1943.

I shall now consider the provision recommended by the Resolution for the contribution to be made to the Railway Depreciation Fund. The Committee has recommended that this contribution should amount to Rs. 15 crores annually for five years and the present formula is that the contribution should amount to about Rs. 12 crores at the end of this year. As we are going to take over the State Railways, we have to consider what contributions should be made on their account to the Depreciation Fund. Now, I find that the total capital invested in State lines worked by the States amounts to Rs. 52½ crores, and the capital invested in the State lines worked by the Indian Railways amounts, so far as I remember, to Rs. 5½ crores. It is therefore clear that an additional contribution of about a crore will have to be made to the Railway Depreciation Fund. The Railways have therefore to pay annually a sum of Rs. 13 crores at least into the Depreciation Fund. The Railway Convention Committee has proposed that the contribution should amount to Rs. 15 crores as against Rs. 22 crores recommended by the Indian Railway Enquiry Committee.

My hon. friend the Minister of Railways can say that the railway earnings will not allow the Railways to make so large a contribution to the Depreciation Fund but this again means that the Committee's recommendations leave the position in respect of the contribution to the Depreciation Fund much as it is now. The Committee considered what contribution should be made to the General revenues. That was the governing consideration and after deciding what that contribution should be, it made proposals for the contributions to be made to the Depreciation Fund and to the other funds mentioned in the Resolution. I do not blame the Committee for not having made more satisfactory recommendations. The prices not having stabilized, it was not in the power of any Committee to lay down a formula that would have been more satisfactory from the point of view both of the Railways and the State than the Convention of September 1924 that was abrogated in 1943. I grant that the resolution before us is a little more favourable to the Railways than the Convention was but then it was abrogated in 1943. The Report of the Railway Convention Committee points out that apart from the sum of Rs. 15 crores that will be put into the Railway Depreciation Reserve Fund, the Railways could draw upon the accumulated balance of that fund which amounts at present to about Rs. 74 crores. The Committee seems to have contemplated, and the Minister also said, that this Fund would be drawn upon to the extent of about Rs. ten crores annually. The Fund would thus be depleted by about Rs. 50 crores in five years. It is true that a balance of 25 crores will still remain in the Fund but such a balance cannot be regarded as satisfactory by anybody who bears in mind the total capital invested in our Railways. We have to recognize the fact that prices have risen considerably and that contributions at the old rate will not be sufficient to keep our Railways in a sound condition. Like every prudent commercial concern, the State should not merely provide for the replacements and renewals that may

be necessary year after year but also provide a balance commensurate with the size of the undertaking in order to provide against adverse conditions that might have to be faced later on. It seems to me therefore that the Minister of Railways has no reason to congratulate himself on the arrangement that he asks us to accept.

Sir, a word more before I sit down. The Report of the Convention Committee has suggested in para. 11 that as the Railways belonging to Indian States will be taken over by the Government of India without making any payment to the States, two accounts should be maintained, the Loan Account and the Block Account, the Block Account representing the value both of the Railways now owned by the Government of India and those owned by the Indian States. The Indian Railway Enquiry Committee drew attention to the fact that the capital at charge contained a sum of about Rs. 68 crores for which no tangible assets existed. I need not enlarge on this subject because my hon. friend the Minister of Railways referred to the matter in his speech. The Railway Enquiry Committee recommended that in order to write off this sum, a provision of one per cent. of the annual gross earnings should be made. Now the total capital invested in the Railways owned by the Indian States is as I have already pointed out, about Rs. 58 crores. The two sums therefore are almost equal and one can be set off against the other. There does not seem to me any reason, in view of what I have said, why there should be a separate block account. I do not know what the decision of the Government with regard to the recommendation of the Railway Enquiry Committee that I have referred to is but assuming that they agree with the view taken by the Committee, it seems to me that they will, on the 1st April 1950, have an opportunity of writing off the entire amount because of their good fortune in acquiring the Indian State Railways without making any payment to them. I hope that my hon. friend, the Minister of Railways, when he winds up the debate will enlighten the House on this point.

Sir, I do not think that it is necessary for me to deal with any of the details of the Resolution. I have drawn attention to the most important features. And I think the House will agree that the appointment of the Railway Convention Committee has yielded no useful result. Instead of settling now what contribution the Railways should make to General Revenues for five years, I think it will be better if we continue the present method and, at the time of the division of the surplus, pay due attention to the needs of the Railways. There is no conflict between the Railways and the General Revenues. Both belong to the State. It should be of the utmost importance to the State to see that the Railways are maintained in an efficient condition. They provide the State with something more than a contribution to the General Revenues. They enable the trade and commerce of the country to function normally. Any breakdown in our railway transport arrangements will react seriously on the economic position of the country. I venture again therefore to submit to the House that it will be better to allow things to go on at present, weighing the scales in favour of the Railways, rather than accept the rigid arrangement proposed in the Resolution before us, which is to remain in force for five years.

Shri Ramnath Goenka (Madras: General): Sir, there have been three points of view placed before the House. My friends Mr. Subramaniam and Mr. Kapoor presented the extreme point of view, namely, that as much as possible should be taken from the Railways and given to General Revenues. Then there was the point of view presented by our friends Prof. Shibban Lal Saksena and Mr. Kuladhar Chaliha, that Railways, as they are claimed and very rightly claimed, should be a public utility concern and therefore must be used in the best interests of the country and for the convenience of the public.

Dr. P. S. Deshmukh (C.P. and Berar: General): A public charitable concern!

Shri Ramnath Goenka: No. Then the third point of view was placed before us by Pandit Kunzru, and very emphatically too, that the present unsatisfactory state of affairs should continue, namely, that the Finance Minister and the Railway Minister should quarrel between themselves over whatever may be left as the surplus of the railways. These are the three points of view which have been placed before us.

A point of view was very strongly pressed that more money should be given to the Railways, more money should be allocated to the Depreciation Fund, more money should be put into the Betterment Fund, and that everywhere there should be more money. If there was plenty of money, there would be no quarrel. But the fact is that there is only a limited amount of money to be distributed. Therefore that limited amount of money has got to be equitably distributed. What did the Committee do? Instead of the present allocation of Rs. 12 crores to the Depreciation Fund, they decided that it should be Rs. 15 crores.—Mr. Chanda, the Financial Commissioner of Railways asked for Rs. 28 crores to be allocated. And Mr. Kunzru's Report wanted Rs. 22 crores to be contributed to the Depreciation Fund. But when we took stock of the situation we found that there was no money to be allocated either on the basis of the Financial Commissioner's Report or that of the Kunzru Committee Report. We had therefore to come to the inevitable conclusion that Rs. 15 crores should be allocated to the Depreciation Fund. But is Rs. 15 crores enough? Certainly not. But there are Rs. 74 crores already standing to the credit of the Depreciation Fund, and if we contribute at the rate of Rs. 15 crores every year for five years, that will come to Rs. 75 crores, totalling a sum of Rs. 149 crores. And in the five years a sum of Rs. 125 crores is proposed to be spent on the rehabilitation of the railways. This is, roughly speaking, the *via media* which the Committee could adopt. Even if the Committee wanted to do something better, what could they do? After all they have to take into account the revenue and expenditure position of the railways.

Another point raised was that the Railways are taking away money from the Finance Minister. That statement is far from being the fact and those who say that do not really understand the exact import of the arrangement. Every pie which the Railway has is in the hands of the hon. the Finance Minister. He has liberty to use the whole of the Railway's money, in whatever Fund it may be placed, in the manner in which he thinks best. To be accurate, it is something like the position in respect of the Sterling Balances. Whatever money the Railway has, whether it is in the Depreciation Fund or the Reserve Fund or the Betterment Fund, is placed at the disposal of the Finance Minister and so far as the Finance Minister is concerned, his ways and means position is fully covered. In fact every pie which the Railways may allocate to one Fund or the other is available for use by the hon. the Finance Minister. It is true theoretically to say that those Funds are allocated for a particular purpose. But a situation may come when the ways and means position of the Finance Minister may not permit him to allow the Railway Minister to use the money for the purposes of the Railways and I am not sure whether the Railway Minister can then use the money in spite of the Finance Minister. Therefore, to whatever Funds the money may be allocated, the net result is that the actual cash position is in the hands of the Finance Minister.

Shri L. Krishnaswami Bharathi (Madras: General): Has he control over that?

Shri Ramnath Goenka: He has absolute control over it.

Shri Jaspat Roy Kapoor: Let us have the satisfaction of having a good book position.

Shri Ramnath Goenka: That is what we are endeavouring to. It comes to that.

The second point which was raised by my friend Mr. Subramaniam, which was later stressed by Pandit Kunzru, was in regard to the acquisition of the State Railways. The amount of outlay on States Railways is about Rs. 52 crores. If you go into the history of these State Railways you will find that these Railways have been run to death, and the States which have been managing these Railways have been managing them only to get as much revenue as possible for the day and not bothering about the morrow at all. The maintenance of the railways had been ignored. (*An hon. Member*: Why did we take them over"?) The question is asked as to why we took them over. The answer is that it is a political decision. If it were a commercial proposition and if this commercial proposition had been offered to the Railway Minister, I am dead certain that he would have refused to take them over. But the fact is it is a political decision and having carried out that political decision he is bound to carry the baby for what it is worth.

Again, the Railway Enquiry Committee Report (Pandit Kunzru's Report) observed that Rs. 68 crores are not represented by tangible assets and that one per cent of the gross revenue every year should be allocated in wiping out those Rs. 68 crores. What have we done? We have taken those Rs. 52 crores into account—whether it is Rs. 52 crores or not is beside the point—and we say "Here is an asset of Rs. 52 crores; the one will offset the other, that is, these Rs. 68 crores will be replaced by this tangible asset of Rs. 52 crores or whatever it may be."

An Honourable Member: Did you deal with that in the report?

Shri Ramnath Goenka: It was not necessary to deal with that point in the report. The report made only a passing reference to it. It is only on the 1st of April that these Railways will in fact come under the Government of India and therefore it was too early to have made a mention of this point. But the idea of the Committee in coming to this decision was this: here are Rs. 68 crores not represented by tangible assets but the Rs. 52 crores worth tangible assets will offset those Rs. 68 crores.

A lot has been said in regard to the Betterment Fund. Let me say that there have been suggestions for too many funds like the Betterment Fund, Labour Welfare Fund, X-Fund, Y-Fund, etc. We wanted to make these things more flexible and so we reduced all the funds to three in number. The first is the Depreciation Fund which entirely goes towards replacement etc. Then the Reserve Fund is something like a dividend equalisation fund. The third Fund is called the Development Fund which would deal with betterment, labour welfare, and also such unremunerative projects as we have not been able to take up so far but which it is necessary that the Railways should take up as early as possible as the future of the country lies in the development of its transport system to help not only the general public but also trade and industry. The system, so far, has been that unless a particular return was guaranteed, no new project was undertaken, unless it was a strategic line in which case the whole burden was borne by the General revenues. Now, we have created a Fund from which will be spent money for unremunerative projects.

[Shri Ramnath Goenka]

Sir, I need not go over the whole report. A lot has been said about it by several members, but so far as I am concerned, I think the report which we have submitted is the only report which any Committee could have submitted in the circumstances in which we were placed. There is only one point which remains to be answered: why didn't we leave the matters where they were? Several members have stated, and my friend Mr. Alagesan put it very nicely, that there has always been bickerings between the Railway Minister and the Finance Minister in regard to the division of . . .

Shri C. Subramaniam: But we were assured that there is none and that there would be none!

Shri Ramnath Goenka: There would be none, I am sure, under the present scheme, but there have been in the past. The present Ministry, of course, is a happy family.

Pandit Thakur Das Bhargava (East Punjab: General): An arbitrator was appointed to settle that controversy.

Shri Ramnath Goenka: Here is a railway system which has been completely shattered due to the war. No replacements have taken place. We know by personal experience the condition of the rolling-stock today. When we travel by rail, we have nothing but complaints against the Minister—sometimes there is no light, sometimes there is no water, and God knows what-not.

Shri C. Subramaniam: Are you speaking of the present conditions?

Shri Ramnath Goenka: I am speaking of the present and I am telling you that that condition has to be improved and for doing that within the next five years we have to spend Rs. 120 crores. Therefore, it is very necessary that a settlement is arrived at so far as the General revenues are concerned. In order to arrive at that settlement we have provided that we give the General revenues exactly what they have been getting so far from the railways—about six crores. Over and above 3.2 per cent. interest which we have been paying we have been paying also annually six crores on an average. If we pay them four per cent. that amounts to the same. Under that arrangement the Finance Minister would be quite happy so far as he is concerned because he would be getting what exactly he was getting before.

Shri T. A. Ramalingam Chettiar (Madras: General): What about the investment in strategic railways?

Shri Ramnath Goenka: It is not the concern of the railways. There are none, now, and if one is going to be constructed in the future it will be a political decision and not a commercial proposition.

Sir, we have been talking of nationalisation, but the unfortunate part of it is this. We want to nationalise a concern and have a say in it. We say all the revenues derived from the railways should be allocated to the General revenues. If you want to nationalise and make the railways a commercial concern, then you must run that concern in a business-like manner. We forget that aspect of the question.

Shri C. Subramaniam: But you get a dividend all right.

Shri Ramnath Goenka: In business we create several hidden reserves about which you know nothing. (*An hon. Member*: The cat is out of the bag). The cat will be out of the bag here too. If you see this report and analyse it, you will find that we are debiting to Capital Account anything up to Rs. 20 crores instead of Rs. 10 crores. Is it not a reserve? (*An hon. Member* : We are asking about your reserve). Don't worry about mine. I have no time to analyse this report, but if I do I can show how various expenses that were formerly debited to Capital are now being debited to Depreciation. Sir, my friends may not know it, but let them understand that we have not created a Redemption Fund. If it was a business concern, I would have created a Redemption Fund for paying off the loans which I would have taken from the profits. That we have not created because we knew what opposition we would meet at the hands of this House. Sir, my friends have no idea regarding business and commerce. If they had, they would have found that in the course of another twenty-five years the whole amount, every pie of it, borrowed from the Government of India will be paid to the Finance Minister and the Railways will be run only for the benefit of the people of this country without any profit motive. That will be the state of affairs.

Shri C. Subramaniam: Is it not an insinuation that the General revenues are being used for purposes not beneficial to the people?

Shri Ramnath Goenka: If my friend had only known it, the cost in the books of the Bank of England building, which costs a million pounds, is about a rupee. Why is it one rupee? Is it not a nationalised institution? It is a hundred per cent. nationalised institution. They want to keep their finances in such a manner as would enable them to stand all weathers. Here are our Railways, which have been not able to stand any whether at all. Look at the history of 1932, 1934-35. What happened? We were not able to pay even interest. We had to borrow money from the Depreciation Fund to keep ourselves going. Is this good finance? Is this the way to finance a public utility concern, which is there for the good of the people and the trade, commerce and industry of the country? Is this the way in which we are going to keep the finances of the biggest national industry in this country? All that I want to submit is this. We have to take care of the Railways in future. We have to provide against a rainy day. We have to see that the Railways are run in the best interests of the country. They should not be treated as a commercial concern. Even if they are so considered, we must see that plenty of reserves are created in the various Funds of the Railways, so that we could weather any storm that may face the Railways in future.

Dr. P. S. Deshmukh: Sir, there have been many speeches delivered on this Resolution and I therefore do not propose to take long. I am not in the habit of repeating what has already been said. I will confine myself to a few points which I wish to urge.

As my hon. friend. Mr. Goenka, has said, the House is divided into several groups which have advanced different points of view. I for one agree with the view which urges that as much money as possible should come to the General revenues. The reason why I say so is, firstly, because we have been reduced to the position of debtors. We have had recently to borrow considerable sums of money from foreign countries and pay interest upon them. Here is our own money which is invested in the Railways and I see no justification whatsoever why we should charge to a certain Department of Government anything less than what we are obliged to pay for our own loans. In fact, I would have liked the Committee to have recommended a rate of five per cent instead of four per cent.

Of course, my hon. friend Mr. Goenka has put before the House the other side of the picture. He has described the way in which the Railway Administration was carried on and the dilapidated condition in which it is at present.

[Dr. P. S. Deshmukh]

According to him, it has ceased to be a sound commercial undertaking. That is probably the only reason why he wants to call it a public utility concern. I therefore suggested somewhat humorously that it might as well be converted into a public "charitable" concern. If the Railways were really providing reasonable standards of convenience and maintaining normal human conditions for the travelling public in this country, I would not have insisted upon a high rate of interest. But both during the whole period of the war and today, the Railways are being maintained at the cost of the public at large. The harassment and inconvenience which the public have to undergo is so continuous and extensive that there is no justification why there should not be some more contribution made to the General revenues than has been contemplated.

Shri Mahavir Tyagi: That is the lookout of the Minister. It had nothing to do with the Committee.

Dr. P. S. Deshmukh: The second reason why I want a higher rate of dividend is that it is the only means in our power by which we can expect the railway efficiency to go up. There is no other criterion. If the Railways are made to pay a maximum of their intake to the General revenues, then that is one criterion by which we will be able to judge the efficiency of the Railway Administration. From that point of view also, I would urge that the Railways should be put to it,—especially now that we have won our freedom and the strategic Railways are no more a burden on our finances—to contribute a larger share to the general finances.

My hon. friend Prof. Shibban Lal Saksena thinks that the State should take the minimum, because if we insist upon more, the development of the Railways would suffer. I for one take a different view. I think that the more the Railways are able to contribute to the general revenues, the more it would be possible for the hon. the Finance Minister to set apart larger sums for railway development in India. There is no doubt that railway development is at a standstill as far as larger mileage is concerned. It is imperative that in a country of India's size we should have larger mileage of railways, but if that is to come about, it can only be through larger sums accruing to General revenues. It may be made a rule, in that case, that if over and above the four per cent. dividend, there are large sums accruing to the Railway Administration by way of profits, that at least one-third of these profits should go to the General revenues, half of which could, if considered necessary, be earmarked for railway development alone. Thus the money paid to the General revenues is not money that is lost to the country. In fact, it is capable of better utilisation in the shape of development than if the profits were allowed to be spent by the Railways.

Then, Sir, I do not like this business about amenities having a certain sum of money about Rs. three crores or so to be reserved for this purpose. My reason is this. Not that I dislike amenities, but the standpoint from which the convenience of passengers is viewed is, in my opinion, completely wrong. The present conditions in the trains are such as even cattle will not put up with. It is the bounden duty of the Railways to provide reasonable conditions and facilities, and not give these amenities a shape of something like a charitable or extra generous consideration towards the passengers. That is not so. It is very necessary to determine what average conveniences the passenger is entitled to and it should be the bounden duty of the Railway Administration to provide them not in the shape of amenities but as things which every human being deserves and must enjoy. Calling them as "amenities" and reserving certain amounts only for amenities, etc. is a thing which I do not like.

Shri Mahavir Tyagi: Did I not say so in the Committee?

Dr. P. S. Deshmukh: I have always prided myself . . .

The Honourable Shri K. Santhanam: May I explain that this Fund is intended to overtake the arrears of the last hundred years?

Shri O. V. Alagesan: It is such a meagre amount to overtake the arrears of the last hundred years.

Dr. P. S. Deshmukh: Sir, I always knew that I had some sort of a psychological sympathy or telepathy with the thinking process of my hon. friend Mr. Tyagi and it is a great consolation to me that even in this regard he had voiced in the Committee what I say here today.

One more thing that I would like to say is this. In running the Railways, especially under present conditions, the Railway Administration should give adequate facilities and deliberate concessions to producers of agricultural commodities. This point was the subject of questions this morning and I was thoroughly dissatisfied with the way in which the hon. the Minister of State for Railways answered those questions. I do not like the attitude which he seems to have developed. I do not mind if it is a matter of profits for the merchants, if the charges are heavy; but when an agriculturist wants to despatch his goods from one place to another, concessions must be given. At the present time, the rates are more than double in many cases, particularly in respect of oranges and bananas transported from Central Provinces and Bombay. This is without reference to the prices that an agriculturist or a grower of these fruits will make. I would very strongly urge, taking advantage of this Resolution, that the present freight rate on oranges and bananas is too heavy to bear and is working to the detriment of the producers. The result is that if the growers are not able to transport them and if there are not customers available in the area where they are grown which it is generally the case, most of the fruit—about growing more of which we shout so much and to which we attach so great a value—gets rotten and has to be thrown away or used as manure.

Shri R. K. Sidhva: They want supplementary foods and they are raising the freight rate on supplementary foods.

Dr. P. S. Deshmukh: The whole thing is working in a very unsatisfactory manner and I think the case deserves to be examined. My hon. friend suggested that it was only costing the grower one more banana per dozen, but how it affects his production and his incentive to grow more is a matter which should have been seriously considered by him before enforcing the higher rates.

Unfortunately, I am sorry to say that the hon. Minister of State has not looked at it from that point of view.

I do not wish to take any more of the time of the House. I do not propose to oppose the Resolution. But we must see that since we have made
5 P.M. the Railways a monopolistic concern, we should see that they give satisfactory return. Had they not been a monopolistic concern, they would not have been able to stand on their own legs. It was proved in 1932-33, as was referred to by my hon. friend Shri Ramnath Goenka, that they were unable to compete with the average transport companies and bus services. They had to be protected. In view of all this the General revenues are certainly justified in expecting a larger return.

Shri M. Tirumala Rao: Sir, I want to intervene in the debate only to answer one or two charges that the members of the Committee have all been yes-men and have been lost in admiration of the hon. Shri Gopalaswami Ayyangar and

[Shri M. Tirumala Rao]

his Deputy. Sir, it is not possible for me to refute the view-points of all those hon. Members who have spoken, except the one which was presented by my hon. friend who moved the first amendment. I would have been very pleased if the other signatory to the amendment was here to shed some light and illumine the dark corners of this Assembly by his superior wisdom. But, unfortunately, the whole responsibility and burden has fallen on the shoulders of my friend, Mr. Subramaniam.

Shri C. Subramaniam: Do you think I have not sufficient light to throw?

Shri M. Tirumala Rao: It is a joint effort in which the whole burden has fallen on his shoulders and I congratulate him on the way in which he has discharged it, though we still remain where we were with regard to being convinced about the wisdom of his proposal.

Sir, national interest demands that we should look at this matter from the point of view that the Railways are owned not by the tax-payer, but by the nation as a whole. If you analyse the position, the tax-payers in the country compared to the general population are in a minority and I say here and now that the New Constitution ensures that whether a man is capable of contributing anything to the exchequer of the State or not, by the very fact of his being a national of this country he has got an interest in the national property. And Railways are built and maintained at the cost of all the people who inhabit this country. The major contributor to the Railway income is that class of people who have not got a great stake in terms of money. About one hundred crores of passengers are carried by our Railways every year. Thirty to thirty-five crores is the total population of our country. That means on an average every man, woman or child, irrespective of age would have travelled on the railways on an average three times a year. Therefore, they have got an abiding interest in the well-being of the Railways.

Sir, we have just now emerged from a period of depression, from a period of absolute disintegration and dislocation of our normal traffic. If you see the post-war reconstruction schemes that were drawn up during the previous regime, you will see magnificent plans for building up the transport system of this country. They have said that the prosperity and well-being and improving the standard of life of the common man mainly rests on the transport system of this country. Railways play a notable part in the economic life of the country and I am glad, Sir, that an experienced administrator and a level-headed politician and statesman who has commanded the confidence of this country on many critical occasions like Shri Gopalaswami Ayyangar is in charge of this national asset. He has taken into his head that he must put on a sound footing the finances and the organisation of our railways at least for the next five years. He has taken the Finance Minister who is really the key-man with regard to both the Railway and General Finances of this country into his confidence. Both of them exchanged their opinions and came with a common proposal before the Committee for their approval. We have discussed many a point in the Committee—not that we have been absolutely or abjectly subdued either intellectually or morally by these gentlemen. But their superior equipment and experience have convinced the members of the Committee about the soundness of their proposals.

Sir, I do not want to enter into details. The Depreciation Fund is one of the most ticklish and technical questions which could not be defined by the most experienced administrators or engineers in this country or abroad. There are several ways of computing it. There are several ways of arriving at it. There are several methods of calculating the wear and tear of an asset. Therefore, all those things have been taken into consideration to the best of the technical and experienced advice of the Railway Board and other members of the staff and a workable decision has been reached that within the next five years a total amount of Rs. 50 crores should be allotted to the Railways for unimpeded and undisturbed development of this asset of the nation.

Then I come to the Betterment Fund. It was pointed out by several hon. Members that the ordinary passenger amenities have been woefully neglected. The Betterment Fund was brought into existence in the year 1946 by the then Railway authorities. Nearly Rs. 13 crores has accumulated. That shows the difficulty and I may say to some extent the inefficiency of the system under which we are now working. They were not able to spend the money which was allotted to them. They could not provide the necessary amenities. There are certain things which are out of their control. But there is no point in accumulating this Rs. 13 crores and keeping it in the tills of the Finance Minister to be used as he likes. Therefore, we have stipulated a condition that there should be at least three crores of rupees to be compulsorily spent. My hon. friend, Mr. Jaspat Roy Kapoor, asked me: "Suppose you are not able to spend—what happens to this Fund? Will it be used as the Finance Minister likes, or as the Railway Minister likes?"

Shri L. Krishnaswami Bharathi: Is it anywhere stated that it must be compulsorily spent?

Shri M. Tirumala Rao: It is for this House to see that the policy laid down by this House is competently and properly carried out by your own elected Ministers. Remember that you are under a responsible Government under which the Minister is as much responsible to Mr. Bharathi as to anybody else.

Shri L. Krishnaswami Bharathi: Will the Member enlighten me whether it is anywhere mentioned that it must be compulsorily spent? It should be spent within any year.

Shri M. Tirumala Rao: I do not want to carry enlightenment to an enlightened man like Mr. Bharathi. I want to bring to the notice of this House this, Sir. This is amalgamated with a development fund with a definite purpose. We have suffered in the past. I was a victim in my own district of the so-called remunerative character of some of these projects. A line 27 miles in length they wanted to carry it away to the Middle East and they condemned it as unremunerative. A line of 27 miles costing Rs. 27 lakhs they calculated whether it is remunerative or unremunerative. What is the quantum, what is the unit on which you are going to calculate the remunerativeness or the unremunerativeness of the Unit? This is a bit in a railway of nearly 3,000 miles in length. I may tell you that when the anicut on the Godavari was built, it was not paying a pie to Government as interest, but now it is paying 22 per cent. on the investment made. There are prospective investments which cannot pay anything in the initial stages and there are certain investments which may pay a large dividend in the later stages. There may be certain absolutely necessary projects which were designed a century ago and which have been operating to the inconvenience of the local people. Such schemes have to be taken in hand and executed whether they are immediately remunerative or not. Therefore, for all these contingencies and for the development of this system in a more useful and effective way, this diversion is made and it is clubbed together as a Development Fund. It can be used both for convenience as well as for the opening up of new lines.

[Shri M. Tirumala Rao.]

Sir, as a five year scheme, I feel that it should carry the largest measure of support from this House. I do not deny that there are so many other alternatives, but the combined wisdom of half a dozen or eight people who have been elected from this House has been able to produce this humble measure before you and it is worth while to give it a trial for the next five years and see what improvement and what development can be had in the transport system of this country.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): The question may now be put.

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri N. Gopalaswami Ayyangar: Sir, I have listened to this debate with great interest. A number of points have been raised in connection both with the report of the Committee and with the Resolution that has been placed before the House. Several of the points have been answered quite satisfactorily by two members of the Committee, who have spoken before me. I think the points that were stressed by them in answer to the criticisms that had been made leave me so far as those criticisms are concerned, very little to say indeed. I should like in the few remarks that I propose to permit myself at this late hour to deal with a few of the more important criticisms that have been levelled both against the recommendations of the Committee and the terms of the Resolution.

I would first take the amendment which tried to substitute a kind of new Resolution for the one which I have moved and the refrain of the speech of the hon. Member who moved that amendment is that there are several considerations which should convince the House that this is not the time for our trying to petrify, in the shape of a Resolution, things which are fluid and which must be allowed to settle, and for which machinery is provided by the new Constitution for proper investigation and settlement.

Now, Sir, I should have liked to sympathize with that attitude, because it would have saved me, my hon. colleague the Finance Minister and a considerable number of stalwarts in the House who were members of this Committee, a great deal of time and trouble, the time and trouble that they had to take in evolving this report and this Resolution. But we have to face facts. This is a time when both Railway finance and General finance require a certain amount of certainty, at least as regards the immediate future; and without that amount of certainty, it is not possible either for the railways or for the hon. the Finance Minister to plan ahead, to try to make the best use of the resources that come into their hands and also to see that as far as possible they work hand in hand and achieve the co-ordination about which my hon. friend. Mr. Subramaniam, was so enthusiastic. I think if there is one characteristic of this report which should elicit the appreciation of this House, it is the fact that co-ordination has already been achieved in this report and it would be further implemented in the carrying out of this Resolution during the next five years. Now, Sir, that is the reason why I take it, the Committee set to itself this task and tried to produce something which would be acceptable and which would be workable.

A criticism has been made that this matter should have been placed before the Railway Standing Finance Committee. I would refer to two circumstances which, perhaps, would answer that criticism most satisfactorily. The first is

that this suggestion was made in the course of the debate on the Resolution which the House accepted in April last in deciding to set up this Committee. Even then, it was said: "Why have a new Committee? Why not leave this matter to the Railway Standing Finance Committee?" And I answered that particular criticism, I remember, by pointing out that this is a matter in which the Railways are not the only party concerned but that general finance also has to take a hand, and therefore, it would be more appropriate that the House appointed a Committee on which both those who were interested in Railway finance and those who were interested in General finance, could find representation. That is a point to which I should like to draw attention.

But my attention has been drawn also to the fact that when this matter was considered by the Railway Standing Finance Committee in June 1946 in one of its decisions it said:

"The elimination of the contributions to General revenues can only be considered by the Legislative Assembly which will in due course appoint a Committee to review the working of the Railway Convention. We recommend that this Committee (that is to say, the Committee to be set up by the House) should be set up at an early date."

Shri Jaspat Roy Kapoor: That Resolution of the Standing Finance Committee did not suggest that the report of any Committee that may be set up should not be placed for the consideration of the Standing Finance Committee, thereafter.

The Honourable Shri N. Gopalaswami Ayyangar: I am wondering whether I would not be guilty of discourtesy to the House, if the report of a committee appointed by it, which had to be submitted to it for consideration, was placed before the Standing Finance Committee which was set up only for Railways. I thought the most appropriate course was to place it before this House.

Now, Sir, Mr. Subramaniam referred to several arguments. I am sorry that he did not have the time perhaps for unburdening himself of all that he had intended to say. But, there is one point in his speech to which I think I should make a reference. He quoted from Sir Jeremy Raisman, what he said in 1942 or 43, if I remember aright, in 1943. That was a period when Sir Jeremy Raisman was putting out his hands as the Finance Member of the Government of India to grab as much as he could from the railway surpluses, and it was natural that he should have referred to what Sir Basil Blackett had said in 1924 as illusory, and so on. Sir Basil Blackett was not before him; I believe he was dead at that time.

An Honourable Member: Sir Jeremy Raisman is not before us.

The Honourable Shri N. Gopalaswami Ayyangar: I am not quite sure of the date of his passing away; but I have a recollection that it was before Sir Jeremy Raisman spoke. I am sure, between the two, it is difficult for me to choose Sir Jeremy Raisman in preference to Sir Basil Blackett. I would read to you what Sir Basil Blackett said in 1924 when this particular point was raised by no less a person than Sir Purushottam Das Thakur Das. Sir Purushottam Das Thakur Das had pointed out that the result of adopting the Convention would be that in the event of a deficit, the Assembly "would be giving up a very effective power which exists now to meet the deficit (that is to say the deficit in the General Budget) wholly or partially by a demand on the Railways."

Sir Basil Blackett referred to this and said:

"That, Sir, is perfectly true. The Assembly are being asked and the Government are proposing themselves, and the Finance Department is proposing, that the Assembly and the Government should lay down the proposition that taxation on communications is bad taxation, and that in the event of additional taxation being required, which God forbid, that taxation

[Shri N. Gopalaswami Ayyangar]

should be imposed by some more desirable method than that of taxing the railways. We are asking the Assembly to agree to a Convention that it will not in normal circumstances, obviously one cannot legislate for abnormal circumstances, that it will not in normal circumstances, try to meet a deficit by taxing communications, by interfering with railway property."

That was the advice which Sir Basil Blackett gave in 1924. I for one, as I said this morning, am willing to swear by it rather than by the opinion of Sir Jeremy Raisman who had his own particular provoking circumstances in 1943 to say the things that he did.

Sir, I would now pass on. There was a good deal that was said about the Betterment Fund. I would point out in answer to an hon. Member who put me the question, that during the current year, the promise that I made during the Budget debate in March last has been satisfactorily implemented. I said that I would try and see that the one and a half crores of rupees that were set apart for that purpose in the current year are spent. According to the information that is at present at our disposal, that allotment has been nearly all spent already, and it is possible that, in pursuance of the promise I had made to the General Managers when I met them here, additional allotments may be asked for from me for the purpose of expenditure on this item in excess of one and a half crores. For the next year, in spite of the hon. the Finance Minister's insistent demands that we should cut down expenditure in all directions, a provision of three crores of Rupees will be made. As regards the earmarking of three crores every year for passenger amenities, the recommendation is that the earmarking should be for expenditure. There is myself, and after me, my successor along with the Railway Board, to see that this undertaking is implemented. If it is not implemented, as my hon. friend Mr. Tirumala Rao pointed out, you can hold them to account here and you can hold them responsible for neglect of duty.

Then, Sir, I greatly appreciated the general point of view that was put forward by my friend Prof. Shibban Lal Saksena. If I considered myself responsible only for railways, I should have gone the whole hog with him. Unfortunately, I have to conduct myself in my present capacity in co-ordination, as Mr. Subramaniam would want me to do, with the hon. the Minister of Finance and I cannot ask for more than I can reasonably ask if this co-ordination has got to be effective. I think, Sir, the opposite point of view that as much as possible should be taken out of railway surpluses and handed over to the General revenues, is a proposition to which I do not think any substantial section of this House would give its consent.

There was something said about the assets of the Indian State Railways which we shall be taking over on the 1st April, 1950, and an interesting suggestion was thrown out by my hon. friend Pandit Kunzru. He referred to two facts. One is that in our capital at charge now, there is an amount against which there are no corresponding physical assets. As against that, we shall be getting from the Indian States physical assets, but there will be no addition to the capital at charge. I think my hon. friend Mr. Ramnath Goenka referred to it. It is just possible that the one can be treated as set off against the other. In any case, as he very rightly pointed out, that was one of the considerations which were responsible for the wording of paragraph 11 in the report in the way it has been worded.

As regards the maintenance of the Block Account separately from the Capital Account, that is not a matter which emerges only from this one circumstance of our having to take over the Indian State Railways. There has been and there is going to be a certain amount of capital expenditure which would not be financed from loan funds, but which would be financed from revenues. In such cases, it is necessary that we should have an account which shows the value of our assets and another account which shows only the loan capital on which we have got to pay dividend and therefore it is that this very necessary recommendation has been made.

Sir, I was very sorry to hear my hon. friend, Pandit Kunzru, say that this Committee might as well not have been, that it has added nothing to the existing state of things and that all its efforts have been in vain. It is unfortunately the experience of Chairmen of Committees set up for making enquiries of this kind to have this kind of criticism levelled against them. I well remember that when we were adopting the report of the Indian Railway Enquiry Committee the same thing was said that we had not moved an inch from where we were, but that is unfortunately the fate of Chairmen of Committees of this description. But he failed to recognise the fact that instead of an *ad hoc* fluid arrangement which could be changed every year about which there could be an interminable difference of opinion, the Committee has to produce a scheme in which this kind of difference of opinion cannot arise, at any rate during the next five years, and after the five years the system might well be changed on the report of another Committee of this description, which could go into the whole matter and recommend what changes are necessary. I cannot think of a more satisfactory way of dealing with problems of this kind in a democratic State. In trying to judge things as they are, we anticipate for what length of time those conditions might be expected to last. We provide for a change of the system or scheme when conditions may be expected to change and we have got to readjust our policy in relation to such changes.

An Honourable Member: After the five years only the rate of dividend could be changed.

The Honourable Shri N. Gopalaswami Ayyangar: Yes, the rate of dividend can be changed. Certainly the other recommendations which are founded on general principles are intended to be of a more permanent character than the actual rate of dividend, but, as hon. Members know, if we find that any of these general principles have miscarried and the state of things then required that we should reconsider them, there is nothing to prevent us from doing so. So far as we can see, the general principles are applicable to conditions which exist not only now but may exist for a period of ten or even fifteen years, but it all depends upon how things develop and how things force us to modify such decisions as we are taking now.

Now, Sir, I do not think you will expect me to deal with each individual amendment. So far as the Betterment Fund is concerned, I give this assurance that so far as I am concerned and the Railway Board is concerned, we shall see to it that not only are Rupees three crores earmarked for betterment in each of the five succeeding years but that the Rupees three crores are actually spent. For the rest, I think the lumping of this Betterment Fund with other amounts which will be put into the development fund has a convenience and flexibility, as my hon. friend so correctly characterised it, which will be all to the good for our trying to find money not only for passenger amenities but for extending our railway services and for providing for labour welfare.

Shri R. K. Sidhva: Not from this money.

The Honourable Shri N. Gopalaswami Ayyangar: I should say that in the light of what I have said now, I do not find it possible for me to accept any of the amendments that have been proposed. I would leave it at that.

Mr. Chairman: Are you pressing your amendment, Mr. Subramaniam?

Shri C. Subramaniam: No, Sir.

Shri Jaspat Roy Kapoor: As none of my amendments are acceptable to the hon. Minister I must persuade myself to believe that I have been convinced by his reply, and, therefore, I am not pressing my amendments.

The Honourable Shri N. Gopalaswami Ayyangar: I may remind Mr. Kapoor that as against his surrendering to me on this occasion, he will remember probably that I have succumbed to him, to his persuasions, in other contexts.

Mr. Chairman: Mr. Saksena.

Prof. Shibban Lal Saksena: It is no use. I would like to withdraw.

Shri O. V. Alagesan: In view of the assurance given by the Honourable Minister for Railways, I beg leave of the House to withdraw my amendment.

Shri Sita Ram S. Jajoo: I also withdraw my amendment.

Mr. Chairman: I take it that no hon. Member presses his amendment. Have all these hon. Members the leave of the House to withdraw their amendments?

Several Honourable Members: Yes, Sir.

The amendments were, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"This Assembly, after considering the recommendations of the Committee appointed by it in April 1949 to review the Convention relating to the separation of railway from general finance which was adopted under the Assembly Resolution, dated the 20th September, 1924, and in supersession of that and all other previous resolutions on the subject, resolves :

(1) that railway finance shall continue to remain separated from general finance;

(2) that the general tax-payer shall have the status of the sole share-holder in the railway undertaking;

(3) that on the capital invested out of general revenues in the railway undertaking as computed annually, general revenues shall receive only a fixed annual dividend;

(4) that for a period of five years, commencing from 1950-51, the annual dividend, shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines;

(5) that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it any adjustment considered necessary, having regard to the revenue returns of the railway undertaking, the average borrowing rate of government and any other relevant factors;

(6) that the existing railway reserve shall be renamed the Revenue Reserve Fund and utilised primarily for maintaining the agreed payments to general revenues and for making up any deficit in the working of the railways;

(7) that a Development Fund shall be constituted for financing expenditure for the following purposes :

(a) passenger amenities,

(b) labour welfare, and

(c) railway projects which are necessary, but unremunerative;

(8) that for meeting the cost of replacement and renewal of assets, the Depreciation Reserve Fund shall receive, for the next five years, a minimum contribution of Rs. 15 crores per annum chargeable to the working expenses of the undertaking;

(9) that the railway surplus shall be available for distribution amongst the Revenue Reserve Fund, the Development Fund and the Depreciation Reserve Fund to the extent the last named needs strengthening over and above the minimum annual contribution;

(10) that a Standing Finance Committee for Railways and a Central Advisory Council for Railways shall be constituted in the manner laid down in the motion adopted by this House on 23rd March, 1949;

(11) that the annual estimates of railway expenditure shall be placed before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demands for grants for railways by the Assembly; and

(12) that the Railway Budget shall be presented to the House, if possible, in advance of the general budget and separate days shall be allotted for its discussion and the Minister for Railways shall then make a general statement on railway accounts and working. The expenditure proposed in the Railway Budget, including the appropriation to the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund shall be placed before the House in the form of demands for grants. The form the budget shall take, the details it shall give, and the number of grants into which the total vote shall be divided, shall be drawn up by the Ministry of Railways in consultation with the Standing Finance Committee for Railways.

2. This Resolution shall come into force from 1st April, 1950."

The motion was adopted.

IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL.

The Honourable Shri K. C. Neogy (Minister of Commerce): Sir, I move:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

As the House has observed from the Statement of Objects and Reasons, the intention of this measure is to authorise Government to prescribe fees that should be payable on applications for import licences. Sir, control over imports and exports was initially imposed during the war years by the Defence of India Act. Later, for a short spell, the provisions relating to this subject were promulgated by an Ordinance and the place of this Ordinance was taken by the Imports and Exports (Control) Act of 1947. That Act was given a life of three years. That is to say, the principal Act to which the present Bill is an amending Bill, will have to come up before this House for consideration within the next three months or so. That is to say, the entire law relating to exports and imports will be open to review by the House within three months. During this period of three months it is proposed to levy certain fees with two objects in view as stated in this Statement of Objects and Reasons. First of all, our intention is to make this organization a self-financing one, so to say, and secondly and incidentally to reduce the number of frivolous applications which go to increase the work of the organization. Sir, it will interest the House to know that nearly 22 lakhs of rupees are at present spent by Government from General revenues for the maintenance of the Import Control Organization and this Organization is expected to issue licenses on the present basis for an amount of 400 crores or so. That is to say, the licenses that are issued would be of the order of 400 crores and we have to spend out of General revenues because we don't get any income out of this transaction. We have to spend 22 or 23 lakhs for the unkeep of the organization.

Shri Mahavir Tyagi (U.P.: General): What is the number of licenses?

The Honourable Shri K. C. Neogy: It is difficult to give the figures but I would like to tell the House the volume of the business that has to be handled by the organization. I have already said that 400 crores represent the value of the licenses issued and the applications number 100 times that, that is

[Shri K. C. Neogy.]

to say, if all applications were to be granted, the amount would be near about 40,000 crores whereas we can afford only importation of goods worth 400 crores. That gives an idea to the House of the amount of fruitless work *viz.*, only one per cent virtually of the value of applications is granted.

Shri B. P. Jhunjhunwala (Bihar: General): Ten times is the number of applications or the amount?

The Honourable Shri K. C. Neogy: It is very difficult to give the number but it is at least one lakh per half year and I may tell the House that at the moment there are 35,000 applications pending in the Delhi office—in the office of the Chief Controller himself, let alone the other offices at the Port towns and these 35,000 applications are being disposed of at the rate of say 1200 to 1500 per day. That gives an idea about the volume of work.

At the present moment, as the House is well aware, due to financial stringency we are expected normally to economise in the matter of expenditure on establishments but the House will realize that, having regard to the circumstances it is not possible for us to accept any cut in the cost of this establishment. On the other hand, I have been feeling for some time that there is room for a good deal of reorganization and improvement of the official set up. Now it is not possible for us to expect all that accommodation from the General revenues and that is the reason why this measure has been brought up but I would like to mention in this connection that the Defence of India Act itself specifically provided—I am quoting from Section 2 sub-section 3 sub-clause 9 for the promulgation of rules "enabling fees to be charged in respect of grant or issue of any license, permit, or other document for the purpose of these rules." Now I don't know for what reasons—may be due to oversight—this particular provision was not included in the Imports and Exports Control Act of 1947 which virtually took the place of the relevant provision of the Defence of India Act.

Therefore it is I say that the charging of a fee of this character is not foreign to the idea that underlay the control over export and import initially.

Prof. Shibban Lal Saksena (U.P.: General): What was the fee then?

The Honourable Shri K. C. Neogy: I understand no fees were levied under the Defence of India Act. I speak subject to correction but later, on two occasions, fees had been levied to meet certain special circumstances but then the view that was taken later by the Legislative Department was that, in view of the absence of a specific provision authorizing the levy of this duty in the Import Export Act of 1947, we had better place the matter before this House and seek its concurrence to this particular proposal. That is really the reason why I have ventured to occupy the attention of the House in this matter today.

Mr. Chairman: Motion moved:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

Shri Mahavir Tyagi: Sir, in the first place, I would like to know whether this Bill really comes under the authority of the hon. Minister of Commerce, for it is a Bill of taxation. That is my opinion and it may be wrong. I feel it is a Bill which brings revenues to Government in one way or the other. It is after all not a court fee. From one lakh of applicants you want to realize some fees like the Court fees. It means taxing the public to the extent of so many lakhs of rupees. My submission is that it is a

regular and direct method of taxation. It comes under taxation and I wonder if this is really fair that a Department should come out with proposals which are tantamount to a tax whether it is small or big.

The Bill belongs to the class of Bills which are for taxation and it is not . . .

Shri C. Subramaniam (Madras: General): Are you raising a point of order?

Shri Mahavir Tyagi: It is an objection for the consideration of the House. Then the wording is slightly defective. Strictly speaking, if the men in authority begin to interpret it in their own way, it can be so interpreted. It says here:

"*Fees for applications for, and issue or renewal of, licences.*—The Central Government may levy such fee as it may specify in respect of any application for, and the issue or renewal of, any licence under any order made or deemed to have been made under this Act."

Now there are chances of stretching its meaning to the effect that if there are 100 applications for the import of some machinery of a similar type, there is nothing to prevent him to vary the fee on each of the applications. He may charge Rs. 200 for one and from another application of the same type another sum. I can understand one class of applications being charged in a uniform manner. I know they will use commonsense. But law is not a matter of commonsense. The vagaries of law will pay no heed to commonsense.

The Honourable Shri K. C. Neogy: If it will satisfy my friend I may say this at once. I was reserving that for a subsequent occasion. I can give the assurance on behalf of Government that our intention is to have three different rates of fees:—Rs. 10 for applications in respect of articles worth up to Rs. 10,000; for applications for articles worth above Rs. 10,000 and up to Rs. 1 lakh Rs. 25; and for applications in respect of articles worth above Rs. 1 lakh the fee payable would be Rs. 100. And there would be certain exemptions from the liability to pay such fees, such exemptions being granted in favour of, say Government departments, Provincial or State Governments, local bodies, educational or charitable institutions who want to import articles for their own purposes. All those applications will be entirely free from the payment of such duties. This is an assurance I give on behalf of the Government, whatever the language of the particular clause may be.

Shri Mahavir Tyagi: I am glad that the hon. Minister has clarified many of the doubts. But will his speech go as a part of the law? That is my point. Suppose the Government is changed tomorrow. And after the 26th January they are going to change it, I believe. In the eye of law, changes of Government do not matter. Law must be above Governments. Unless the law is changed, the position would be that any individual application can be taxed to any amount.

The Honourable Shri K. C. Neogy: I have stated the amount.

Shri Mahavir Tyagi: You are no doubt saying it. But I do not take it as the law. I do not take any cognizance of what the Minister has said, because the Minister does not go to court to interpret the law. The law is there. Why should not the schedule be incorporated? Let the House not give the Ministry unlimited power of taxing people. As it is, they can levy a tax of Rs. 100 or Rs. 200 or Rs. 500 per application. What stops them from doing so? My only suggestion is that this House of Representatives cannot give blind powers to the Government to levy a tax; it is a question of taxation here. Let the hon. Minister come forward with a schedule and this may be sanctioned by the House, so that people may pay taxes according to the schedule. The hon. Minister no doubt says so. It is all right today. But tomorrow the Cabinet might change their policy, and what is there to stop

[Shri Mahavir Tyagi]

them from levying different fees under this very same law. Government orders are changeable. It is within the rights of the Government to change them.

The Honourable Shri K. C. Neogy: It is open to the hon. Member and his Colleagues to change that Government.

Shri Mahavir Tyagi: That is very good. But will it not be a drastic process which you are suggesting to me? When I come to that, Ministers will not like it. Although the Bill is very small, it can be redrafted to ensure that it is not misused. As the language is, it can be construed that the Government, if they like, can tax applications of the same nature in a different manner.

Mr. Chairman: The hon. Member is repeating his arguments. He may go on to his next point.

Shri Mahavir Tyagi: That point may be clarified and the rate of fees may also be decided.

There is again another matter. Suppose there are applications which are not accepted but simply rejected. I have seen the manner in which applications are rejected. It is only those applications that have "weight" are considered.

The Honourable Shri K. C. Neogy: May I say that the weight is sometimes contributed by the support of hon. Members of this House?

Shri Mahavir Tyagi: Well, only those that have the support of a member or Minister will be accepted. What about those who cannot get any Member's support? Why should the humbler people be taxed? I submit that out of the lakhs of applications received, at least 90 per cent. will be rejected. They will be paying this tax for nothing.

Shri M. Tirumala Rao (Madras: General): What about the examination fee?

Shri Mahavir Tyagi: Their applications will not be examined. Quota is now being fixed as to how much is to be imported. When the quota is reached there is no chance for any application to be considered. They will have to pay the tax although the quota for that article has been reached. I submit that this will not be fair.

Shri M. Tirumala Rao: It will be fair. Otherwise a single person will be applying through half a dozen categories.

Shri Mahavir Tyagi: If at all a fee has to be realised, it must be realised only when the application is accepted or granted.

Shri Ramnath Goenka (Madras: General): Then there will be a lot of fictitious applications.

Shri Mahavir Tyagi: My submission is that although this is only an Act of four—in fact three and a half lines, still, even this small thing requires a little vetting. I would request the hon. Minister to get it vetted to make it absolutely fool-proof. Sir, I do not want to take the time of the House for long. With this submission I hope the hon. Minister will consider my suggestion.

Prof. Shibban Lal Saksena *rose*—

Shri R. K. Sidhva (C.P. and Berar: General): We have had only fifteen minutes, and we have to make certain suggestions in connection with this Bill. We can take it up tomorrow as it is already nearing six o'clock.

Mr. Chairman: The hon. Member Prof. Shibban Lal Saksena may speak tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Thursday, the 22nd December, 1949.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Thursday, 22nd December, 1949.

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

QUESTIONS AND ANSWERS.

(*See Part I*)

11-53 A.M.

EMBLEMS AND NAMES (PREVENTION OF IMPROPER USE) BILL

The Honourable Shri K. C. Neogy (Minister of Commerce): Sir, I beg to move for leave to introduce a Bill to prevent the improper use of certain emblems and names for professional and commercial purposes.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to prevent the improper use of certain emblems and names for professional and commercial purposes."

The motion was adopted.

The Honourable Shri K. C. Neogy: Sir, I introduce the Bill.

AIR FORCE BILL

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, I beg to move for leave to introduce a Bill to consolidate and amend the law relating to the government of the Air Force.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to consolidate and amend the law relating to the government of the Air Force."

The motion was adopted.

The Honourable Shri Satyanarayan Sinha: Sir, I introduce the Bill.

IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL—*contd.*

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by the Honourable Shri K. C. Neogy yesterday, namely:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

Prof. Shibban Lal Saksena (U.P.: General): Sir, while I thank the hon. Minister for having brought forward this Bill to make up for the loss of about Rs. 25 lakhs which we spend on the scrutiny of these applications, I was rather surprised that Government should have brought forward this Bill at this juncture. Only recently I gave evidence before the Committee appointed by the hon. Minister, for State Trading, and I was happy to know that soon the Government will give effect to the desire of the House expressed so often that the whole import and export trade of the country should be conducted by a Corporation formed by the Government. You will remember, Sir, that when measures for checking inflation were being considered at the last session, one of the important recommendations made was that the import and export trade of the country should be handled by a Government Corporation. I was therefore very much encouraged when the Committee was appointed to go into the question of State Trading, and in my evidence also I laid special emphasis on this aspect. I personally feel that the time has come when State Trading should be taken up in this country. Then there would be no need either to bring forward a Bill of this nature or to levy fees on the hundred and one lakh of applications that are received every year and charge people at the rate of Rs. 10, 25 and 100. I want to take this opportunity to draw from the hon. Minister an assurance as to what he proposes to do in that connection. I am hoping that the Report of that Committee will be available very soon. Probably in the next session of the Parliament he may have to implement its recommendations. If it is only a matter of two or three months, then why bring this Bill now and give room for the people to complain "You are charging us money even for applications"? Therefore, unless my hon. friend has given up the idea of taking up State Trading and of forming a Corporation to conduct the entire trade of the country, I think there is really no purpose in bringing forward this Bill at this juncture.

I am very anxious about the trade of our country, particularly because of the adverse nature of the balance of our trade during the last seven months. I am very happy to know that during the last month our trade balance has been in favour of India by about Rs. 8 crores. Still I feel that this is a question of life and death to our country and this is the time when the whole question about our trade balances and our entire trading should be very care-
12 NOON fully enquired into with a view to handling it more effectively. I hope the hon. Minister will give us some idea as to what he proposes to do in regard to this matter.

When I gave evidence before the State Trading Committee I was told that vested interests are opposed to this measure and the whole idea of State trading. They will naturally do so. I was told that there were huge numbers of people employed in the trade and that they will be thrown out of employment if State trading were undertaken. I want to tell the hon. Minister that the Government need not consider that objection. In fact one of the mistakes committed when the Government took over the Delhi Transport Service was that we dismissed the General Manager and some other persons who had been in the company's employment. If we had taken those people into our service and run the Transport Service with their help, I think it would have been much better. My own idea is when we take over an undertaking we should also take over the people working in it into Government service. They must become Government servants. They should have security of service and should feel that they were thereafter working for patriotic purposes for their own Government. (*An hon. Member*: How could the whole lot of them be employed?) When a trade is brought under Government's own control, they could appoint various executives for dealing with the different kinds of trade, for example, jute, cotton, etc. In the machinery of these executives all those persons

engaged in the particular business could be employed. The whole export and import trade of the country should be conducted through one single organisation—one Corporation—which would so adjust our imports and exports as to ensure that there is a favourable balance of trade and so that we could overcome these hard times.

While I have taken this opportunity of drawing the attention of the hon. Minister to this important question—and I hope he will make a full statement to the House and the country—I want to support the point made by my friend Mr. Tyagi that it would be much better if we include in the Act itself a schedule showing the various fees chargeable on the applications. I thought his proposal was quite a good one, though I consider that for bigger amounts he could have suggested higher fees than even Rs. 100. That will fill the purse of the Government and enable them to meet the expenditure they are incurring on scrutinising these applications.

Sir, I do not want to take the time of the House because we are hard-pressed for time. I hope the hon. Minister will take this opportunity of letting us know as to what he proposes to do about State Trading.

Shri R. K. Sidhva (C.P. and Berar: General): Sir, this Bill is of a limited scope. The hon. Minister desires that a certain amount of fee should be levied on applications for licences or renewal of licences. Though this Bill will not bring in that amount of revenue which will make the Import Control Department which issues these licences, self-supporting, it will, to a very great extent, minimise the fictitious applications for import licences that have for a number of years been pouring into this Department. We know that this Import Control Department has been very severely criticised, for good reasons or bad. The fact remains that licences which should have been given were not given and licences which should have been refused have been given, with the result that a considerable amount of discontent and corruption has entered into this Department. I am sanguine that by the provisions contained in this Bill, these would be removed to a very great extent, although I do feel that they won't be removed absolutely. But nobody would like to spend his money when he fully knows that in the event of his application not being accepted he is going to lose the fee paid by him. Therefore, I welcome this measure.

Of course, yesterday the hon. the Mover gave the House an idea as to what would be the fees that would be charged. He said that he would levy a graded fee, that is, Rs. 10 up to Rs. 10,000, Rs. 25 up to Rs. 1 lakh and Rs. 100 beyond Rs 1 lakh. I agree with this, but my point is why should we not mention it in the Act itself. Some schedule on this matter certainly requires to be put in. After all, the Bill does not state that rules will be made to that effect. It only says, "The Central Government may levy such fee as it may specify...". This matter should have come under the executive functions of the Ministry. In a similar case, the Railway Ministry, in order to avoid any kind of fictitious consignment notes, have, by executive order, laid down that a certain amount of money should be paid along with the consignment notes. Therefore, I don't know why that idea has not been incorporated here. Anyhow, it is a legal matter and if the Ministry has taken legal advice on this, then I have no objection to it.

As regards the fee, instead of Rs. 10, I would have suggested a minimum of Rs. 25/-. If we really want to put a stop to the large number of fictitious applications received, especially for small imports, we should put the fee up. It matters little to the *bona fide* merchant because he does not mind spending twenty-five rupees for getting a licence. Sir, I know of a case in the past where twenty applications were sent in the name of one man. If we raise the fee, all that will be stopped.

[Shri R. K. Sidhva]

It is not clear whether, if an application is rejected, the fee is to be refunded. I don't think that is the intention, but it is not clear.

Mr. Speaker: I don't think there is much need for the point to be argued so elaborately as that.

Shri R. K. Sidhva: But, Sir, it is not clear whether in the event of the application being rejected, the money is to be refunded.

Mr. Speaker: But does the Bill provide for refund?

Shri R. K. Sidhva: No, therefore, I want to make it clear that that money will not be refunded.

Shri M. Tirumala Rao (Madras: General): Sir, I have not got much to say with regard to the merits of the Bill. The hon. Minister has assured us that he will bring another Bill regarding the schedule of rates.

The Honourable Shri K. C. Neogy (Minister of Commerce): What I stated was that the parent Act which this Bill seeks to amend will expire on some date in March, 1950, so that in practice this measure will have currency for three months. That is all that I said. The law regarding control of export and import will have to be incorporated into a fresh Bill and placed before the House within that period of three months—of course, if we decide on continuing control.

Shri M. Tirumala Rao: My suggestion is that the schedule of rates may be left to be fixed by Government.

The Honourable Shri K. C. Neogy: That might be done when the new Bill comes up after three months.

Shri M. Tirumala Rao: Sir, I was told Government were spending about Rs. 20 lakhs on establishment for running this import-export organisation. Considering the volume of work that this establishment has to carry out, I think it needs expansion and better organisation. If you are going to collect money through these licence fees, you can very well utilise it for expanding and perfecting your organisation. Sir, this organisation deals with big and small importers and exporters. I am told nearly a lakh of applications are received annually. But may I state the experience of some very small importers? I have, for instance, drawn the attention of the officials to the case of a small man running a very good enterprise of manufacturing fountain pens in Rajahmundry. He imports to the extent of Rs. 1,000 or 2,000 at a time from the U.K. That man has to wait for months together to get his licence from the licensing authority. Once they issued a licence for Rs. 850, but by some mishap the consignor at the other end sent goods worth Rs. 930/- and because of that difference of Rs. 80/- the authorities at the Vizagapatam Port refused to hand over the goods. He is sending reminder after reminder to the authorities and writing to me also; two days ago he sent another reminder to me—as if I am very influential with the Department. We have got the experience of those days when these controls were newly imposed. An applicant would receive a letter stating that his application has been passed and he can take the licence. Actually, the officer at the top passes this order, but by the time the licences should have been ready, the papers are mislaid and it takes a month to trace them out. Sometimes the officer at the top even advises the man to put in a fresh application. Sir, I want the Department to go into such cases.

The Honourable Shri K. C. Neogy: Pass them on to me.

Shri M. Tirumala Rao: I have got here a fountain pen manufactured by that man whose case I referred to just now. He has manufactured these pens himself and has presented some to all the leaders including Mahatma Gandhi. I want that the Department should pay better attention to the issue of these licences. A large number of people are suffering for want of expeditious disposal of business. They must know whether they are going to get a licence or not. At present, they don't know what exactly the technical difficulties are. I see the men at the top being frequently transferred from the Department. You must have a set of well-trained officers who should be made to stick to this Department for a continuous period of three or four years so that they understand what exactly is the policy of the Government and how to carry it out in practice.

Sir, with these remarks, I support the Bill.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I support the provisions of this Bill, but I have one small suggestion to make. If you read proposed section 4A, it would appear that only successful applications should be charged fees. A person has to make an application and then a licence has to be issued or renewed. Only if both these conditions are fulfilled can the fee be charged. This defect could be overcome by using the word "fees" instead of the word "fee" and inserting the words "in respect of" after "and", so that it may be absolutely clear that the Government wishes to charge fees for applications as well as for the issue and renewal of licences. Otherwise it is open to the interpretation that both these conditions must be fulfilled before the fee is charged.

The Honourable Shri K. C. Neogy: Is my hon. friend moving his amendments?

Mr. Speaker: He is only referring to them; but that can be done even later on.

Pandit Thakur Das Bhargava: Sir, I have only brought the matter to the notice of the hon. Minister. If he wishes to accept my suggestion, he may.

The only other suggestion which I would like to make is this. In regard to applications which are not successful, I would rather like that the amount of fees is not large. Those who get the licences will certainly be in a position to make good the fees, but it is not so in the case of those who may fail to secure licences. The failure will be for reasons which may not satisfy the applicants. I would rather insist that the Government should discharge the responsibility of making the orders regarding quotas etc. known, so that the people may know whether their applications will be accepted. Many of them don't know of all the circumstances and whether the applications will be successful or not; they come here and pay the fees and ultimately get disappointed. Therefore, Government should see that the orders or circumstances relating to the import-export business are fully made known to prospective applicants.

Shri B. P. Jhunjhunwala (Bihar: General): Sir, the Bill under consideration should have been introduced long ago. It is clear from the speech of the hon. Minister that Government are spending about Rs. 25 lakhs from General revenues. This could have been easily realized from applicants for Import licence. It would not have mattered much for them to pay this small fee when they have to spend much more over it for coming here etc. So this measure should have been brought long before and I welcome it.

[Shri B. P. Jhunjhunwala]

The other point which the hon. Minister made was that the whole import-export policy itself will be reconsidered within three months and revised. Further, as my hon. friend, Prof. Shibban Lal Saksena has said, the question of State Trading is under consideration. From the Statement of Objects and Reasons, I find "that to do this with the efficiency that is desirable will involve an appreciable strengthening of the Import Control establishment. Partly with a view to recovering the cost of the Import Control establishment and partly with a view to discouraging frivolous applications for import licences, it is proposed that suitable fees should be prescribed to be levied on applications for import licences." So far as the imposition of this fee is concerned, I have no objection. I welcome it. But I strongly object to the Government contemplating an increase in the staff with a view to increase efficiency. Instead of complicating the procedure for obtaining import licences, Government should simplify the procedure in such a way that if an application is made, the licence is granted within the minimum time without too many formalities. This should not require more staff. It requires greater efficiency on the part of those in charge of issuing licences and simplification of the method adopted. If by enlarging the staff Government increase the technicalities, in my opinion, it will lead to more corruption, and once the staff is increased it will be very difficult to retrench them. This question of increasing the staff should not be taken up at this juncture, especially when the whole import and export policy is going to be revised within three months.

Shri Ajit Prasad Jain (U.P.: General): Sir, it may be that I am a solitary figure, but I feel it my duty to oppose this Bill lock, stock and barrel. I think the hon. Minister and his Advisers have not given to this problem the thought which it deserves. The object of this Bill is two-fold: one, to strengthen the staff of the Import Control establishment and second, to screen off frivolous applications. This strengthening is needed because of a very large number of applications and the necessity for a larger number of men to deal with them. Thus, the primary object of this Bill is to screen off frivolous applications. I sympathise with that object. But the question is: can the hon. Minister achieve that object with this Bill? After all, a fee of Rs. 10 or Rs. 25 or even Rs. 100 is not so heavy as to prevent a person who wants to make an application from doing so.

In this connection, I would like the House to make a review of the background of the economy which we have accepted for this country. We have a free economy. Under normal circumstances, any person who desires to import goods from any foreign country can do so, provided sufficient foreign exchange is available, but, at the present time, on account of exchange difficulties, Government have had to impose certain restrictions. Are these restrictions imposed in the interests of the importers? I say no. These restrictions are an obligation which is being placed upon the importers on account of the special circumstances arising from foreign exchange difficulties. I fail to understand, then, why it should be considered as a service rendered. Why should an obligation be camouflaged as a service? Why should this obligation, which is being imposed upon importers, be used against them? I said a moment ago that this Bill will not achieve the object of screening all frivolous applications. The reason is the smallness of the fee. If I had had my say, I would have suggested to the hon. Minister to lay it down as a condition that 10 per cent. or 15 per cent. of the money involved in the import should be deposited as security and in case a licence is granted and the person does not import goods or his application is found to be frivolous otherwise, then a part of the security should be liable to be forfeited. If you want to impose a condition, impose an effective condition. It is no use imposing an ineffective condition. I consider that this condition is not an effective condition. I think that the whole of this Bill is entirely misconceived. It is a useless measure. It will bring you a little money. You may be able to strengthen your staff and employ a few more persons and pay them. But it is not going to achieve the object of keeping off the frivolous applications.

Again, the House must be grateful to my hon. friend Shri Mahavir Tyagi for eliciting from the hon. Minister the amounts which would be leviable on these applications. I have, for some time, been observing a tendency on the part of the Executive to appropriate a little too much of power for themselves. This House gives sanction to certain specific matters. In a matter of this kind, I think a schedule of fees should have been attached. Now that the hon. Minister is going to bring forward another comprehensive measure after three months, that matter becomes a little immaterial; nonetheless, I think it is time that the Executive realise their responsibility. When they come to the House for a certain grant, it must be a certain grant. We must be in a position to know what grant they want from us.

There is another little point about the wording of this clause. I am afraid I have not given notice of it, but I feel that this word "any application" gives rise to doubt. I understand that my hon. friend Shri Mahavir Tyagi raised that question yesterday. Some of my hon. friends tried to pooh-pooh him, but I entirely agree that "any application" may mean one particular application and you will be at liberty to make distinction between one application and another. I know that you are not going to do it. Nonetheless, I think a little change will remove that difficulty. While framing a law, we must take particular care that it does not give rise to any dobut. These are the few words I wanted to say in this connection.

Shri C. Subramaniam (Madras: General): Sir, I agree that a fee should be levied on applications for licences. The hon. Minister indicated yesterday the volume of work transacted in this Department, but you cannot blame the applicants for that. It is the policy of the Government that for purposes of import they should get a licence. Therefore, everybody who is anxious to import anything has to come forward with an application.

I am also aware that there is almost an organisation of persons who make profit out of these licences and this tendency will have to be checked.

In levying this fee I would request the hon. Minister to see that certain classes of importers who import goods for their own private use and not for trade are not penalised by this procedure. For example, there are some persons who might be importing useful books from outside. I may be importing books to the extent of Rs. 100. Suppose I apply for a licence, does it mean that I should also pay a fee of Rs. ten, which comes to as much as ten per cent. of the cost of the books? Even if it is Rs. 500, the fee comes to two per cent. It would be as a matter of fact a taxation on knowledge. The fee might be justifiable when books are imported on a large scale by traders.

Suppose I have got a certain machinery for which I want to import a spare part, because the part has gone out of order. The spare part let us assume, costs Rs. 100 or Rs. 200. Under the scheme envisaged by the hon. Minister I will have to pay a fee of Rs. ten, which means five to ten per cent. over the cost price of the part. This would really be a hardship on *bona fide* consumers who import goods for their own personal use. Therefore a distinction has got to be made in respect of goods imported for trade and goods imported for private use only.

[Shri C. Subramaniam]

Bogus and fictitious applications are likely to be made only in cases where there is huge profit. There won't be such a huge number of applications in respect of items of this sort worth only Rs. 500 or less. It is from that point of view, Sir, that I have tabled an amendment that all applications for import of goods worth less than Rs. 500 should be completely exempted from any fees. I have suggested that there should be a graded fee and have prescribed the maximum limit. I would, therefore, request the hon. Minister to look into this amendment and see if it is not possible for him to accept it. After all when we are giving power to the Government it is necessary that we should also restrict that power. The object of the Bill is to collect fees on applications with a view to meeting the cost of the administration. The administration will naturally see that as much fee is collected as possible. The tendency will be to expand the size of the organisation and to increase the personnel. Their contention will be that they are meeting the expenses from the fees collected by them and not from the proceeds of the general exchequer. This is a danger which should be guarded against. The hon. Minister has also not told us how much money would be collected from the levy of this fee. We have not the least idea about it.

In these circumstances I would request that the hon. Minister of Commerce should accept the amendment which I have proposed.

The Honourable Shri K. C. Neogy: Sir, I should first of all deal with the point that was raised by my hon. friend Mr. Tyagi and has now been supported by one or two other speakers, namely that the rate of fee should, as a matter of principle be specified in the law itself. I do not suppose the House would expect me to go through all the various statutes which support me in the proposal that I have made. Fees are normally left to be prescribed by the Executive Government. I need give the names of only a few of the enactments—some of them are recent—which support my proposal: The Motor Vehicles Act of 1939; The Petroleum Act (a comparatively recent one); The Factories Act of 1948; Rubber Production and Marketing Act; Chartered Accountants Act; The Mines and Minerals Act, 1948 and so on.

That is my justification for leaving the actual rate of fees to be prescribed by Government. Further more I have already made it quite clear yesterday that this power can be exercised by Government under this law only for the next three months; because the parent Act is due to expire within those three months. I did not expect that this proposal would meet with such heavy weather in those circumstances.

Sir, my hon. friend Prof. Shibban Lal Saksena raised the issue of State trading. Let me assure him that nothing that we may do here on the present occasion is going to prejudice that issue on which his heart is set. Now, as I have already stated this legislation will have currency only for three months and not more than that and I do not imagine that the report of the committee will be due for consideration before we take on the question of re-enactment of the Control Act itself within that period. As a matter of fact most of the principles which are of a general character, including the issue regarding State trading, would be quite relevant when we come to discuss the question of continuance of the policy of control over exports and imports which will have to be done within three months from now.

[At this Stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen).]

My hon. friend, Mr. Sidhva, was of the opinion that the present measure may not enable us to meet the cost of the establishment; whereas some other

friends have expressed their apprehension that we may be making so much money out of this measure that there might be a temptation for us to multiply them unnecessarily. Now, I should like to remind the House of a restriction imposed upon such measures at the instance of the Finance Ministry. What is actually going to happen is that the proceeds of this fee will be credited to Government. It is not as if the fees will be collected by my officers across the counter and spent just in the way that they like. The whole amount of the money collected will be credited to Government and it is in consideration and in expectation of a decent income being made out of this source that I have succeeded in moving the Finance Ministry to agree in anticipation to a proposal to strengthen the staff.

That brings me to the question of the exact nature of the reorganisation that we have in view. I have felt that the set-up that we have to exercise the controls is defective in that a very large proportion of the staff belongs to the clerical ranks and the responsible officers are comparatively few in number. What we really need for the purpose of meeting the various complaints as regards delays and so on is to strengthen the staff at a level where officers can dispose of applications without putting them up to somebody else. This reorganisation scheme is not with a view to multiplying the staff. As a matter of fact, we have our definite ideas on the matter and I can assure the House that this measure will not lead to any enlargement of the establishment, but improvement in the sense that more responsible officers will be available for interviewing people and dealing with applications as quickly as possible.

Sir, a reference was made by my hon. friend Mr. Tirumala Rao to what is styled as rather frequent transfers of officers. Well, I do not think we have been guilty of frequent transfers on a large scale. In the exigencies of service, perhaps, some officers have to be shifted from one place to another. But I may tell the House that the work is so heavy that there are applications from the more responsible sections of my staff for leave. It is not a question of tying these officers down to their posts for years together. It is a question of giving them relief. In some cases I was approached with a proposal that some of the more important class of officers should be allowed to go on leave because they were virtually threatened with a break-down.

Now, my hon. friend Pandit Thakurdas Bhargava stated that there should be greater publicity, and that the people should know the rules and the procedure. Now, I have in my hand a copy of the *Gazette of India, Extraordinary*, dated the 13th September, 1949 which is the latest hand-book containing all the rules and all the information that is needed by any intending applicant for an import license. My experience has been that a lot of work is due to the fact that the people do not take care to read this publication, although I am told that this is one of the best sellers to-day in India; and not merely in India, but it is in demand in foregin countries as well. And speaking from my own experience. I have met with people who come to me as if I was the licensing officer. I met an intending applicant at very nearly nine o'clock at night while I was with the Governor of East Punjab at Simla. From the lounge I was about to go across the corridor to the dining room when a card was brought to me. I thought the man must be in distress and I hurried out. I did not know the gentleman and I asked him, "What brings you here at this hour?" He replied, "I want an import license". Other instances have occurred where people have insisted on seeing me, and I had to tell them that I do not know these details and that they are all embodied in books and publications, and when I tell them they had better go and meet the officers of the Chief Controller's organisation, they ask "Where is that office located?" I have been used as a kind of information bureau by intending applicants.

An Honourable Member: You are a popular Minister.

The Honourable Shri K. C. Neogy: We have the right to say that the applicants do not take care to know what the rules and procedure are. There is always on duty in the office an Enquiry Officer who is expected to furnish information which cannot be obtained in these books.

Mr. Jhunjhunwala said that the procedure should be simplified. I entirely agree with him. As far as possible, we aim at simplification of the procedure, and that is a matter which we have always in view, and my hope is that when the re-organisation takes place, the office will work with greater rapidity and also with greater efficiency.

I was rather surprised to hear my hon. friend Mr. Ajit Prasad Jain opposing this measure on a matter of principle, and at the same time putting forward the idea that there should be heavy securities demanded from all applicants. I do not know what reception such a proposal would have from the trading community in general.

I do not think I need once again dwell upon the point about the Executive being given too much power, I have already stated my precedents in this matter.

My hon. friend Mr. Subramaniam made a suggestion that non-trading applications should be exempted up to a limit of Rs. 500. He particularly mentioned the case of a person who may be desirous of importing books worth Rs. 100 or so for his own purpose. May I again refer to a publication, or rather to a rule in the relevant publication which says that these control regulations do not apply to any goods imported by an individual as passenger luggage or through the post for the personal use of the importer, except postal parcels of vegetable seeds, etc. etc. Books worth Rs. 100, if they are brought by post, will definitely be covered by that rule. But I may say that......

Shri C. Subramaniam: Can he get it otherwise than by post?

The Honourable Shri K. C. Neogy: I am coming to that. As a matter of fact yesterday I stated that it is our intention to exclude from the purview of this particular legislation applications for import licenses if received from educational institutions, charitable bodies, local bodies, provincial governments, government departments and so on. I am prepared to consider further whether we can go some way to meet my hon. friend in regard to the particular point mentioned by him. And here again I claim it is a merit of the procedure that I have suggested that it leaves our hands to a certain extent free for the purpose of making necessary adjustments. If we are to lay down a schedule, we would have to put every conceivable thing in that schedule. If you wanted to have an exception made, that exception must necessarily be laid down in specific terms. So I hope my hon. friends would be satisfied that the legitimate interests of people who are desirous of indenting books, for instance, for their own use, would not be jeopardised in any way by this measure.

Sir, my hon. friend Mr. Subramaniam referred, very incidentally, however, to the belief that there is an organisation that makes money out of these import controls and all that. As a matter of fact, I have had occasion to direct enquiries to be made into specific allegations of this kind whenever they came to my notice. But I want to remind the House that there are certain evils attendant on controls of this kind which it is very difficult to avoid altogether. And I may assure the House that it does not give me any pleasure to be associated with the administration of controls of this kind, and I would congratulate my successor when he would be in a position to announce the abolition of these controls.

Shri Prabhu Dayal Himatsingka (West Bengal: General): When do you expect that announcement?

The Honourable Shri K. C. Neogy: If I may I would give a small quotation from the London Economist which shows that the evils that we complain of are not peculiar to India. There it refers to the fact that controls are unavoidable and that they create certain relations between government officials and industry and trade which also are unavoidable.

The article goes on like this:

"Inevitably the business-man whether he seeks an undeserved advantage over his competitor or is honestly anxious to get on with the job is a powerful supplicant and because he cannot know every detail of the working of the Governmental machine, he is ready to use the services of a contact man, who does. Before the contact-man is condemned out of hand, it is well to remember that he is merely the product of adaptation and specialization to a praticular economic environment. He will disappear and the temptations of office will be reduced only when controls are reduced and simplified."

Sir, I do not think that I can add anything more by way of replying to the various points that have been raised.

So far as the amendment that has been suggested by you is concerned, Sir, its intention being to clarify the object that you have in view, I would not raise any objection to that amendment, but as it is, I take it more a matter of drafting than anything else. The object, let me repeat, is that the fee would be leviable on applications for a licence, the issue or renewal of any licence, and further that the fees would not be refundable in any circumstance.

Mr. Chairman: The question is:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

The motion was adopted.

Mr. Chairman: 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 Shri K. C. Neogy: Sir, I move:

"That the Bill be passed."

Mr. Chairman: Motion moved:

"That the Bill be passed."

चौधरी रणबीर सिंह : सभापति जी, मैं इस कायदे का स्वागत करता हूं। मुझे तो ताज्जुब है कि इससे पहले इस चीज की तरफ क्यों ध्यान नहीं दिया गया, इस लिये कि इम्पोरटर्स (importers) ने चोरी में काफी रुपया कमाया है। अगर किसी ने एक लाख का इम्पोर्ट किया तो उसने उससे तीन और चार लाख कमाया है। ऐसे आदमियों से कोई फीस न ली जाय यह तो समझ में नहीं आता, खास कर जबकि एक ५० रुपयें की नौकरी के लिये अगर किसी को फेडरल या

[चौधरी रणबीर सिंह]

प्राविन्शियल पब्लिक सरविस कमीशन के सामने जाना होता है तो उससे भी फीस ली जाती है। ऐसी हालत में एक आदमी जो अपनी रोजी इम्पोरटस के जरिये कमाता हो और लाखों रुपये कमाता हो, अगर उसके ऊपर फीस न हो तो यह मेरी समझ में नहीं आता और मुझे इस पर ताज्जुब था कि अब तक ऐसा क्यों नहीं किया गया।

दूसरी चीज़ जो मुझ इस बारे में कहनी है वह यह है कि जो फीस लगाइ जाय वह रिट्रोग्रेड प्रिंसिपल (retrograde principle) को मानते हुये न लगाई जाय बल्कि प्रोग्रेसिव प्रिंसिपल (progressive principle) को मानते हुये लगाई जाय। मैं कोई खास टैक्स का सुझाव नहीं करना चाहता हूं, लेकिन मैं यह कहना चाहता हूं कि जो ज्यादा पैसा कमाता है उससे ज्यादा फीस ली जाय तो कोई हर्ज नहीं। यह कोई टैक्स नहीं है। यह तो आपके डिपार्टमेण्ट को एफीशेंटली (efficiently) चलाने के लिये है। इस लिये मेरा सुझाव यह है कि जो फीस लगाई जाय वह रिटोग्रेड प्रिंसिपल को मानते हुये न लगाई जाय बल्कि प्रोग्रेसिव प्रिंसिपल को मानते हुये लगाई जाय। जो ज्यादा कमाता हो उसकी दर ज्यादा होनी चाहिये।

तीसरा सुझाव जो इस बारे में मैं करना चाहता हूं वह यह है कि जिन केसेज (Cases) में आप सरकार की फीस माफ करें वहां अगर कोआपरेटिव सोसाइटीज़ (Co-operative Societies) कोई चीज इम्पोर्ट करें तो उनकी भी फीस जरूर माफ होनी चाहिये।

(English translation of the above speech)

Ch. Ranbir Singh (East Punjab: General): Sir, I welcome this Bill. Taking into consideration the enormous profits made by the importers in this country, I am rather surprised why no such measure was contemplated before. Articles imported to the value of one lac have yielded earnings as much as three to four lacs to the importer. I fail to understand the logic in exemption from fee of such persons, especially so when the Government have the practice to charge a fee even from such candidates who are required to appear before either the Federal or the Provincial Public Service Commissions, may be for a job carrying a salary of Rs. 50/- P.M. only. Under the circumstance, I can't see why a man making a livelihood out of import-business and thereby making profits to the tune of lacs should be exempted from the payment of this fee. I am rather surprised why no such steps should have been taken before.

The second submission that I want to make in this behalf is that we should not act on any retrograde principle for the levy of such a fee; we should, rather, adopt some progressive principle for that. I therefore do not intend to suggest the levy of a particular kind of tax. But I do not see any harm in charging a higher fee from those making larger profits. It is, in fact, no tax; that is simply to enable your Department to work more efficiently. That is why I venture to suggest that whatever fee is to be charged, should have a progressive principle as its basis rather than a retrograde one. The rate should be higher for those who earn more.

My third suggestion in this connection is that the articles imported by the co-operative societies must be included in the cases considered fit for exemption from the Government fee.

The Honourable Shri K. C. Neogy: I am very grateful to my hon. friend for the hearty support that he has given to the measure and I shall certainly bear in mind the suggestion regarding co-operative societies. I do not know exactly the kind of applications which the Co-operative societies may be interested in. Co-operative societies are in some cases consumers of say raw materials for industry and things of that kind. It may be difficult to grant exemptions in all such cases, but I shall certainly examine the matter.

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

PROFESSIONS TAX LIMITATION (AMENDMENT AND VALIDATION) BILL

The Honourable Dr. John Matthai (Minister of Finance): Sir, I move:

"That the Bill further to amend the Professions Tax Limitation Act, 1941. and to validate the imposition in the United Provinces of certain taxes on circumstances and property, be taken into consideration."

Sir, the Bill is a very simple measure. It deals with a question which has been under consideration between us and the United Provinces Government now for some time. The matter that this Bill tries to deal with is briefly this.

There has been in the United Provinces for a considerable number of years dating, I believe from somewhere about 1916, a tax called the tax on circumstances and property which has been levied by local bodies, by Municipalities and District Boards in regard to which the maximum limit is fixed at Rs. 250. In the Government of India Act of 1935, there is a limit of Rs. 50 fixed for profession taxes. The question might arise, therefore, on the basis of that provision in the Government of India Act whether a tax like this would be subject to the same limit of Rs. 50 as against the limit of Rs. 250 laid down in the U.P. Act, but in the Professions Tax Limitation Act of 1941. where there is a schedule which lists the kind of taxes to which this limit of Rs. 50 would be applicable, the circumstances and property tax of U.P. is not mentioned. Therefore the limit of Rs. 50 which is prescribed in the Government of India Act has not been applied to this particular tax. But last year, there was a Full Bench decision of the Allahabad High Court, which held that this particular tax is a composite tax, one element of which was a profession tax. Straightaway, therefore, the circumstances and property tax in the United Provinces, on which local bodies are dependent for a substantial part of their finance, came under this limitation of Rs. 50. Therefore, the United Provinces Government raised this question with us and we passed an Ordinance which regularized the present position and also validated the previous payment of these taxes. This Ordinance would expire in the course of a few weeks. I may point out to the House that in the new Constitution the limit of Rs. 250 has been adopted in regard to the profession tax. Unfortunately, this Ordinance would expire before the new Constitution comes into force. So I would beg the House to accept the Bill.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Professions Tax Limitation Act, 1941, and to validate the imposition in the United Provinces of certain taxes on circumstances and property, be taken into consideration."

Shri Prabhu Dayal Himatsingka (West Bengal: General): Sir, I just want an information. Since when has this tax been levied in the United Provinces?

The Honourable Dr. John Matthai: My information is, as far as the Municipalities are concerned, the tax came into existence somewhere about 1916.

Shri Mahavir Tyagi (U. P.: General): I am really very grateful to the hon. Minister of Finance for bringing this Bill before the House. He is doing a service to the local boards; they are really in trouble and have not got very big finances to run their own affairs. I am glad also that the difficulty of the U.P. Government has been fully appreciated. I need not add that on behalf of my Province and the people living in the local areas and also on behalf of the Government of U.P., I thank the hon. Minister.

The Honourable Dr. John Matthai: I may say in reply, Sir, that I also represent United Provinces in this House.

Mr. Chairman: The question is:

"That the Bill further to amend the Professions Tax Limitation Act, 1941, and to validate the imposition in the United Provinces of certain taxes on circumstances and property, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 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. John Matthai: Sir, I move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

TAXATION LAWS (EXTENSION TO MERGED STATES AND AMENDMENT) BILL

The Honourable Dr. John Matthai (Minister of Finance): Sir, I move:

"That the Bill to extend certain laws relating to taxation on income to certain areas administered as parts of Governors' Provinces or as Chief Commissioners' Provinces and further to amend certain laws relating to taxation on income, as reported by the Select Committee, be taken into consideration."

The Select Committee went very carefully into the various provisions contained in this Bill. The actual changes which they have made in the provisions of the Bill are not merely few in number, but relatively unimportant.—unimportant in the sense that they do not affect the substance of any of the more important provisions. I will just briefly give the House an idea of the actual changes.

The House will remember that in the discussion which took place on this Bill a couple of weeks ago, a point was raised with regard to the date on which the Bill would be applicable in respect of States which were merged since 1st August. The Committee took that point into consideration and instead of making the provisions of the Bill operative from the 1st August, which is the date on which it becomes applicable in regard to the generality of merged States, the Select Committee adopted this device: Instead of specifying a particular date, they made the Bill operative from an appointed date and that appointed date has been defined in one of the new provisions. The definition is that with regard to the States which have merged on the 1st August, the Bill would be applicable on that date and with regard to the States which have merged since, it would be applicable from the particular date on which merger took place. There are only two States which have merged since 1st August. Provision therefore has been made in the definition for these two States, Banaras and Tehri Garhwal. In respect of both these States, the application of the Bill would be operative from the 1st of December.

Arising from that change, it has been necessary to introduce a new clause, clause 5. Under the Income-tax Act, a notice has to be issued on the 1st of May to persons who are assessable to Income-tax. In reply to that notice, Income-tax returns have to be filed within a period of two months. Under the original Bill, these Income-tax returns were expected to be filed by 1st October. The first of August is the date on which the Bill becomes operative and two months from that date would be 1st of October within which returns ought to be filed. Since a change has been made with regard to the date on which the Bill would be applicable to the States which have merged since 1st August, provision has been made that the returns would have to be filed within two months from the appointed date. The first of October is the date on which notice would be given and the returns would have to be filed by the 1st of December.

As the House is well aware, there is a provision in clause 19 of the Bill which gives the Government of India a certain amount of discretion in regard to the extent to which the Indian rates of taxation would be applicable to the merged States. The Government of India have a right to make modifications, exemptions, reductions and so on in order to meet special cases of hardship which might arise in any of these merged States. The Select Committee has taken the line that discretion of this kind which has been given to the Executive is a discretion which ought to be subjected to a certain limit of duration. Therefore, they have provided that this discretion would be exercisable by the Central Government only up to the 31st March, 1955.

The only other substantial change which the Select Committee has made is in clause 33 which refers to the procedure regarding voluntary settlement by the Tax Investigation Commission. In regard to that, the provision in the original Bill was that the fact that a voluntary settlement has been made would be no bar to action being taken under section 34 which gives the Income-tax department the right to open up a previous assessment. In order to make the positon absolutely clear, the Select Committee has made a change of form: that is to say, a voluntary settlement would be a bar to an action under section 34 unless there is an express provision to the contrary in the voluntary settlement. It was put in exactly in the other form in the original Bill, namely, that a voluntary settlement would be no bar to action under section 34, unless there is provision to the contrary in the settlement. Now, it is a bar to an action under section 34 unless there is provision to the contrary in the settlement.

[Dr. John Matthai.]

The rest of the changes are minor changes of a routine character. Various suggestions have been made by the Select Committee, of a general character, which I need not say the Government would be prepared to take into account. The suggestions which have been made are briefly these: When a Bill is proposed in the House for the purpose of enacting into law provisions which at present exist in the form of an Ordinance, the Select Committee has made a suggestion that the Bill should cover only matters which are covered by the existing Ordinance, and that the opportunity should not be used by Government for introducing into that Bill matters which are not pertinent to the ordinance. Here, in this Bill we have made suggestion regarding the constitution of single bench appellate tribunals and for exemption from tax on income received by Scientific Research Associations which are not covered by the existing Ordinances. That suggestion of the Select Committee is one that affects not merely my Ministry, but the whole Government. It is a matter necessarily which I would have to take up for discussion with the Law Ministry. I am not therefore in a position to make any suggestion with regard to that.

1 P.M.

There is a suggestion with regard to special depreciation allowances which we are proposing for industrial concerns which have set up new plant and machinery and new buildings. The present provision is that newly erected plant and building must have been set up after the 31st of March 1948. There is exemption of new industrial concerns from Income-tax beyond a certain limit of profit. With regard to that, the time limit is, it must have come into operation after 31st March 1949 or before 31st March 1951. What the Select Committee has done is this: There may be marginal cases; For example, a new concern might have come into operation not on the 31st March, but on a slightly earlier date. Cases of this kind will have to be dealt with by the Government in their discretion. A certain amount of discretion for the Government in that matter is necessary. The Select Committee have said that concerns which have come into operation shortly after or shortly before might be made eligible for these concessions. That is a matter which I am prepared fully to take into account. I think it is a useful suggestion.

Another important matter on which the Select Committee has made a suggestion is this: At present when advance payment is made on income-tax due by an assessee, provision is made for the payment of interest on that amount up to the date on which the final assessment is made. The Select Committee has made the suggestion that, strictly speaking, no interest should be payable on advance payment after the date on which the tax becomes legally or theoretically due. Interest becomes theoretically due from the 1st July of the assessment year when returns are filed, and interest can therefore be claimed only from the date of the advance payment to the 1st July of the assessment year and must not be paid after the 1st July. They have also made the suggestion that from that date the interest should be payable only on the amount by which the advance payment exceeds the final assessment. That also is a matter which the Government are prepared to take into account.

My hon. friend, the Chairman, and Mr. B. Dass have put in suggestions in their dissenting minutes which deal with such big issues as the distribution of the divisible pool of income-tax, simplification of the income-tax law and various matters relating to the Income-tax Investigation Commission on which I do not want to commit the Government at this stage, but I give my general assurance that these matters will receive my careful consideration.

Mr. Chairman: Motion moved:

"That the Bill to extend certain laws relating to taxation on income to certain areas administered as parts of Governors' Provinces or as Chief Commissioners' Provinces and further to amend certain laws relating to taxation on income, as reported by the Select Committee, be taken into consideration."

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

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

Shri Yudhisthir Mishra (Orissa States): Sir, although I do not like many of the provisions that have been incorporated in this Bill, I support the provisions so far as they relate to the application of the Income-tax Act and the Business Profits Tax Act to the States which have been merged or which are being administered as if they were Chief Commissioners' Provinces. In many of the States, especially in some of the Orissa States like Mayurbanj and Patna, the provisions of the Indian Income-tax Act were being followed. But many of the other States had no Income-tax Act in operation and consequently there was no revenue on account of Income-tax. According to the provisions of this Bill, the Indian Income-tax Act and the Business Profits Tax Act will be applicable, to these States from the 1st day of April 1949. As far as the Orissa States, which I represent, and also the C. P. States are concerned, they were merged from the 1st day of January 1948. I do not know the reason why to those States particularly which were merged earlier, the Income-tax Act and the Business Profits Tax Act should not have been made applicable from that date.

The Honourable Dr. John Matthai: I may perhaps explain that these States were taken up for Central administration, the Provincial Government acting as the Agent for the Central Government. But the merger technically did not take place till the 1st of August 1949.

Shri Yudhisthir Mishra: Even though the Provincial Government had taken over the administration of the Income-tax Department of these States which had made the Income-tax Act applicable to them, in the other States in which this Act was not in force, no Income-tax Department was set up by the Provincial Government for realising Income-tax. Under the Bill the Central Government has been given power in the case of any hardship or for removing any difficulty to reduce, exempt, or in any way modify the Income-tax for a period of five years. I do not mind the Central Government's policy to bring the administration of Income-tax of these States in line with that of the Provinces. But what I am worried about is that the revenue on account of Income-tax and other taxes from these States will be very much lower than what it should have been had this power not been given to the Central Government. The Government of India is going to revise the share of the Provinces on account of income-tax revenue. I am doubtful whether the States which have been merged into the neighbouring Provinces will get a share proportionate to the actual revenue that would have accrued to them had these Acts been in full operation in those States on the date from which they are made applicable. I have read the minute of dissent which has been submitted by Mr. B. Das, and I fully approve of what he has said in his minute. I want an assurance from the hon. the Finance Minister that these States will not suffer by not getting their due share of the income-tax revenue.

Sir, there is another point which I want to stress before I conclude. I understand some of the former employees of the income-tax departments of these States have been absorbed but that some of them still remain unabsorbed

[Shri Yudhisthir Mishra]

In answer to my question the other day, I understood from the hon. Minister that these employees will be absorbed by the Provincial Governments and that the Central Government is going to approach the Provinces in that direction. As far as the Provincial Governments are concerned, I may say that they have already absorbed whatever number they thought necessary to absorb in the Provincial services, and I don't think there is any scope at present for further absorption of these ex-employees. Therefore, I would urge upon the Finance Minister to consider their case and make suitable arrangements so that these persons may not remain unemployed. With these words, I support the provisions of this Bill for the application of the Income-tax Act and other laws to the merged States.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, while welcoming the provisions of this Bill, I may say there is no doubt that the Bill as it has emerged from the Select Committee is an improvement upon its counterpart. The main object of this Bill is to make the provisions of the Income-tax Act applicable to the merged States. I am very glad that an attempt is being made to bring the rest of India into line with what was previously known as "British India", in regard to income-tax matters. I am still more glad that we have provided in this Bill certain clauses which are flexible in their nature. The Finance Minister and the Income-tax Department have been given powers gradually to so accommodate the merged States so that the change may not be very badly felt by those Provinces.

There are other provisions of the Bill, to which I don't want to refer because the time at our disposal is short, but which are certainly an improvement upon the previous provisions. I wish to refer only to two or three points at this stage. In the first place, as I have submitted in my minute of dissent, I beg of the hon. Minister to so arrange the income-tax laws that we may find a compendium of all the laws of taxation in one Act. I, as a member of the Select Committee, felt some difficulty in understanding all the provisions of the Bill. This Bill seeks to amend about half a dozen other Acts and when these Acts are looked into, for instance the Finance Acts of the various years, it becomes very difficult for the Members of the House to follow the full implications of the changes sought to be made. I understand this is a difficult thing to do because compilation of all the provisions in one single Act means a labour and an expense of time and energy which perhaps the Finance Department may not be willing to put in. All the same, these provisions are so complex and intricate that we find great difficulty in following them. If that is our position, how can the public who are required to follow them, possibly understand the full implications of those provisions and follow them? Therefore, though it is a question which does not specifically arise in this connection, I make bold to make a request, on behalf of the public in this respect, to the hon. the Finance Minister that he may be pleased to look into the matter so that when he next brings his Bill relating Income-Tax he may be pleased to lay before the House a compendium of such laws

The other matter in regard to which I have written my minute of dissent refers to the state of things existing at present in regard to evasion of income-tax. The House will remember that an Income-Tax Investigation Commission was brought into being by Mr. Liaquat Ali Khan. For one year it did not work at all, and after that we passed certain amendments which gave some life to the provisions of the Investigation Commission Act as it existed in 1946. Later we passed other amending Acts also. I don't want to go into the history of those Acts because I had enough to say at the time those Acts were passed. All the same, we are fully aware, that we gave such unprecedented powers to

the Investigation Commission which I don't think the history of any other country can afford a precedent. Still, the result has been not so great that I could congratulate the hon. the Finance Minister on the working of that Commission. So far no great progress has been made but we are asked to wait. It is said that after some time the collections will be such as will gladden the hearts of those who want to see that the tax evaders hand in the money which they owe to Government. Still, I am doubtful about it. At the time when the Income-Tax Investigation Commission (Amendment) Bill was under consideration of this House, one hon. member expressed the opinion that something like Rs. 500 crores—perhaps more—would be realised. I don't know what the amount expected is, but I for one don't think that even one-tenth of this amount will be realised. It appears that the Investigation Commission itself thinks, and those who think that it will be successful at the end think, that if you give more and more powers to the Commission then the result may be that it may yield better results. This also I doubt very much. After all, there must be some stage at which we must stop in this process of giving more and more powers to this Commission; I think we have come to the end of the tether and now we must stop. The present Bill seeks to grant such unprecedented powers to this Commission which I for one don't think we are justified in granting. The powers given previously under section 6 were more than enough; yet, this Bill seeks to give more. I do not want, at this stage, to go into the details of clause 31, because I have got amendments which I propose to move and at that time it will be the proper occasion for me to suggest why those amendments should or should not be made, but in regard to the provisions of clause 32 I ask your indulgence to refer to them at this stage in some detail

3 P. m.

As we know full well, in the Criminal Procedure Code there is Section 337 which gives power to certain judicial courts to grant immunity to persons who are supposed to be privy to the offence or who claim to know something of the offence or who are directly or indirectly involved in the offence. In regard to that provision, one thing that is clear is that it is the court which grants the immunity. So far as the right of an investigating authority is concerned, no investigating authority can itself grant such an immunity. In this case, it is the Investigation Commission which is supposed to be armed with these powers. My humble submission is that the dissimilarity between the Investigation Commission and judicial court is so flagrant that the arming of the Investigation Commission with such powers will, it is absolutely clear, tend to produce results which nobody would like.

If you kindly see section 6 as we have already enacted, you will find that the position of the person against whom these proceedings are taken is certainly a very unfortunate one. We know that according to the procedure of the Criminal Procedure Code, an accused cannot be put on oath. All the evidence taken against him has to be brought to his face in a certain sequence and then he has to make a statement and witnesses are to be heard. But so far as this Investigation Commission is concerned, it has got the full power to examine any person against the back of the assessee. to get as much out of the assessee himself as is possible and if the assessee refuses to answer a particular question, then the investigation can be closed and he can be fined to an indefinite amount. It is, again, within the powers of this Investigation Commission to so place evidence against the accused that he may not be able to meet it at all, because the stage at which a particular witness is to be produced before the Commission rests with the Commission itself. That is not all. After all, this Commission has got the full power of settlement with the accused also. The aim of the criminal law is to punish the offender. Here, the aim is only to

[Pandit Thakur Das Bhargava.].

collect certain amount of dues from the assessees. My humble submission is that in regard to all these matters, if you allow the Commission to have these powers of granting immunity, then it would happen that the Income-Tax Officer who is appointed the "authorised official" in regard to the Investigation Commission Act, will examine the accused and after that, he will recommend to the Investigation Officer that immunity be granted and in granting that immunity he will put such statements in the mouth of the witness as will fit in with the statement of the assessee himself, so that the safeguards which are present in the Criminal Procedure Code, namely of a certain sequence and a certain procedure which ensures that the accused cannot be prejudiced in an unfair manner, are wanting in this Investigation Commission procedure. My humble submission is: after all, what is to be gained? If you will kindly look at the provisions of Section 6 which we passed last time, you will see that even now a person who wants to make a disclosure has got very great immunity. Section 7(5) says:

"Save in cases in which the Commission may exercise its powers under Section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (V of 1898),—

(a) no suit, prosecution or other legal proceeding shall be instituted against any person in any civil or criminal Court for any evidence given or produced by him in any proceedings before the Commission, and

(b) no evidence so given or produced shall be admissible in evidence against such person in any suit, prosecution or other proceeding before such Court,

except with the previous sanction of the Central Government."

So even now these powers, which are much more than what are allowed to any court or Commission, are enjoyed by the Investigation Commission. The powers which are now sought to be conferred on the Commission are, in view of its powers already vesting, absolutely unjustified.

Then again, if you look at the section as it exists now, you will see that the Commission is authorised to grant immunity in any matters in which the witness, or, the other person to whom immunity is being granted, is involved. Such a person can be granted immunity from prosecution for offences under the Income-Tax Act, 1922, the Indian Penal Code or any other law for the time being in force, so that according to the plain reading of this provision, immunity can be granted even in respect of any other offence not related in any manner to the evidence before the Commission. If you will kindly refer to Sections 337 and 339 of the Criminal Procedure Code, it will become apparent that as a matter of fact the immunity given under Sections 337 and 339 to a witness is quite different from the immunity which is sought to be given under Clause 32. Section 339 reads thus:

"(1) Where a pardon has been tendered under Section 337 or Section 338, and the Public Prosecutor certifies that in his opinion any person who has accepted such tender has, either by wilfully concealing anything essential or by giving false evidence, not complied with the condition on which the tender was made such person may be tried for the offence in respect of which the pardon was so tendered, or for any other offence of which he appears to have been guilty in connection with the same matter."

My humble submission is that if this was confined to the actual transaction or to any matter referable to the activities of the Investigation Commission the immunity could be granted, but to make the immunity so great that a person might commit any offence under the Indian Penal Code and then he may go to the Commission and get a pardon is too much. I cannot understand how this provision can possibly be justified. To bring it in conformity with the provision of sections 337 and 339 of the Code of Criminal Procedure, I have given

notice of an amendment, but giving notice of the amendment does not certainly mean that I consider this provision to be justified. In my humble opinion, the Commission should not be armed with these powers at all, because the circumstances and conditions of the assessee and the witness under this section are absolutely different from those under Section 337 of the Criminal Procedure Code.

Then again, I think there might be conflict between the Investigation Commission and the ordinary courts of the land. A person may like to become an approver so far as the Investigation Commission is concerned, but that person may have committed dacoity or murder and the court may refuse to make him approver whereas the Investigation Commission may do so. Therefore, the immunity he gets from the Commission he may not be able to get from any court. Therefore, my humble opinion is that in such cases it will be rather difficult to justify the very wide powers which are sought to be conferred on the Commission under clause 32.

But that is not all. So far as criminal law is concerned, we know that such witnesses are looked upon as infamous persons and persons whose statements require corroboration. But here things may probably be so arranged that no corroboration may be necessary at all, because the accused can be subjected to a very searching enquiry and his statement can be taken before examining an approver. My humble opinion, therefore, is that all the reasons which exist in so far as provisions contained in Section 337 of the Criminal Procedure Code are concerned are absent in regard to matters relating to the Investigation Commission. Therefore, I do not think we are justified in giving so many powers to it. Again, the powers of the Commission are assimilated by virtue of Sections 4 and 6 of this Act into the powers of a civil court. It is the civil court that exercises such powers. We are also making the Commission just like a criminal court. I do not know what other powers remain yet to be conferred, so that this Commission becomes omnipotent.

While condemning these powers, I certainly congratulate the hon. the Finance Minister for having clause 33 of this Bill, because it is here that I find that the powers of the Investigation Commission would result in a good collection of tax for us. In relation of this clause, though it has been now modified to a certain extent, I would have liked that more powers were given and it was specified that in no case should a settlement which has been arrived at with the assessee should be capable of being reopened in respect of matters which formed the subject of settlement.

I would rather like the hon. the Finance Minister to make it absolutely clear to the people at large that once a settlement has been made, unless there is definite provision in the settlement itself, which can make it possible for the case to be reopened, they should not ordinarily be allowed to be reopened. We know the effects of section 34. At any rate, a person who comes to a court and wants a compromise, does not want that he should be harassed again.

We were told that out of the 93 cases referred to the Commission, 65 have been settled. I would rather have liked all the cases to have been settled. The manner in which this Investigation Commission is working is not satisfactory. What I am very much afraid of is that ultimately this very provision of clause 32 may not be brought into our ordinary income-tax law, because we have been seeing that in the first instance powers are taken for an emergency and later on these powers are incorporated into the ordinary law of the land. I for one do not think that these powers will enable the Income-tax Commission to bring very fruitful results. May I request the hon. the Finance Minister to tell us in how many cases its need has been felt. For the last three or four years they have been working without this power which shows that it is not so necessary as it is assumed to be. Moreover the ordinary safeguards which the

[Pandit Thakur Das Bhargava.]

Criminal Procedure Code provides are found wanting in the case of the procedure of this Investigation Commission. The finding of the Commission is final; **there is no appeal against it. Under the ordinary** law an aggrieved party can always go to the High Court and obtain justice. From whatever angle the matter may be viewed, I think it is not justifiable to give these powers.

Even the position of the person to whom immunity will be extended is not satisfactory. In an ordinary case under Section 339, it is the Public Prosecutor, who is not the judge and represents both the prosecution and the Defence in theory is the person who can take away that immunity. Whereas according to the provision in the Bill the very judge, the very person who investigates, will have the power to take away that immunity and see that the person to whom immunity has been given is again brought to book. Even in regard to section 339, there is a definite provision that the prosecution can only be launched with the sanction of the High Court. But no such provision is to be found in Sections 31 and 32 of this Bill.

Similarly, if you look at Section 5(4) of the Act it lays down that it is within the discretion of the Commission to grant any copies to the assessees. Now in a matter of this kind, though section 337 requires that a copy may be given, it appears there is no such corresponding provision. Therefore, it will still further prejudice the assessee.

For all these reasons we will not be justified in accepting Section 32 and the rest of the sections relating to immunity.

Thakur Krishna Singh (United Provinces States): Sir, last time when the Bill was under discussion I had pointed out my fear of certain hardships that would be created by certain provisions of this Bill. The Bill as it has emerged from the Select Committee has the same defects. Certain of these hardships have been put before the House very ably by my hon. friend Pandit Thakur Das Bhargava. I would only like to bring to the notice of the House certain difficulties that would be brought about in the case of the Merged States.

Clause 2 defines the expression "appointed day". It was stated by the hon. Finance Minister that this Bill will be operative from the "appointed day" in the case of two States, namely Banaras and Tehri Garwal and from the 1st of August 1949 in the case of the other States. I have gone through the whole of this Bill and I find that there is reference to these words "appointed day" only at two or three places. Nowhere is it mentioned that it will be operative from the "appointed day". Of course, if the hon. Finance Minister gives us an assurance that any income that accrues after the 1st of December in the case of Banaras and Tehri Garwal will only be taxable, then, of course, we will be satisfied, so far as that point is concerned.

Now, I come to clause 9. Explanation 4 which has been added to sub-section (1) of section 4 reads:

"*Explanation* 4.—For the purpose of sub-clause (iii) of clause (b) of sub-section (1), income, profits and gains accruing, or arising, in any of the merged States before the beginning of a previous year and after the 1st day of April, 1933, shall be deemed to be brought into, or received in, British India during such year if, and only if, they are brought into, or received in, any part of British India other than that merged State during such year.";

Now, Sir, what I have to submit is this. People of small States like ours do not keep any account books. They lived under very backward conditions. There was absolutely no trade. The Rulers did not encourage any trade and in fact they had all sorts of arbitrary taxations. Now to make a provision in this

Bill that any income that accrued after 1933, in any of the States that have merged with India, will be construed as income liable to taxation if brought into British India will be very unfair. I will give an illustration to make my point clear. If a person brings Rs. 5,000 to make certain purchases at Delhi from a merged state and these things are taken back to the State, then the Income-tax Officer may say that this amount of Rs. 5,000 that was brought from the merged state into British India was income that was derived since 1933 and he may levy a tax on it. Now, I submit that the people, especially of our State, Tehri Garwal, have not kept any accounts. They were extremely backward in education, in trade and all other matters. This provision, **if it is enacted in the form in which it is at present, is bound to create** considerable hardship for us.

Therefore, I would submit that in Tehri Garwal and other places of the same type, this sort of provision will create a great deal of hardship.

Another point against these provisions is that they will create obstacles to the free flow of money from the merged States to places outside, for every time a sum of money is brought from the merged State to a place outside, the Income-Tax Officer will levy a tax on it, and therefore the tendency of the people will be to keep back that money, or invest that money in the merged State itself, and to that extent, I feel, this will act as an obstacle to the free flow of money between the merged States and places outside these States.

Now I come to clause 5 of the Bill relating to giving of notice. The hon. Finance Minister explained to me just now that two months' notice will be given in the case of those States which merged on the 1st December, 1949. That means that the period of notice will expire on the 1st February, 1950. I may point out that during these days many of the mountains in Tehri Garwal are covered with snow and people do not receive their *dak* in time, and actually the *dak* takes a very long time to go from one place to another. We cannot expect the people to receive this notice in time and this will be a real hardship. The people will know nothing about it, because the people in Tehri Garwal will not get the notice in some of the places in four months time even.

Shri B. L. Sondhi (East Punjab: General): The time given is after receipt of the notice. Otherwise it is no notice.

Thakur Krishna Singh: Another amendment that has made in the original Bill by the Select Committee is in clause 19. In Section 60A of the Income-Tax Act, power is given to the executive under the original Bill to make certain exemptions, if the executive finds that there is any hardship or any difficulty created by the application of this Bill to the merged States. Now I find that this power of exemption has been restricted to a period of five years duration. I do not think these States will ever be able to reach the same level as the other districts in the Indian Union in so short a time as five years. We will have to give concessions to the people of these backward areas for a long period and restricting the period to five years will not be advantageous to them. So in my opinion, a greater discretion should be given to the executive in such matters, because after all, the executive will understand our difficulties and realise what is necessary for our wellbeing, and if it finds that the people of these backward areas cannot progress well if these taxes are levied on them, and if the executive thinks that it is desirable that they should pay less tax for a greater number of years, then that discretion to prolong the period should be given to Executive.

Shri Mahavir Tyagi (U. P. General): How many years does the hon. Member want?

Thakur Krishna Singh: The period should be as in the original Bill.

The Honourable Dr. John Matthai: With regard to the points raised by the hon. Member from Tehri-Garhwal, in the first place, I do not believe, although the State that he represents has difficulties in this matter, I do not believe the difficulties are quite so formidable as he is inclined to make out. But whatever difficulties there are, I can assure the hon. Member that in the application of this Act to merged States, especially to States like Tehri-Garhwal, I am prepared to give the assurance that I will give every consideration to the special difficulties to which States like the Tehri-Garhwal are exposed in this matter.

He is perfectly right in his assumption that the only part of the income during the current year that would become liable to taxation by Indian rates is income accruing since the appointed day, as defined with reference to the State. That, I think, covers practically all the points which my hon. friend has raised.

Notice of an amendment has also been given by an hon. Member in respect of Bhopal. He wants Bhopal to be left out altogether. That, of course, is an amendment which it is quite impossible for me to accept; but I would like that hon. Member to accept my assurance that I should be prepared to go carefully into any circumstances with regard to Bhopal that he may bring to my notice in regard to the application of this Act.

Pandit Thakur Das Bhargava has raised some very fundamental points. All these points, I think, he discussed very ably at the meetings of the Select Committee, and the Report of the Select Committee will show that although they gave a great deal of attention to the points that he raised, they did not think it necessary to incorporate in their report any of the specific suggestions that he had made. He has raised various questions with regard to the Taxation Investigation Commission. I have no doubt, the hon. Member will have an opportunity of raising these general problems during the budget discussion, because obviously matters relating to the administration of income-tax are matters which would necessarily come before the House for consideration then. I should probably have a few things to say then with reference to matters that he has raised. But in regard to a Bill of this kind, I would request the hon. Member not to press these points. I am prepared to say this, that while I am aware that provisions of this kind might result in undue harassment, the House may rest assured that these provisions will be employed only to the extent that prompt collection of legitimate payments due to the State warrant. The House realises that the people who compose this commission are people who have filled very responsible judicial positions occupying seats in the highest courts in the country, and I think for the time being, I would ask the House to be satisfied that they could be trusted to employ these provisions with due regard to justice and fair dealing.

Pandit Thakur Das Bhargava raised the question of the immunity granted to informers under this Bill. He said that the immunity might be extended practically without regard to relevancy or relation, to cases of evasion. Here again, I would suggest that it is not likely that an investigating body of this kind composed of people with great judicial experience would ever employ this provision in the manner he has suggested. In fact I am in a position to give him a definite assurance that there would be no abuse of the kind to which he has referred. I endrose the hope that he has expressed that the arrangements that we have made in respect of voluntary settlements would be more widely utilised than they have been so far.

He raised another important issue, namely, the codification and simplification of the Income-Tax Law. I have a great deal of sympathy with him, because as a layman, I find it very difficult to pick my way through the enormous jungle of legal provisions relating to our income-tax practice and administration. I think it is important that we should make an effort to reduce our

income-tax law to a more lucid and intelligible form. But then the difficulty with regard to the simplification of the law on these points is that you soon reach a stage where you cannot attempt simplification and at the same time properly secure the ends of justice. This is an inherent difficulty. You cannot carry the process of simplification beyond a certain limit. But subject to that consideration, I am prepared to consider this matter in connection with any Bill that we may bring forward hereafter for a comprehensive modification of our Income-tax law.

My hon. friend from Orissa raised the question of the position of employees of States who are concerned with Income-tax administration. All that I can say about it at this stage is that if there are people who are not employed by the Central Government and at the same time, who are not absorbed by the Provincial Governments, then their position would be considered by Government in order to see whether something cannot be done in order to help them. I am still hoping it would be possible for Provincial Governments to absorb those employees of these States who have not been taken over by the Central Government, but if a situation arises of the kind that he apprehends, I am prepared to see if anything can be done.

Then he raised the question of the distribution of income-tax to merged States. That question does not really arise. The form in which that question would arise is that in any arrangement which may be made hereafter for the distribution of the divisible pool of income-tax, Provinces, in which the States have been merged would require re-examination from that point of view. As the House knows Mr. Deshmukh has been appointed by Government to arbitrate on that issue, and I do not want to make any suggestion at this stage as to what kind of considerations he may take into account; but the award that he would give would be a provisional award and the matter would have to be permanently settled by the Finance Commission which would be set up under the new Constitution. It is my personal idea, which I propose to put before my colleagues in the Cabinet, that in view of these very important issues which have now been thrown up in regard to questions of taxation as between the Centre and the Provinces and States, I would recommend to my colleagues in the Cabinet that the Finance Commission provided in the new Constitution should be set up at a very early date.

I think he also raised the question of income accruing before the appointed day in respect of Orissa States. The position is exactly the same. The Orissa States merged on the 1st of August and any income accruing before the 1st August 1949 would not be assessable to taxation at Indian tax rates. That is all I have to say at this stage.

Mr. Speaker: The question is:

"That the Bill to extend certain laws relating to taxation on income to certain areas administered as parts of Governors' Provinces or as Chief Commissioners' Provinces and further to amend certain laws relating to taxation on income, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. Speaker: There are amendments to clause 2 standing in the name of Thakur Lal Singh. Does he propose to move any of his amendments?

ठाकुर लालसिंह: श्री अध्यक्ष महोदय, मैं फाइनेंन्स मिनिस्टर का कृतज्ञ हूं कि उन्होंने पहली आवाज के साथ भोपाल का नाम भी शामिल कर लिया और यह एश्योरेंन्स (assurance) दे दी कि इस बिल को इनडिस्क्रिमिनेटली (indiscriminately) एप्लाई (apply) नहीं किया जायगा। बल्कि इस

[ठाकुर लालसिंह]

बात पर ध्यान दिया जायगा कि कितना टैक्स लगाया जाय और कब से लगाया जाय। यह वहां से रिप्रेजेन्टेशन होने पर और वहां की स्थिति के अनुसार किया जायगा। यह इस लिये भी जरूरी था कि भोपाल की हालत टेहरी गढ़वाल से किसी तरह अच्छी नहीं है। वह बहुत बैकवर्ड प्राविंस है और एजूकेशन तो वहां बहुत ही पीछे है और वहां की रिआया इतनी गरीब है कि शायद टेहरी गढ़वाल से भी ज्यादा गरीब हो। इस पर भी उसको कस्टम्स देना पड़ता है और वह कस्टम्स भी हर साल बहुत बढ़ता रहा है। सन् १९३९-४० में वहां कस्टम्स का ७ लाख ६६ हजार देना पड़ता था। आज सन् १९४७-४८ में वह २५ लाख से ज्यादा हो गया। इसी तरह से इन्कम टैक्स वहां सन् १९३८-३९ में शुरू हुआ और अब वह भी एक बहुत बड़ी हद तक पहुंच गया है। तो इस टैक्स के लगने से अगर यह इनडिस्क्रिमिनेटली वहां लग जाता तो यह मुसीबत वहां वालों पर आ जाती। कस्टम्स तो वहां है ही, वह तो अलग देना ही पड़ता है और यह इन्क्रीज्ड टैक्स भी देना होता। इस लिये मुझे इतमीनान है और मैं इस प्वाइंट को प्रेस नहीं करूंगा। मुझे तो सिर्फ अपनी अमेण्डमेण्ट्स के बारे में यही कहना है कि अपाइंटेड डे फर्स्ट डे आफ अगस्त भोपाल के लिये मुकर्रर किया गया है तो भोपाल पहली जून को मर्ज हुआ और इस तारीख से हमारे यहां नोटिस देने शुरू हुये। हमारे यहां पहले अभी तक महाजनी तरीके से हिसाब रखे जाते थे और अंग्रेजी तरीका बिल्कुल इस्तेमाल नहीं होता था। वहां जो इनकम टैक्स लिया जाता था तो वह इनकम टैक्स अफसर उसी को जायज समझ लेते थे। तो अब नये कायदे से उनको, जैसा अभी मालूम हुआ, हिसाब रखना पड़ेगा और डबल एण्ट्री सिस्टम वगैरह अमल में लाया जायगा। तो इस थोड़े से अरसे में, दो महीने में, वह यह सब तरीके काम में नहीं ला सकते। इस लिये मरी यह प्रार्थना थी कि उनके लिये टाइम लिमिट बढ़ा दी जाय और पहली अगस्त के बजाय पहली दिसम्बर टाइम लिमिट कर दी जाय। इससे वह अपने हिसाब ज्यादा अच्छी तरह तैयार कर सकेंगे। वरना अभी तक तो यह हुआ है कि बहुतों के पास नोटिस पहुंच गये लेकिन वह अंग्रेजी पढ़े लिखे नहीं हैं और समझते नहीं है। इस लिये शायद वह लिमिट भी खत्म हो जायगी और अपना रिप्रेजेण्टेशन भी न कर सकेंगे। तो मेरा निवेदन यह था कि अपाइंटेड डे पहली अगस्त के बजाय, जैसा कि टेहरी गढ़वाल में है, पहली दिसम्बर भोपाल के लिये भी मुकर्रर किया जाय। बस, यही मेरी प्रार्थना है।

(*English translation of the above speech*)

Thakur Lal Singh (Bhopal State): Sir, I am indebted to the hon. Finance Minister that he has included the name of Bhopal at the very first request made in that behalf and given the assurance that this Bill would not be applied indiscriminately, but that it would be considered how much tax is to be levied and from what date and also that this would be done on a representation being received from there and in accordance with the local conditions. This was necessary also for the reason that the conditions in Bhopal are in no way better than those prevailing in Tehri Garhwal. It is an extremely backward Province, especially in the field of education, and the people there are probably poorer than even those of Tehri Garhwal. In spite of all that they have to pay the customs duty, the amount of which too has been rising a great deal from year to year. In 1939-40 Rupees seven lakhs and 66 thousand (Rs. 7,66,000) had to be paid towards the customs. In 1947-48 it exceeded 25 lakhs of rupees. Similarly, the income-tax started being levied there in 1938-39 and that too has attained great proportions by now. Thus, if the tax now proposed had been levied on the people there indiscriminately it would have meant another calamity for them. The customs duty is already levied there which has to be paid separately; this other tax would have been an additional burden. Hence, I am satisfied and would not press this point. All that I have to say with regard to my amendments is about the appointed day. The first day of August has been fixed as the appointed day in the case of Bhopal. Now, Bhopal came to be merged with effect from the first June and it was from that date that the notices started being issued over there. Accounts have erstwhile been kept on our side according to the *Mahajani* (indigenous) system and the English system of book-keeping had never been used. For the purposes of the income-tax levied there previously this accounting system was regarded as valid by the previous income-tax officers. Henceforth, as we have just learnt, they would have to maintain accounts in accordance with the new mode and the double entry system, etc., would have to be adopted. Now, in such a short period of two months they cannot be expected to put all those methods into practice. Hence, I would request that the time-limit should be extended in their case and instead of the first August it should be changed to the first December. This would enable them to prepare their accounts more efficiently. As things stand at present, most of them have received the notices but since they do not know English they do not understand them. The result would be that the limit might expire and they might not even be able to file their representation. Hence, I submit that the appointed day may be changed from the first August to the first December in the case of Bhopal in the same way as already done in the case of Tehri Garhwal. That is the only request I wish to make.

Mr. Speaker: I have got the amendments here in the Order Paper. Has the hon. Finance Minister followed what he has said? He wants to extend the time limit from the 1st of August to 1st of December.

The Honourable Dr. John Matthai: It is not possible for me to accept any suggestions of that kind, because there are very many merged States in the same position as Bhopal and if I make a departure from the principle laid down here, it would be necessary for me to consider making a departure in many cases, but if there are any special difficulties with which Bhopal is faced in regard to this matter, I have powers under clause 19 of this Bill to take that into account and make any adjustments which may be required.

Mr. Speaker: अब क्या आप अपना प्रस्ताव हाउस के सामने रखना चाहते हैं ?

(Now, do you want to move your amendment?)

Thakur Lal Singh: I do not.

Mr. Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 to 17 were added to the Bill.

Shri C. Subramaniam (Madras: General): I would like to know whether the hon. Minister is prepared to accept my amendment to clause 18.

The Honourable Dr. John Matthai: Sir, this question was very fully discussed by the Select Committee and their reasons for not considering this suggestion are set out fully in their report, under clause 18 (2). The fact of the matter is that this kind of exchange of information between the Centre and the provincial Governments is something which will greatly help the collection of public dues. Of course, this particular provision deals with the Central Government giving information to provincial authorities charged with the collection of taxes. I may inform the House that the provincial Governments, several of them, are at present considering this and some of them have already decided to reciprocate the treatment that we accord to them. Personally, I think it is very much in the public interest that there should be full facilities for exchange of information of this kind between the Centre and the provincial Governments. It is for this reason that the Select Committee decided not to accept a proposal of this kind.

Shri C. Subramaniam: I do not move my amendment.

Mr. Speaker: The question is:

"That clause 18 stand part of the Bill."

The motion was adopted.

Clause 18 was added to the Bill.

Clauses 19 to 30 were added to the Bill.

Pandit Thakur Das Bhargava: In my amendments to clause 31, I would like to move the first two with your permission if I find from the hon. Finance Minister that he is agreeable to accept them.

The Honourable Dr. John Matthai: I regret I cannot accept these amendments.

Pandit Thakur Das Bhargava: Then, I do not move them.

I beg to move:

"That in part (iv) of clause 31 of the Bill, in the proposed sub-section (7) of section 6 of the Investigation Commission Act, 1947, the words 'useful for, or', occurring in lines 3 and 4 be omitted."

My reasons for this amendment are briefly these. The words used are "useful for, or relevant to". The words "relevant to" include useful and what is considered not useful. The word "relevant" connotes a state of things in which usefulness does not enter. What is useful is covered by the word 'relevant'. Anything that is useful in whatever manner is covered by the word 'relevant'. It also covers those things which are not useful to the Commission, but useful to the assessee. So that, when the word 'relevant' is there, it covers both useful and not useful things. My humble submission is, there is no point in having the words "useful for". These words are not used in any other law. The word 'relevant' is quite sufficient.

The Honourable Dr. John Matthai: In the remarks which the hon. Member made a little earlier, he expressed his view that the Income-tax Commission has been slow in carrying out its work. It is very important that a special Commission of this kind should be in a position to complete its work as quickly as possible. If I accepted Pandit Thakur Das Bhargava's amendment, it would come to this, that it is only where any information or document is

relevant that the Commission would have power to call for that. "Relevant" is a legal term with a very definite legal connotation. If the Commission asked for any information or books of account or document from some party, that party would be in possession of a difficult kind of interpretation which has sometimes been put upon the word 'relevant' to make it impossible for the Commission to get the information that it wants. It creates legal difficulties from the start. Therefore, if you want this Commission to do its work as quickly as possible, it is necessary that there must be some latitude of this kind.

Mr. Speaker: Does the hon. Member press the amendment?

Pandit Thakur Das Bhargava: No, Sir. The next amendment I would like to move is number 6. I am not moving amendments 4 and 5. The wording in the clause is "if specially authorised in this behalf by the Commission to enter any building or place where he has reason to believe that any such books of account or documents may be found." My humble submission is that the law has not given the power in the first instance, to the authorised official enter any building or place. The special authority in this behalf is authorised by the Commission and also the requirement that the authorised official shall have reason to believe that such books of account may be found, may be that of the Commission and not of the authorised official. When the power of entry, etc., is not originally given, and if it is now given in this respect and his reason to believe is considered sufficient, practically, the power which has been taken away from him is indirectly given to him. Both these things are so integrated with each other, that this special authority to enter a place, and at the same time, the reason to believe where such a thing will be found are as a matter of fact parts of the same transaction. Therefore, my humble submission is that it is necessary to limit the powers of the authorised official. If the Commission authorised a search as well as conferred the power to enter any building if the Commission had reason to believe that books of account etc., may be found, then in any particular place the Commission may allow the authorised official to exercise the powers.

The Honourable Dr. John Matthai: Sir, the same consideration applies here. The official who would be authorised in this behalf by the Commission would be an official of considerable standing and experience who may be expected to exercise his judgment reasonably in this matter. If his judgment is to be restricted by previous instructions issued to him by the Commission, then when he makes a search on the spot, he may come across documents and books of account which are relevant to his job, but which he would not be able to take hold of because of previous instructions of the Commission. It is obviously necessary that the person who is authorised to make a search of this kind should have powers to exercise in his discretion on the spot with reference to such documents and books as he comes across.

Mr. Speaker: Does the hon. Member press his amendment?

Pandit Thakur Das Bhargava: No, Sir. I want to move another amendment. Sir, I beg to move:

"That in part (v) of clause 31 of the Bill, in part (iv) of the proposed sub-section (9) of section 6 of the Investigation Commission Act, 1947, the word 'valuable' be omitted."

In regard to this amendment, you will be pleased to see that the wording in the clause is:

"in the course of any search under this section, to make a note or inventory of any other valuable article or thing found in the course of such search which in his opinion may be found useful for or relevant to the disposal of any case....."

Three things must be there: the thing must be valuable; the thing must be useful; the thing must be relevant. My submission is that in regard to

[Pandit Thakur Das Bhargava]

things or articles which are relevant, in order that they may be taken note of or an inventory prepared, they need not be valuable. You may say valuable in regard to appreciation of evidence. Here, the word 'valuable' means value in money. My submission is, there is no point in making a distinction between valuable and non-valuable articles. The article may be useful or relevant to disposal of the case. This word 'valuable' does not enlarge the powers which my friend seeks to give to the Commission. If all the powers are to be given, why should this word 'valuable' qualify the powers which they enjoy. In the interests of better administration of this Commission, I submit, the word 'valuable' should be taken away.

The Honourable Dr. John Matthai: This word was not in the original Bill. It was put in by the Select Committee. I am prepared to admit that I was not impressed with the reasons for which the Select Committee thought it necessary to introduce this word 'valuable'. I am inclined to agree with Pandit Thakur Das Bhargava that it does not serve the purpose. I accept Committee?

Shri Mahavir Tyagi: What about the other members of the Select Committee?

Mr. Speaker: Order, order. It is not a question now. Perhaps the removal of the word 'valuable' may cast a greater burden on the officer making the search. He will have to make an inventory of all the articles valuable and otherwise.

The question is:

"That in part (v) of clause 31 of the Bill, in part (iv) of the proposed sub-section (9) of section 6 of the Investigation Commission Act, 1947, the word 'valuable' be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 31, as amended, stand part of the Bill."

The motion was adopted.

Clause 31, as amended, was added to the Bill.

Pandit Thakur Das Bhargava: I have already given the reasons fully and I do not want to repeat them. But there is one reason I missed to mention then and I will mention it now. In regard to these approvers, there is a specific provision that they shall not remain with the police so that the police may not be able to put into their minds certain facts which the police may like them to make out before the court. He will remain in the judicial lock-up and in the jail also his place of imprisonment is quite different, so that the accused may not be able to meet him. Here in this case the person to whom this immunity will be granted will not be in the judicial lock-up and thus he will have a chance of blackmailing the assessee every time, or he may injure the case against the assessee if he conspires with the assessee, and therefore any tribunal will think twice before using this provision. Therefore my submission is that this power should not be given.

The Honourable Dr. John Matthai: All that I can say is that, if you want people to come forward with information, then it is necessary that they should be granted immunity, and the terms under which the immunity should be given were a matter which were carefully considered by the Select Committee and it was after full deliberation that this particular clause was accepted. I am prepared to convey to the Commission the apprehension expressed by Pandit Thakur Das Bhargava in this matter and I am perfectly certain that the way in which they will administer this provision will not lead to the abuses which he fears.

Pandit Thakur Das Bhargava: I do not press my first amendment to clause 32, but the next two, with your permission, I will move. These are matters of substance. Sir, I beg to move:

"That in clause 32 of the Bill, in sub-section (1) of the proposed new section 6A of the Investigation Commission Act, 1947, after the word 'offence' occurring in line 6, the words 'relating to or committed in connection with such evasion of payment of taxation on income' be inserted."

My submission is, Sir, that the provision, as it stands, is extremely wide. The words are:

"privy to the evasion of payment of taxation on income in such case and after recording its reasons for so doing, tender to such person immunity from prosecution for any offence under the Indian Income-Tax Act, 1922, the Indian Penal Code or any other law for the time being in force, and also from the imposition of any penalty under the Indian Income-tax Act, 1922."

Now, Sir, 'any offence under the Indian Income-Tax Act' are very wide. It may include any transaction which has no relation with the evasion of payment of income-tax in question. Any offence under the Indian Penal Code may include forgery or any other offence which has nothing to do with the particular evasion in question.

Mr. Speaker: The context of the whole section would resctrict the interpretation of the word "any" to an offence which has some relation to the investigation.

Pandit Thakur Das Bhargava: This should not be so wide. It must be confined to cases as under section 339. As it is, immunity can be given in respect of any offence which has absolutely nothing to do with evasion of income-tax.

Mr. Speaker: Perhaps I was not clear. He has understood me just the other way. I was saying that the word "any" will not mean any offence under the Indian Penal Code or the Income-Tax Act but will refer only to such offences as have got any connection with the case the Commission is investigating. The particular context in this case will show that the meaning is restricted.

The Honourable Dr. John Matthai: I respectfully agree with you, Sir.

Pandit Thakur Das Bhargava: My own reading of this clause is that it is too wide and may relate to offences which have absolutely no connection with the offence of evasion under investigation. If you are satisfied, Sir, and if the Minister is satisfied, I have nothing more to say.

Mr. Speaker: It is not a question of my satisfaction at all. It is only a question of the satisfaction of the hon. Member and the hon. Minister.

Pandit Thakur Das Bhargava: If it means that it will cover only such offences as have some connection with the offence under investigation, it is all right. If it does not mean that, my submission is that it is too wide.

Shri Prabhu Dayal Himatsingka (West Bengal: General): The words "concerned in or privy to the evasion of payment of taxation on income in such case" will clearly indicate that the offence for which the pardon was being given was connected with the particular offence of evasion.

Mr. Speaker: The context clearly shows so. I think the position is quite clear and this does not admit of any further discussion. The question is:

"That in clause 32 of the Bill, in sub-section (1) of the proposed new section 6A of the Investigation Commission Act, 1947, after the word 'offence', occurring in line 6, the words 'relating to or committed in connection with such evasion of payment of taxation on income' be inserted."

The motion was negatived.

Mr. Speaker: The same argument applies so far as the next amendment is concerned.

The question is:

"That clause 32 stand part of the Bill."

The motion was adopted.

Clause 32 was added to the Bill.

Clauses 33 and 34 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. John Matthai: I move:

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

Mr. Speaker: The question is:

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

Shri Vinayakrao B. Vaidya *rose—*

Mr. Speaker: I wish the hon. Member had got up earlier. Either he was not quick enough or I was slack enough not to have noticed him. As it is, I have already put the motion before the House.

The question is:

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

The motion was adopted.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen)]

CENTRAL RESERVE POLICE FORCE BILL

The Honourable Sardar Vallabhbhai Patel (Minister of Home Affairs and the States): Sir, I beg to move:

"That the Bill to provide for the constitution and regulation of an armed Central Reserve Police Force be taken into consideration."

Under the old dispensation, the functions of the Crown in relation to Indian States were vested in the Crown Representative. Hon. Members are aware

4 P.M. that, at that stage, there was a definite policy that the Indian States should be kept in a water-tight compartment directly under the Crown Representative. As part of this policy and with a view to keep the protection to be afforded to the Rulers of Indian States free from any political embarrassments in the Provinces, the Crown Representative, contrary to the previous practice of calling for aid from neighbouring Provinces, decided to have a self-contained force which could be used in Indian States in support of the Rulers' authority. The Force had its headquarters at Neemuch, but its detachments served in various States or Agencies, partly as permanent branches of the main force and partly on temporary duties. The force was embodied under the Crown Representative's Police Law of 1939, and the personnel of the Force were protected from the laws of the State in which they were on duty for any of their acts committed under the authority of the law. The Crown Representative's Police Law was made under the Indian (Foreign Jurisdiction) Order 1937. The administrative functions in respect of this force were discharged by the Police Adviser to the Resident for Rajputana States.

As part of the political settlement of transfer of power the force passed on to the Central Control, and since then it has been used by us in various States whenever demands of law and order justified its use. This force, with further augmentation partly to make up the depletion on account of partition and partly to meet the growing demands from the States and Unions, has performed most useful functions and has been a very good reserve force which has been sent from time to time in aid of local forces. In Junagadh, on the borders of Jaisalmer, in Mayurbhanj, in Saurashtra and elsewhere, it has been a stabilising influence whenever any threat to security has manifested itself.

At the same time, however, the law under which it used to function before ceased to have effect from the 15th August 1947, because under Section 7(i)(b) of the Indian Independence Act, 1947, all laws under the Foreign Jurisdiction Order, 1947, automatically lapsed. This lacuna was noticed only recently. At first, we thought we could cover this lacuna by resort to Extra-Provincial Jurisdiction Act, 1947, but then it occurred to us that the force might be used in areas where the Extra-Provincial Jurisdiction Act, 1947, does not give us any jurisdiction. For instance, the headquarters of the force is at Neemuch, which is in Madhya Bharat, where no such jurisdiction exists. Further, the force is primarily intended to be used in aid of the civil power in States proper, no less than in the "merged" States. We, therefore, decided that the most appropriate course was to have Central legislation. The sanctioned strength of the force is 1,746. Although its headquarters are at Neemuch, its detachments are functioning in various places in Rajasthan, the Vindhya Pradesh, Madhya Bharat, Cutch, Saurashtra, Bhopal and Mount Abu. It is commanded by an officer of the Indian Army.

The Bill before the House follows generally the pattern of the Crown Representative's Police Law. It makes provision for the constitution of the force, appointment of the officers, general duties of the members of the force, its administration and certain liabilities and penalties for the members of the force. Since the force has been functioning ever since the 15th August 1947, we are seeking to give the Bill restrospective effect.

Hon. Members might ask why we cannot use the forces of the neighbouring Provinces in such emergencies. In the first place, the Provinces have not taken into account the needs of the neighbouring States in deciding upon the composition of their forces. Nevertheless, we have, wherever we have found that the Police force is surplus, made use of Provincial resources. As an instance, I might point out that we have found the United Provinces Armed Constabulary most helpful and useful in the States of Hyderabad, in Rajasthan and even in Delhi. But to cover such a large area, we must have a self-contained force which should be at our disposal to be sent to areas where we need it with the least possible delay. Secondly, we have told the Provinces that they should, as far as possible, be self-sufficient in their requirements for internal security. The Police forces in the Unions and States are in the process of formation. We shall still require considerable time before they function in anything like the manner in which Provincial Police forces have been functioning. We must, therefore, have a force for the interim period, and having regard to the state in which the Police forces of the Unions and States are at present, I am afraid that interim period is going to be a pretty long one. Thirdly, a process of re-organisation of the State forces is also on and during this process of re-organisation it would be most useful to have a force which would take the first shock of any threat to security. For all these reasons, it is quite clear to my mind that a Central Reserve Police force is essential and it therefore goes without saying that we must have an enactment under which this force can be recruited and officered and can function as a disciplined force.

Sir, I move that the Bill be taken into consideration.

Mr. Chairman: Motion moved:

"That the Bill to provide for the constitution and regulation of an armed Central Reserve Police Force, be taken into consideration."

Shri Mahavir Tyagi (U. P.: General): Sir, I support the Bill which has been moved by the hon. Deputy Prime Minister. But one or two things I would like him to be pleased to throw light upon. I do not know if the Rules of the Force which already exist will continue even after the passing of this Bill. In clause 5 of the Bill which deals with enrolment, it is mentioned that "before a person is appointed to be a member of the Force, the statement contained in the recruiting roll set out in the Schedule shall be read out and, if necessary, explained to him..." So a member joining the Force is only required to specify his willingness and affix his signature to the statement in the recruiting roll set out in the Schedule—that is, a sort of agreement whereby he gives his consent to abide by the Rules and the discipline of the Force. But there is no mention anywhere in this Bill about the age-limit of the person—between what ages recruits will be taken or whether they will have to undergo any medical examination or not.

Pandit Balkrishna Sharma (U. P.: General): That is not necessary!

Shri Mahavir Tyagi: Then it would be a Force of sick people like you. Sir, this will be a good Force, especially when it is being organised under the Ministry of hon. Sardar Vallabhbhai Patel, and many of us who have been in his "Force" for the last thirty years will envy this Force taking our place.

There is another point. I am raising these points just to extract from Sardar Saheb more light upon issues which I think are of importance. The Force is stationed at Neemuch. Neemuch is a far off place. I wonder if, after the integration of all these States which the hon. Deputy Prime Minister has so ably achieved, it will be necessary to keep the forces at Neemuch. Would it not be proper to call the forces up here at Delhi? I want to ask: will these forces also be in a position to be employed in the Provinces or will their activities remain limited to Centrally-administered areas or to the States alone? There might be local disturbances in some Province, or, in the future set-up of things where a Provincial Government might not see eye to eye with the Central Government and might differ on some policy, or if there are communal, economic or social disturbances, the Central Government might just think it proper to throw in its own force in order to bring peace. So, may I know if this force can also be utilised in bringing order in the Provinces as well? Personally, I would like the force to be used everywhere in India. Clause 1 of the Bill says that the Bill extends to the whole of India. So, I believe the force can be used in the whole of India, wherever the situation demands such use.

Sir, I hope this force will develop and will be a great strength in the hands of the Central Government to enforce its own policy on all parts of India (*Some hon. Members*: What policy?). Yes, the Central policy must be enforced, and nothing can be enforced without a force. In that connection, I want to ask whether recruitment will be open to persons who have not been in the police so far. Sir, when I referred to the Central policy, a few friends laughed at it. There are policies of control and de-control and policies as regards bribery and corruption. I hope this force can be used to suppress these evils also in the Provinces. Also, there may be Provinces where even the Provincial Government may not be as good as the Centre would require it to be, and sometimes action may have to be taken even against such a Provincial Government. I hope this force will be employed to meet all these eventualities.

Sir, with these words, I support the Bill.

Shri Sita Ram S. Jajoo (Madhya Bharat): Sir, while welcoming this measure, I would like to make a few observations. I would not have spoken anything but I was provoked by my friend, Mr. Tyagi. Sir, I come from Neemuch and I have known this Police Force since its establishment there. Before the retrocession of Neemuch Cantonment to the then Gwalior Government, it used to be governed by the representative of the Political Department, that is the Crown Representative's Department, in Central India Agency. As hon. Sardar Patel said, this Police Force was being controlled by the then Resident in Rajputana. There was an anomaly there. Before the formation of Madhya Bharat, for administrative purposes Neemuch was in Central India Agency. And the C. R. P. Force was controlled by the Resident at Mount Abu and as such there were certain difficulties so far as the administration was concerned.

Now as regards the situation at Neemuch, I would like to say a few words. My friend, Mr. Tyagi, stated that it would be better and in the fitness of things under the new set up, that this force is shifted from Neemuch to Delhi or somewhere else. Perhaps he does not know the situation of the place. Neemuch used to be a Cantonment and there are military barracks there worth some one or two crores of rupees, which are the property of the Government of India and they are being fully utilised by this force; otherwise they will remain vacant.

Sir, this force was established at Neemuch with a particular aim. In those days, after the introduction of the Provincial autonomy in 1937, the then British Government thought that under the Provincial Congress Ministries, the Provincial Police may perhaps not be sent to the neighbouring States for their help. So, they created a force and called it the Crown Representative's Police Force, and kept it, for the same reason, in the Centrally-administered area of Neemuch under the Political Department of Government of India. Now it is a very well-developed, modern, semi-mechanised force. It is neither an ordinary police force nor a military one but something in between these two. They have got up-to-date equipments including tear-gas, and have first-class radio transmitters and receivers. Most of its officers and recruits are ex-army personnel and it has always been commanded by a military officer. Before independence and for about six months after that, there used to be a British officer, commanding the C. R. P. An Indian officer has now taken up that post. Formerely, apart from the Commanding-officer, some of the Company Commandants and particularly the Second-in-Command used to be British officers.

After the withdrawal of these officers, discipline has slackened a little. Sir, you may say that we cannot help it. That may be so, but recently in some of the promotions, very ordinary people who used to be head constables or Sub-Inspectors, who cannot understand English or whose literacy cannot be said to be high, have been promoted as Company Commanders. I would request the hon. Deputy Prime Minister to look into these things and see whether these promotions have been justly made. There may be an excuse that on account of lack of personnel you could not help promoting them. I do not grudge them their promotions, but at the same time, I want that efficiency and discipline should not be marred. I know the C. R. P. battalions have done wonderful work in most of the States, particularly in Junagadh and in the States on the Pakistan borders as for example on the Jaisalmer and Bikaner borders of Pakistan. They had to fight with Pakistan forces on several occasions and have acquitted themselves in a manner which anybody can be proud of. (*An honourable Member*: Then why are you complaining?). I am not complaining about them, I only say some slackness has set in. So far as the command of the force is concerned, I feel it is very well organised. As regards the force as a whole, I would say that it should be strengthened. Last time it was

[Shri Sita Ram S. Jajoo]

decided in the Standing Advisory Committee of the States Ministry that this force must be strengthened. Sir, I too consider that the strength of this force should be increased. After all this integration of States, there should be no water-tight compartments between the States and the Provinces of the Republic and, as my friend Mr. Tyagi suggested, in case of necessity these soldiers may be utilised in the Provinces as well. After all, henceforward the Provinces also will be called States.

Sir, I have a concrete suggestion to make. We find that in the Indian States Unions there are difficulties as regards police forces. I do not know if this suggestion of mine will be acceptable to the hon. Deputy Prime Minister, but may I suggest that you can utilise this Central Reserve Police for the purpoes of having a very good police college at Neemuch where people can be trained for recruitment to the various States Unions and States' police forces? Only with a little expenditure, you can train people there who will be better police officers on account of the greater training imparted to them. You may say that I am suggesting an integration of the police forces of various States. But you are going to have an all-India police service in which the States also will be taking part. Some time will be taken before that all-India scheme can be accomplished and, for the intervening period, therefore, I suggest that this idea of a police college may be considered. So far as the Indian States Unions are concerned, most of their police officers were promoted or appointed at the whims and fancies of the then Rulers of those States. We had to take on that unfortunate legacy and continue those officers, and because of this there are many places in Indian States Unions where we see lawlessness going on. At the same time, we are conscious of the fact that under the able guidance and control of the Deputy Prime Minister the whole thing is being set right. But I would request him that if the Central Reserve Police at Neemuch can be used for training people for the Indian States Unions, that opportunity must be availed of. I am confident that he will certainly look into the whole matter. I also know that he will act in the best interests of the people. But if larger number of personnel of the States Unions Forces as well as the personnel of the Central Reserve Police Force are trained, they can be utilised at the time of lawlessness or disorder in the provinces as well. With these few words, I wholeheartedly support this Bill and I wish that it is passed and given effect to immediately.

Shri C. Subramaniam (Madras: General): Sir, I feel that certain difficulties are likely to arise in the operation of these Forces in areas other than Centrally Administered Areas. Under the Independence Act and also under the new Constitution, law and order is a provincial subject. As long as the States remained outside India, they were like foreign States and were not governed by the Government of India Act or the Independence Act. Therefore, if the Police Forces are sent from one part of the country to another which is a State, other considerations would arise. This is a Centrally Administered Force and in order to keep law and order. I want to know if it can be sent to any province as the Centre likes or it can be sent only at the request of the Provinces or States concerned. If it is only at the request of the Provincial Government, the question would arise that once it is operating within a Province or State, who will be the Authority which would govern it? Naturally, the Police Force has got to be under the control and authority of the province or State concerned. But in clause 8 we say:

> "While on active duty outside its headquarters, the Force shall be subject to the general control and direction of such authority or officer as may be prescribed or as may be specially appointed by the Central Government in this behalf."

Even if you send it to an area outside the Centrally Administered Area, you say that it should be under the command and control of officers whom you will

prescribe. Once they operate within a Province or State, are the Provinces not entitled to put the Force under the command or control of some of their officers? Law and order being a purely provincial subject, the Police operating in the Provinces will naturally and necessarily have to be under the control of the Provinces. After the 26th of January 1950, there will be no difference between Provinces and States and all will become "States". Therefore, some conflict is likely to arise. It should be made clear that when this Force operates in any Province or State (or, after the 26th January, any State) which is not a Centrally Administered Area, it shall be under the control and authority of the State concerned. Otherwise, conflict is bound to arise in regard to the terms of control and command. I think that should be made clear when we deal with Section 8, and I wish the Deputy Prime Minister will explain how he proposes to deal with this Police Force when it is operating in a Province or State now and in a State after the 26th of January 1950.

The Honourable Sardar Vallabhbhai Patel: There is not much controversy so far as the Bill is concerned and, as I have already informed the House, this Force is in existence and has been functioning since the year 1939. It has done very useful work. In fact, very few people have a correct appreciation or idea about the situation in the various States Unions and States since the merger took place or the Unions have been formed. Before these Unions were formed, when the States were functioning separately as units, the Police Force was most inefficient and ineffective. Practically, law and order was maintained by the Ruler's command and he had a sort of a Military Force which was functioning as a Police Force also. But in many States, these Forces being ineffective, when they were amalgamated into one Union the Police could not function effectively and could not be used anywhere outside the respective small units. When the Unions were formed from these units, the position was such that in many places criminal elements and unsocial forces thought Authority was very nearly disappearing and it was time for them to step in. We found that in some cases criminals or offenders escaped from jail and began outlawry and the commission of dacoity and murders. When this state of things arose, demand came from several Unions and some States also that their Police Force was not sufficient and in some cases not effective and therefore, they needed help. We found it very difficult to offer help, because our own resources were not adequate. We had long before written to the Provinces and given directions that in this matter, they should, as far as possible, be self-sufficient, so that it may not be necessary for them in case of trouble to call out the military or to make indents on the Central Government for help. I am happy to say that in several provinces such as U. P., C. P. and Bombay, the Governments took such effective steps that whenever necessity arose we indented for help from them and they lent us their Forces. I have today a large number of Armed Police Constabulary from U. P. which has been sent to Hyderabad, Rajputana and other places. Similarly, when there was trouble in Delhi and we had not got sufficient Force, I sent for help from the nearby provinces of U. P. and C. P. and they sent us a good Force from there. Although these people are working outside their own provinces, they have been rendering good service. But we cannot depend upon provincial help for a long time. This little Force which we had came in very handy and it did very useful work also. But it is small and has to be augmented. We have done our best in this direction and it is still being increased.

Shri Mahavir Tyagi raised a point. He asked why we should still stick to Neemuch. As my hon. Friend here has already explained, in Neemuch we have accommodation—large number of barracks and buildings—in existence. In Delhi we do not have accommodation even for hon. Members. So the suggestion that the Central Force should be at Delhi is not workable. The suggestion about a Training School at Neemuch has also been considered, but at present we have enough accommodation and a suitable site for the Training School

[Sardar Vallabhbhai Patel]

at Abu and these are being used for the present for the training of I. P. Officers.

Shri Mahavir Tyagi raised other points also,—regarding age and other things. He is probably not aware that there are rules under which all these points are covered and there is no new point to be discussed or to be decided upon. There are regular rules according to which the Police Force has been functioning. Its recruitment is made according to those rules. Since it is feared that perhaps this Force may be used for arresting Ministers in the provinces or Members of the Assembly, I may assure the House that we are not going to use our Force for that purpose. There have been few occasions when provinces have sought our help in this matter. But in the Unions we have often been called upon to send help. In the case of certain Unions where trouble has been created we have found it necessary to send help immediately and without a moment's notice.

We are passing through a period of transition. In this period we have made so many changes and raised so many forces, upset so many things of the old order—abolition of zamindari, amalgamation of States, removal of old institutions and many other similar things. The present situation is such that we have to be very watchful and careful. Then we have on the borders, due to partition, several raids being committed by dacoits from the other side or by the forces from the other side. So, we have to keep a watch. We have also on the other borders, revolutionary changes going on and certain young elements who consider that this is the time for creating a revolution and change the order existing in this country. There also we have to be very careful. In the industrial centres also there are certain forces which believe in creating trouble, for they think that the more unrest they create, the better the prospects for their organisation. In all these circumstances, a Central, well-organised and disciplined police force is a boon in these areas and they have all acknowledged with one voice that our help has been very useful.

In the present state of things we have to be very careful all over. Ours is a vast country, where consolidation has taken place with electric rapidity. So, unless we are very watchful we may find to our cost difficulties arising for which we may have to pay very heavily. Therefore, we have taken care to organise our services, our police force and all the requirements that are considered necessary for keeping law and order in the whole land, so that progress may be as effective and as rapid as possible. I have given enough justification for the Bill. Sir, I move that the Bill be taken into consideration.

Mr. Chairman: The question is:

"That the Bill to provide for the constitution and regulation of an armed Central Reserve Police Force, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 to 19 were added to the Bill.

Clause 1 was added to the Bill.

The Schedule was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sardar Vallabhbhai Patel: Sir, I move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

POLICE BILL

The Honourable Sardar Vallabhbhai Patel (Minister of Home Affairs and the States): Sir I move:

"That the Bill to provide for the constitution of a general police-district embracing two or more Chief Commissioners' Provinces and for the establishment of a police force therefor, be taken into consideration."

I shall presently explain, as briefly as possible, the justification for this measure. At present each of the Centrally Administered Areas has a separate Police Force of its own. Ajmer-Merwara, the Andaman and Nicobar Islands, Coorg and Himachal Pradesh, whose police force is in the process of reorganisation, have separate cadres of both officers and men. Ajmer-Merwara gets its officers from the United Provinces, Delhi has a separate cadre of constables and head constables but a common cadre for Assistant Sub-Inspectors and higher ranks with the East Punjab. In addition to the Police Departments in the Centrally Administered Areas, the Central Government are also concerned with the Delhi Special Police Establishment working directly under the Ministry of Home Affairs for dealing with cases of corruption among Central Government servants and certain specified offences such as, cheating, misappropriation, etc. against Central Government Departments. The posts in this establishment are at present filled by officers borrowed from various provinces for short periods. While I must acknowledge the helpful spirit in which generally the provinces meet our requisition for officers, we have sometimes found ourselves considerably embarrassed. Lately, because of the dearth of officers in the provinces, the arrangements have been proving unsatisfactory, and the provinces naturally have been displaying increasing reluctance to spare any of their good officers. Further due to the small areas and cadres of Chief Commissioners' provinces, the Police Officers have perforce to continue in the same station or area for a long time and thereby acquire local connections and associations of a personal nature which, obviously, are not very desirable and hamper them in efficient and impartial execution of their duties. It is, therefore, necessary to provide that Police Officers of Centrally Administered Areas are transferred from one area to another according to administrative exigencies. It is also possible that the Central Intelligence Bureau may find a common cadre of Centrally Administered Areas a useful source of supply in their own ranks. This would be eminently desirable because in future, as the hon. Members are aware, the Central Intelligence Bureau will have independent investigating powers.

Under the Indian Police Act of 1861, two or more Provinces cannot be constituted into a single general Police District. It will not, therefore, be possible to achieve the object without an independent Act. We have, therefore preferred a self-contained measure to provide for the constitution of a Police District embracing two or more Chief Commissioners' Provinces and for the constitution of one Police Force for such Police Districts. The provision for the constitution of either one district for all the Chief Commissioners' Provinces or several districts has deliberately been made flexible so as to enable the Central Government to include within, or exclude from, its scope such of the Centrally Administered Areas, existing and newly created, as they deem necessary. We have also considered it desirable to exclude from its scope the Delhi Special Police Establishment. The reasons for this are that while the general Police

[Sardar Vallabhbhai Patel]

of the Chief Commissioners' Provinces, which is proposed to be constituted into one single force, will have jurisdiction only within the areas of those Provinces, the Delhi Special Police Establishment has, under the provisions of the Delhi Special Police Establishment Act, the authority to function in all Provinces of India. Under the Draft Bill, however, we do not anticipate any difficulty for the Special Police Establishment to draw upon the pool of officers and men in the proposed Police Force in the Chief Commissioners' Provinces and no special provision for that purpose in the Bill is, therefore, called for. In fact, if necessary, we can even place the Special Police Establishment and the Police Force for all the Chief Commissioners' Provinces under a single officer to function as I.G. Police.

I hope, Sir, in view of the reasons which I have given, the House will accept the necessity of a Central Cadre of Police Force for two or more Chief Commissioners' Provinces. Once this necessity is established, the necessity for the Bill must automatically be conceded. I, therefore, commend the Bill for the consideration of this House.

Mr. Chairman: Motion moved:

"That the Bill to provide for the constitution of a general police-district embracing two or more Chief Commissioners' Provinces and for the establishment of a police force therefor, be taken into consideration."

Prof. Shibban Lal Saksena (U.P.: General): Sir, while I welcome this measure, I want to place one or two observations before the hon. mover. This Bill contemplates the creation of a pool of officers for Delhi, Ajmer-Merwara, the Andaman and Nicobar Islands, Coorg, Himachal Pradesh and other Centrally Administered Areas. I would only desire to know whether officers, say of Delhi, would like to go on transfer to the Andamans or to Coorg, and whether such transfers will be appreciated by the officers. I have been of the opinion that if you have a single police force for the whole country and there is uniformity, that would be better. From that point of view I would prefer a single police force which is uniform throughout. But if you have a police force only for Coorg, the Andamans, the Himachal Pradesh, Delhi and Ajmer-Merwara then officers of one place might find difficulty in going to other places on transfer and that would become a sort of severe punishment for them. So I would like this aspect of the case also to be considered, and it should be found out whether the efficiency and contentment of the forces would increase by such transfers or whether it would be otherwise.

Shri B. Das (Orissa: General): Sir, while the underlying idea of this Bill is good, I would like the hon. mover to consider whether it is not premature in view of the fact that within a year some of the Chief Commissioners' Provinces will liquidate themselves. As far as I have understood the position in the Constituent Assembly, Ajmer-Merwara will not exist but will be merged into Rajasthan State. Coorg has to go to Mysore and would not remain in Madras, and if Coorg goes to Mysore, the Mysore State Police will administer Coorg and Coorg need not be policed by a centrally administered police service from Delhi. As far as the Andamans are concerned we have not had the privilege of hearing from our Deputy Prime Minister in the other House whether these Islands will remain perpetually Chief Commissioner's Provinces, but it was understood that they will remain a Centrally Administered Area for security purposes, and for that reason, of course, the Deputy Prime Minister must have to look after the safety and security of that place. As for Himachal Pradesh, I think that Chief Commissioner's Province may be liquidated and merged into the P.E.P.S.U. or with the province of East Punjab, or partly

with the United Provinces and partly with East Punjab. Therefore, if we start this new police organisation for these areas, the thing would be premature, especially on grounds of economy and in view of the financial stringency, and in view of the fact that these provinces would be merged into the adjoining States. I do hope that this point may be properly examined by the hon. Deputy Prime Minister and the Home Ministry, and it may be considered whether the promulgation of the scheme may not be postponed till the new Parliament or the next Parliament decides what will be the fate of these petty territories, and whether on financial grounds it is necessary to maintain these costly Chief Commissioners' Provinces which cost the Government of India a pretty large sum.

चौधरी रणबीर सिह : सभापति महोदय, मैं इस मस्विदे का समर्थन करता हूं। जो खतरा बी० दास जी नें जाहिर किया वह सच्चाई से बिल्कुल उलटा है, वह यह कि आज दिल्ली के लिये एक अलहदा आई० जी० (Inspector General) है, अजमेर के लियें अलहदा और चन्द्रनगर या दूसरें जितने छोटे छोटे यूनिट्स हैं जो हमारे कान्स्टिट्यूशन (Constitution) के शेड्यूल (Schedule) में दर्ज हैं, उनके लिये अलहदा अलहदा आई० जी० (I. G.) होंगे। अगर रुपया बचाना ही दृष्टि में रखा जाय तो भी मैं समझता हूं कि यह बिल एक बहुत ही अच्छा बिल है, इससें काफ़ी रुपया बचेगा। आज जो आर्थिक संकट है, उसको निगाह में रखते हुए भी यही ठीक है। मिसाल के लिये पुरानी दिल्ली, या दिल्ली के देहात हैं जो पंजाब या नये दिल्ली सूबे कें अन्दर शामिल कियें जा सकते हैं। लेंकिन नई दिल्ली के बारे में यह ख़याल ज़ाहिर किया जाता है कि वह अलहदा सूबा रहे। इसके इलावा चंद्रनगर या अण्डमन (Andaman) जैंसें सूबें अलहदा ही बने रहेंगे। आज हमारे सामने मसला यह है कि आया उनके लिये अलहदा अलहदा आई० जी० (I. G.) रक्खें या उन सब के लिये एक ही आई० जी (I. G.) हो। मैं समझता हूं कि इस कानून का मस्विदा उसको हल करता है और ठीक तरह से हल करता है। इस लिये मैं इसका स्वागत करता हूं।

(English translation of the above speech).

Ch. Ranbir Singh (East Punjab: General): Mr. Chairman, Sir, I support this Bill. The apprehension of my honourable friend Shri B. Das is not borne out by the facts and that is that at present there exist separate Inspector Generals for Delhi and Ajmer and separate Inspector Generals will be appointed for Chandernagore and all other smaller units which have been included in the Schedule to our Constitution. If the consideration of effecting a saving in expenditure only is kept in view, even then I think that this is a very good measure and it will result in a considerable economy. Even keeping in view the present financial stringency, this is a very appropriate measure. For example, take the case of Old Delhi or rural area of Delhi which can be merged in the Punjab or the new Province of Delhi. But with regard to New Delhi, it is desired that it should remain a separate unit. Apart from this, provinces like Chandernagore or Andamans will continue to remain as separate entities. Today we are faced with the problem whether a separate Inspector General should be appointed for each of these Provinces or a single Inspector General should be appointed for them all. I feel that the enactment of this legislation seeks to solve this appropriately. Therefore, I welcome this.

Shri C. M. Poonacha (Coorg): Sir, I welcome this Bill and in doing so I would like to place some points which, in my opinion, need some clarification. At the outset, this Bill attempts to remove one or two serious handicaps in the Centrally Administered Areas, namely, that officers, particularly the gazetted officers once appointed, become more or less, permanent fixtures in those areas and thereby create difficulties and administrative problems which are not easy to solve. In this Bill, in so far as the police force is concerned, I am happy to note that at least that part of the difficulty of making permanent fixtures of police officers would be hereafter mitigated. Now, I refer to sub-clause 3 of clause 1, wherein it is said that this Bill shall come into force by a notification issued by the Government of India in the official Gazette to such of the Provinces as are mentioned therein. Taking into consideration some of the practical difficulties that might arise according to this Bill, I am afraid some of the areas might possibly be excluded from being brought under the provisions of this Bill. The Centrally administered areas, as they are few and far between, for example, places like Coorg, Andamans, Ajmer-Merwara might be brought together under this Bill. But as they are so far away, the practical difficulty of transferring police officers from these places might at the same time bring a difficult situation and that for such practical difficulties to start with, the Government of India might not bring these areas under the provisions of this Bill. There is a fear or at least a doubt in me that the Government of India might exclude some of these areas because of this difficulty coming in the way. I would like a clarification on that point, and my wish is that when this Bill is going to be brought into operation all the Centrally administered areas will be brought under the operation of this Bill without any exception. That is one point that I want to make clear.

Then again there are practical administrative difficulties and also the financial implications that arise because these Centrally Administered Areas are at the moment financially not quite sound; they have been relying on the Central finances for help, and particularly in the case of Coorg, as it has a separate budget of its own, there has been no Central financial aid to this Province. A measure of this nature if brought into operation should not mean additional financial burden upon this Province, whose resources are already slender. I would like to know that such of the incidental financial burdens that might result, while bringing this Bill into operation, whether the Central Government would stand itself charged to bear those extra financial expenditure or whether such extra financial expenditure is going to be shifted on to the Province? At least I am hopeful that the Central Government in all fairness would agree to bear such of the extra financial expenditure that might arise by bringing this Bill into operation. There is another point on which I would like to have some clarification. In the Statement of Objects and Reasons, it is envisaged to constitute a common pool of police officers' cadre from which officers would be drawn for the purpose of manning the district police force, which would be constituted and I am afraid that in doing so, the scope of enlistment in this police force might exclude the personnel from the respective areas. My plea is that this Bill should not in any way prove to the disadvantage of such of the candidates, deserving personnel who hail from these areas, to come into the general pool from which these officers would be hereafter drawn upon. I hope that ample facilities will be created or at least ample scope would be so provided as to enrol personnel who are officers or other qualified persons from these respective areas themselves so much so ample opportunities would be available to the deserving people of these areas.

No doubt this Bill goes a long way in removing that great difficulty so far as administration is concerned about the permanent fixtures of the gazetted or senior officers in these areas, and particularly in the Police. Speaking at least so far as Coorg is concerned, it is more or less a very strange situation there, because generally officers working in the Revenue Department are promoted as District Superintendents of Police. I think, it is for the first time in Coorg that we have a regular police man now as the District Superintendent of Police and naturally the next step for him is the District Magistrate's position. So the circle runs this way: A man is recruited to the Revenue Department to start with and then he works there for ten or twelve years, then he looks up to the District Superintendent of Police's place and then after serving for some time there he jumps up to the District Magistrate's place and finally perhaps becomes the Chief Commissioner. These possibilities are always there and in this way the merry circle continues and the things that are happening are more or less short-circuited and the Government of India are not able to know the day to day happenings or the inner happenings that are taking place there. Therefore, I am really happy to welcome this Bill and commend it to the acceptance of the House.

The Honourable Sardar Vallabhbhai Patel: This is a simple measure in which the House has raised hardly any controversy and I am glad that it is acceptable to the House. Some of the small points that have been raised may very well be explained at the present stage. My hon. friend, Mr. B. Das raised the question of merger and from that point of view, whether it would not be necessary to consider postponement. I may tell him that the Government at present do not consider that any non-State area is to be merged in any States or in any other Union at present. We have done enough of mergers and amalgamations. It may be found necessary in the case of some Union, that it may not be possible financially and otherwise to keep it separate. We may have to merge that. But so far as the non-State areas are concerned such as Ajmer or Coorg or Andamans, it is not possible for us to consider at present any question of merger or any controversy raised on behalf of those who claim those areas or those who come from those areas. If they desire to raise any controversy, I may definitely assure them that this Government is not going to consider any such question at present. We shall wait till the stability of the country has been assured and the economic condition of the country is put on a proper and suitable basis. We have enough work to do otherwise. Therefore, any question of merger would not arise at present.

5 P.M.

In the meanwhile, in the interests of efficient police administration, it is necessary to have an efficient police force which can function properly. It is quite true that nobody is willing to go to Andamans from here. It is a distant place. We have to give some inducement also. But, we cannot depend always upon the mercy of individuals or units from which we can get these officers. We must have our own cadre, our own establishment from which we can send efficient officers as and when it is found necessary without even notice. It is for this purpose that this Bill is being brought forward. My hon. friend from Coorg has realised the importance of the thing because his unit is also in a distant place. I am happy to say, however, that the thing called crime is hardly known in Coorg. It is the happiest place in India where there is no crime, there is no disorder and where people realise and understand the value of freedom. Therefore, at present, we do not want to disturb them. But they have also come into contact with modern forces and some of them have been also talking of merger and of various other things which the adjoining areas have been doing. Therefore, we have to be watchful. We should provide for officers being sent from outside or for officers being transferred from units which are at such distant places, after a certain period. As for instance, in Coorg, when an officer is appointed, he is there till he dies; he never retires. Such a state of things may not be with regard to the police administration alone. Therefore the administration suffers. We have found it necessary, so far as the police administration is concerned, to bring forward this measure. In all such

[The Honourable Sardar Vallabhbhai Patel]

distant units, we will form one or two units in which the police force may be so consolidated and so organised that we may find no difficulty in carrying on an efficient administration in these areas. I think the House will accept the general principles of this Bill and I move that the Bill be taken into consideration.

Mr. Chairman: The question is:

"That the Bill to provide for the constitution of a general police-district embracing two or more Chief Commissioners' Provinces and for the establishment of a police force therefor, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

"That clauses 1 to 7 stand part of the Bill."

The motion was adopted.

Clauses 1 to 7 were added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sardar Vallabhbhai Patel: Sir, I move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

Mr. Chairman: The House will stand adjourned till 10-45 a.m. tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Friday, the 23rd December, 1949.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Friday, 23rd December, 1949

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

QUESTIONS AND ANSWERS

(See Part I)

11-55 A.M.

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1949-50

Mr. Speaker: We will now proceed with the Demands for Supplementary Grants. After the demands are made. I shall have to make a few observations on the cut motions as I find there is some misunderstanding on the part of Members.

The Honourable Dr. John Matthai (Minister of Finance): Sir, last time when Supplementary Demands were made, you were kind enough to put the demands to the House, I do not think they were formally moved.

DEMAND NO. 1—CUSTOMS

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 2,56,85,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Customs'."

Now with reference to this motion and certain other cut motions in respect of the demands, I find that hon. Members have tabled some cut motions, in ignorance of the exact scope of discussion over these demands. I might just invite their attention to a previous ruling in this House, wherein I had stated that these are Supplementary Demands. and in 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 the House, at the time 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, that the scope of the discussion will be restricted only to such new things or new items as had not come up for discussion before the House when the Budget was voted upon. That is the principle on which the scope of discussion is restricted and I need not then go into the example which I then gave. So, that will be the principle, but it appears coming to these motions now, in respect of this Demand No. 1, there are three motions, one by Shri Upendranath Barman, another by Shri Ramnath Goenka and the third by Shri Mahavir Tyagi. They all seem to be out of order because, the points placed there are as follows:—

[Mr. Speaker]

One proposes to discuss the failure of customs to detect under-valuing of export and over-valuing of imports and the loss of foreign exchange resulting therefrom. The other proposes to discuss the lower rate of customs duty on the export of jute textiles. The third proposes to discuss the loss of revenue sustained by Government over the low rate of export duty on tea.

A reference to the Demand will show that the additional sum is required for the payment (for the period from the 15th July, 1948 to 31st March, 1950 at Rs. 1·5 crores per annum) of compensation to the Government of Saurashtra Union under the terms of the agreement reached with them regarding the surrender to the Government of India by the Union of their Customs rights including administration, and for removal of the Virangam Customs cordon, etc. So the Demand is to pay moneys which the Government of India have agreed to pay in pursuance of an agreement entered into. All these questions which are sought to be raised by the cut motions refer to something about the Department, their policy or the way in which the Department is getting on and all that. That is entirely irrelevant for the present purpose. I do not, therefore, propose to allow these cut motions. If hon. Members have to say anything specifically about these Demands, then the matter would stand differently.

Shri Upendranath Barman (West Bengal: General): As regards the ruling that you have just given, the cut motion which I have tabled refers to something which did not exist neither at the time when the original Budget was placed before the House; nor at the time when the Finance Bill was discussed. This is a new element that has come to light by the report of the Export Promotion Committee. There was no occasion for a discussion of the subject and this is the occasion on which we can discuss the matter. In view of that will it be open to the House to make it an exception?

Mr. Speaker: Unfortunately, the indication of the subjects sought to be discussed does not take that line of argument. If the amendment wants to discuss the desirability or otherwise, the propriety or otherwise of entering into an agreement with the Saurashtra Government, certainly the matter could have been discussed, but that is not the cut motion. The cut motion refers to certain details of administration of the entire department of the Government of India; that is the difficulty.

Shri Upendranath Barman: As regards the decision that was previously made by this House that general policies having been discussed at the time of the

12 NOON

General Budget, it should not be discussed again at the time of the Supplementary Budget, I beg to submit that this is an exceptional case which was not under contemplation at the time when that decision was made.

Mr. Speaker: I quite see hon. Member's point. He wants to urge that this should be treated as a new item and Members should be permitted to discuss it. I have no quarrel with that position. I am merely referring to the cut motions which are out of order because they try to deal with the policy which is already discussed before. None of these cut motions say that they want to discuss, as I said, the propriety or otherwise of the agreement entered into with the Saurashtra Government. That question will be still open and when the demand is placed before the House, hon. Members may have their say on that aspect of the question, which is a different aspect altogether.

Shri Mahavir Tyagi (U.P.: General): May I also just ask one question? In such cases where the rate of duty of custom has been fixed before the matter was discussed in the General Budget and during the course of the year if there

had been some re-shuffling of the rates of duty and on account of that Government has to suffer great losses in revenue, do you think it will not be a proper occasion to discuss those losses at the time of Supplementary Grants with regard to the same Department, Sir?

Mr. Speaker: The hon. Member is perhaps missing the point or I am not clear. What I say is that the entire subject matter, as I said is in respect of the agreement with the Saurashtra Government. The hon. Member is raising a problematical case and I need not decide that problematical case just at the moment. If an occasion arises, I will consider and then decide. But the present position is that the entire demand is for payment, in pursuance of an agreement, to the Saurashtra Government and the discussion of rates and all that does not come in at all, because no money is asked for on the basis of a fall in the revenue or on account of a change in the rates of customs duty. That is the position.

Shri M. Tirumala Rao (Madras: General): With regard to Demand No. 97 where Rs. 79 crores.........

Mr. Speaker: I am not deciding them all. I am giving a general line about the scope of discussion, and as each demand is taken, I shall deal with the amendments with respect to each, because it is not that all motions are out of order. I have taken Demand No. 1 and I have pointed out that all these 3 cut motions in respect of Demand No. 1 are out of order for the reasons stated by me. When the other demands come, I shall take up the cut motions separately and deal with each of them on the merits of each. In the first instance, I merely thought it proper, in view of such motions to invite the attention of the House to the proper scope of discussion. That was the idea.

Shri R. K. Sidhva (C.P. and Berar: General): In the notes under Demand No. 1 it is stated that this amount refers to the payment to the Saurashtra Government on account of the terms of agreement reached with them regarding the surrender to the Government of India for the removal of the Virangam Customs cordon. May I know, Sir, what was the amount that was realized by the State from this Customs cordon? I would like to know the amount for the last three years, if it is available and if not, at least for last year, so that we may know whether the amount that is contemplated to be paid to the Saurashtra Government is more or less or the same. I would like to be enlightened on that point, Sir.

Mr. Speaker: If the hon. Finance Minister gives the facts about these things, perhaps the House may better appreciate them as to why a certain sum of 1·5 crores was fixed per annum and on what consideration.

The Honourable Dr. John Matthai: It is the result of very prolonged and careful discussions between the Ministry of States and the Ministry of Finance, on the one hand, and the representatives of the Saurashtra Government, on the other. The precise amount that was fixed was to some extent determined by considerations of the revenue derived in this area but ultimately the question had to be settled on the basis of what would be a fair arrangement. My hon. friend Mr. Sidhva raised the question of what exactly was the revenue that the Government of India used to derive previously in these areas. What has been done now is that the whole of the Customs Administration in respect of the ports included in the Saurashtra area has been taken over by us. We have no figures regarding revenue collections in respect of customs in these ports. Precise figures are not available. In the end we had to make these arrangements on a basis of rough approximation of what would be a fair arrangement between two Governments.

Shri R. K. Sidhva: No information, even with the Kathiawar Government for those days are available for the information of the House?

The Honourable Dr. John Matthai: As a matter of fact there were no published returns in respect of all the ports included in the Saurashtra area on which any precise estimates could be based.

Shri Raj Bahadur (United State of Rajasthan): The same question arises when we come to discuss this demand. For instance, it has been stated in the note below this demand that the administration of Customs was taken over by the Government of India with effect from the 15th of July, 1948. May I respectfully ask the hon. Finance Minister why is it that, in spite of the fact that this was taken over on the 15th of July, 1948, this could not be envisaged when the Budget for the current year was taken into consideration.

Mr. Speaker: The reason is given there. The hon. Member is forgetting that whenever an administration is taken over all items in respect of it are included in the agreement. It is only because the position could not be settled then, that an agreement as to the amount was reached later and the present demand is made in respect of that agreement. That is how the position stands.

Shri Raj Bahadur: I would be interested in knowing what benefit has accrued to Government after the Government took over the administration of Customs from the Saurashtra Union as also I would like to know how this excess of 6,85,000 over and above 1·5 crores has been spent under this demand.

The Honourable Dr. John Matthai: If the Honourable Member would read carefully, he would find that the annual compensation is 150 lakhs. The period covered is from 15th July, 1948 to 31st March, 1950.

Mr. Speaker: It is one year and 9½ months. So I put the demand to the House.

Mr. Hossain Imam (Bihar: Muslim): Is the Finance Minister able to tell us something about the further compensation which may have to be paid to other Indian States from whom customs income has been taken like Cochin Port?

The Honourable Dr. John Matthai: I take it what the hon. Member wants to know is what is the amount of compensation that we are likely to pay to the other acceding States in respect of loss of customs revenue, either land customs or sea customs. That is a matter which is still under discussion. We have not finalized the arrangements between us and the States on the recommendations made by the Financial Integration Committee. That is still under discussion between us and the States.

Dr. P. S. Deshmukh (C.P. and Berar: General): There was already a question put by my friend Shri Raj Bahadur which has not been replied to, *viz.*, if it would be possible for the hon. Finance Minister to tell us what benefit we are likely to get from this agreement and if there was any likelihood of the Central Government making good in part at least of the amount that will be paid in some manner or other.

The Honourable Dr. John Matthai: As a matter of fact, this compensation is a lump sum payment over this period but hereafter all the proceeds of customs revenue throughout Saurashtra would be collected and administered by the Central Government and my rough estimate is that we stand to gain by this arrangement.

Dr. P. S. Deshmukh: What would be the actual sum that is likely to be collected by way of customs by the Central Government?

The Honourable Dr. John Matthai: I would not like to commit myself to any figure but the rough actuals of revenue collected in the past by the states were in some years as high as Rs. 3 crores.

Mr. Speaker: I am putting the Demand to the House. The question is:

"That a supplementary sum not exceeding Rs. 2,56,85,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Customs'."

The motion was adopted.

DEMAND NO. 2—CENTRAL EXCISE DUTIES

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 39,50,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Central Excise Duties'."

To this, there is a cut motion by Mr. Samanta. I have some doubt about this. He refers to Customs cordon along the Indo-Pakistan line. What does he mean by 'inadequate funds'? Because the Demand for grant, as he will see, is 'Re-imbursement to West Bengal Government'. So it is a payment to West Bengal Government on account of the cost of police force supplied by them in connection with the establishment of customs cordon along with the Indo-Pakistan land frontier. So the Customs cordon was not the administration of the Government of India.

Shri Satis Chandra Samanta (West Bengal: General): I mean the Eastern Border.

Mr. Speaker: I understand it but the payment appears to be in respect of cost incurred by the West Bengal Government and how does he say that the funds are inadequate?

Shri Satis Chandra Samanta: Because I feel that more police arrangements should be made.

Mr. Speaker: My point is that the Government of India are paying to the West Bengal Government whatever cost they incurred; and is it his intention that that cost should have been higher? If he wants to discuss the working of that cordon, the working was by the West Bengal Government on behalf of the Government of India. I am afraid that discussion about the unsatisfactory character of the maintenance of the cordon will not come within the scope of the present demand. Therefore I wanted to know as to what he means by 'inadequate funds'.

Shri Satis Chandra Samanta: I mean that.

Mr. Speaker: I am afraid I shall have to rule it out of order. I will now put the demand to the House.

Shri Raj Bahadur: May I know from the hon. Minister when this establishment of Customs cordon on the Indo-Pakistan Line was created and what benefit has accrued on account of customs revenue since then?

The Honourable Dr. John Matthai: We have been able to do quite a substantial amount of work in the way of preventing smuggling. The hon. Member will remember that various questions have been put to me during this session about the extent of smuggling along the land frontier. We are trying our best to prevent smuggling. It is very difficult to make an estimate of what

[Dr. John Matthai]

revenue is obtained by preventing smuggling. I have given figures regarding the cases we have been able to trace.

Shri Raj Bahadur: When was this Customs cordon established?

The Honourable Dr. John Matthai: I cannot give the exact date. It was about a year ago.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 39,50,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Central Excise Duties'."

The motion was adopted.

DEMAND NO. 11.—CONSTITUENT ASSEMBLY

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 1,16,30,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Constituent Assembly'."

Shri R. K. Sidhva: Sir, I have only one question to put. Rs. 98,50,000 relates to Election for Legislatures, and the Explanation given in the Foot-note is "Payments to Provinces and States of 50 per cent. of the total extra cost incurred by them in the preparation of electoral rolls for the House of the People". I wish to know whether this refers to the electoral roll that the Provinces will prepare in relation to the House of the People only, or whether this will be a contribution to the Provinces for the electoral lists which they will prepare for their own respective Provinces. If it is the former, then of course there is no objection. But I would like to know on what basis this Rs. 1 crore has been estimated for all the Provinces and as to how it is going to be distributed. If it is the latter I would like to ask as to why the Centre should bear the expenses of the Provinces for preparing their own Provincial electoral lists. Will only Rs. 1 crore be spent for all the Provinces? (*An Honourable Member*: It is a part payment.) I want to know the position from the hon. Minister.

Mr. Speaker: The note clearly says that it is 50 per cent. contribution.

Shri R. K. Sidhva: If it is 50 per cent. of the total expenditure it means that Rs. 2 crores will be spent in the preparation of the lists. May I know whether this Rs. 2 crores applies to the Provinces in connection with the preparation of the Provincial Electoral Rolls also or whether it relates only to the preparation of the Electoral Rolls for the House of the People. There will be two electoral rolls; one will be for the Provincial Legislatures and another for the Members to be returned to the House of the People, which list may be one or two. But generally there are two lists, one for the Central Legislature and one for the Provincial Legislature.

I wanted to know as to how the 50 per cent. that we give is going to be distributed between the various Provinces, whether Rs. 2 crores represents the total sum of expenditure for all the Provinces or whether the figure is likely to go beyond what has been calculated. I also wanted to know, if it relates to the expenditure in connection with the preparation of the Provincial electoral rolls, as to why the Centre should bear any expenditure on that account.

Shri H. V. Kamath *rose.*

Mr. Speaker: I think it will be better if the Finance Minister first gives an explanation. As regards the cut motion which the hon. Member sought to move, he ought to know that under the parliamentary practice it is not permissible to have any motion of that type in respect of the House or the arrangements to be made by the House. He should get the explanation from the hon. President of the Constituent Assembly. Information can be given here. That is a different matter, and the hon. Finance Minister will give the information.

I might also further point out that he wanted to discuss the "allocation". There was some such word and the matter was not clear; it was vague enough and not clear at all as to what he meant by 'allocation'. Whatever that may be, he can get the information he wants.

Shri H. V. Kamath (C.P. and Berar: General): May I ask for the information now?

Mr. Speaker: Yes. But what procedure shall we follow? Will the Finance Minister hear what hon. Members have to ask and then give the information?

The Honourable Dr. John Matthai: Yes, Sir, that will be the most convenient way.

Mr. Speaker: Then he will hear hon. Members as to the information they want and ultimately give the information in his statement.

Shri H. V. Kamath: Mr. Speaker, Sir, the present demand for supplementary grant is Rs. 1,16,30,000. The House is well aware that certain statements, partly irresponsible, were made outside the House to the effect that the Constituent Assembly had already overstepped the budgeted grant—I do not remember how much it was—and that the expenditure had run into almost Rs. 2 crores. This was very ably refuted by Dr. Ambedkar in his speech on the final reading of the Constitution, and he dismissed such statements as irresponsible and showed that the Constituent Assembly, considering the work it had been assigned, did the work in a fairly reasonable period of time and that the expenditure incurred was not over much. Now, the information I ask for is this, because still there are very unpleasant reports circulating outside that the Constituent Assembly has cost the nation a good deal, and Members as a matter of fact are maligned in various ways.........

Mr. Speaker: Order, order. The hon. Member need not pass any remarks or discuss the matter in that manner. He may merely ask for information as to how the amount is made up.

Shri H. V. Kamath: May I ask for this information? Under this head, the expenditure under item A refers to the lump sum grant to the Constituent Assembly, and the explanation given in the foot-note is that the extra expenditure is due to (a) more sessions of the Constituent Assembly than anticipated, (b) the retention of the Constituent Assembly Secretariat for the whole of the year instead of for six months as originally anticipated, (c) the setting up of a conference of scholars representing major languages of India and the Expert Translation Committee in connection with the translation of the new Constitution in the major languages of the country, and (d) Calligraphy (writing) and artistic designing of the manuscript of the new Constitution. There are these four items expenditure in connection with which is covered under A. that is Rs. 17,20,000. It would be interesting to know, if the hon. Finance Minister is in a position to tell the House, how much of this Rs. 17 and odd lakhs will go towards meeting the expenses of the Members of the Constituent Assembly, that is to say (a) (i)—expenditure incurred in connection with the actual sessions of the Constituent Assembly, apart from the Secretariat, Calligraphy and the

[Shri H. V. Kamath]

Experts' Conference. Then the people, as well as ourselves, will be in a position to know whether the Assembly sessions by themselves have cost the nation such a good deal as some people outside the House—and I do not know whether inside the House also—are inclined to believe. I would, therefore, welcome this information item by item,—how much under (a) (i), under (a) (ii), (a) (iii) and (a) (iv)—if not accurately, at least approximately.

Dr. P. S. Deshmukh: Sir, I would first like to point out that the limitations you have placed on the scope of discussion is probably fairly correct, and therefore I do not wish to say anything against it. But if the whole Demand is put before the House, I hope you will allow speeches limited to the specific notes that have been supplied here. The scope should not merely be limited to questions and answers.

Mr. Speaker: The hon. Member will remember one further distinction so far as this Demand is concerned. This particular Demand relates to what has been done under the supervision or orders of the hon. President of the Constituent Assembly. Therefore, under parliamentary practice, any discussion of that type will not be open here, ought not to be open here. But, as the Demand is made, the only thing that can be done is that information as to details, so far as can be available with the Hon. the Finance Minister, will be given to Members. I do not propose to allow any further discussion or comments on this.

Shri M. Tirumala Rao: There is no other forum where we can ventilate our views.

Mr. Speaker: The usual course followed is that the Members can see the hon. President of the Constituent Assembly and discuss with him and get from him such further information as they want. That is the practice so far as the Budget of this House also is concerned. No cut motions can be moved.

Dr. P. S. Deshmukh: Sir, I did not intend to go into any details of the matter or to question the authority of the hon. President. I wanted to raise a general question with regard to the discussion of all these Demands. I want to know whether it would not be permissible for hon. Members of this House to make such remarks as they consider necessary on the particular subjects on which the expenditure was incurred. To that extent, would you not be pleased to permit speeches?

Mr. Speaker: The hon. Member refers to the other Demands generally?

Dr. P. S. Deshmukh: In a general way.

Mr. Speaker: Certainly. So far as information is concerned, he can ask for it. He can express his opinion because, as the Demand is made, he is entitled to have his say. But then, he is not entitled to discuss the policy. That will be the limitation.

Shri Ramnath Goenka (Madras: General): May I know if any calculations have been made of the expenditure incurred for the Constituent Assembly, on the basis of time taken by each of the Members?

Mr. Speaker: Order, order. That is a different matter. We are not going into that now.

Dr. P. S. Deshmukh: So far as this Demand is concerned, in this very Demand we are going to provide for the future elections to Parliament as well as to the Provincial legislatures. I would like to know whether any provision has been made for the construction of housing accommodation for the future

Members of Parliament, and whether any provision has been made for a hall for the new Parliament. Are there any schemes drawn up so far as the housing of the Members of the new Parliament is concerned? I want to know when this question is likely to be considered by the Government. Sir, I ask this question because, as you are fully aware, at the present time none of the Members are happy with regard to the accommodation that is proivded for them.

Mr. Speaker: I do not think I can permit that. The hon. Member is going beyond the scope of the Demand—all sorts of points cannot be raised.

Shri A. Thanu Pillai (United State of Travancore and Cochin): Sir, I wish to get some information regarding the entry under (b) of the notes—"*Payments to Provinces and States of 50 per cent. of the total extra cost incurred by them in the preparation of electoral rolls for the House of the People*." I wish to know whether this "incurred by them" means the cost that has already been incurred by them, or the total cost that has been and will be incurred in the preparation of the rolls. I would also like to know whether the preparation of the rolls will be complete by the end of this financial year or will extend to the next year and whether the sum provided covers only the amount that will have to be contributed till the end of this financial year. Then the notes refer to "total extra cost". I do not know what this extra cost means. Is it not the cost incurred in connection with the preparation of the rolls. Has that word "extra" any significance?

In regard to the question of the House of the People, I know the preparation of the rolls for elections to that House will more or less be the same as for the local legislature except for the division into separate groups for different constituencies. I do not think that the latter work will involve any substantial expenditure.

Mr. Speaker: That again, is arguing the matter.

Shri A. Thanu Pillai: I wish to know whether one-half of the total expenditure will be given in every case. Finally, I would like to know the basis on which this expenditure is calculated. There are States where the rolls have already been prepared; they have only to be brought uptodate and made complete. Will one-half of the total cost incurred be paid to them? I may, for definite information, mention that in my own State the rolls have already been prepared—they have only to be brought uptodate. Will the cost already incurred on such rolls also be taken into account?

Shri M. Tirumala Rao: Sir, I agree with my friend Mr. Kamath that we require some enlightenment on the points raised with regard to the sub-clauses of (a). With regard to (b), I want to know whether the delimitation of constituencies also is included in this expenditure or whether Government will come forward with another item of expenditure for that purpose. With regard to (c) dealing with the amount required for the proposed setting up of the Election Commission, the matter is not clear. Does it cover the appointment of an Election Commissioner? Recently we read in the papers that Mr. B. N. Rau has been appointed as the Election Commissioner by the President of the Constituent Assembly. That gentleman is now occupying a place in the United States as the chief representative to the United Nations of the Government of India. The dates of the elections are not yet settled. The Constitution envisages the bringing into being of an Election Commission only when the holding of the elections is imminent. But this item here is expected to be spent before March, 1950, before the Budget session is over. Therefore, I want to know for what purpose this Rs. 60,000 is demanded and the urgency of it.

Shri Raj Bahadur: Sir, I want to know some details regarding the item (a) (iv). How much is going to be spent on calligraphy, on artistic designing and on parchment paper etc., for the preparation of the manuscript of the Constitution? It would be a matter of general public interest to know how much we are going to spend upon the historic document that is going to be completed by the 26th January.

Mr. Hossain Imam: Sir, may I ask a few questions on points of procedure? I take it that the Demand with regard to the Constituent Assembly is something in the nature of charged expenditure, and that we are not supposed to look a gift horse too much in the mouth. Nevertheless, I should like to know whether the expenses in connection with the Constituent Assembly are subject to auditing or not, and whether, taking into account the fact that the potential number of voters in the whole of India is not likely to exceed twenty crores, the expenditure of one crore as half the cost means that a rupee will be spent for registration of ten names. On the face of it it appears to be a bit exaggerated. I quite appreciate that the decision of the President of the C.A. to defray half the cost is not only correct but eminently just. The Provinces are in bad way and to throw the whole responsibility of preparing the electoral rolls on them will have been too much.

Mr. Speaker: I am afraid the hon. Member is arguing the merits of the case.

Mr. Hossain Imam: I am not arguing. I say it is perfectly correct. Nevertheless. I want that there should be some checking at the time the allotment is being made to the provinces to see that the expenses charged to this account are correct, suitable and not excessive. This is all.

The Honourable Dr. John Matthai: I must admit that I am at a disadvantage in replying to the various issues that have been raised in connection with the Constituent Assembly. The House must realize that the Constituent Assembly is a sovereign body and suggestions regarding expenditure on the Constituent Assembly are made to the Finance Ministry by no less an authority than the President of the Constituent Assembly. It is not my business as Finance Minister to scrutinise proposals that come from the President of the Constituent Assembly. These expenses that the House is called upon to vote are expenses which have been framed on the authority of the President of the Constituent Assembly. Of course, this expenditure would be subject to audit. But it would not be subject to the kind of scrutiny that the Finance Ministry exercise in respect of estimates coming from ordinary Departments of Government. I must leave the matter at that and I wish respectfully to decline to enter into a discussion as regards the various matters which have been raised, nor have I the detailed information regarding the analysis of this expenditure which hon. Members appear to want. I must say that I have proceeded on the authority of the President of the Constituent Assembly and that is final as far as I am concerned.

I think Mr. Sidhva raised a question whether this contribution that we are making to the provinces covers preparation of the electoral rolls for both the Centre and the Provinces. There is, of course, a good deal of common work, but on the best estimate that we can make we have provided for this amount as the extra expenditure likely to be incurred by the Provinces in respect of elections to the Central Legislature. Therefore, the word "extra" which is used here, to which an hon. Member referred, implies, that there is common work which has to be done but also a certain amount of extra work done by the Provinces in respect of the Central Legislature. It is on such estimates as we can make that this figure has been arrived at. There is likely to be further expenditure on the same account next year. That Sir, is as far as I can go in regard to these matters.

Shri M. Tirumala Rao: On a point of submission, the rights of this House have to be protected by you. The hon. Finance Minister says he has no right to go into any further detail about the items of expenditure which have been asked for by the President of the Constituent Assembly. But to understand the demand, we should at least have some information as to how this is arrived at. This House is the only forum for that purpose. We are asked to vote for a grant about which we are denied information. The Constituent Assembly is not sitting and it is going to close on the 24th January.

Mr. Speaker: I understand the hon. Member's argument and the importance of it also. But if the Finance Minister has not got the information, he cannot be compelled to give it.

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): May I explain a point, Sir? According to the rules of the Constituent Assembly, the C.A. has set up a Standing Finance Committee which is to approve every item of expenditure so far as the Constituent Assembly is concerned. It is only when the Constituent Assembly's Finance Committee has passed it, the President forwards any item to this House.

Pandit Hirday Nath Kunzru (U.P.: General): May I ask whether it would be contrary to parliamentary practice if the Finance Ministry were to scrutinise demands for expenditure received from the President of the Constituent Assembly or the Speaker?

Mr. Speaker: Well, I should be inclined to think that when the Speaker or the President of the Constituent Assembly sends his proposals, the Finance Ministry may look into them and discuss them, but ultimately in regard to the desirability or necessity of a particular item of expenditure the opinion of the Speaker or the President will prevail.

Pandit Hirday Nath Kunzru: In the first instance, I take it that, according to what you have said, it is open to the Finance Ministry to scrutinise a demand and ask for further information, so that it may be able to lay before the President or the Speaker such considerations as appear to it to be relevant to the expenditure that is proposed.

Mr. Speaker: It is a matter of consultation, as I said. The matter cannot be taken beyond consultation.

Pandit Hirday Nath Kunzru: May I ask the Finance Minister whether he consulted the President with regard to the details of this expenditure?

The Honourable Dr. John Matthai: As far as proposals regarding this expenditure are concerned, I satisfied myself that this expenditure was reasonable expenditure and that it was sufficiently scrutinised by the inner machinery set up by the Constituent Assembly. Whatever might be the constitutional position of the Finance Ministry in this matter, I did not feel called upon to have further consultations.

Shri H. V. Kamath: May I ask whether the proposals received from the President of the Constituent Assembly did not mention these figures item by item, 1, 2, 3—like that?

Mr. Speaker: Whatever it may be, the point is very clear now.

Pandit Hirday Nath Kunzru: The Honourable the Finance Minister just now said that he had satisfied himself that the expenditure asked for was necessary. A minute ago he said he had got no information and that he had to satisfy himself about a demand made by the President. If he has, however, taken steps

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[Pandit Hirday Nath Kunzru]

to satisfy himself that this expenditure was necessary, why is he refraining from giving the House the detailed information that it wants?

The Honourable Dr. John Matthai: I may inform my hon. friend, Pandit Kunzru, that when proposals of this kind come before the Finance Ministry, there are various ways in which the Finance Minister can satisfy himself. He might do a certain amount of arithmetic on the proposals. In some cases, he might satisfy himself about the authority or the source from which these proposals come. He might satisfy himself on the ground of the scrutiny that has already been made by some competent authority in whose judgment he has confidence. It is in all these ways that the Finance Minister exercises his judgment.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 1,16,30,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Constituent Assembly'."

The motion was adopted.

DEMAND No. 15A.—DEPARTMENT OF PARLIAMENTARY AFFAIRS

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 50,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Department of Parliamentary Affairs'."

No cut motions are going to be moved to this Demand, I am told.

Shri H. V. Kamath: It is a new Department.

Mr. Speaker: New or old is a different thing. I am first referring to the cut motions. Mr. Sidhva and Mr. Kamath, I take it, do not propose to move their cut motions.

Shri R. K. Sidhva: No, Sir. I do not propose to move my cut motion, but this is a new item.........

Mr. Speaker: I will be coming to that. First, I want to clear the ground. So Mr. Sidhva does not propose to move his cut motion. He wants to speak on it. I suppose that is also the position with regard to Mr. Kamath.

Organisation and mode of working of the Department of Parliamentary Affairs

Shri H. V. Kamath: No. Sir. I am moving my cut motion. I move:

"That the demand for a supplementary grant of a sum ont exceeding Rs. 50,000 in respect of 'Department of Parliamentary Affairs' be reduced by Rs. 10."

I have moved this cut motion with a view to raising a discussion on the organisation and mode of working of this Department.

[*At this stage, Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairmen).*]

The Speaker's ruling given earlier, referred to the discussion of policy with regard to demands which were passed in the Budget session; and he was good enough to observe that with regard to those demands no question of policy could be raised at this stage. But, Sir, as you will be pleased to observe, this is a new Department and in the last Budget Session there was no demand voted for this Department of Parliamentary Affairs. Therefore, I suppose, the House is within its right to discuss the policy behind the creation of this Department of Parliamentary Affairs. The incumbent of this Ministry, before he was made Minister of State for Parliamentary Affairs, was described as a Minister of State for Law in some earlier pamphlets or brochures supplied to us by the Secretariat. I am speaking from memory and am open to correction, but that is my recollection.

But now, of course, he has been elevated to the Ministry of State for Parliamentary Affairs and I congratulate him on his elevation. His colleagues in this House were very happy and are still happy that he is in the enjoyment of this distinguished position of Minister of State for Parliamentary Affairs. This is a new Department created with the advent of freedom and democracy in this country and after a free parliament started functioning. It is, therefore, in the fitness of things, that a Department of Parliamentary Affairs should have been constituted and was actually so constituted.

But, Sir, may I ask in all humility what exactly are the powers and functions and jurisdiction of this particular Department of Parliamentary Affairs? I yield to none in my desire to see that my esteemed friend Mr. Sinha enjoys as much power, as many rights, as any other Minister of State in the Cabinet enjoys. But we have been mostly in the dark as to what powers he and his Department have been invested with by the Prime Minister. The only occasions on which he participates in the proceedings of this House—as the House is well aware—are those rare occasions, which are unfortunately tending to become rather frequent nowadays, when Ministers are absent for some reason or other. He is then burdened with the duty, at the last moment, of answering questions on their behalf. If I may be permitted to use a common automobile parlance, we are sorry to see that he is only a 'stepney' Minister.

Shri B. Das (Orissa: General): On a point of order, Sir, we are discussing the expenditure of the Ministry of Parliamentary Affairs—we are not discussing any point about the Cabinet. My Honourable friend Mr. Kamath cannot, therefore, make any observations about the Minister of State for Parliamentary Affairs.

Shri H. V. Kamath: That is the very point which I raised at the beginning and I got your leave to make a statement on policy. This item was not in the demands voted at the last Budget session. My hon. friend Mr. B. Das is an experienced Parliamentarian himself, and as such, will not persist in his point of order.

Sir, as I was just saying we have been grieved to see that he has been functioning mostly as a stepney Minister. We would have very much liked to see that his position had been maintained in consonance with parliamentary traditions in other countries.

While we regret his functioning in this occasional capacity in our free Parliament, we have also felt that it was more or less adding insult to injury to him when he was saddled with the task of answering questions at the very last moment—just an hour or two before Parliament met. It would have been fair to him, and more so to the House, to see that these questions which he is called upon to answer at the last moment reach him at least twenty-four hours before, so that he may be prepared for supplementaries in the House. He himself, I am given to understand, is not very happy over this state of affairs, and I hope the Prime Minister will see his way to set right this state of affairs at the earliest possible moment. The House is getting worried over this matter—I am sure my hon. friend Mr. Sidhva will agree with me wholeheartedly—and we have been discussing for the last three or four months as to why the Minister should be saddled with this vicarious task in this fashion.

[Shri H. V. Kamath]

Now, Sir, coming to the other aspects of this matter, I would like to know what exactly is the relation between the Secretariat of the Assembly itself and the Secretariat of the Minister of State for Parliamentary Affairs and whether there is any effective liaison between the Assembly Secretariat and the Minister's Secretariat, because I find that they deal with the same subject—parliamentary affairs. But the point at issue is this—what subjects or what matters there are at present which are dealt with both by the Assembly Secretariat and the Minister's Secretariat and what exactly is the point of demarcation of their powers and functions? Is the Minister of State competent to pass final orders on certain files or is that right reserved to the Assembly Secretariat, because the Speaker presides ultimately over the Assembly Secretariat? I want to know whether there is any liaison between these two, because we are asked to vote a sum of Rs. 50,000 which comes to nearly Rs. 4,000 to Rs. 5,000 per month. I am sure the Minister's salary is not included in this demand and it is only a demand with respect to the Secretariat staff. I suppose the Department was constituted some time in May or June. I hope the hon. Finance Minister will be pleased to enlighten me on this point as to when the Department started functioning—may I have that information?

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): In the month of May last.

Shri H. V. Kamath: So we are asked to vote Rs. 50,000 from May, 1949 to March, 1950, that is about ten months. I agree that it is not a very large sum, considering the work that my hon. friend is doing and has been saddled with time and again. But I believe the House will be glad to obtain information from him in this connection as to what exactly is the staff in his Secretariat—how many Secretaries he has got, Joint, Deputy, Assistant, or Under Secretaries, I do not know; (*The Honourable Shri Satyanaryan Sinha*: None) and how many Private Secretaries and Personal Assistants there are and what work has been assigned to the various incumbents of these posts—these matters are very relevant.

I am sure, our Government bent as it is today upon economising expenditure in all Ministries, will see that no officer is appointed in any Ministry—I am not talking of this particular Ministry—who has not sufficient work for six or seven hours a day.

I do not know what hours of work are observed in his Secretariat. Whatever it is, whether it is six, seven or eight hours, I hope there is work enough for every officer to fill the six, seven or eight hours, during the day. It would therefore be interesting to know what work is done by the various officers.

Mr. Tajamul Husain (Bihar: Muslim): On a point of information, I would like to ask my hon. friend, Mr. Kamath, whether he is aware that the Chief Whip of the British Government has the rank of a Minister, and not only the rank of a Minister but the rank of a Cabinet Minister.

Shri H. V. Kamath: I am very much indebted indeed to my hon. friend, Mr. Tajamul Husain who is fresh from his experiences in London and other European countries. I am very grateful to him, for giving this very valuable information, but I happened to know something about it before he told me, though not in entirety. There are Chief Whips working as Ministers in the United Kingdom certainly, but I am not still aware—and I do not know whether my hon. friend, Mr. Tajamul Husain is aware—whether the Minister functions merely as a stop-gap or he is assigned certain definite functions and powers. I do not know whether Mr. Tajamul Husain has done any researches into this part of the matter; if not, I hope he will do so next time he goes to Western countries and will furnish full information to this House on the subject. I shall leave Mr. Tajamul Husain at that and proceed to the matter on hand.

Prof. Shibban Lal Saksena (U. P.: General): The hon. Member wants to increase the expenditure.

Shri H. V. Kamath: I was just coming to that.

Prof. Shibban Lal Saksena: It is the cheapest Ministry possible.

Shri H. V. Kamath: We are glad that it is the cheapest Ministry, but we do not want the work also to be very cheap. We want the work to be efficient. Efficiency should not be sacrificed for the sake of economy. I do not know how many officers are employed and whether they have got enough work to do. This Circular No. 107 supplied to us by the Assembly Secretariat, shows the allotment of subjects for which every hon. Minister is responsible. The only exception to this is my hon. friend, the Minister for Parliamentary Affairs.

An Honourable Member: He is above question.

Shri H. V. Kamath: In accordance with this Circular, questions will not be permitted during Question Hour regarding the Ministry for Parliamentary Affairs. The only occasion therefore for discussing this matter is now, during motions of demands for grants. Otherwise, we would have addressed questions about this matter to the Minister for Parliamentary Affairs, but that could not be done: I hope however some subjects will be allotted to him. My friend, hon. Mr. Gopalaswami Ayyangar, who is smiling in his seat, was a Minister without portfolio once upon a time, but he had certain subjects assigned to him and those subjects were dealt with by him, and we did worry him with questions. I hope he was not too much worried by our questions.

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Transport and Railways): Never.

Shri H. V. Kamath: Now, Sir, today Mr. Gopalaswami Ayyangar is the Minister for Transport and Railways but I find that he is allotted one subject which has nothing to do with transport and railways and that is this: questions relating to abducted women. I am reading from the Circular supplied to us by the Assembly Secretariat.

Mr. Chairman: I think the hon. Member is going beyond the scope of the present discussion. How long would he take?

Shri H. V. Kamath: I will finish in two minutes. What I was going to say was that under this Circular the Minister for Parliamentary Affairs has not been allocated any subjects, and therefore I would very much welcome a statement either by the Finance Minister or by the Minister of State for Parliamentary Affairs himself, whether he would be in the near future dealing with any definite subjects or whether he would dispose of any work *ad hoc* or files that are sent to him either by his own Secretariat or by the Assembly Secretariat. This is a very unsatisfactory state of affairs. We do not want—this House does not want—any of our Ministers to be without any definite functions and powers allotted to them. We have got the highest regard for our representatives on the Treasury Benches and we want to know where they stand and where we stand.

Shrimati G. Durgabai (Madras: General): May I ask the hon. Member whether the subject of Parliamentary Affairs is not definite enough and shows the subjects which will be dealt with by the Minister?

Shri H. V. Kamath: If my hon. friend, Mrs. Durgabai, thinks that the subject is definite enough, I hope she will tell the House during the course of her remarks how definite it is and what exactly is the scope of it. I am glad that at least one Member of this House is very definite in her mind

[*Shri H. V. Kamath*]

about the functions and powers of the hon. *Minister of State* for Parliamentary Affairs.

Mr. Chairman: Order, order.

Shri H. V. Kamath: Before I sit down, I would sum up. Firstly, we would like to know what the relations are between the Assembly Secretariat and the Secretariat of the hon. Minister; secondly, whether he is deemed to function only as a stop-gap............

Mr. Chairman: *The hon. Member need not repeat those points.*

Shri H. V. Kamath: And lastly, what is the strength of the staff that is employed in his Secretariat and what work and duties are allotted to the various members of his staff? Sir, I have done.

Mr. Chairman: *Cut motion moved:*

"That the demand for a supplementary grant of a sum not exceeding Rs. 50,000 in respect of 'Department of Parliamentary Affairs' be reduced by Rs. 10."

We will resume the discussion after Lunch. The House now stands adjourned till 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. Mavalankar) in the Chair.

Shri R. K. Sidhva: Sir, this Demand is an absolutely new one, and naturally so because this Department of Parliamentary Affairs was created after the Budget was passed. The amount provided for its establishment is Rs. 50,000. We do not know what exactly are the functions of this Department. At the head of this Department is the Chief Whip and the position of the Chief Whip has now been enhanced by making him a Minister. That is quite all right. We have no quarrel about that. But the point is, an office is going to be established under the Chief Whip for Parliamentary Affairs, and Members ought to know what are the functions of the various officers in this Department, and what is their connection with the Members. I tried to understand from the House of Commons Parliamentary Affairs Ministry what the functions of the Chief Whip are and there, it is said the Chief Whip's function is 'to make the House, to keep the House and to cheer the Minister'. These are his functions, Sir, defined in the book on Parliamentary Practices. These are not my own words, I am quoting from Jenning's book. What it is to make a House, what it is to keep a House and what cheering the Minister means, even these are elaborately defined. First of all in the morning, he has to see if there is a quorum in the House, and if there is no quorum, he has to get it, and then he has to inform the Speaker. And also whenever there is a motion he has to inform and explain it to the Members that such and such a motion has come, or is coming and the Members should act in such and such a manner. He has to guide them. Well, here, as far as attendance in the House is concerned, sometimes we do not find the Whip at all, and we do not find anybody else either, and the bell has to be rung. And as regards cheering the Ministry, I am not very much concerned, because if he cheers the Minister too much, he will be bringing pressure upon the Members. But that is not the material point I want to deal with. I do not know why large staff is wanted. Staff is to be appointed and that is an important point. The Minister's function I can understand but what for is this staff, we must know. I did not move my amendment because the hon. Minister assured me

that although the posts had been passed by the Standing Finance Committee he was good enough not to make the appointments, and if that is the case I must congratulate him.

The Honourable Shri Satyanarayan Sinha: Not all the appointments.

Shri R. K. Sidhva: All right. What appointments have been made and what not, I do not know. I would, however, particularly request the hon. Minister to inform the House what are the functions of the officers in this Department. If they are only decorative, that is a different matter. But as they are connected with Parliament, we must have some knowledge. And here, Sir, let me tell you that I get more information from your Secretariat and your Assistant Secretary than from the office of Parliamentary Affairs. If I want any information I ring up your Assistant Secretary, and last night it was quarter past nine when I rang up your Assistant Secretary to know what is the business for to-day and he was in his office. I phoned the office for Parliamentary Affairs, nobody was there. Not only that, Sir, but during the session whenever I go to his room, to find out something, neither the Secretary is there nor his Assistant is there and I cannot get any information. Therefore, Sir, I want to know how half a lakh of rupees is going to be spent, what are the duties, what facilities will Members get from that office? That is a point which the hon. Minister must kindly enquire even though as a mere formality we may be passing this demand. (*Shri B. L. Sondhi*: No.) Then you explain this grant relates to this House particularly and I feel that as this relates particularly to this House, we must have knowledge of it before we vote this grant. I have also tried to understand from the Parliamentary Secretary that the Chief Whip has to meet in the morning the Prime Minister, fix up the agenda and inform you and inform the House also in advance. No sooner the House adjourns then for the next session, he must make immediate preparation so that for the following session much more in advance the Members should be informed what subjects are coming. From past experience we know when we come here the agenda is not before us and on one occasion we spent two days without doing any business. I would like to know what work is being looked after by him if it is the business of your office to supply all information to Members. If the parliamentary procedure which is adopted in the House of Commons is going to be established here, well and good. If that is going to be established, then it should be properly established and then the money would be well spent. But if it is merely for appointing a private secretary, a personal assistant, a stenographer or clerk for the sake of keeping dignity, for the sake of the dignity of the Minister, then it is not fair that the House should vote this grant of half a lakh of rupees. It may grow. I will not be surprised if it grows. In the sub-head under this Demand, it is stated that the pay of establishments is Rs. 11,000, allowances, *honoraria* etc. Rs. 11,000 and other charges Rs. 15,500. We do not know what the other charges of Rs. 15,500 represent. Have they to make any touring and to go to certain places to acquire knowledge? Electricity is there and the chaprassis may be in the Establishment. We must know what the other charges are. Mr. Sondhi may enlighten us as to what that amount represents. He has scrutinised this amount and it is his duty to tell us. My hon. friend Mr. Tajamul Husain in the morning stated that from his experience when he was in England on the last occasion, the position of the Chief Whip in Great Britain is that of a Cabinet Minister. Well, I have no objection if he makes an application for getting the cabinet rank. I do not quarrel with his rank. What I am concerned more is the work of his office in relation to the Members. I am asked to pay half a lakh of rupees for this purpose and I must know what facilities should I get, and up to now, what facilities I have got I have narrated to the House. Therefore, Sir, would it be in fairness to pass this amount unless we get information on these matters and I submit respectfully

[Shri R. K. Sidhva]

to the hon. Minister that he may enlighten the House as to what is the object of having this big office that is sought to be created. Then I want to know whether this office functions during the year, that is to say, when the House is not in session. Naturally it ought to. Then I want to know what connections we Members should have with this office for getting or eliciting information. We should know that also so that we may not burden your office to that extent. The functions should be defined now as to for what purposes we must go to your office, and for what purposes we must go to the Department of Parliamentary Affairs and these matters should be cleared up. I am making this serious suggestion because I am handicapped. I will welcome this office provided I get all facilities. If facilities could be given such as in preparation of Bills or if the hon. Minister gives us many other privileges—there are so many other things in which he can assist us—then I can quite understand. I pleaded the other day that the rights and privileges enjoyed by the House of Commons should be allowed to us in this House and you, Sir, rightly stated that we have to refer to May's Parliamentary Practice. I told you that this matter was discussed in the Constituent Assembly and Dr. Ambedkar was not able to give us a satisfactory answer. Soon after I wrote to him a letter and he has not been able to give me the information. Should not that information be furnished by the Department of Parliamentary Affairs? Why should he not prepare this information for us and if he cannot, what are his functions? Taking your advice, I went to the Library and found that there were so many books on the rights and privileges of Members of Parliament and I found that it would be taking my time to find the particulars. It is for that office to prepare the information as to what are our rights and privileges which we may enjoy. These are some of the things and if they would be available to us, I have no objection to vote for his office but not for the Private Secretary or the Personal Assistant etc. These are my views regarding this matter which I honestly feel and if the office has come to stay, let it be a proper office, let it be a ful-fledged office with all the functions known to the House and available to the House. Then, Sir, we cannot quarrel over this grant because it is only up to March 1950. I can only give this tip to the hon. Minister to let us have before the next Budget comes the full programme of this office so that we may whole-heartedly and cheerfully accept that proposal. With this object, I have moved my cut motion.

The Honourable Dr. John Matthai: Sir, the discussion which has taken place regarding this question falls generally into two categories. First of all, the question has been raised what precisely are the present duties and responsibilities of the hon. Minister of Parliamentary Affairs, and secondly, various suggestions have been made as to how these duties should be expanded in the future. As regards the first, what I would like to stress is that in the first place this office has been set up for the first time in our parliamentary history and until we have gained more experience of the way in which the parliamentary system works, it will not be possible for us to give any sort of precise definition to the duties that fall to a responsible functionary like the Chief Whip. Now the principal business of the Chief Whip not merely in this country but in other countries which have tried the parliamentary system, is to act as an instrument of co-ordination, of effecting liaison between the various sections which come into the parliamentary picture, between Ministers and the House, between individual Members and the House. Now these duties are duties which can only be performed at present on a basis which is fairly elastic, fairly flexible and cannot be defined in concrete terms. Any kind of responsible position which involves duties of this character of co-ordination and of establishing liaison, any office of that kind would be faced with duties which are very onerous but which at the same time would not lend themselves to precise and concrete definition. But I have not the slightest

doubt that as Parliamentary system develops in this country under the new Constitution, it would be possible for us to attempt a concrete definition of the duties that fall to the Chief Whip on the lines on which his duties for example, are laid down in Parliamentary Practice in the U. K.

I am in a position to speak from my own experience of the way in which my hon. colleague, the Minister of State for Parliamentary Affairs has handled his responsibilities in the matter of establishing a proper liaison between Ministers and this House and the thing that has surprised me is not that we have had to provide him with an office which costs—in Mr. Sidhva's picturesque language—so enormous a sum as Rs. 50,000. What surprises me is that the Minister for Parliamentary Affairs is able to meet the constant and persistent demands which we Ministers make upon him with so small a staff as this. I have had various occasions, during the short period that the Department of Parliamentary Affairs has been in existence, on which I have made demands on him to which the response has not merely been adequate but prompt and instantaneous and how he is able to do this with so limited a staff has been a constant source of surprise to me and my experience—I am in a position to say—is the experience of everyone of my colleagues.

Sardar Bhopinder Singh Man (East Punjab: Sikh): His parliamentary smiles alone are worth Rs. 50,000.

The Honourable Dr. John Matthai: I entirely agree.

With regard to the suggestions which have been made regarding the future scope of the duties of the Minister of Parliamentary Affairs, I propose to convey to my leader, the Prime Minister, the suggestions which have been made in this House and I have not the slightest doubt that he will give the fullest consideration to these suggestions.

Coming to the question of finance, the organization of the office and the expenditure required for running this organization were determined on the basis of a Report which the Secretary of this House prepared as the result of an examination that he personally made in the United Kingdom regarding the organization of the Chief Whip's office and I can assure hon. Members that the organization that we have set up, considering the duties that even now fall to the Minister of Parliamentary Affairs, is a small organization and the expenditure that it involves is less than commensurate with the responsibilities and duties of the office. The Department of Parliamentary Affairs has taken over a very considerable section of the work which used to fall to the Law Ministry in this connection and I have no doubt, as the Parliamentary system develops in this country, far more duties would have to be assigned to him and I am personally satisfied that the provision we have made for that would be justified and entirely reasonable. If any criticism is to be made, the criticism should be that it is inadequate.

Various questions have been raised as to what exactly is the precise composition of the office. At present my hon. colleague has one Private Secretary, one personal assistant and a handful of clerks and assistants which is all that he has and considering the growth of office organization that other Ministers in the Government have, I have a feeling that my hon. colleague has not been treated fairly. As I think Mr. Sidhva pointed out, there are posts in his Department which we in the Finance Ministry have sanctioned but my hon. colleague has so far not filled them and I think it is entirely to his credit that in view of the economy campaign that we have now instituted, he should have taken into account the need for economising on the posts which have already been sanctioned.

[Dr. John Matthai]

I am sure, Sir, that these few observations that I made will convince the House not merely as regards the necessity and importance of this Office but as regards the reasonableness of the financial provision which has been made in this Supplementary Demand.

Shri R. K. Sidhva: May I know whether the hon. Finance Minister stated that this Ministry is more or less linked with the Ministers in Office? Is it that this Minister has nothing to do with the Members of this House?

The Honourable Dr. John Matthai: What I said was this that the Minister of Parliamentary Affairs acts as an instrument of liaison between Ministers and this House and between individual Members and this House. But I was speaking from my own experience as a Minister—perhaps my friend Mr. Sidhva missed this point. May I say that the reason why he was not able to get a response last night when he phoned him up is that the staff is inadequate?

Mr. Speaker: There is a cut motion which I will first dispose of.

Shri H. V. Kamath: As the Finance Minister said that this Department is of a tender age, I withdraw my cut motion.

Mr. Speaker: Has the hon. Member leave of the House withdraw his cut motion?

The cut motion was, by leave of the Assembly, withdrawn.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 50.000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Department of Parliamentary Affairs'."

The motion was adopted.

DEMAND NO. 19—MINISTRY OF EXTERNAL AFFAIRS

DEMAND NO. 23—MINISTRY OF WORKS, MINES AND POWER

Mr. Speaker: I find there are no cut motions to the next two Demands, Nos. 19 and 23. So I propose to take them together. Motion is:

"That a supplementary sum not exceeding Rs. 2,12,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ministry of External Affairs'."

Motion is:

"That a supplementary sum not exceeding Rs. 84,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ministry of Works, Mines and Power'."

Shri B. Das: I have a question on Demand No. 19—External Affairs. In regard to this increase in Post and Telegraph charges, I would like to know how much of this increase of Rs. 2,12,000 is due to the appreciation of dollar and if that is so, are all the expenditures due to postage to the dollar area?

Dr. P. S. Deshmukh: Before the hon. Minister replies, may I ask a question? Evidently this large amount is asked for under Demand No. 19 for postal and telegraphic charges. I would like to draw the hon. Minister's attention to a case which was reported in the Press. In the External Affairs Ministry I believe a certain book from America was required. That book would not have cost more than about 1½ dollars but when a cable was sent to obtain the book, the officer there wanted to know against what sub-head that could be debited and for that he sent a cablegram here which cost more than 4½ dollars. Is this increased postage due to such instances? If so, will the Minister oblige us by looking into such cases and not to exceed the amounts in the future at any rate in the way it has been done now?

Shri Mahavir Tyagi: I also wish to ask a question. I had information that till lately the External Affairs Ministry was sending to its Envoys outside and Ambassadors-at-large news bulletins containing important news about India in cablegrams and it cost a good deal to the Ministry. That is the talk outside. I would like him to take note of this gossip and clarify that it is wrong. If it was so I would like to know whether the practice is still going on or whether it has been stopped. I would also like to know from the hon.

3 P.M.

Minister as to how this extravagant expenditure on sending news by cablegram is justified. Even the biggest countries perhaps would not afford to do that. My submission is that the very fact that the Ministry has come forward with the request for an extra grant on Posts and Telegraphs is significant and we are led to think that the expenses on telegrams and cables are rather more than what they should be in the ordinary course. I hope some more light will be thrown by the hon. Minister as to how the expenditure came to such a high figure.

Shri Raj Bahadur: Sir, I have one query to make. On a reference to the original Demand it is apparent that a sum of Rs. 5 lakhs was granted under this head (A. 4) in the Budget Estimate for the year 1948-49. In the current year that is 1949-50, it was raised to Rs. 8 lakhs. When an increase of Rs. 3 lakhs has already been registered during the current year and an enhancement in expenditure was also provided for, it is surprising that more than 25 per cent. of the granted amount is again being asked for. May I know the reason why this was not foreseen and what has accounted for this inordinate increase in the charges on postage, telegrams and telephones?

Dr. B. V. Keskar (Deputy Minister of External Affairs): I may explain very briefly the situation with regard to posts and telegraphs in the External Affairs Department. First of all it has to be borne in mind that the telegraphic organisation of the External Affairs Ministry is the organ for the entire Government of India for its communication outside. It is one of the reasons why the telegraphic charges that are budgeted for this Department appear to be excessive when you compare it with the other Departments. Whatever the Government of India has to communicate to the outside world—not only the Ministry of External Affairs, but other Departments also—they do it through the organ of this Bureau which is in the External Affairs Ministry. That, as I said, is one of the main reasons why this is a very heavy expenditure.

I agree that this demand under Posts, Telegraphs and Telephones mainly relates to telegrams. Mr. Tyagi has raised a question with regard to summary of news being sent by telegraph. It is true to this extent that some time back the Publicity Section of the External Affairs Ministry used to send out a summary of Indian news by telegram to our Publicity Centres attached to our Missions outside. But later on it was found that this system was too costly and was not commensurate with the results. It has been stopped for some time now, and it no more exists. On the other hand we have now instituted another system of wireless news which costs us much less and gives better results.

With regard to the increase of expenditure under this head, I would like hon. Members to bear two things in mind. First of all, one of the reasons for the increase is due to the fact that our whole structure in relation to our External Affairs is an expanding one, and the more our centres increase the more does our communication with those centres and the outside world increase. This is one of the reasons why it could not be very accurately forecast whether during the year we would require so much money on telegraph, postage and

[Dr. B. V. Keskar]

other communications. I am sorry that the expenditure under this head has been greater than that budgeted for. A little of it of course is due to devaluation, though not much. One of the reasons also is this.

Shri Raj Bahadur: May I know the percentage of increase on account of devaluation?

Dr. B. V. Keskar: I am sorry I cannot say because devaluation has come very recently and it would not be possible to work out the percentage. No doubt there is a certain increase on account of devaluation. But I would like to draw attention to another point with regard to this expenditure. The increase is also due, as I said, to the increase of our Missions. Sometimes it happens that the work of the Government of India with regard to international conferences and others suddenly increases. The Government cannot foresee such things and this expenditure has to be incurred. I would not like to go into details, but there are certain urgent matters pending, for instance, before the United Nations and the Government of India has to carry on very heavy correspondence, at the same time urgent correspondence, by telegrams. And I am sure hon. Members are aware that international telegrams are a very costly business. But we cannot avoid it. I might, however, inform the House that many weeks back the External Affairs Ministry, and the Government of India also, have issued strict orders that telegrams shall be sent only for very urgent work which cannot be done by letters, and that is now being strictly followed. I am glad that in recent months—for instance, during this month and the month before—the charges on account of telegrams have reduced considerably.

Mr. Speaker: I will put both the demands. The question is:

"That a supplementary sum not exceeding Rs. 2,12,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ministry of External Affairs'."

The motion was adopted.

The question is:

"That a supplementary sum not exceeding Rs. 84,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ministry of Works, Mines and Power'."

The motion was adopted.

DEMAND No. 32—AUDIT

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 29,76,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Audit'."

I find that there is a cut motion by Mr. Upendranath Barman.

Shri Upendranath Barman: I do not wish to move the cut motion, but I would like to ask one question of the hon. Member.

Sir, it is well known to the hon. Minister himself that the present audit staff is quite inadequate to supervise the expenditure of the expanded Departments of the Government of India. Moreover it is reported to us that there are certain Departments in which there is no audit at all. The only reason is that there is paucity of staff. What I would like to ask the hon. Minister is, in view of the importance of audit of our accounts, what positive and constructive steps he proposes to take, or has taken already, so that our Audit Department can work more efficiently.

Mr. Speaker: I am afraid the information asked for, if a reply is given, will go beyond the scope of the present Demand unless he wants to restrict it to the increase of staff due to the merger of States.

Shri Upendranath Barman: I do not object to the supplementary Demand that is made, but I would like to have that information.

Shri B. Das: Sir, may I say a few words on this Demand. I would like my hon. friend the Finance Minister to explain to me as to how much, out of this Rs. 29 lakhs that Audit is going to spend up to March 1950, will be spent for increasing the regular audit staff. Part of the staff has been augmented owing to the merging of the various States, other activities like multi-purpose projects, etc. But I would like to know, in view of the general low level of staff in the Audit Department, whether the Auditor-General has been sanctioned any additional staff to increase the general strength of audit for 1949-50, and whether it is under contemplation to strengthen it further, as required under the new Constitution, in the year 1950-51.

Dr. P. S. Deshmukh: Sir, I think it must be admitted that the expenditure for a part of the year, of such a large sum as Rs. 59 lakhs, is very considerable and I would like one or two points to be cleared. The merging of the States is mentioned as one of the reasons that have led to the need for additional staff. I would like to know whether all this staff is of a permanent nature or whether part of it is temporary, which could be dispensed with at the end of the current financial year or at some later date.

Secondly, while on the question of audit, I think I must take the opportunity of voicing the grievance of many people so far as the sanctioning and auditing of T. A. bills is concerned. I have known many people whose T. A. bills have been pending for months and months; those bills do not emerge out of the Finance Department. I hope a portion of the staff that is employed under this head will be transferred to attend to this work so that the payment of these T. A. bills may be expedited. I know a friend of mine who is a Government advocate doing the anti-corruption cases, who has always to borrow money because some of his T. A. bills are pending for 18 or 21 months. Sir, this has been my personal experience too. I do not know if this is the only item over which the Finance Department is supercilious and so very careful. That is at least my impression. Probably it is the only thing they bother about so much and are very serious about. They do not want to give a single pie to a Member in advance or in excess, although it can always be recovered. The only anxiety of the Finance Department seems to be to delay the payment of T. A. bills and obstruct them as far as possible. I hope this sort of a thing will not continue and that the hon. Minister will pay his personal attention to this grievance of many people who have really to borrow money because their T. A. bills do not come out of the Finance Department early enough.

Shri Raj Bahadur: Sir, my justification to intervene in the discussion on this Demand is that I find that on account of the merger of certain States some additional staff has been employed for the Audit Department. I heartily welcome this step and hope and trust that the additional staff, under the care and control of the Auditor-General himself, would go thoroughly with an examination and enquiry into the accounts of the merged States. I also hope that in course of time the accounts of the integrated States will also be looked into. We are very well aware of the reports that were current and were even published in certain newspapers, that before the merger or integration of these various States the Rulers and Princes of those States converted a great part of the public finances of their respective States into their personal property. Many of them went to the length of getting those moneys deposited in their personal accounts in the

[Shri Raj Bahadur]

banks. So, there is a great anxiety that a thorough sifting into and a thorough auditing of the accounts of these States should be gone through. If it is found that any public funds have been converted into the personal property of the Rulers or Princes concerned, such amounts should be re-transferred to the public exchequer. As I have already stated, I also hope that in due course this step is adopted for those States also which have now integrated into Unions.

The Honourable Dr. John Matthai: Sir, I agree with the view generally expressed in the House that the Audit Department needs strengthening. I am well aware of that fact, and I have had several discussions with the Auditor-General recently as regards the extent to which the audit staff requires to be strengthened. The position is that although our expenditure has increased very greatly since pre-war times, there has not been anything like a corresponding increase in the provision that we have made for auditing the expenditure. The Auditor-General has brought this to my notice and I have generally accepted the correctness of the position that he has placed before me; we are in continual consultation with each other as regards the steps to be taken for remedying the present situation.

My hon. friend, Mr. Das, asked me whether the provision made in the Supplementary Demand covers any expenditure for strengthening the audit staff. It does.

The question was also raised as regards the position of the States. This Demand covers only the expenditure incurred in connection with the merged States, but from the 1st of April 1950 the bigger question of integrated States will also come under consideration from the point of view of audit.

My friend Dr. Deshmukh asked me whether the provision for the strengthening of the staff is a permanent or a temporary one. It is permanent. He raised also the question of travelling allowance bills. That, of course, does not come within the scope of the Auditor-General. If there is any delay in the passing of travelling allowance bills, it occurs in most cases in the treasuries for which the Auditor-General is not responsible. I am not aware of the details of this particular case, but in regard to a matter like travelling allowance bills, it is our experience that very careful scrutiny is required and, as the House will appreciate, the Treasury under any democratic system is bound to develop an extremely negative attitude which is entirely to the public good. But I am prepared to look into cases of this kind which are brought to my notice, so that no undue delay occurs.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 29,76,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Audit'."

The motion was adopted.

DEMAND NO. 36—PORTS AND PILOTAGE

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 7,00 000, be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ports and Pilotage'."

Economy

Shri R. K. Sidhva: Sir, I move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 7,00,000 in respect of 'Ports and Pilotage' be reduced by Rs. 1,00,000."

Item (e) says: "Amount required on account of the newly formed Directorate-General of Shipping. The existing lump provision of Rs. 50,000 proved inadequate." Only the other day we passed the Merchant Shipping Bill and created the post of Director-General of Shipping. While speaking on that occasion, I pointed out that while we increase the status of this officer to a Director-General, it should not mean that other officers also should be created, thereby saddling the Finance Ministry with additional expenditure. I also suggested that instead of a Director-General, which is a post that carries a heavy salary, we should have a Director. If a Director is there, the other officers' posts also would be minor posts. But my suggestion has not been followed, with the result that the existing grant of Rs. 50,000 has proved inadequate. This Department has been in existence only for three months and the House is asked to sanction further sums.

Shri B. L. Sondhi (East Punjab: General): A Deputy-Director-General is being appointed, do not worry.

Shri R. K. Sidhva: Then under (d) which says "Post-Budget decision to grant passages to certain officers of the Bengal Pilot Service under the Superior Civil Service Rules" you ask for Rs. 23,200. I want to know why this was not provided for in the Budget itself. Supplementary demand means a demand which arises on account of unforeseen circumstances. But what is the unforeseen circumstances here? In regard to (c) which says "cost of unanticipated repairs to old Pilot vessels", I can understand. All of a sudden some urgent repairs may have had to be done after the Budget was passed. But in regard to two or three items mentioned here, I do not find any unforeseen circumstance which necessitates a supplementary demand. I do not see why the Ministry should incur this additional expenditure in excess of the Budget limit. If there is any justification for it, I would like the hon. Minister to explain. In that case, I will be prepared to reconsider my cut motion. Again, I find under (j) "Increase in the boarding charges, purchase of two generators and payment of outstanding dry-docking bills." Now, I want to know whether these generators were purchased after the Budget was passed, if so, why? These are all the points I wanted to raise.

Mr. Speaker: Does the hon. Member propose to press his cut motion? I want to know, so that I can place it before the House.

Shri R. K. Sidhva: If I get the information, I do not want to press it.

Mr. Speaker: Then he might as well make up his mind and not press it.

Shri R. K. Sidhva: All right, Sir. I do not press it.

The Honourable Shri K. C. Neogy (Minister of Commerce). Some of the items in this particular Demand relate to the Ministry of Commerce. My hon. friend Mr. Sidhva wants to know something about the Director-General of Shipping. Unfortunately, his memory has been playing him some amount of tricks, because he said that the appointment was created only the other day by legislation. Nothing of the kind. The appointment was created long before that. The officer took charge early in last June. What we did on the last occasion through legislation was to enable a certain delegation of powers to be made in favour of this officer. I find that, strangely enough, while the Economy Committee was concerned with suggesting economies, they were so impressed with the necessity of this organisation in the interests of efficiency and ultimate economy that they elaborately approved of a recommendation for the setting up of this organisation. My hon. friend would find the relevant observations of the Economy Committee in para. 17 of their Report

[The Honourable Shri K. C. Neogy.]

As regards the financial aspect of the matter, I may point out that the estimated requirements of the Director-General of Shipping for the current year was very much more, and it is because the Ministry of Finance had made a lump cut of Rs. 50,000 that we have come up for this additional amount. My hon. friend can trust the Finance Ministry to cut us absolutely to the bone in such matters and I maintain that there is no room for any further economy.

As regards the Pilot Officers, that is a matter which concerns my hon. colleague, the Minister of Transport and Railways.

In regard to the provision of two generators, they relate to the equipment of the training ship *Dufferin*, and they were found necessary for the purpose of the efficient running of that ship. The *Dufferin* itself is a very old ship and its equipment requires renewal now and again and these generators were found to be absolutely essential. That is all I have to say.

The Honourable Shri N. Gopalaswami Ayyangar: May I explain the item about free passage for European Officers? Certain European officers of the Bengal Pilot Service were entitled to homeward passage, but before they could make their journey home, they were employed under the Calcutta Port Commissioners during the period of the leave they had earned. The termination of their engagement under the Calcutta Port Commissioners could not be foreseen and when that termination did take place, they had to go home after the commencement of the Budget year, and the expenditure on their homeward passage had to be incurred after the Budget was passed. That is why we have had to bring forward this supplementary demand.

Mr. Speaker: The question is:

"That a supplementary sum not exceeding Rs. 7,00,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND NO. 39.—TRIBAL AREAS

Mr. Speaker: We will take the next demand. Motion is:

"That a supplementary sum not exceeding Rs. 4,36,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Tribal Areas'."

There are no cut motions. The question is:

"That a supplementary sum not exceeding Rs. 4,36,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Tribal Areas'."

The motion was adopted.

DEMAND NO. 40—EXTERNAL AFFAIRS

Mr. Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 40,83,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'External Affairs'."

I would like to know if Mr. Kamath wishes to move his cut motion.

Shri H. V. Kamath: If it is in order, I would like to move it.

Mr. Speaker: Since he is keen, I may say it is out of order. Prof. Shibban Lal Saksena is not here. Mr. Das.

Shri B. Das: Sir, I would like the hon. the Finance Minister and the Minister of External Affairs to clarify certain issues regarding the additional expenditure of Rs. 40 lakhs. We were told in the House that the External Affairs Ministry have reduced their external expenditure to the maximum capacity—that was given out in answer to questions. If that be so, how is it that they need Rs. 40 lakhs more?

Under Demand No. 40—External Affairs—they provided Rs. 80 lakhs in lump sum for establishment of the several new Embassies. Now they want more money under that sub-head. Devaluation of our currency, which was not anticipated, has brought about considerable hardship to the public. But it is now bringing additional hardship in the shape of additional remuneration or honoraria to the numerous members of the staff that the External Affairs Ministry employ abroad.

I know it is not a very pleasant topic for me to dilate upon. I don't know if the Financial advisers of the External Affairs Ministry scrutinise each item of expenditure of our Embassies and keep a check on them.

A part of this additional Demand, it is said, is to cover the additional expenditure in postage and telegrams. We know how our Embassies are extravagant, even to send cablegrams of speeches which were featured on the 'Independence Day' abroad.

I know that our stocks abroad, through the efforts of my hon. friend the Leader of the House, are very high now. But I don't know whether those who are controlling the destinies of our Embassies have got a sense of economy in regard to expenditure.

Well, if posts are reserved for the local people why do we employ stray Indians that wander about all over the world and then give them housing allowances? Why do you hire residential accommodation for India based staff appointed in lieu of local recruits? Why should the Indian tax-payer bear this additional burden?

Then there is an item "Provision of motor cars and their maintenance in accordance with the general principles approved for Embassies, Legations, etc." I would like to know from my hon. friend the Finance Minister as to whether there is any definite code of expenditure over motor cars in our Embassies—whether an economic condition of living is laid down, or whether it is the extravagance of the individual Ambassador or Minister abroad that determines the allowances. If at home we people are exercising the utmost economy in our domestic matters and in our national matters, I would like an assurance from the Minister of External Affairs that our Embassies abroad will exercise the utmost economy in their day to day affairs.

As a member of the Economy Committee I went through the affairs of the External Affairs Ministry. I was never satisfied that those Indians or non-Indians who represent us abroad have any idea of economy. They forget the fact that India is a poor country. They live in their external glory portending distress and disaster for our country.

Then there is an item "Revision of Foreign Allowances" under (g). Of course, we have very often heard from the hon. the Leader of the House that the cost of living in foreign countries is very high and that comparatively Indian embassies spend less. It is no doubt true that what they are spending is not a moiety compared to what U. K. and U. S. A. are spending. We do not want to rival U. K. in their foreign policy whereby they did subjugate and conquered half the world. We have no idea of conquest. Our Ambassadors are abroad to carry the banner of peace to the whole world. If that

[Shri B. Das]

be so, why should our Embassies and Charge d'Affaires imitate foreigners in the matter of saloon cars and limousines.

I am a Member of the Public Accounts Committee where the hon. Dr. Matthai permitted us to go into the whole question of expenditure on Embassies. We found that neither the Auditor-General nor any high ranking Accounts Officer has ever visited any of these Embassies to audit their expenditure. Once a Minister or Ambassador, who has lived so long in this country, goes abroad he becomes an extravagant gentleman and feels that something must be done in the name and glory of India! I hope the spokesmen of the External Affairs Ministry who themselves follow the great leader of India—Mahatma Gandhi—in living a life of simplicity, will not imitate or approve what the Ambassadors of the U. K. or U. S. A. do.

I require this information, it is in public interest and because my experience in the Economy Committee has left an impression on me that our representatives abroad are not economy-minded or national-minded.

Of course, we must obey our Leader: we must have Embassies. But the Embassies must function for our interest and not gloriously imitate the U. K. or U. S. A. Embassy. This information from the hon. the Finance Minister and Minister of External Affairs will enlighten our debates.

Shri H. V. Kamath: Sir, at the outset I have no desire to remind either the House or the Prime Minister of the constant advice that Mahatma Gandhi used to give that we should, as far as possible, cut our coat according to our cloth and spend upon our foreign establishments only as much as is absolutely necessary. I do not want to remind the Prime Minister of this, because he is the political heir of Mahatma Gandhi and he, I am sure, bears this constantly in mind. I would only say this, that certain items here call for a little more light than has been thrown on them.

Sir, I would first of all take (a) (i) "Revision of allowances owing to costliness of the stations abroad." I would like to know from the Deputy Minister, Dr. Keskar—I think this is not a grave enough matter for the Prime Minister to intervene, Dr. Keskar is well equipped to give us the necessary information—which stations abroad have become more costly during the recent months. I am not talking of the dollar difficulty, because that is covered by (a) (ii). But apart from devaluation difficulties, (a) (i) shows that there has been a revision of allowances owing to costliness of stations abroad. May I know from the Deputy Minister which particular stations have become costly as a consequence of which allowances of staff there have been revised. Secondly, Sir, throughout these notes, we find an item which runs thus: high cost or expenditure on postage and telegrams which was not anticipated, but the fact remains that there has been an inordinate expenditure on postage and telegrams. In these days of very speedy and very effective airmail, I think we can afford to cut down expenditure on telegrams. These days an airmail letter from London to India will reach within 36 hours and therefore unless it is absolutely urgent, absolutely immediate, that instructions or messages should be sent by telegram, it will be quite adequate if airmail letters are sent and instructions awaited. There have been instances where incidents took place without the Ambassador getting any instructions at all. Last year we were told that our Ambassador at Turkey left his headquarters and only after he reached London he got into touch with the Ministry here. I want to draw the attention of the hon. Minister to this, that in some cases where instructions are immediately needed, they are not taken and in some instances where instructions are not needed immediately money is wasted on telegrams and this kind of thing must be avoided in future as far as possible.

Then, Sir, I come to item (d) (v) and item (g) (iv). They refer to supply of cars and their maintenance on the scale approved for Embassies, Legations, etc. Mr. Das has raised the question about such scales. That, I take it, will be answered by Dr. Keskar in the course of the debate. But I want to raise another matter in connection with this and that is this: (d) (v) refers to other Legations and Consulates and (g) (iv) refers to High Commissioners and Agents in Commonwealth Countries. Now, Sir, so far as I know—my knowledge is not perfect and my recollection is not very deep—but so far as I know, so far as Commonwealth countries are concerned, I do not think that we have opened any new offices or Missions or offices of Agents in those countries in recent months. They were all established some time ago, during the last two years, since 1947. As regards Legations and Consulates in other countries, we can understand they might have opened new Legations and Consulates. So far as the figures for other charges are concerned, the figures for the Commonwealth countries are far more than for the Legations and Consulates elsewhere, though the Agents and High Commissioners in the Commonwealth countries have been functioning during the last two years or eighteen months or more. I want to know why the figure for these offices of the Agents and High Commissioners in the Commonwealth countries in respect of other charges should be far more than the corresponding figure for the Legations and Consulates. If we survey (d) and (g), the items are more or less identical. I would like to know how many new Legations and Consulates have been opened so far as (d) is concerned, and again so far as the High Commissioners and Agents in Commonwealth countries are concerned, how many new cars—luxury cars, not ordinary cars—have been purchased. I do not think we should waste our money on luxury cars about which the Prime Minister told the House—I think the question was raised by Mr. Tyagi about a Cadilac car yesterday—that it was an old transaction and that recently there have been no transactions of that kind. But there have been rumours—idle gossip—going about that High Commissioners in some Commonwealth countries have got a fleet of seven or eight cars, some of them very expensive. I would not like to mention the names of those cars, the make of those cars, but rumour has it that there has been a lot of wastage on these cars. When ordinary Ford or English cars would do, they have been going in for luxury cars. So I would like Dr. Keskar to throw some light on this point as to how many cars have been provided for our High Commissioners and Agents in Commonwealth countries.

And the last point is this: (g) (iii) renting of offices and of residences for India based staff and provision of essential furniture authorised for purchase after the finalisation of the Budget Estimates for 1949-50. Now, Sir, when the Budget for 1949-50 was adopted and passed by this House, I suppose this must have been taken into consideration. Some amount must have been earmarked for the provision of essential furniture in the Budget for 1949-50, and the Finance Minister must have had at that time full proposals from the External Affairs Ministry. Though he might not like to tell the House—naturally he might not be willing to tell the House for various reasons—but he must have received at that time complete proposals on this item. I do not see the reason why this provision is again mentioned here specially in this item. If provision of furniture was authorised then and provided for, they ought to have been purchased and paid for. So, why should there be a supplementary grant now? I do not quite understand the mystery of this financial jugglery or financial parlance, but I would request the hon. Finance Minister to throw some light on this particular point. If this purchase of furniture was authorised previously on a particular scale, why should there be a supplementary grant now?

The Honourable Dr. John Matthai: Rise in prices.

Shri H. V. Kamath: That is separate. Devaluation of the rupee is comprehensive and covers a multitude of—I shan't say sins; but it accounts for so many things, so many items of expenditure, which we might not be able to account for otherwise.

I would like to mention only one other point and that is this: And that is item B.3.—Other Legations and Consulates, and it is for "Additional staff sanctioned after the preparation of the budget estimates for 1949-50". Does this mean additional staff in the case of legations now opened, or is it for staff for the old legations which were in existence at the time the budget was prepared? If they relate to the latter, then I must say Government was acting without much foresight. For the legations which were functioning at that time, if Government had no idea what staff would be required, I must say Government would do well to act with greater foresight in future. If this relates to new legations and consulates, then I have nothing to say on this point.

And then as regards the last item (g)—"Provision for *exgratia* payment to African nationals who had made deposits in the Indian managed Exchange Bank of India and Africa, Nairobi, now under liquidation," I would not like to dwell at any length on this affair of the Exchange Bank of India and Africa; the hon. Finance Minister must be well posted with the old mess and new developments in this connection. But I would like to know how far this Bank has been able to pay the investors, what percentage of their investment could the bank pay before liquidation, and how much Government is required to pay as *exgratia* payment to African nationals. This episode occurred early this year.

Shri Prabhu Dayal Himatsingka (West Bengal: General): But what is Government's responsibility in this matter?

Shri H. V. Kamath: And I would like to know in what way Government is responsible for this *exgratia* payment to the African nationals who had made deposits. It is not a Government-managed Bank. It is a private Bank. Why should Government be held responsible for its failure? Why should Government hold itself responsible for the failure of a private Bank? Why this sort of *exgratia* which means by grace or compassionate payment? Why not leave them to the grace of God which is much better than grace on the part of Government. The failure of the Bank might be an act of God and Government could not have prevented it, and it is best to leave these African nationals in this matter, to God's grace.

I would like the hon. the Finance Minister or the Deputy Minister Dr. Keskar to answer these points in the course of their reply to the Debate.

Shri R. K. Sidhva: Sir, I also wanted to raise the same point just now raised by Mr. Kamath, I mean this *exgratia* payment, and I want to have some more information about it. This Bank has gone into liquidation, and I put a question, but you, Sir, prevented me from putting supplementaries because High Court had taken control of the Bank. Now, our own nationals have invested their money in this Bank, to the extent of some Rs. 2½ crores, mostly persons with poor means and their money has all been locked up. What is the responsibility of our government to pay *exgratia* to these African nationals? At whose cost is this paid? Is it at the cost of the shareholders and the depositors of the bank? If the payment is made from the Bank's money I would like to know, because the public and the Indian depositors are affected. And if the Government pays it from their treasury, then also I want to know, because that is the tax-payer's money. Our people also had deposited their money into this Bank because of the high rate of interest. They did not know how to choose their bank, and these poor people left their savings in this Bank tempted by the higher rates of interest offered by it. But now they have lost

all their earnings. They do not get any money. I do not know what will be the result of the High Court's findings. If the Government is going to the rescue of the African nationals, what about our own nationals? Are they going to pay it from the Bank's money or from their own funds? Of course, the latter they cannot, because other Banks also will take advantage of it. But it passes my comprehension why Government should make this payment. I want an elaborate explanation from the hon. Minister because it affects our nationals also, they have deposited Rs. 2½ crores and if nothing is done for them, why should Government spend anything on other nationals with whom we have no concern?

Shri Raj Bahadur: Sir, my purpose in intervening in this debate is to refer again to the figures of Grants already sanctioned in the Budget and to the demands now made under these various items. Let us take the figures under head "A—Embassies and Missions Abroad". Under this head the original sanctioned Grant for the year 1948-49 was Rs. 6,71,900; it was then raised to Rs. 12,89,000 and now we are confronted with this supplementary demand of Rs. 16,42,000. Already there was an increase in the Grant under this head of some 60 per cent. over the Grant for 1948-49 and over and above that we are now asked to sanction a further increase of some 40 per cent. over the initial demand. That is surprising. These figures tell their own story, but I only want to say that my reaction to that story is neither happy nor encouraging. If there had been no Supplementary Demand under other heads that would have been a matter of some consolation. But every item I find has registered an increase, ranging from 20 per cent. to even 90 per cent. Take another case, namely, that of the item under head No. "B. 3—Other Legations and Consulates". Under the sub-head 'Pay of Establishment', the original sanctioned grant for 1948-49 was Rs. 1,89,200 and it was raised in the sanctioned Budget for the current year to Rs. 5,12,800 which means an increase of 250 per cent. and now we are again asked to grant a Supplementary Demand of Rs. 3,05,000 which means it is again an increase of about 60 per cent. The next item is "Allowances, Honoraria, etc." I do not know where and how these amounts are spent as allowances and honoraria. The amount under this head also was raised from Rs. 3,39,700 in 1948-49 to Rs. 10,21,800 for 1949-50—a three-fold increase—, and now the demand is for Rs. 3,43,000. The demand under the head "Other Charges" has increased from Rs. 5,68,200 in 1948-49 to Rs. 10,01,800 for 1949-50 and now it is Rs. 7,83,000. So also item under "D—Entertainment Charges." Rs. 1,09,500 was the sanctioned Grant for the current year and now another Rs. 50,000 which comes to half as much as the Grant itself is being demanded. Under the head "High Commissioners and Agents in Commonwealth Countries" and sub-head "Other Charges", initial sanctioned Grant was Rs. 14,44,100 and over and above that a sum of Rs. 8,60,000 is now demanded as Supplementary Grant. This is how under this Demand under External Affairs the grand total of Rs. 2,59,40,000 is arrived at.

I may say here that the causes assigned for these increases fall mainly under six categories: (i) costliness of stations, (ii) devaluation, (iii) foreign allowances, (iv) postage, (v) rental of residences and (vi) this *exgratia* payment to the African nationals. May I submit that so far as the question of devaluation is concerned, I should have been grateful to the Deputy Minister of

4 P.M.

External Affairs, if he had given us the percentage of increase in expenditure on account of devaluation. As regards the costliness of stations abroad, Mr. Kamath made very relevant observations and it was stated by him that costliness of stations abroad was not envisaged at the time of the presentation of the Budget for the current year. So far as high rental of residences is concerned, it is a long standing grievance with us. With costly residences which the nation cannot afford does India hope to get a big position in the foreign countries?

[Shri Raj Bahadur]

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

I learn on good authority that whereas in the case of other embassies of other countries the ministerial staff is housed in much lesser and modest buildings and accommodations, our embassies and consulates are housed in palatial residences. We see, here, the Chilean Embassy is housed only in a double suite in the Constitution House. I cannot understand why the palatial residences are necessary for us when the country is suffering from such economic malaise and ills. (*Interruption*). As a matter of fact you cannot deny that we are faced with an economic crisis, that we are faced with a very acute stringency. It is, therefore, not up to us to spend large sums of public money over such residences and palatial buildings.

The new Dominion of Pakistan, wherever it has got embassies and its staff, they house two or three or four or five persons in one suite or in two or three suites.

Shri Prabhu Dayal Himatsingka: Either you do not have it or have it properly.

Shri Raj Bahadur: My hon. friend says either you have food or starve. That is not a sound principle. I should refer to him that in times of emergency we have got to be prepared to put up with shortage and certain austerities. May I refer to the healthy principle which was enunciated by Churchill in a time of crisis for his country. When his nation was faced with acute cloth shortage, he said: "Look shabby and be proud". We have imitated so many of western customs and English manners. Why should we not at least imitate and copy them in this matter also? It is up to the Deputy Minister of External Affairs therefore to explain how all this increase from 20 per cent. to 80 per cent. has been registered under all the items without any exception.

Shri M. Tirumala Rao: Sir, it has been our complaint generally that in every Budget or Bill for expenditure the miscellaneous items or contingencies or other items become the biggest items of the total Demand. Here out of a Demand of Rs. 40 lakhs the other charges come to Rs. 16 lakhs. We have mentioned here that pay of establishments are covered and then allowances and honoraria are covered and details of subsidies and entertainment charges are also given. This 'other charges' is an elusive item which consumes a good deal of amount from the Budget. I should like to be enlightened on that fully in spite of the very elaborate items that have been given here. Sir, I cannot understand why the item, devaluation of the rupee figures four times in these items. I want to know to what particular item of expenditure this devaluation of the rupee applies. The devaluation of the rupee is in (a) (ii), then in (c) (i) and again in (d) (i) and in (g) (i). I want to know something with regard to the provision of foreign allowance for India based staff appointed in lieu of local recruits. This provision figures three times in the note. Does this mean that the reference is made to the High Commissioner concerned? With regard to the last item. I want to know whether Government have given any guarantee to this Bank that its deposit interests will be safeguarded. Is it on a basis of a reciprocal agreement with the African Government or is it a matter of prestige that for any dishonesty that is committed by our nationals we should cover them from any financial losses involved in such a conduct? These are the points which I want to be cleared.

Shri Prabhu Dayal Himatsingka: In spite of the increased expenditure, is it a fact that some responsible Bank manager who travelled in the East has reported that some of the embassies and High Commissioners' offices in the East look more like third-class waiting rooms than embassies?

Shri R. K. Sidhva: Who has said so?

Shri Prabhu Dayal Himatsingka: A manager of a big Bank went to the East and he has reported to Government confidentially that some of these embassies look like third-class waiting rooms.

Shri Mahavir Tyagi: In that case, there will be no extra payment needed.

Dr. B. V. Keskar: Sir, I am glad that the Ministry of External Affairs has drawn the greatest amount of attention or interest which only shows that they are so much interested in our external relations. There are many points on which criticism has been levelled, but I find, Sir, that to a great extent the arguments and points that were put forward in the Budget debate have been repeated, and I do not want to go into the same details again, but I would like at the outset to say a few words with regard to the general question of why the Budget of the External Affairs Ministry has increased in spite of the amount which was probably considered then to be necessary for the coming year's estimate. My hon. friend, Shri B. Das raised the question why after making a saving of Rs. 27 lakhs the Ministry has to ask for a greater demand of about Rs. 40 lakhs. The question is a very simple one. I do not know whether hon. Members remember that in presenting Demands for this year, during the Budget debate, the Minister of External Affairs had drawn attention to the fact that this is an expanding Department, that we cannot guarantee what exactly will be the Missions that we will appoint abroad, whether the work of those Missions will expand or will be a very small one, these are matters which will depend on our relations with that particular country, whether those relations will increase commercially or otherwise and therefore, it would not be possible to give any guarantee. We could only give an approximate estimate of what we thought would be our expenditure on the different Missions. Unfortunately due to developments of the situation we have had to appoint many more Missions and Centres than we thought we would have to. This is one of the main reasons for the increase in the expenditure and without the saving of Rs. 27 lakhs, the expenditure would have been much greater. That is my reply to the point raised by my hon. friend Mr. Das.

My hon. friend, Mr. Raj Bahadur has raised again the same question which was raised during the Budget debate with regard to our having a more economical External Affairs Ministry and more economical Missions. He has also drawn attention to the fact that some of the Missions are living in hotels and he asked: "Why are our missions living in hotels?" Probably he is not aware that the Missions which are living in hotels here are so angry with the Government of India that they protest practically every week that they are being forced to live in hote's here, while they are ready to pay whatever sum is demanded for any big house that we can put at their disposal. Unfortunately, we are not able to give them and that is one of the reasons why they are rather annoyed with the Government of India. It is not that they are putting up in hotels because they like it. I do not know whether my hon. friend is aware that staying in a hotel is not the economical way. If you put the whole staff of an embassy or your men in a hotel it costs ultimately much more than when you have your own establishment.

My hon. friend Mr. Kamath has raised many questions. He has asked a question as to which stations are most costly. The increased expenditure is mostly due not to increased expenditure in particular stations or Missions but is due to two or three main items. Firstly, it is due to devaluation. With regard to devaluation I would like to draw the attention of hon. Members to the fact that only countries which are in hard currency areas are affected by

[Dr. B. V. Keskar]

this question at least as far as the External Affairs Ministry is concerned because our Officers who were in countries which are in hard currency areas will suddenly have to face deficit of 40 per cent. of their income and it is not possible for them to carry on in that way. Government has been forced to give them a kind of compensation and for our establishment, rent etc......

Shri H. V. Kamath: Why should this item of devaluation of the rupee find a place even in the Commonwealth Countries—in Sterling area?

Dr. B. V. Keskar: Canada is a hard currency area. There are other countries also. It only applies to hard currency areas and not to others. The second item is, in many places we have been able to secure residences for our staff and that means making a payment for those houses. That is a non-recurring expenditure but for which you have to pay. These are the two main items of expenditure and I don't think there is any particular Mission which has been so costly that they have greatly exceeded the limits we have set out in the Budget Estimates.

Shri H. V. Kamath: Am I to take it that the allowance increase is due to only devaluation?

Dr. B. V. Keskar: There might be new allowances. Allowances are not increased only on account of devaluation. New staff will have new allowances. I don't know whether he is aware that the India based staff gets special allowance.

Shri H. V. Kamath: A-1 and A-2, how do they go together?

Dr. B. V. Keskar: There was a question as to how many cars we keep. I am sorry I don't have the car-scale here. I am sure he will agree with me that it is cheaper to have our own car than to hire cars for our Mission, which ultimately will come practically to the price of the car and it is much cheaper for us.

Shri H. V. Kamath: Don't buy luxury cars.

Dr. B. V. Keskar: I don't think luxury cars are allowed for our Missions.

Shri B. Das: You allowed a Rol's Royce car last year!

Dr. B. V. Keskar: I think there has been sufficient discussion about it during the last 18 months.

Then there was some reference to telegrams. I think I had explained it earlier. I would like to say only one thing regarding the increased price of telegrams. It is not possible to foresee international emergencies. The Government of India had to bear the cost of telegrams for our own and many other international conferences and emergencies which though they might not pay us in money, do bear fruit in other things which are profitable to our country and it is not possible for us to foresee such emergencies but generally, as I have said earlier, strict orders have been issued, exactly as my hon. friend Mr. Kamath has said, and these orders are being adhered to. I don't know on what basis my hon. friend says that there is greater expenditure on Commonwealth countries and not on others. If he takes the whole thing, he will find it is not Commonwealth countries who specially spend more.

Shri H. V. Kamath: Only other charges.

Dr. B. V. Keskar: With regard to furniture. I would like to draw the attention of hon. Members to one thing. The expenditure on furniture is not only an increased furniture *e.g.*, members of the staff who have been forced to stay

in hotels for a long time, when they are given houses, you have to give them furniture and that is one of the reasons for the increased expenditure on furniture.

Shri H. V. Kamath: Was it authorized furniture?

Dr. B. V. Keskar: It is authorized furniture. It is only the scale that is authorized not the price of the furniture.

Shri H. V. Kamath: Provision is authorised in (g) (iii).

Dr. B. V. Keskar: A certain amount was budgeted for furniture. That amount is exceeded and therefore it has been asked for.

With regard to additional staff, I might say that the staff has not been increased. In fact wherever possible with due regard to efficiency, staff has been decreased. Wherever possible we have withdrawn even important officers so that expenditure might decrease. Wherever additional staff is indicated here, it is due to new Missions that have been opened. I would draw attention to the debate on the Budget when Government had indicated that though they would try to open as few Missions as possible, there are occasions when it is not possible to avoid the opening of Missions. I might indicate the example of our new Mission to Indonesia. It would not have been, in any circumstances, possible for us to refuse to open a Mission in Indonesia? Such unavoidable circumstances come and we have to open Missions and the additional staff is meant for new Missions.

Regarding the question of East African Bank the hon. the Finance Minister will give full details about it.

The Honourable Dr. John Matthai: I would like to offer a word of explanation regarding this question of payment in connection with the Exchange Bank of India and Africa. I think it was my hon. friend Mr. Kamath who said that the Government of India instead of exercising its own grace, might have left it to the grace of God. Sir, I cannot speak with the same degree of intimacy about the Almighty as my hon. friend has got into the habit of doing in this House. What I want to do is to state the bare facts. It happens that a considerable number of African Nationals in East Africa, where has been a branch of this Bank, were put to serious loss and hardship on account of the failure of the Bank. The result of that was that the relations between Indians and Africans in East Africa had become considerably strained and worsened and a certain amount of bitterness began to develop and the matter was referred to the hon. the Prime Minister by our Commissioner in East Africa. It was considered by the Cabinet entirely from that political angle.

Shri Tirumala Rao: What is the political angle?

The Honourable Dr. John Matthai: There was a good deal of bitterness against our people on this account because African nationals felt that they were being put to this loss by the failure—something more than failure—of a Bank run by Indian nationals. That position became so serious that our Indian Commissioner brought to our notice that the position was one which required consideration by the Government of India. What the Cabinet did was to sanction an amount of Rs. 1 lakh which they placed at the disposal of our representative in East Africa for payment *ex gratia* to the poorest classes of African depositors at the rate of 50 per cent. of their deposit amounts. Mr. Sidhva said that this was an extraordinary thing for Government to have done. This has nothing whatever to do with the liquidation proceedings. It has nothing whatever to do with the steps that are being taken here towards disposal of the affairs of this Bank. This is a payment altogether outside the sphere of the liquidation proceedings. Government have paid this in order to provide

[Dr. John Matthai]

relief for people who have suffered at the hands of an institution run by our people. It is a purely political arrangement that has been made. Our Commissioner has been given discretion in this matter. He has got to restrict payment to the poorest class of African depositors. If he thinks fit, he may also make payment to the poor class of Indian depositors also. But primarily it is meant for African nationals and limited to a lakh of rupees. Again, payment will be made only up to fifty per cent. of the amounts due to depositors. That is a matter which we were compelled to consider in view of the seriousness of the situation. An amount of a lakh of rupees, I think, is a small expenditure for the Government to incur in view of the seriousness of the situation.

Shri Mahavir Tyagi: May I know whether this one lakh is the limit? Is it an end of it and no more will be demanded to purchase the love of the African people?

The Honourable Dr. John Matthai: I am sorry that my hon. friend speaks in these terms. If he only knew the facts of the situation he would understand that it might have developed into a serious situation, from the point of view of India.

Shri Mahavir Tyagi: I wanted to know, if once payment has begun to be made to these people, there may be further demands and we may have to proceed beyond this one lakh.

The Honourable Dr. John Matthai: The amount of one lakh is the amount that we are prepared finally to place at the disposal of our representative, and it is entirely at the discretion of our representative that payments would be made. If, on the basis of payments up to 50 per cent. of the deposits of the poorest classes of depositors, he finds that the amount is exhausted, there is an end of it.

Shri H. V. Kamath: I would like to know, firstly, the number of African nationals to whom this amount is to be paid *ex gratia* and, secondly, whether this will not act as a rather bad and unhealthy precedent for the future—in the event of another private bank failing in another foreign country, and, in the interest of our mutual relations, whether we may not be called upon to make similar payments *ex gratia* to the nationals of those countries in which the private banks might have failed and in which banks the nationals of those countries might have invested their money.

The Honourable Dr. John Matthai: Cases of this kind would have to be considered on their merits individually. With regard to the point that my friend has raised, he will find in the Bill, which I have introduced in this House, provision has been made for the exercise of greater scrutiny and control over the opening of branches of banking concerns by Indians in foreign countries.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 40,83,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'External Affairs'."

The motion was adopted.

DEMAND No. 69.—CIVIL WORKS

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 29,55 000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Civil Works'."

There is a cut motion by Mr. Sidhva. Is he moving it?

Shri R. K. Sidhva: I am not moving the cut motion. I only want to elicit some information. The foot-note under this item states "The additional provision is required to finance urgent repairs and maintenance works on Government Buildings and properties which cannot be postponed for want of funds". As far as the policy of the Government in regard to the maintenance of their buildings is concerned, I have found that at times they adopt a policy of false economy and proper amounts are not provided for the maintenance of properties worth crores of rupees. To that extent I entirely agree with the provision every year of funds sufficient to see that our properties are kept intact and in a proper condition. But what I find here is that we provide the money, but that money is not properly utilised. That is the position. I have seen in certain buildings that the repairs and maintenance during the year are absolutely half done although the full amount was provided for the repair and maintenance of those buildings. There is also no proper supervision. As we know, and as my hon. friend the Minister in charge, Mr. Gadgil, himself knows, this Department is full of corruption. (*Interruption*). It is an admitted fact. He has himself admitted on the floor of the House that several persons have been prosecuted for corruption. It is no secret, and I am not making any allegation. It is an admitted fact and the cases against those persons are going on. And the P.W.D. is always well-known for that. On the contrary I am very glad that he has taken that bold step of seeing that those men are prosecuted so as to teach a lesson to others that such a thing would not be tolerated. To that extent I give him all credit. We all know what sort of Department it is, not only here but everywhere. Now, I would like to know what has necessitated this extra provision. Is it that the amount that had been provided in the last Budget was not properly used or misused? The statement here is very vague—it merely says that additional provision is required for urgent repairs. I would like to know what were those urgent repairs which were overlooked at the time of the last budget. I would like to know whether anything has newly cropped up, any extraordinary thing has come up in regard to maintenance, for which additional provision has become necessary. The information that has been given here is very inadequate. We must have fuller information as to why all of a sudden this increased provision has become necessary. I am for providing more money. I can tell my hon. friend that I will vote for it, because if you don't provide money for this purpose and if you don't keep your buildings in a proper condition, you lose to that extent the value on the building. That is false economy. From that point of view there should be no retrenchment. At the same time, we have to see that the money which is provided is properly spent. It was for that reason I tabled the cut motion of Rs. 10 lakhs, that is, to draw the attention of the hon. Minister that while it is good policy to maintain our buildings in a proper condition—and something may have cropped up, according to him for new maintenance charges which, however, neither I nor the House could know of, because the explanation given here is very vague—I want to know whether the position is that the money provided in the last budget was not properly used and the repair works not properly carried out, or that all of a sudden these additional works have cropped up and require money and he has therefore come before the House for that purpose. That is the point. I would like to know what are these urgent repairs that have cropped up all of a sudden.

Shri Mahavir Tyagi: I have only to elicit information from the hon. Minister.

Mr. Chairman: Order, order. I would like to remind hon. Members that we have to finish the agenda set down for today by six o'clock. Mr. Sidhva began by saying that he would like to have some information, but he has made a speech. If that is the sort of question that other hon. Members want to put,

[Mr. Chairman]

the time of the House will be very greatly wasted. I would request hon. Members to co-operate with the Chair in finishing the programme set down for to-day by six o'clock or even earlier, because hon. Members know that we have got another engagement after the House rises.

Shri Mahavir Tyagi: Sir, I will not make a speech.

Shri R. K. Sidhva: We are entitled to make a speech.

Mr. Chairman: I do not deny that the hon. Member has a right to make a speech. But I would request hon. Members to confine themselves to the relevant questions and also to be very brief.

Shri Mahavir Tyagi: Sir, I want to elicit some information. The M.L.A. quarters also come under the heading of repairs to Government buildings. I was informed by one of their officers that the Ministry had decided not to have any white-wash or any repairs to M.L.As' quarters. I want to know whether white-washing was really sanctioned in the Budget.

The Honourable Shri N. V. Gadgil (Minister of Works. Mines and Power): I don't think the M.L.As. require white-washing!

Shri Mahavir Tyagi: But the Ministry requires it!

The Honourable Shri N. V. Gadgil: That is why I require the money. Grant it.

Shri Mahavir Tyagi: Money was included in the Budget for this purpose, I want to know where that money has gone. Those quarters have not been white-washed. I would ask him to please look into his accounts and see where the money has gone and whether only the books say that the houses have been white-washed. If you have given up the programme of white-washing, I hope you have made some saving thereby. If all the Government buildings are not going to be white-washed this year, it will save you lakhs of rupees. Sir, I would like to know what is the real position.

The Honourable Shri N. V. Gadgil: Sir, I am very grateful to my friend, Mr. Sidhva, for his statement that there should be no false economy. As a matter of fact, the amount now demanded was really asked for at the time when the original estimates were framed, but we were asked, as a matter of economy, to keep down the figure, hence the figure that was included in the Budget was agreed to because there was no other option. Let me tell the House what is the proportion of expenditure that we have asked for and what is the normal proportion asked for in view of the value of the property which is undoubtedly great. I may bring to the notice of this hon. House what really is included when we refer to maintenance and repairs. This item includes:

> Actual repairs to buildings, repairs to electrical installations, repairs to water and sanitary installations, maintenance of horticulture, repairs and maintenance of furniture, rents payable to landlords for requisitioned property, repair and maintenance of requisitioned property, taxes to municipality, conservancy charges, and maintenance of air-conditioning installations.

These are there apart from the item of dearness allowance which has increased in the course of the current year. Now, I will give some idea about the vaule of the property belonging to the Government of India all over the Union. It comes to Rs. 36,86,79,610. That is the book value. This property, for purposes of maintenance, has been divided into two categories: those buildings built before the war and others built subsequently. So far as the properties built before the war are concerned, the normal rate of maintenance at that time was $1\frac{1}{4}$ per cent. So far as the other category of property is concerned, the maintenance rate was 3 per cent. But, on account of the

rise in prices and wages, the standard of the reasonable rate at which maintenance can be calculated has been fixed at 3 per cent. So far as the maintenance and repair of electric installations are concerned, the standard rate is 10 per cent. To be precise, what we would require according to these standards would be Rs. 1,94,85,000, divided as follows:

		Rs.
Structural repairs to buildings	...	64,00,000
Maintenance of electric installations	...	38,00,000
Repairs and maintenance of water and sanitary installations	...	27,80,000
Horticulture	...	13,00,000
Furniture	...	3,00,000
Rent for requisitioned property	...	21,90,000
Repairs and maintenance of requisitioned property	...	2,00,000
Municipal taxes	...	15,00,000
Conservancy charges	...	1,00,000
Maintenance of air-conditioning intsallation	...	3,15,000
Electric and water charges	...	6,00,000

That will give a total of Rs. 1,94,85,000. As a matter of fact, we have asked for Rs. 1,48,00,000. We have cut down considerably with the result that the standard of maintenance has undoubtedly suffered, and if my hon. friend Mr. Tyagi was informed by one of the officers that there would be no annual white-washing, there must be some force in it because of these reasons. On top of all this, what has happened this year is this. We were under the impression that the grant of additional dearness allowance was not admissible to the works-charged establishment, but we were informed that they should also come in within the benefit of that, and that meant an additional expenditure of Rs. twelve lakhs. Then there was an increase in the municipal taxes all over the country. That accounts for Rs. three lakhs.

Shri R. K. Sidhva: So there is nothing to be repaired?

The Honourable Shri N. V. Gadgil: They are all included under this category. I have just read out the details for the benefit of hon. Members. Sir, then there was some dispute about the rent of certain properties in Bombay which was going on for nearly two years; the decision was received in the current year and we had to pay arrears of rent to the extent of Rs. five lakhs. All that comes to twenty lakhs. The only additional sum that we are spending for repairs which are absolutely necessary, is Rs. nine lakhs. If I go by the standard which I have just laid before the House, the House would be thoroughly justified in giving me another fifty lakhs, and if that is done, I promise not only annual but six-monthly white-washing of the quarters of M.A.Ls. and also give them such facilities as gardening so that they may argue all the better here.

Shri R. K. Sidhva: You said, "rent, maintenance and repair". Rent is not the point involved.

The Honourable Shri N. V. Gadgil: The rent that we pay for the requisitioned houses is included. Therefore the amount is big.

Shri Mahavir Tyagi: How much saving do you make by giving up white-washing this year?

The Honourable Shri N. V. Gadgil: The drops make the ocean. If I cut drop by drop everywhere, it will be a big ocean. Sir, so far as the amount of Rs. 9 lakhs is concerned, it is absolutely necessary.

Sir, I think I have given sufficient information to my hon. friend, Mr. Sidhva.

Dr. Mono Mohon Das (West Bengal: General): May I know whether any provision has been made in this Demand for beginning the construction of a stadium in Delhi with a clubhouse containing 150 rooms?

The Honourable Shri N. V. Gadgil: The stadium is not a job undertaken by the Government of India, nor is it something with which the Government of India is concerned at all.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 29,55,000, be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Civil Works'."

The motion was adopted.

DEMAND NO. 74—MISCELLANEOUS

Mr. Chairman: Motion is:

"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 year ending the 31st day of March, 1950, in respect of 'Miscellaneous'."

Shri M. Tirumala Rao: Sir, I want one point to be made clear. The item, "Payment of dividend on shares of the Industrial Finance Corporation", comes to nearly Rs. ten lakhs. I presume the capital of the Corporation is Rs. five crores. The loans so far disbursed seem to be to the tune of about Rs. three crores. If all the five crores are invested even at three per cent, I think the Government will be able to make more than Rs. 15 lakhs. I want to know how the business of this Corporation is being managed because we had no occasion to know anything about it before. What is the sort of interest the permanent officials as well as the directors are taking in seeing that the Corporation comes up to the expectations of the Government in earning the minimum interest of 2¼ per cent? I am told that for applicants for loans the Corporation charges about five to six per cent. and there is nearly a clean margin of 3¾ per cent. for all the loans. Even if the whole amount is invested in Government securities at three per cent. per annum, a profit of ¾ per cent. will be made over the investment. I do not know how so much loss has come about. I do not know whether the Corporation is not able to absorb the total capital available to it or whether the cost of the administration is top-heavy. I want to know also the policy followed by the Directors in disbursing these loans and whether any vested interests are not created for any particular group of Directors. I want to ensure that people who disburse the money and people who receive the money are not having identical interests. If a man wants to offer his services as a Director of the Corporation and help in building up the Corporation, he must give up his interests elsewhere, so that he may not try to take advantage of the assistance and help which the Corporation renders. I want to know whether the Government would look into this to see that the disbursed money is not spent to the extent of Rs. eleven lakhs for subsidising an institution whose rate of interest is only 2¼ per cent.

Shri Mahavir Tyagi: I want to have some information about the Fiscal Commission. It is said here that for this year the intention is to spend Rs. 3,26,400 on the establishment of the Fiscal Commission which will enquire into the methods and plans for encouraging industries or for improving them. This Fiscal Commission is a very important item and I want to ask the hon. Minister why he has never placed any details relating to it before the House for discussion. We must know the objective of the Fiscal Commission; what was being aimed at? What was the total cost that was estimated? For how many years it will work at this rate? And what is the scheme behind it? These are all important matters of policy on which the House must be taken into the confidence by the Finance Minister, or, I do not know, the Commerce

Minister. I only hope that the House will be taken into confidence as to what was being aimed at and if not now, at least during the next Budget session or even whenever the hon. Minister finds it easy for him to explain matters, if he would take the House into confidence, I shall feel obliged.

Shri R. K. Sidhva: I find under item I.10 aid to Kashmir Rs. 84,42,000 gross expenditure and then—deduct recoveries—a similar amount. I want to know if this is merely a book entry or a real amount which will come back to the Government? Is this a loan advanced to Kashmir Government to be recovered later on? I want this little clarification.

Then, Sir, item (b) of the footnote says that a sum of Rs. 45 lakhs has been given to the United State of Travancore and Cochin to meet the financial hardship caused to the Union consequent on the abolition of land customs after the merger with Cochin. We discussed this morning a similar proposition regarding Saurashtra. I want to know if we are giving this *ad hoc* grant on the same basis as Saurashtra.

Then item (d) of the footnote says that the accounts of the Industrial Finance Corporation disclose a short fall of Rs. 10,89,492/2/4. I want to know the reason for this loss. Is this organisation not to be run on a commercial basis? The Act itself provided that private deposits should also be received. I want to know if private deposits are received and if so, what is the interest paid on them? What is the reason for this heavy loss in the very first year? When we passed the Industrial Finance Corporation Act, it was understood that not only would this Corporation be self-supporting but it would also help the industries of the country. With that object in view this Corporation was created and I am rather surprised to find a deficit in the first year. I do not know if it is the first year.

The Honourable Dr. John Matthai: Yes, it is the first year.

Shri R. K. Sidhva: Then, of course, there may be some extraordinary reasons for loss in the first year, but I would like to know whether in the future at least this Corporation would be self-supporting. I would also like to know the reasons for this loss which have necessitated the Minister's coming to the House for supplementary grants. These are my only points, on which I seek information.

The Honourable Shri K. C Neogy: I should like to say a very few words in reply to my hon. friend Shri Mahavir Tyagi. I would draw his attention to a Resolution that was published on the 20th of April 1949 by the Government of India indicating the reasons which had led to the appointment of the Fiscal Commission and also setting out the terms of reference. At the same time and on the very same day, a Press Note also was issued which was widely published all over the country. Now, a Fiscal Commission had reported in 1922 laying down certain lines on which "discriminating protection" —as they called it—could be granted to Indian industries. During the war, however, certain industries which had come into existence had been given some special assurances of a temporary character in regard to protection and other Government aid. It was implicit in these assurances that the more permanent policy of the Government in regard to these issues would be considered at no very distant date. For all these various reasons, this Commission was appointed.

I would very briefly refer to a few out of the terms of reference in which the House may be interested. The first one is "the future policy that Government should adopt in regard to protection of industries". The House is greatly interested in this question and it is my privilege now and again to bring up measures for the protection of different industries in India. I know how very critical the House is of the very policy of protection. Now, I thought

[Shri K. C. Neogy]

that the Government of India was expected to have an objective study made of all the issues relevant to the consideration of this policy of protection, so that we may lay down our future policy also after considering the report of this Commission.

The second term of reference was as regards the machinery that should implement any such policy of protection. Here again, I have found that the House is very critical sometimes—I would not say the House,—but certain individual members of the House are rather very critical of the constitution and the composition of the Tariff Board. We wanted to have the assistance of this Commission here also for the purpose of determining whether the composition and the constitution of the Tariff Board requires to be reconsidered.

A third point, which is also of some importance, is whether we should continue to adhere to the Geneva Agreement on Tariffs and Trade and the Charter of the International Trade Organisation. It was my privilege sometime ago to raise a debate on this very issue, and on that occasion I found that the House was rather critical of the proposal that India should adhere to these international trade obligations. On this point also, we expect the Fiscal Commission to advise us after consulting all the various interests in the country.

I might add that, although these are the formal terms of reference, I have informally requested the Commission to assist Government in regard to another matter of some importance to this country and of particular interest to this House. I have requested the Chairman to try and consider the question of continuance of what used to be called "imperial preference" in our fiscal system.

It is a misnomer to call it 'Imperial Preference' any longer. By whatever name you may call it, the demand has been voiced in this House more than once, that we should do away with any vestige of imperial preference. Now on that issue also I have sought, though informally, the assistance of this Commission.

I do not know whether my hon. friend wanted to know something about the financial implications. Now the total original estimated cost was Rs. 3,53,600 but the revised estimate has been reduced to Rs. 3,26,400, although the period during which the Commission was expected to complete its enquiry has had to be prolonged. Originally it was expected that the Commission would be able to finish its labours by the end of December, but on more recent reports from the Commission it has been decided to extend its term of office till at least the end of February. So, the House would see that all possible economy is being practised and we are well within the original estimate.

The Honourable Dr. John Matthai: Sir, I will confine myself to the specific points which have been raised with regard to the Industrial Finance Corporation. The House will realise that it started work only in July 1948. This is its very first year and the business is just getting into full swing. In the meantime, as hon. Members will realise when funds cannot be invested in regular business concerns, all that may be done is to put it in securities, in treasury bills, and so on. The return that they get by investment, for example, in short term government investment like treasury bills is very small. Obviously, it would not yield anything like the minimum rate of return which Government have guaranteed. Actually, so far as I am able to judge, the Industrial Finance Corporation has made a promising start and considering the fact that this is the very first year, I am not surprised that it has not been able to pay the minimum rate which is guaranteed by the Government of India. But no judgment on the work of the Industrial Finance Corporation should be based upon the results of the first year's working.

The question of the aid to Kashmir has also been raised by my hon. friend Mr. Sidhva. That aid is really on the basis of a loan to the Kashmir Government.

Shri R. K. Sidhva: Is it recoverable?

The Honourable Dr. John Matthai: Yes.

As regards land customs arrangements, the Travancore State had a land customs border between Travancore and Cochin. When the two States became a Union, obviously the land customs had to be abolished. As an *ad hoc* arrangement, as Mr. Sidhva put it, we decided to compensate the Travancore Government in respect of the greater part of the loss that they have incurred by the abandonment of the land customs.

Mr. Chairman: The question is:

"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 year ending the 31st day of March, 1950, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND NO. 75—EXPENDITURE ON REFUGEES

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 3,25,00,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Expenditure on Refugees'."

Shrimati G. Durgabai: Sir, I do not wish to make a long speech, but I want to know some details in connection with the expenditure of this Department. Sir, the Ministry has come forward for an additional sum of Rs. 3,25,00,000. The original grant made was Rs. 9,85,17,000. Sir, I want to know why the necessity arises for this additional grant. I understand that the relief and rehabilitation work has progressed very satisfactorily and it is now coming to an end. I also understand that the three big relief camps at Kurukshetra, Deoli and Chakradhar are in process of being wound up, because the refugees in them have been rehabilitated. For instance, townships have been built at Faridpur, Rajpura and Kalyan. A large number of refugees have been sent to these townships with the result that they are no longer under the care of the Government of India. I also understand that the free ration and free feeding arrangements in the camps have also been discontinued. Therefore, I fail to know why the necessity for continuing these camps as specified in the foot-note here arises. I would request the hon. Minister to enlighten the House on this matter.

Sir, I also wish to know whether the Government has got any long-range policy with regard to this matter; whether they have any target date by which they want to bring this work to a successful close?

Shri R. K. Sidhva: Sir, this is the largest item of expenditure which is presented to the House for supplementary grant, the second largest being Customs. The amount demanded under this head is Rs. 3,25,00,000. Yet, Sir, the information supplied to us is very meagre. There is no detailed information as to why this huge amount is required. The footnote says that a part of the excess is due to the extension of gratuitous relief in camps for a period longer than six months, originally contemplated, and provision for replacement of tents in camps, etc., etc. Now, I want to know whether

[Shri R. K. Sidhva]

the original provision in the Budget was only for six months. If that is so, then I know that there is a demand from the refugees in camps to continue this gratuitous relief, which means free feeding as far as I understand—if it is anything more I would like to be corrected. Some refugees in camps have demanded its continuance. I would like to know whether it is in pursuance of that demand that this Rs. 1,23,73,000 which is shown as 'feeding, clothing and medical charges' demanded. I also want to know whether Government intend continuing feeding these refugees, or give them houses leaving them to earn for themselves. By wasting this money over free feeding, you are making these people not self-supporting, not self-respecting but all the time to be slaves. The hon. Minister must give them the right kind of education and must inculcate in them the spirit of self-reliance. If instead of doing this, we provide houses for all the refugees, I can assure you that they will not demand free feeding. Once you provide them with houses, all this trouble, all this bother and financial difficulty will be over. Unless houses are provided, they will go on making these demands which are neither beneficial to them nor to the State. How long, I ask, Sir, are you going to provide them with this free feeding, rather than rehabilitate them in a proper manner? I therefore desire that instead of wasting this crore and twenty-three lakhs of rupees, hon. Minister should provide them with houses. I know some of them may need free feeding, but if you provide them with houses, they will be inclined to go anywhere and do some kind of work. As far as feeding is concerned, many of the refugees—I have actually talked to many of them—would not approve of this policy that the State should come forward for feeding them. They want some kind of real rehabilitation so that they may stand on their own legs. This is the general feeling of a large section of the displaced persons.

5 P.M.

Then, Sir, comes the grant to Provincial Governments. May I know why this additional grant is given. What necessity has arisen for this fresh grant? What is the programme on which this amount will be spent? This supplementary grant is provided for what? We do not mind this money being spent if the condition of the refugees will improve. Nothing is mentioned about the reasons for which this grant is sought to be given to the provincial governments.

There is another item of expenditure, miscellaneous schemes Rs. 32,15,000. Explanation (b) says, "intensifying the schemes of rehabilitation and additional schemes of rehabilitation in Andamans, Bhopal and Rampur." The other day we were told in reply to a question that in the Andamans there are only fifteen families.

The Honourable Shri Mohan Lal Saksena (Minister of State for Rehabilitation): No, no.

Shri R. K. Sidhva: That is what we were given to understand. So far as Bhopal and Rampur are concerned, there was some provision in the Budget. Has the refugee population at Bhopal or Rampur increased after the calculation in the last Budget? Why is this provision being increased? What is the meaning of intensifying these schemes? What sort of rehabilitation is being done for which Rs 32 lakhs are demanded?

Now, the other grant is "E. 4 (3) other grants Rs. 50,00,000." Here also the information given is incomplete. Nothing is said to explain this. We want every pie of this money which is taken away from this House in the name of rehabilitation of displaced persons should be well-spent and we want to know whether it is well-spent. I have seen the conditions in the Kalyan camp in Bombay where a lakh of these displaced persons are residing. I have seen how much money is being wasted there. I do not know whether the hon. Minister knows it and whether any complaint has been brought to his notice. Other grants? To whom? The House is entitled to this information and it should have been informed of this before this question was raised by Members so that we would have full information of how this amount is going to be spent. Of course, no amount which you set aside for them will be sufficient until they are provided with houses. Instead of bringing in all these schemes, it would be better if some scheme on that larger basis for housing them is taken up and they are rehabilitated permanently in their own homes.

Lala Achint Ram *rose.*—

Shri B. Das: Are you not adjourning the House now, Sir?

Lala Achint Ram *rose*—

Mr. Chairman: I would remind the House that there are four more supplementary demands in respect of General Budget and then there is the Railway Budget and we have got three Bills to refer to Select Committee today. If they are not finished today, they will have to come up tomorrow and that will mean so much less time for the sugar debate. I am entirely in the hands of the House. If the House desires that the whole thing should be finished today, and if all are agreed, we may apply the guillotine at 5.30 and pass all the items. I am entirely in the hands of the House.

The Honourable Shri N. Gopalaswami Ayyangar: I assure you that the Railway Demands will not give the slightest trouble, nor need hon. Members have any concern over that matter.

लाला अचिन्त राम: इस वक्त हमारे सामने तीन चौथाई करोड़ रुपया का सप्लीमैन्टरी बजट (Supplementary Budget) रिहैबिलिटेशन (Rehabilitation) के लिये रखा गया है। मैं समझता हूं कि हम सब लोगों को इसका दिल से सपोर्ट (support) है और मुझे यकीन है कि अगर मिनिस्टर साहब के पास में होता तो वह ज्यादा बजट की सिफारिश करते। लेकिन मजबूरी की वजह से उन्होंने ऐसा किया है।

इस बजट की मांग पेश करते हुए मिनिस्टर साहब ने यह दलील पेश की है कि ६ महीनों से लोगों को खाना देना पड़ा जिसकी वजह यह मांग पेश की गई है। एक दलील यह भी दी गई है कि टैन्टस (tents) बहुत पुराने हो गये थे इस लिये उनको बदलना था। मुझे इस बात को देख कर हैरानी होती है कि जब सालाना बजट पेश किया गया था तो उस समय इस बात का ख्याल क्यों नहीं किया गया। मुझे ताज्जुब है कि अपने घर के इन्तज़ाम के लिए उनको यह मालूम होना चाहिये था कि किस चीज़ की ज़रूरत है और किस चीज़ की ज़रूरत आगे होने वाली है।

चन्द दिन हुए मैं किंग्सवे कैम्प (Kingsway Camp) में गया था। रात करीब साढ़े दस बजे का समय होगा। वहां पर ४०० टैन्ट्स हैं, उनकी हालत

[लाला अचिन्त राम]

बहुत खराब थी और बिल्कुल फटकर टुकड़े टुकड़े हो गये थे। मैं टैन्ट के भीतर गया तो वहां पर एक आदमी सिकुड़ा पड़ा हुआ था और उसको नुमौनिया हो गया था और बाद में वह मर गया।

एक माननीय सदस्य: राम, राम।

लाला अचिन्त राम: वहां पर सब ही टैन्टों में इस तरह की हालत थी। इसी तरह आजादपुर कैम्प की भी दशा है। वहां लोगों को बहुत कष्ट उठाना पड़ रहा है। इस बजट में एक लाख रुपया एकमोडेशन के लिये रखा गया है। मेरी समझ में यह नहीं आता कि इसमें क्या क्या शामिल है। इस एकमोडेशन में पानी, रोशनी और लैटरिन का भी प्रबन्ध किया गया है या नहीं है। किंग्सवे कैम्प, वहां पर २५ हज़ार आदमी रहते हैं मगर उन लोगों के लिये वहां पर पानी और लैटरिन का कोई भी अच्छा इन्तज़ाम नहीं है। वहां पर सिर्फ ८ नल लगे हैं और उन पर भी पानी अच्छी तरह से नहीं आता। टोटी सब की खराब हो गई है और एक ही नल में पानी आता है। पानी तो बरबाद हो रहा है मगर उसका वहां के लोग अच्छी तरह से इस्तेमाल नहीं कर सकते। लैटरिन का यह हाल है कि वहां पर लोगों की लाइनें लगी रहती हैं और घण्टों के बाद नम्बर आता है। मेरी बहिन ने कहा है कि रुपया मंजूर क्यों किया जाता है। तो मैं आपको बताना चाहता हूं कि वहां पर २५,००० आदमी रहते हैं और वहां पर लैटरिन का कोई अच्छा बन्दोबस्त नहीं है।

मेरी बहिन श्रीमती दुर्गाबाई को शायद थोड़ी ग़लत फ़हमी है। इस वक्त रिफ्यूजीज़ में बहुत सख्त बेचैनी है। मैं मानता हूं कि गवर्नमेंट ने बहुत कुछ किया है लेकिन साथ ही यह न समझिये कि सब मसला हल हो गया है। अभी बहुत कुछ करना बाक़ी पड़ा है। सात लाख आदमी कैम्पों में पड़े हैं। उनके लिये मकान बनाने की ज़रूरत है। आपकी स्कीमें बनती हैं पांच सात हज़ार या बीस पचीस हज़ार आदमियों के लिये। इसी तरह दवाइयों का हाल है। पिछले साल गवर्नमेंट ने इसके लिये रुपया सैंक्शन किया कि दवाइयां दी जायं। लेकिन वहां पर जा कर कोई नहीं पूछता कि दवाइयां मिल रही हैं या नहीं। मैं वहां गया तो यह मालूम हुआ कि मरीज़ों के लिये दवा नहीं मिल रही है। वहां दवा देने के लिये आदमी नहीं है।

अब मैं आपको एक बात बतलाऊं जिसको सुन कर आप हैरान होंगे। मैं रिफ्यूजीज़ की हालत देखने के लिये गया था तो वहां पर देखा कि टैण्ट्स लगे हुए हैं जिनकी मरम्मत की सख्त ज़रूरत थी। वहां पर साथ ही मैंने यह भी देखा कि ४०० बैरेक्स (barracks) खाली थे। लोग वहां सरदी में मर रहे हैं और साथ

ही यह बैरेक खाली पड़े हैं। मैंने पूछा कि यह किसके लिये हैं तो कहा गया कि पुलिस के लिये हैं। मैंने सवाल किया कि पुलिस आती क्यों नहीं है तो कहा कि पुलिस नहीं आती है। यहां रिपोर्ट में कहा जाता है कि यह रिहैबिलिटेशन डिपार्टमेंण्ट (Rehabilitation department) के मातहत नहीं है। लेकिन ग़ौर कीजिये कि ४०० बैरेक (Barracks) खाली पड़े हैं और वहां पर ही साथ में आदमी सरदी में मर रहे हैं। तो यह आदमी वहां बैरेक में क्यों नहीं आ सकते, यह इसीलिये है कि दो महकमों में कोआर्डिनेशन (co-ordination) नहीं है। मैं अभी ९ तारीख़ को वहां गया था और वहां मैंने देखा कि कैम्प (camp) खुले पड़े हैं जिनमें कि न तो सरदी से बचत हो सकती है न बरसात से और न गरमी से ही बचा जा सकता है। मैं यह मानता हूं कि आपको इस रुपये की ज़रूरत है, मरम्मत के लिये भी रुपया चाहिये और टैंटों (Tents) के लिये भी रुपया चाहिये। लेकिन आपके टैंटों की यह हालत हो रही है।

इसी तरह मैं आपसे पूछता हूं कि एजूकेशन (education) में क्या क्या शामिल है। यह ठीक है कि टीचर (teacher) की ज़रूरत है, मकान की ज़रूरत है। लेकिन कम से कम आप देखेंगे कि वहां कहीं ऐसी जगह तो हो कि जहां बच्चे बैठ कर पढ़ सकें। मैंने वहां जा कर देखा कि कैम्प पड़े हुए हैं जहां न सरदी से बचाव हो सकता है, न बरसात से। और वहां बच्चों के बैठने के लिये न बैंचे हैं, न कोई जूट का टाट ही है। बल्कि वहां एक मामूली टट्टर भी नहीं है। और वहां है क्या? वहां इतनी इतनी मिट्टी पड़ी हुई है। मैं समझता हूं कि घर में ठहर कर तो शायद सफ़ाई का ख्याल रखा जा सकता है लेकिन वहां तो यह भी नहीं होता। अगर इसी तरह एजूकेशन देना है, इसी तरह पानी बहता जावेगा, और इसी तरह दवाइयों का इन्तज़ाम रहेगा तो मैं पूछता हूं कि रुपया सैंक्शन (sanction) कराने की क्या ज़रूरत है। मैं तो कहता हूं कि आप चाहे रीहैबिलिटेशन के वास्ते ३ करोड़ के बजाय १० करोड़ रुपया मांगें और खर्च करें, चाहे इसके लिये आपको रीहैबिलिटेशन टैक्स (Rehabilitation Tax) भी लगाना पड़े, लेकिन जो रुपया खर्च हो उसका ठीक तरह से इस्तेमाल किया जाना चाहिये।

यहां मुझे एक ख्याल याद आया है। लोगों को रजाइयां देने के लिये रुपया रखा गया था। यह रजाइयां विंटर (winter) में देनी थीं। अब विंटर कब शुरू होता है। शुरू होता है अक्तूबर में और खतम होता है मार्च में। पर रजाइयां लोगों को मिलती हैं अप्रैल में। तो इस तरह का इंन्तज़ाम होता है। अब आप पेश कर रहे हैं कि टैंट्स नये खरीदे जायेंगे। सरदी के लिये ये चाहियें। दिसम्बर गुज़र चुका है। मैं अब पूछता हूं कि यह टैंट्स अब उनको कब मिलेंगे, जब दो महीने और

[लाला अचिन्त राम]

गुज़र जायेंगे। तो अब मैं समझता हूं कि इतनी बात करने के बाद मिनिस्टर साहब इस पर ख़्याल करेंगे और मैं उम्मीद करता हूं कि जल्दी ही इन्तज़ाम किया जायेगा क्योंकि रुपया तो आपको मिल ही जायगा, आठ दिन के अन्दर यह मंज़ूर हो ही जायगा। मेरी दरख़्वास्त है कि एजूकेशन का जो इन्तज़ाम है उसको ठीक कीजिये, पानी का इन्तज़ाम ठीक कीजिये और दवाइयों का इन्तज़ाम ठीक कीजिये। मैं यह मानता हूं कि आपके पास रुपया नहीं है, आपने एक लाख रुपया टैंट्स के लिये रखा है। मेरा ख़्याल है कि मैंने जो कुछ वहां देखा है उससे तो यही पता लगता है कि जितने टैंट्स वहां हैं वह सब रिप्लेस (Replace) करने के लायक़ हैं। वहां एक लाख रुपया कम है। लकिन मैं कैसे कह सकता हूं कि आप ज़्यादा रुपया ले लें। लेकिन मैं यह ज़रूर कहूंगा कि जहां आपने और चीज़ों के लिये रुपया रखा है वहां उसको कुछ कम कर दीजिये। मैं समझता हूं कि अगर इस डिपार्टमेंट (department) के अन्दर कम तनख़्वाह के लोग रखें जायं तो वह मिल सकते हैं क्योंकि यह डिपार्टमेंट हमेशा रहने वाला नहीं है। इस लिये मैं समझता हूं कि पहले उनके रहने का इन्तज़ाम कीजिये और दूसरी जगह से इसके लिये रुपया ले लीजिये। लेकिन परमात्मा के लिये, देश के लिये रुपये का अक़्लमन्दी से इस्तेमाल कीजिय और यह बात न हो कि फ़लां बात का ख़्याल हमें नहीं आया और वह रह गयी। बस अब मैं और ज़्यादा नहीं कहता हूं।

(*English translation of the above speech.*)

Lala Achint Ram (East Punjab: General): Sir, Supplementary Budget amounting to three crores and twenty-five lakhs of rupees has been presented before us at present. I think that every one of us extends to it his whole-hearted support and am sure that had it rested with the hon. Minister, he would have provided for an increased budget. But he could not help in the matter.

While making this demand, the hon. Minister has stated that it has been necessitated by the two reasons, firstly, that gratuitous relief in camps had to be extended for a period of more than six months, and secondly the tents had to be replaced due to wear and tear. I am surprised to find that why this was not contemplated at the time of the presentation of the annual budget? I am astonished as to why he could not know this in the manner of his own household as to what was required and what was anticipated to be required in the future?

A few days ago, I happened to go to the Kingsway Camp. It was about half past ten in the night. There were four hundred tents in a very bad condition which had altogether worn out into pieces. I went inside the tent and found that a man was lying there in a shrunken condition. He had an attack of pneumonia and later succumbed to it.

An Honourable Member: Ram! Ram!

Lala Achint Ram: Almost all the tents there were in the same condition. One comes across a similar state of affairs in the Azadpur camp as well where people are undergoing great hardships. A sum of Rs. 1,00,000 has been reserved for accommodation purposes in this Budget. What I am, however, unable

to gather is as to what specific items constitute this sum. I would like to know whether or not facilities in respect of water, light and latrines have been accounted for in that term *viz.*, accommodation. As many as 25,000 persons are lodged in the Kingsway camp at present, but no satisfactory arrangements worth the name exist there with regard to water and latrines. There are altogether eight taps fitted there but water supply remains unsatisfactory in spite of them. The bib-cork has gone out of order in every case excepting one which is the only source of water supply at the moment. A total wastage of water is taking place, but the people remain handicapped to make a proper use of the same. As for the latrine, people queue up for hours together outside it to have their turn. The hon. Sister has asked as to why grants are sanctioned. So I would like to tell you that for a population of 25,000, there are no satisfactory latrine arrangements. The hon. Sister Shrimati Durgabai has misunderstood the position somewhat. There is an acute restlessness evident among the refugees these days. I acknowledge that the Government have gone a long way to help them but it will be wrong to assume that the problem has already been solved completely. Much remains to be done as yet. As many persons as 7,00,000 still live in the camps and there is a necessity to build houses for them. The schemes chalked out by you are limited in their scope inasmuch as they are meant for five, seven or at best 20 to 25 thousands of people only. The same is the case with the medicines. Last year the Government sanctioned some grants towards the provision and distribution of the medicines. None, however, seems to care much as to find it out at the spot whether they were really being distributed or not. On my visit there, I came to know that the sick were unable to procure any of the medicines; there was none to distribute them.

Now I would like to tell you something which may surprise you. When I had been there to see the general conditions of living of the refugees, I noticed that the tents put up for them required repairs. In the vicinity, I found 400 barracks—all empty and unoccupied even though the people were almost dying out of cold nearby. On my enquiry, I was told that they were for use of the police. On further asking why then the police do not come, I was informed simply that they do not come. Here in this report it is alleged that these camps are not under the control of the Rehabilitation Department. Just think that 400 barracks are lying vacant and near those very barracks people are dying of exposure and cold. Then why these persons cannot be accommodated in the barracks? It is due to the fact that there is no co-ordination between the two departments. I had gone there on the 9th and there I saw that the Camps are perfectly open and cannot afford any protection whatsoever against cold, rains or heat. I acknowledge that you stand in need of this grant of money, you need money to undertake extensive repairs and also to purchase new tents. But the tents are nevertheless in this condition.

In the same way I ask of you to tell me what is included in education. It is quite right that teachers are required as well as the building. But you must at least see that there must be some such place where the children might sit to receive education. There I saw that there are only open camps and these cannot afford any protection against cold or rains. There are neither benches for the children to sit upon nor even jute mattings. So much so that not even an ordinary thatch is there. Then what is there? So much of dust and loose earth is lying there. I think that while at homes we perhaps think of cleanliness but there even this is not taken into consideration. If you have to impart education in this manner, if the dirty and stagnant water would be allowed to accumulate as is now the case and if this very arrangement for the distribution of medicines would be continued, then I ask of you as to what is the necessity of sanctioning money for all this. I say that for rehabilitation work

[Lala Achint Ram]

you may demand ten crores of rupees instead of three crores and spend the entire amount or you may have to impose a rehabilitation tax to achieve this purpose, but the money that is to be spent should be properly utilized.

An idea has just struck me. Some money was set apart to provide quilts to the people. These quilts were to be given in the winter season. Now when the winter season begins? It begins from October and lasts till March. But the people get quilts in April. That is how the work is carried on. Now you are presenting a demand that new tents would be purchased. These tents are meant for the winter season. December has already passed. Now I ask you when will they be given these tents, when two more months would have passed. So I think that after saying so much the hon. Minister would kindly take this into consideration and I hope that arrangement would speedily be made, because money you will surely get as this demand would be granted within eight days. I request you to improve the existing arangement for imparting education, improve the water arrangement and also that of distribution of medicines. I acknowledge that you have no money. You have set apart a sum of Rs. one lakh for the tents. From whatever I saw there I have come to the conclusion that all the tents there are worth replacing. The sum of Rs. one lakh is quite insufficient. But how can I ask you to demand more money. But at least I will say so much that the amount of money that you have allotted for other things may somewhat be reduced. If it would be thought practicable to appoint in this department persons on lesser remuneration then I think people can be had because this department is not to last for long. Therefore I think that in the first place make proper arrangements to accommodate them and tap some other sources for money. But for God's sake and for the sake of our country manage the monetary matters wisely lest it may so happen that we may say that as we did not think of that particular matter so it was left out. I do not want to say anything more so I close.

The Honourable Shri Mohan Lal Saksena: Sir, I think hon. Members will remember that at the time of the Budget, when this Demand was under discussion, there was concensus of opinion that the provision made was an under-estimate. As a matter of fact, at that very time, I had stated that because we had not received all the amounts of expenditure incurred by the different provinces which had to be debited to the Central Government, we were not in a position to estimate the amount of expenditure that we will have to incur in the course of the ensuing year. The hon. the Finance Minister had assured me that later on, when it was found that we had to incur more expenditure on relief and rehabilitation, the necessary money would be made available and we could come to the House for a Supplementary Demand. I may also tell the House that, even at that time the Ministry had demanded nearly Rs. ten crores for relief. But in view of the fact that all the expenditure had not been debited to the Central Government at that time, the Finance Ministry sanctioned only Rs. 7,75,00,000. If the whole amount had been sanctioned at that stage, I think we would not have come before the House with this supplementary demand to the tune of some Rs. three crores.

And then there were three or four contributing factors. First of all we had decided that free feeding should be liquidated by the 31st of October. Provincial governments made representations that this was not possible. I may inform the House that one Provincial Government went to the length of saying that we would have to continue this free feeding for three or four years and that it was for the Central Government to set an example and we had to make a beginning from Delhi.

My friend Lala Achint Ram said that he had been to the Kingsway Camp and found 400 tents not replaced. But he forgot to mention that we had removed at least 3,000 tents and provided tenements for the families. The question was whether we should repair the tents or build other accommodation. Ultimately we came to the conclusion that instead of repairing the tents it was better to spend the money on building mud huts. In the city of Delhi mud huts were not suitable and so we decided to remove all these tents in Kingsway, Purana Killa, Kotla Ferozeshah and other places and build nearly 6,000 tenements instead.

Lala Achint Ram: But my objection is why the wear and tear was not contemplated. That is my objection.

The Honourable Shri Mohan Lal Saksena: The whole point is this. We wanted to replace these tents by mud-huts, but in the city this was not possible and we had to build *pucca* tenements. In Delhi we liquidated the problem of free feeding in April and spent the money on building these tenements.

Again we had a very big camp at Kurukshetra; it was in charge of the Government of East Punjab, and they told us that it was impossible to liquidate that camp by 31st October. But much against the advise of even my own officers I took the responsibility of liquidating that camp and we have succeeded in it. We liquidated it on the 31st October, according to our target date.

Similarly there was a camp at Deoli. There was no place to which these people could be taken. It is not correct for my friend Mr. Sidhva to say that we had provided for them at Bhopal and Rampur. As a matter of fact, at that time there were no camps at Rampur or Bhopal. It was only in the month of June that through the help of the Deputy Prime Minister it was possible to start one and settle people on land that we were able to get and we took people from Kurukshetra and Deoli to Bhopal. Again in Rampur you know it was only in the month of August that we decided to take 5,000 persons and we have taken them. Mr. Sidhva stated that we have provided for only 15 families in the Andamans. I do not know from where he got the information. If you look up the answer, there may be some typing error. About 200 families were taken originally and some more families have since gone down. So, I may inform the House that in April there were 7,30,000 persons in camps having free rations. On the 31st of October we had 3,08,900 persons who were on free rations. In the month of November this number still went down to two lakhs and my information is that it is going to be reduced further. For instance in the Province of Bombay and other Provinces, it was not possible to make schemes for rehabilitation, for taking these people from there and, therefore, they had to be fed. There was one other unforeseen item which we have to provide for and it is this, that while in these camps feeding was liquidated, these camps were converted into settlements and now we had to make arrangements for education, health and sanitation. Ordinarily, it should have been the charge of the Provincial Government, but the Provincial Government said that they had no money in the budget and that it would come up only in March next. Therefore, we have to make a provision for health, education and sanitation in all these camps where displaced persons were still living, although they were not having free rations and that accounts for several lakhs in the supplementary demand.

Shri Satis Chandra Samanta: May I know whether the East Bengal refugees are included within these Two lakhs.

The Honourable Shri Mohan Lal Saksena: They are included. When I said about these displaced persons, it includes the East Bengal displaced persons and if the hon. Member wants to know the number, I can give him.

Shri Arun Chandra Guha (West Bengal: General): May I know what is the amount given for that?

The Honourable Shri Mohan Lal Saksena: It is not possible for me to give the amount but the scales were the same as were sanctioned for other displaced persons in other camps.

Shri Arun Chandra Guha: What amounts are to be allotted to the Provincial Governments? Does the scheme include Assam also?

The Honourable Shri Mohan Lal Saksena: I may inform the House that so far as relief is concerned all the expenditure is gratis and so far as rehabilitation is concerned, whatever money is spent, it is treated as a loan to the Provincial or State Governments and there we are supposed to share the losses to the extent of 50: 50.

Shri Arun Chandra Guha: Does the extension of grant include Tipperah and Cooch-Behar?

The Honourable Shri Mohan Lal Saksena: Let me give the information that I have to give first and then if I have time, I will give the information which the hon. Member wants.

Now hon. Members will remember that it is a charge on the Central Government to bear the expenses on the maintenance of unattached women and children and their number is very large and we are running homes and building houses for them. In Delhi itself, we are going to have a women's colony very soon. It will provide for about 2,000 women and children. Similarly, we have got one such colony in West Bengal; there is provision for 1,300 women. and we propose to have in every province at least one such place where all unattached women and children may be kept and looked after and given education.

There was another item of expenditure which we had to provide for and it is when free feeding came to an end. There were persons who wanted to work, but they were not able to earn as much or put as much labour as an ordinary labourer would do and therefore, we had to introduce a scheme of subsidised work. For instance, in a camp like Rajpura and Faridabad and even in East Punjab, we have just sanctioned schemes where although the inmates of the camps are not given free rations, they are given subsidies on a certain scale in relation to the amount of money earned by them and labour is provided to them. We have already started on a semi-military basis labour corps and we shall have also to bear expenditure on these corps and we shall have to subsidise them.

Then I come to the points raised by hon. Members. Mr. Sidhva asked: "Is it six months?" As a matter of fact as I said that though the policy of the Government of India is to liquidate free feeding, it does not mean that we want to leave the displaced persons to themselves—we want to settle them either in business or to give them vocational training or to give them work and in case they are not able to earn sufficiently, we propose to give them even subsidies.

As regards the item 'expenditure', as I have said on a previous occasion, it cannot be denied that there has not been any waste and money may not have been as well utilised as it should have been, but hon. Members should bear in mind that after all it was an unprecedented calamity which had to be faced and then the Central Government could not function if it had not that machinery and we had to depend on the Provincial and State Governments and in such a big organization, there is bound to be waste as well as not much of economy as one would like to have.

As for the provision for housing, our scheme is that before the next summer we shall not have any displaced person without a roof; it may be a mud-house; it may be a brick-built house or it may be an evacuee property house but nobody will suffer. That is our scheme and we are pressing every Provincial Government to make necessary arrangements and I hope this will be realised.

As regards employment, it is not very easy to provide employment to people and especially when they want to be settled in business or want to have some form of employment which they had in Pakistan. Hon. Members will be glad to learn that our Mission to Japan has been successful. We have got seven technicians who have come here and we have certain machinery which, we hope, will be able to provide gainful occupation to our displaced persons and I hope when hon. Members come back in January, they will have an opportunity of seeing this machinery, and if this proves successful, then, I hope, our problem for providing employment will be solved to a large extent.

There is one complaint of hon. Members that the note does not give sufficient information, but hon. Members should not forget that we have already supplied to them two reviews and if they had taken care to read those reviews, they would have found sufficient justification for this supplementary grant (*Interruption*).

In the end, I will assure hon. Members and especially Mr. Sidhva, that the object of the Government of India is to liquidate the problem as speedily as possible, but we have our limitations. I may in this connection inform hon. Members that we have appointed a high power committee which is considering the problem as to how it could best be liquidated with the funds that are available to us or will be available to us in the next two years and as soon as we have the report of that Committee, we shall be able to shape our plans accordingly.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 3,25,00,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Expenditure on Refugees'."

The motion was adopted.

DEMAND No. 88—ANDAMAN AND NICOBAR ISLANDS

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 1,53,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950. in respect of 'Andaman and Nicobar Islands'."

There is a cut motion in the name of Mr. Samanta. It is out of order.

The Honourable Shri Satyanarayan Sinha: It is already 5-30 P.M. The demands may be put together.

Mr. Chairman: It is now 5-30. We have got 3 more Bills. If the House agrees, I will put all the motions, together.

Shri R. K. Sidhva: You put one after another. Is there any guillotine.

Mr. Chairman: Yes, by agreement.

Shri R. K. Sidhva: We were not informed in the morning.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 1,53,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Andaman and Nicobar Islands'."

The motion was adopted.

DEMAND NO. 89—RELATIONS WITH INDIAN STATES

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 16,26,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Relations with Indian States'."

The motion was adopted.

DEMAND NO. 97—CAPITAL OUTLAY ON CURRENCY

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 79,12,53,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Capital Outlay on Currency'."

The motion was adopted.

DEMAND NO. 99—DELHI CAPITAL OUTLAY

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 41,13,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Delhi Capital Outlay'."

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1949-50—RAILWAYS

DEMAND NO. 2—AUDIT

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 2,72,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Audit'."

The motion was adopted.

DEMAND NO. 3—MISCELLANEOUS EXPENDITURE

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 25,64,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending the 31st day of March, 1950, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.

DEMAND NO. 4—ORDINARY WORKING EXPENSES—ADMINISTRATION

Mr. Chairman: The question is:

"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 year ending the 31st day of March, 1950, in respect of 'Ordinary Working Expenses—Administration'."

The motion was adopted.

Shri R. K. Sidhva (C. P. and Berar: General): Is there any guillotine for this also? Sir, the guillotine is fixed by the Speaker by common consent. I have no objection to finishing it but we were never informed that the guillotine will be applied at 5-30. I only wish to draw your attention.

Mr. Chairman: Before Mr. Achint Ram spoke I put it to the House whether the House agrees without any dissention to guillotine being applied because it is not in my power to apply guillotine but if all members agree without any dissention, I would like to put all the motions to the vote of the House at 5-30. Mr. Sidhva was here and did not raise any objection and so by the consent of the House I am putting the demands to the House.

Shri Jaspat Roy Kapoor (U.P.: General): Can a member plead absent-mindedness?

DEMAND NO. 16—OPEN LINE WORKS—ADDITIONS

Mr. Chairman: The question is:

"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 year ending the 31st day of March, 1950, in respect of 'Open Line Works—Additions'."

The motion was adopted.

BANKING COMPANIES (AMENDMENT) BILL

The Honourable Dr. John Matthai (Minister of Finance): Sir, I move:

"That the Bill to amend the Banking Companies Act, 1949, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Deshbandhu Gupta, Shri S. V. Krishnamoorthy Rao, Shri M. Tirumala Rao, Shri Ajit Prasad Jain, Shri Upendranath Barman, Shri T. A. Ramalingam Chettiar, Shri Prabhu Dayal Himatsingka, Shri Surendra Mohan Ghose, Shri Jaspat Roy Kapoor, Shri B. L. Sondhi, Shri U. Srinivasa Mallayya, Shri Jainarayan Vyas, Mr. Naziruddin Ahmad, and the Mover, with instructions to report on the first day of the Budget Session, 1950, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The provisions of this Bill cover two matters of importance. One is the liquidation proceedings of banks and the other is the question of amalgamation of banks. What this Bill seeks to do is to provide means by which amalgamation and liquidation proceedings might be speeded up.

With regard to liquidation, the whole matter was examined by a Committee appointed by the West Bengal Government consisting of a High Court Judge, the Advocate General of Bengal, the Legal Remembrancer and a representative of the Reserve Bank. The recommendations of that Committee were accepted by Government and by the Reserve Bank and an Ordinance was promulgated embodying those recommendations. The main provision in the Ordinance is that the High Court alone has jurisdiction in the matter of the winding up of banking companies and is empowered to decide all claims by or against any such banking companies. That is the main provision. There are other incidental provisions.

With regard to amalgamation, it is important that smaller banks should be enabled to amalgamate with one another in order to provide themselves with more resources for purposes of carrying on banking business and it is also necessary in some cases that small banks in one province should be enabled to amalgamate with banks in another province and with a view to doing this the main provision which is embodied in this Bill is that the amalgamation of one bank with another would have to be approved by a majority of

[Dr. John Matthai]

the shareholders representing two-thirds of the paid up capital of the whole of the Banking Company. The dissenting shareholders will have the right to be compensated by payment of equitable compensation for their shares. At present, as the House knows, under the Indian Companies Act a small minority of dissenting shareholders can hold up the proceedings altogether. This will eliminate that contingency.

There are two other matters which are covered in this Bill. One is the power which is to be given to the Reserve Bank to regulate and control the opening of branches in foreign countries by Indian Banks.

The other matter is a small one, namely, that in the definition of "assets" of banking companies in section 25 of the Banking Companies Act, the term "security" has been left without any qualification. We want to make it "approved securities".

Mr. Chairman: Motion moved:

"That the Bill to amend the Banking Companies Act, 1949, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Deshbandhu Gupta, Shri S. V. Krishnamoorthy Rao, Shri M. Tirumala Rao, Shri Ajit Prasad Jain, Shri Upendranath Barman, Shri T. A. Ramalingam Chettiar, Shri Prabhu Dayal Himatsingka, Shri Surendra Mohan Ghose, Shri Jaspat Roy Kapoor, Shri B. L. Sondhi, Shri U. Srinivasa Mallayya, Shri Jainarayan Vyas, Mr. Naziruddin Ahmad, and the Mover, with instructions to report on the first day of the Budget Session, 1950, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Pandit Govind Malaviya (U. P.: General): May I request you, Sir, to give us a ruling. Even though under the Rules of Procedure there may be nothing against it, I beg you to say whether it is fair that motions for taking into consideration or referring to Select Committee, Bills of such importance should be placed before the House at quarter to six in the afternoon at the fag end of a session? I feel Sir, that the Rules of Procedure are meant to act also as a check against unforeseen abuse of authority. We know that under today's circumstances there is no fear, there is no apprehension, there is no danger of any such thing. But, Sir, Rules are framed and enjoined in order that, even if, unfortunately, at some time there should be an occasion when somebody in authority should like to abuse powers, there should be no possibility of his doing so. I therefore request you to give a ruling whether, even though under the Rules there may be nothing to prevent it, it is fair that a motion of this nature should be brought forward before the House at this hour.

Mr. Chairman: I am afraid there is no point of order in this. In fact the hon. Member was not present earlier in the day when I put it to the House that in case these Bills are to stand over for tomorrow the time for the Sugar Debate will be lessened to that extent. The hon. Member knows that the House is working under great pressure of time, and these Bills have been before the House for a number of days. If we have not been able to take them up earlier it is because of other business intervening. And it was with the consent of the House that I have allowed it to be brought up. There is therefore no point of order.

Pandit Govind Malaviya: The House will agree to anything.

Shri R. K. Sidhva (C.P. and Berar: General): I have been sitting here the whole day. The House never gave its consent that these Bills should be moved at 5-45 and passed immediately.

Mr. Chairman: I am sorry that Mr. Sidhva did not follow me perhaps when I made that suggestion earlier in the day that I would put the Supplementary Demands for Grants at 5-30 and that between 5-30 and 6 we have

to finish these Bills for reference to Select Committee or else we would have to take them up tomorrow which would mean so much time being lost for the other Debate, and also that I was entirely in the hands of the House. The House agreed that between 5-30 and 6 we might take up these Bills and I am putting them.

Shri R. K. Sidhva: My hon. friend Pandit Govind Malaviya has raised a point—even if you have taken the sense of the House—under what rule you can say that between 5-30 and 6 the Bill should be disposed of. Of course in regard to Supplementary Demands for Grants you have fixed a guillotine. But as regards Bills, and in respect of the first reading, under what rule can you say that you have to finish it at six o'clock?

Mr. Chairman: The hon. Member is right that I cannot finish it before six o'clock if hon. Members want to speak. I am entirely in the hands of the House. If the House co-operates, it will be disposed of. If, on the other hand, the hon. Member wants to speak, I will allow him to speak. I made that perfectly clear in the earlier part of the day itself.

Pandit Govind Malaviya: We don't want to speak. We don't want to make it impossible for the Government to go through its programme. I only wanted to know if it was fair.

Mr. Chairman: It was the best course in the circumstances.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): If these Bills are not taken up and finished today, then tomorrow so much time will be taken and the time for the other business will be cut short.

Mr. Chairman: The House knows it. I will now put the motion. The question is:

"That the Bill to amend the Banking Companies Act, 1949, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Deshbandhu Gupta, Shri S. V. Krishnamoorthy Rao, Shri M. Tirumala Rao, Shri Ajit Prasad Jain, Shri Upendranath Barman, Shri T. A. Ramalingam Chettiar, Shri Prabhu Dayal Himatsingka, Shri Surendra Mohan Ghose, Shri Jaspat Roy Kapoor, Shri B. L. Sondhi, Shri U. Srinivasa Mallayya, Shri Jainarayan Vyas, Mr. Naziruddin Ahmad, and the Mover, with instructions to report on the first day of the Budget Session, 1950, 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.

INDUSTRIAL DISPUTES (APPELLATE TRIBUNAL) BILL

The Honourable Shri Jagjivan Ram (Minister of Labour): Sir, I beg to move:

"That the Bill to provide for the establishment of an Appellate Tribunal in relation to industrial disputes and for certain matters incidental thereto, be referred to a Select Committee consisting of Shri Gokulbhai Daulatram Bhatt, Shrimati Renuka Ray, Shri V. C. Kesava Rao, Shri Khandubhai K. Desai, Shri G. S. Guha, Shri Balwant Sinha Mehta, Shri Sita Ram S. Jajoo, Shri Satis Chandra Samanta, Shri U. Srinivasa Mallayya, Dr. Mono Mohon Das, Shrimati G. Durgabai, Shri Mihir Lal Chattopadhyay, Shri Sunder Lall, Prof. Shibban Lal Saksena, and the Mover, with instructions to report on the first day of the Budget Session, 1950, 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 propose to take any time of the House.

Shri C. Subramaniam (Madras: General): Why should there be any speech at all? Why this farce of a debate?

The Honourable Shri Jagjivan Ram: The Statement of Objects and Reasons is quite clear.

Mr. Chairman: The question is:

"That the Bill to provide for the establishment of an Appellate Tribunal in relation to industrial disputes and for certain matters incidental thereto, be referred to a Select Committee consisting of Shri Gokulbhai Daulatram Bhatt, Shrimati Renuka Ray, Shri V. C. Kesava Rao, Shri Khandubhai K. Desai, Shri G. S. Guha. Shri Balwant Sinha Mehta, Shri Sita Ram S. Jajoo. Shri Satis Chandra Samanta. Shri U. Srinivasa Mallayya, Dr. Mono Mohon Das, Shrimati G. Durgabai, Shri Mihir Lal Chattopadhyay, Shri Sunder Lall, Prof. Shibban Lal Saksena, and the Mover, with instructions to report on the first day of the Budget Session, 1950, 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.

MINES BILL

The Honourable Shri Jagjivan Ram (Minister of Labour): Sir, I beg to move:

"That the Bill to amend and consolidate the law relating to the regulation of labour and safety in mines, be referred to a Select Committee consisting of Shri Nandkishore Das, Shri Harihar Nath Shastri, Mr Naziruddin Ahmad, Shri O. V. Alagesan, Shri Basanta Kumar Das, Kaka Bhagwant Roy, Dr. V. Subramaniam, Shri Kishorimohan Tripathi, Shri Raj Bahadur, Shri Brajeshwar Prasad, Shri Damoder Swarup Seth, Babu Ramnarayan Singh, Shrimati Dakshayani Velayudhan, Pandit Balkrishna Sharma, Shri R. L. Malviya, Shri R. K. Sidhva, and the Mover, with instructions to report on the first day of the Budget Session, 1950, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, the whole intention of this amending Bill is to put the Mines Act just on the lines of the Factory Act. I do not want to go into any details. I commend the motion to the House.

श्री गोकुलभाई दौलत राम भट्ट: मैं इस में लालसिंह जी का नाम जोड़ने का सुझाव रखता हूं।

Shri Gokulbhai Daulatram Bhatt (Bombay States): Sir, I propose that the name of Thakur Lal Singh be included in it.

The Honourable Shri Jagjivan Ram: I accept it.

Mr. Chairman: Motion moved:

"That the Bill to amend and consolidate the law relating to the regulation of labour and safety in mines, be referred to a Select Committee consisting of Shri Nandkishore Das, Shri Harihar Nath Shastri, Mr. Naziruddin Ahmad, Shri O. V. Alagesan Shri Basanta Kumar Das, Kaka Bhagwant Roy, Dr. V. Subramaniam, Shri Kishorimohan Tripathi, Shri Raj Bahadur, Shri Brajeshwar Prasad, Shri Damoder Swarup Seth, Babu Ramnarayan Singh, Shrimati Dakshayani Velayudhan, Pandit Balkrishna Sharma, Shri R. L. Malviya, Shri R. K. Sidhva, Thakur Lal Singh, and the Mover, with instructions to report on the first day of the Budget Session, 1950, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Shri H. V. Kamath (C.P. and Berar: General): Sir, it is in the fitness of things that the hon. Minister of Labour should have brought this Mines Bill on the eve of the inauguration of the Free Republic of India. As a matter of fact, when the Factories Bill was discussed in this House, and later when it came up before the Select Committee of which I had the honour to be a member, this question was pointedly raised, in the Select Committee at any rate, as to whether and when the mines would be brought into line with the factories in our country. The Minister at that time, in Committee gave us the assurance that this matter would be taken up at no distant date, and I believe that now in implementation of that assurance, this Bill to amend and consolidate the law relating to the regulation of labour and safety in mines has been brought before the House this afternoon.

This, Sir, is not such an unimportant matter, at any rate in my humble judgment, as to be taken up at the fag end of the day. It may be that to us, sitting here in this comfortable House, on these cushioned benches, regulation of labour and safety in mines appears as a very distant proposition, as a very hazy and airy proposition. I am sorry at the manner of rushing this important Bill, and at the fact that the reference of it to a Select Committee should have been taken up at the fag end of the day. I am sorry indeed that the House, just because it is constituted as it is, is inclined to dismiss or to consider a thing in a light-hearted fashion and refer important Bills to Select Committee without any adequate consideration whatever.

Shri B. Das (Orissa: General): You can discuss it another time.

Shri H. V. Kamath: If my friend Mr. B. Das takes that attitude on this Bill, I for one can't see why all Bills, when referred to Select Committees, could not be treated in this fashion so that the time of the House could be saved: anyhow the Bill would come up later on. I don't know whether Mr. B. Das is personally interested in mines, to the extent that he doesn't care whether or not it is discussed at the time of reference to Select Committee. If that be so, I have nothing to say. It all depends upon what interest a member takes in a particular subject. To me this subject has been interesting in more than ordinary measure. I have lived in a Province where there have been mines of various sorts—coal mines, manganese mines and others—and I have been, I wouldn't say intimately but in a fair measure, connected with the working of these mines in one way or another. I would therefore have desired that this Bill had been taken up in a more businesslike manner, and that the Minister himself might have told the House what the present state of the various mines in our country is and what improvement or progress has been made with regard to the safety and welfare of labour in those mines during the last twelve years, since Congress assumed power in the Provinces at any rate, that is since 1937. What measures were under-proposals are on the anvil in order to regulate the labour and safety in mines? Also, I would like to know from the hon. Minister how mines are worked in other progressive countries such as Britain, America, and countries in Europe. I would not refer to the U.S.S.R.; the information may perhaps not be available with the hon. Minister, and it may perhaps be anathema in certain quarters to refer to the way labour problems are handled in the U.S.S.R. This information would have been very welcome, at any rate to me. I don't know how many hon. colleagues in this House would have desired it. but I was looking forward to a speech by the hon. Minister. I know it was not of his own choice or volition that he made no speech. Left to himself, on a more propitious occasion with more time before him, I am sure he would have been the first to make a speech on this Bill because I am sure he is proud, in his own heart, of having brought such a Bill before the House which, on his own showing, aims at bringing the mines into line with the factories. We passed the Factories Act some time last year and we know how, in moving that Bill, he felt legitimately proud of having presented such a measure before the House.

Sir, this measure is similar to that Act which we passed into law last year, but the Statement of Objects and Reasons in this Bill is not quite complete and does not give all the facts and figures that I for one would have desired in this connection. I have already stated that conditions in mines are not as good or as healthy as they might be or as they should be. We have had in recent years so many labour disputes in various mines and at one time, early this year or late last year, it was felt that Delhi might have to go for many months without any coal. As a matter of fact, in the severe

[Shri H. V. Kamath]

depths of winter, either in December last or January this year, many of my hon. colleagues here who were living in the Constitution House asked me, "What about coal"? We were having no coal at all, not even for..............

I am sorry, Sir, I shall not be able to finish at six o'clock exactly. If you will permit me, I will continue today or else I will do so tomorrow. But I would only bring this to your notice that I am sorry I shan't be able to finish today.

Mr. Chairman: What time would the hon. member take?

Shri H. V. Kamath: Another fifteen minutes.

Some Honourable Members: He may continue tomorrow, Sir.

Mr. Chairman: Yes.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Saturday, the 24th December, 1949.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Saturday, 24th December, 1949

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

QUESTIONS AND ANSWERS

(See Part I)

11-10 A.M.

PAPERS LAID ON THE TABLE

(i) CONVENTIONS AND RECOMMENDATION ADOPTED BY INTERNATIONAL LABOUR CONFERENCE

(ii) STATEMENT INDICATING ACTION PROPOSED ON I.L.C. CONVENTIONS AND RECOMMENDATION

The Honourable Shri N. V. Gadgil (Minister of Works, Mines and Power): Sir, I lay on the Table a copy of—

(i) The Conventions and recommendation adopted by the International Labour Conference at its thirty-first session held at San Francisco in June-July 1948. (*Copy placed in the Library. See No. IV, R.* 01(164)/48.)

(ii) The statement indicating the action which the Government propose to take on those conventions and recommendation. (*Copy placed in the Library. See No. P*-46/49.)

REPORT ON ACCIDENT TO AIR INDIA DAKOTA

Shri Khurshed Lal (Deputy Minister of Communications): **Sir, I beg to lay on the Table a copy of the Report by the Director General of Civil Aviation, Pakistan, on the accident to an Air-India Dakota which occurred on the 27th December, 1947, in Karachi.** (*Copy placed in the Library. See No.* **P-47/49.**)

TRADE RELATIONS BETWEEN INDIA AND PAKISTAN

The Honourable Shri K. C. Neogy (Minister of Commerce): May I have your indulgence to mention a particular matter in connection with the statement that I made this morning. The House would be interested to know that Government are going to publish a White Paper dealing with the issues to which I made reference in my statement this morning. a detailed statement in which honourable members will find references to documents, etc. relating to trade relations between India and Pakistan.

The Honourable Shri K. C. Neogy (Minister of Commerce): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

The Honourable Shri K. C. Neogy: Sir, I introduce the Bill.

MINES BILL

Mr. Speaker: We will now proceed with the further consideration of the following motion moved by hon. Shri Jagjivan Ram yesterday:

"That the Bill to amend and consolidate the law relating to the regulation of labour and safety in mines, be referred to a Select Committee consisting of Shri Nandkishore Das, Shri Harihar Nath Shastri, Mr. Naziruddin Ahmad, Shri O. V. Alagesan, Shri Basanta Kumar Das, Kaka Bhagwant Roy, Dr. V. Subramaniam, Shri Kishorimohan Tripathi, Shri Raj Bahadur, Shri Brajeshwar Prasad, Shri Damodar Swarup Seth, Babu Ramnarayan Singh, Shrimati Dakshayani Velayudhan, Pandit Balkrishna Sharma, Shri R. L. Malviya, Shri R. K. Sidhva, Thakur Lal Singh, and the Mover, with instructions to report on the first day of the Budget Session, 1950, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Shri H. V. Kamath (C. P. and Berar: General): Mr. Speaker, I am aware, Sir, that there is going to be a very important debate after this motion for referring this Bill to Select Committee is taken into consideration by the House, and I know also that that debate will be on a vital issue. I do not propose therefore to take very much time of the House. It is, Sir, in the fitness of things that this session should come to a close on this debate on the sugar situation. There is an old saying that everything must end sweetly. *Madhuren samapayet.* I hope, Sir, that our debate will end sweetly with sugar and its concomitants. Now, I proceed to the motion to refer this Bill to Select Committee, on which I was speaking yesterday when the House rose. I made out the point yesterday that it is all very well that the mines of our country should be brought into line with the factories so far as regulation of labour and safety in those mines are concerned, but I feel that in certain respects we should go further than we have done in the case of factories, because it is very well known that mining and especially working in certain mines is a very hazardous and dangerous operation. During the last century mines in Europe and even in England occupied more attention of the Governments in those countries than the factories. That was necessary because the accidents in mines used to be far more frequent—I refer to fatal accidents—than in factories. It is true that later on they introduced safety devices in mines, but still I am not quite sure whether the measure of safety at present obtainable in Indian mines is the same as is found in mines in Europe or in America or in England. That I would like the hon. Minister to clarify in the course of his reply to this debate. The hon. Shri Jagjivan Ram, who moved this motion, is absent today and the undelivered speech of his is also there which he was about to deliver when the House for various reasons thought it fit to proceed more quickly with this debate. I am sure my hon. friend, Mr. Gadgil, has got a copy of the undelivered speech. I do not want that he should read that speech.

The Honourable Shri N. V. Gadgil (Minister of Works, Mines and Power): I will make my own speech.

Shri H. V. Kamath: My hon. friend, Mr. Gadgil, is more interested in finding out what is inside, under the ground, and in so arranging things that they are brought above the ground, but my hon. friend, Mr. Jagjivan Ram, is concerned with how those things are brought from under the ground to the surface. I hope they work in co-ordination and close collaboration in this matter and there is the utmost co-ordination between the two on this subject. Now, Sir, let me turn to the deficiencies that I find in this Bill. I suppose the Select Committee will give its earnest consideration to this Bill, but I will invite the attention of the hon. Minister and the Select Committee to certain aspects that have struck me after a cursory perusal of this Bill. It is needless to say that the wealth of our country, so far as our mines are concerned is not merely the mines themselves but in the men who also work in those mines. The hon. Prime Minister told us yesterday when he addressed the Members of the Party that the wealth of a nation consists ultimately of the human material, and therefore it is necessary that these men who work in the mines should be very well looked after.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Not the women?

Shri H. V. Kamath: Women do not come very much into the picture so far as the mines are concerned.

Shrimati G. Durgabai (Madras: General): Why?

Shri H. V. Kamath: At least not so much as the men. I am coming to that shortly. I would therefore desire that certain provisions with regard to the regulation of labour and safety in these mines were a little more liberal so far as the workers in the mines are concerned.

I will first take up section 21 of this Bill. It refers to medical appliances. In view of the fact that mining is more often than not a far more hazardous operation than the work in the factories above the ground, I would have very much liked a provision to the effect that the first-aid boxes were more in number than will be provided for under section 21, clause (i). That provides for one box or cupboard of first-aid for every 150 persons ordinarily employed in the mine. And then, Sir, clause (3) of the same section lays down that for every 500 persons there shall be an ambulance room. This is too niggardly a provision for Government to make so far as mining labour is concerned, and I hope the Select Committee will examine this provision very carefully and provide ambulance facilities in an ampler measure than is contemplated in this section.

Shri B. Das (Orissa: General): Who will pay the piper?

Shri H. V. Kamath: Well, I suppose the mines are prosperous enough, nowa-days, though not quite as prosperous as during the war. I am sure the mines can afford to be a little more liberal so far as medical facilities to labour are concerned. That raises the question—I am glad Mr. Das has interrupted—of the reports that we now and then hear to the effect that the output of mines has decreased and that there is perhaps a tendency on the part of workers not to put all their heart into the work. It is, therefore, in the present context necessary to examine why workers are not putting their heart into the work. There may be other reasons, there may be a fear in certain quarters that Communists are operating among the workers; but that of course, the Government is very well able to take care of. But this may also partly be due to the fact that labour feels that their health, and their welfare are not well looked after, as well as they should be. And the best remedy for Communism, or the best antidote against Communism is to provide more social amenities and to see that the life of the common man is richer in material prosperity than it is to-day. Therefore, it is necessary, in my judgment, to pay more attention to these matters.

[Shri H. V. Kamath]

There is another matter in regard to the employment of labourers in the mines and here I refer to section 40. That section permits the employment of adolescents in mines. Personally I feel that it will be better, considering the extensive unemployment in our country and the soring figures of unemployed folk in our country, it would have been better if adolescents had been banned or debarred from employment in mines. There is so much unemployment to-day that I am sure we will get plenty of adults to work in the mines, and this provision enabling the owners of mines to employ adolescents in the mine, I think, should be deleted. They might be employed above ground, not underground. And so also with regard to section 46 which refers to the employment of women in a mine. I hope there will be adequate safeguards to see that this rule regarding employment of women in a mine above ground is strictly enforced with sufficient safeguards against abuse of this provision. I do not know whether in other countries women are permitted to be employed in any mine above the ground to-day. But it would be better, so far as women are concerned, not to employ them in any mines at all. There is plenty of manpower in our country and I think that that manpower could be suitably and fully utilized for working the mines in our country. And the proviso to this is a very pernicious one. I know it is only on the lines of the similar provision in the Factories Act. But as I have already stated, mines should be treated not quite on a par with factories, but the safeguards or provisions here should be more liberal than have been enacted for factory labour. This proviso permits the employment of women between the hours of 5 a.m. and 10 p.m. The section itself permits the employment of women between the hours of 6 a.m. and 7 p.m. but the proviso states that under certain circumstances, women could be employed even after 7 p.m. that is to say, from 7 p.m. to 10 p.m. Though we have allowed this in the case of factories, it should not be allowed in the case of mines, I mean in the case of women working in the mines though above the ground, and the utmost that we can go is to permit their employment over ground between 6 a.m. and 7 p.m. and not between 7 p.m. and 10 p.m. This, I hope the hon. Minister and the Select Committee will bear in mind when examining this Bill.

One more point, Sir, and then I have done. I heard while in Calcutta some days ago that in several mines, the facilities for transport of workers from their tenements or homes to the mine are not adequate. In some cases because the mines have not provided residential accommodation for the workers, they have to live far away from the mine, 4 to 5 miles or even further than that; and the miners find it very difficult to be in time for work at the mines in the early hours of the morning. Therefore, I feel it is incumbent on these mine owners to provide adequate transport for their workers. They may charge a nominal fee, if necessary, but the transport must be there, either tram-way or buses, whatever it be, so that the workers may be able to come from their homes to the mine in time, lest they should be punished for being unpunctual.

There are other points on which I would like to speak, but I would leave them to the Select Committee for the present, as the Bill will come before the House again for discussion after the Select Committee has considered it and presented its report.

I would only say this in conclusion that most of these matters, perhaps, would be remedied, or would be looked after most effectively, only when the State itself takes over the mines. I realise that the resources of our State today are not adequate or equal to the task. But I do hope that the day is not far off when our free Republican India, having set its own house in order, and having mobilised all its financial and human resources, will be in a position to take over these essential means of production and administer them effectively, efficiently and with an eye to the welfare of the miners as well as to that

of the other interests in the nation that are most intimately affected by the working of these mines. We cannot afford to forget that the mines in our country are perhaps only the second best in the world so far as their contents are concerned,—so far as the potential wealth is concerned.—if not the best. And so it behoves us to take adequate steps in the matter so that these mines may be worked to the best advantage of the entire nation. Thank you, Sir. I support the motion.

The Honourable Shri N. V. Gadgil: Sir, I do not want to undermine the sugar debate by making a long reply. There is nothing in this Bill which is very novel or extraordinary or revolutionary. What is attempted in this Bill is to approximate the conditions of workers in mines to those of workers who are governed by the Factories Act of 1948.

Provision has been made for the regulation of working hours, for the employment of women, for granting certificates of fitness, for holidays with pay and compensatory holidays, then for payment for over-time work and for bringing the workers in the workshops which are there and which exclusively work for the purpose of mines under the provisions of this particular Act.

Now the suggestions, to the extent they are useful, in the speech of my hon. Friend Mr. Kamath, I have no doubt, will be considered by the Select Committee. A point was made by my hon. friend Mr. Kamath that we are far behind the other countries. I want to assure him that in so far as ratification of conventions in this respect is concerned, I should say we are not far behind as he apparently thinks. He suggested two points—one was about the nationalization of this industry. Politically this may be relevant but so far as the discussion of this particular bill is concerned, I have my own doubts about its relevancy. So I do not venture to reply so far as nationalization of mines is concerned.

There is nothing more for me to say except that all that has been contemplated in this Act is calculated to make the working conditions better and to add to the facilities which are already existing.

As regards welfare of labour in the mining areas, my hon. friend Mr. Kamath is probably not aware that a lot of buildings have been built. Other facilities are being provided. As regards transport, what he has stated have been noted and whatever is possible will be done in due course.

Mr. Speaker: The question is:

"That the Bill to amend and consolidate the law relating to the regulation of labour and safety in mines, be referred to a Select Committee consisting of Shri Nandkishore Das, Shri Harihar Nath Shastri, Mr. Naziruddin Ahmad, Shri O. V. Alagesan, Shri Basanta Kumar Das, Kaka Bhagwant Roy, Dr. V. Subramaniam, Shri Kishorimohan Tripathi, Shri Raj Bahadur, Shri Brajeshwar Prasad, Shri Damodar Swarup Seth, Babu Ramnarayan Singh, Shrimati Dakshayani Velayudhan, Pandit Balkrishna Sharma, Shri R. L. Malviya, Shri R. K. Sidhva, Thakur Lal Singh, and the Mover, with instructions to report on the first day of the Budget Session, 1950, 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.

SUGAR SITUATION

The Honourable Shri Jairamdas Doulatram (Minister of Food and Agriculture): Sir, I beg to move:

"That the sugar situation be taken into consideration."

Mr. Speaker Motion moved:

"That the sugar situation be taken into consideration."

I find there are a number of amendments and before any discussion of the original motion starts, I would like to know which of the amendments are going to be moved. I will just call one by one and each member may say whether he wishes to move his amendment or not. The procedure will be that I shall first have all these amendments moved; and in view of the length of the amendments, instead of reading them out I shall, with the consent of the House, of course, assume that they will mention the amendments as stated in the Order paper. That will save 5 or 10 minutes of the time which will be available for further discussion.

Shri Ajit Prasad Jain (U.P.: General): Sir, I beg to move:

"That for the original motion the following be substituted:

'This House looks with grave concern at the unsatisfactory development and growth of the sugar industry in India and its failure to come up to the expectations envisaged at the time of granting protection, thereby causing huge loss to the consumer and this House feels even more concerned at the sugar muddle starting from the middle of July, 1949, and causing great hardship upon the consumer and the failure of Government to meet the situation, and is of opinion that a Committee should be set up consisting, among others, of the representatives of industry, cane-grower and consumer, for the following objects:

(1) to study and report on the working of the sugar industry, in particular with a view to see when, if ever, Indian mills will produce sugar more or less at world competitive prices;

(2) to suggest the scheme for re-organization of the sugar industry;

(3) to investigate and find out the responsibility for the recent sugar muddle;

(4) to investigate into the working of the Sugar Syndicate and the various committees and boards set up for dealing with the production and distribution of sugar and the co-ordinating machinery between the Centre and the Provinces in respect of sugar; and

(5) to transact any other matter in connection with sugar which Government may refer.'"

Dr. P. S. Deshmukh (C.P. and Berar: General): Sir, I beg to move:

"That for the original motion the following be substituted:

'That having taken into consideration the sugar situation in the country from and since the 1st of September, 1949, this House wishes to place on record its sense of grave dissatisfaction at the inconvenience and harassment that the people have suffered and are suffering and consequently is of opinion that the Government should institute forthwith a public judicial enquiry into the causes leading to rise in prices of sugar and its scarcity all over the country so that,—

(a) all officers, however high or low, who are found to be responsible for creating or allowing to be created the situation that has come about shall be dismissed and awarded such other punishment as may be deemed desirable;

(b) all properties belonging to any persons or firms who have as a result of the above situation made a profit of rupees five thousand or above by blackmarketing shall be confiscated; and

(c) all sugar mills whose proprietors, managers or directors have sold any quantity of sugar exceeding hundred maunds at a price higher than Rs. 28/12/- per maund at any time after the 1st of January, 1949, shall be confiscated by the Government.'"

Prof. Shibban Lal Saksena (U.P.: General): Sir, I beg to move:

"That for the original motion the following be substituted:

'That the Government do appoint a Committee of five members presided over by a High Court Judge and consisting of Shri R. C. Srivastava, Retired Director of the Indian Institute of Sugar Technology, Kanpur, Shri R. K. Sidhva, Pandit Thakur Das Bhargava and the Mover to hold a public inquiry into the causes of the sudden and rapid deterioration of the sugar situation in the country since July, 1949, and why it could not be checked quickly and to suggest measures to remove the possibility of recurrence of such a situation in future.'"

Shri Mahavir Tyagi (U.P.: General): Sir, I beg to move:

"That for the original motion the following be substituted:

'That this House is of the opinion that with a view to avoid recurrence of crisis in sugar the Government should take immediate steps for lifting all controls and dissolving the Indian Sugar Syndicate.'"

Shri Dip Narayan Sinha (Bihar: General): Sir, I beg to move.

"That for the original motion the following be substituted:

'Having considered the sugar situation of the country this Assembly is of the opinion that with a view to ease present sugar situation and also with a view to have maximum sugar production the following steps be taken,—

(a) that the control which has been recently introduced for sugar distribution be withdrawn;

(b) that adequate transport facilities be given to sugar factories for bringing sugarcane for crushing; and

(c) that the Governments of the United Provinces and Bihar be requested to take steps to exempt sugar factories of their areas from compulsory membership of the Indian Sugar Syndicate.'"

Sardar Hukam Singh (East Punjab: Sikh): Sir, I move:

"That for the original motion the following be substituted:

'That this House is of the opinion that the Government of India do appoint a Commission to make a public enquiry into the rapid deterioration of sugar position in the country and to report,—

(1) who are the persons particularly responsible for this unhappy situation, and

(2) which officials, if any, have been guilty of any neglect, breach or *malfeasance* in their official duties,

so that severe action could be taken against all those found guilty.'"

Shri Krishna Chandra Sharma (U.P.: General): Sir, I move:

"That for the original motion the following be substituted:

'This House looks with grave concern at the present sugar muddle and is of opinion that a Committee be set up consisting of representatives of the sugar industry, canegrowers and the Members of this House under the Presidentship of a High Court Judge to enquire into and report on,—

(1) the working of the sugar industry and the produce of sugar and fixation of price thereof;

(2) the development and produce of sugarcane and fixation of price thereof;

(3) the co-ordination between the Central Government and the Provincial Governments concerned and the machinery therefor;

(4) the control and price fixation for sugar;

(5) the causes of the sugar muddle and the responsibility therefor,

(6) the working and utility of the Sugar Syndicate and the Committees thereunder; and

(7) the measures necessary to avoid the recurrence of the situation.'"

Shri B. P. Jhunjhunwala (Bihar: General): Sir, I move:

"That for the original motion the following be substituted:

'This Assembly having considered the sugar situation resolves that steps be taken to step up sugar production and to de-control it with effect from 1st January, 1950.

[Shri B. P. Jhunjhunwala]

This Assembly further resolves that if at any stage any shortage of sugar be apprehended such quantity of sugar as may be required be imported to keep down the prices.' "

Shri Prabhu Dayal Himatsingka (West Bengal: General): Sir, I move:

"That for the original motion the following be substituted :

'This Assembly having considered the sugar situation resolves that steps be taken to decontrol sugar as early as possible, and to import such quantity of sugar as may be required to keep down the prices.' "

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

"That for the original motion the following be substituted :

'This House resolves that control on sugar be withdrawn and that maximum price be fixed so that consumers may get sugar without difficulty.' "

Shri Basanta Kumar Das (West Bengal: General): Sir, I beg to move:

"That at the end of the motion, the following be added :

'and that having considered the same this House is of opinion that an Inquiry Committee be appointed with a view to ascertaining the causes that led to the situation and the steps that are necessary to avoid its recurrence' "

Shri O. V. Alagesan (Madras: General): Sir, I move:

"That at the end of the motion, the following be added :

'and this Assembly, after having considered the sugar situation, resolves that the Government do appoint a Committee to enquire into the whole matter and submit a report as early as possible.' "

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

"That at the end of the motion, the following be added :

'and that having considered the same this Assembly is of opinion that the sugar situation has not been properly handled by the Government.' "

Shri Balwant Sinha Mehta (United State of Rajasthan): Sir, I beg to move:

"That at the end of the motion, the following be added :

'and that having considered the same this House is of opinion that the sugar control be lifted forthwith and that the Government do appoint a committee of the House under the chairmanship of a person of the status of a High Court Judge to enquire into the whole sugar affair and also to suggest ways and means to see that consumers' interests so far as sugar is concerned are safeguarded.' "

Shri Sarangdhar Das (Orissa States): Sir, I beg to move:

"That at the end of the motion, the following be added :

'and that having considered the same, this Assembly is of the opinion that the Government have failed in their duty to protect the consumer, and that with a view to bring the guilty party or parties, implicated in this artificially created scarcity and in the consequent blackmarket prices, and with a view to prevent the recurrence of such a situation in future, the Government do appoint forthwith a Committee of three with a High Court Judge or one qualified to be a Judge of a High Court as Chairman to make a thorough inquiry into all aspects of the situation and to report within one month with recommendations for dealing with the guilty party or parties.' "

Shri M. Tirumala Rao (Madras: General): Sir, I beg to move:

"That at the end of the motion, the following be added :

'and that having considered the situation, this House calls upon Government to take steps to bring the entire industry from the production of cane to manufacture and distribution of sugar under the control and organisation of a central statutory authority for the whole country, with the Central Sugarcane Committee as a nucleus to start with.' "

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

"That at the end of the motion, the following be added :

'and that having considered the situation in the country as prevailing in the last few months, this Assembly sympathises with the sufferings of the consumers of sugar and *gur* and puts on record its opinion that the controls imposed by the Government, instead of alleviating the trouble, aggravated it to a very great extent and that the present siutation in the country in regard to sugar and other foodstuffs is mainly the result of the present system of allocation of responsibility and absence of efficient machinery for discharging the responsibility and further that for making satisfactory provision for sugar and other foodstuffs for the country, it is fundamentally necessary that full undivided responsibility be taken by the Centre and an effective machinery for implementing the policies in the Provinces be immediately evolved.' "

The Honourable Shri Jairamdas Doulatram: Sir, Government welcomes this opportunity for a discussion on the sugar situation.

Mr. Speaker: I forgot to mention to the House that Members may remember that there is a time-limit of 15 minutes. The hon. Minister will get half an hour as the mover of the original proposition and he will get some more time for replying also.

Shri B. L. Sondhi (East Punjab: General): As there are 17 amendments nobody except the movers of amendments will have any chance of speaking.

The Honourable Shri Jairamdas Doulatram: I do not propose to take the full half-an-hour.

Sir, Government welcomes this discussion because it enables the House to express its views in regard to a situation which resulted in very considerable inconvenience to the public. It is but natural that whenever any developments take place which affect the public vitally, an opportunity should be available to express the views of the representatives of the people on that situation. Government also welcomes this opportunity because it has enabled it more fully than was possible before, to place the full facts before the House. I have circulated a note giving a fairly full picture of the various stages in this situation and how things developed until we felt that Government would have to intervene and take adequate steps in the matter. I do not propose, in view of that full note placed before the House, either to reiterate those facts or to elaborate them. If it is necessary to refer to those facts more fully than has been done in that note, I will do so at the end of the debate.

Government wish to give the House the fullest opportunity of expressing itself with regard to the situation as well as the concrete suggestions which are contained in the various amendments. I feel it will be helpful if, with regard to one important suggestion which is practically common to most of the amendments, I stated my view at the very start. That suggestion relates to an inquiry being made as to how an apparent or real surplus of sugar was converted into an apparent or real shortage of sugar, and all the consequences which followed from it. Now, Government welcomes an inquiry into all these happenings ever since the month of June because where the public feels acutely in regard to a matter and has also suffered a great deal, it is desirable and helpful and proper that there should be an inquiry and, therefore, Government is clear that there should be a proper inquiry in regard to these happenings.

The suggestion with regard to this inquiry relates to two definite aspects of the sugar question. One is the basic and wider aspect dealing with the fundamental problems of the sugar industry, how far protection is deserved, how far the Indian sugar industry can stand on its own legs, how the sugar industry should be rationalised, and other connected problems. The other suggestions with regard to an inquiry relate to the happenings of the last few months.

[Shri Jairamdas Doulatram]

Now, with regard to the exact method of this inquiry, there is one consideration which is very prominent in Government's mind. We are on the eve of the report of the Tariff Board, not only on the basic problems of the industry to which I have referred, but also on the recent happenings which have occurred during the last five or six months. I understand that in the course of the next two or three weeks the report of the Tariff Board dealing with both the basic and the immediate problems will be before Government. It is not possible for Government to say how far that report, dealing with the recent happenings in regard to which the Tariff Board made enquiries from the Central Government, from the Provincial Governments, from the industry, from the trade and from various organisations connected with the industry, will cover all the points which have been discussed in the public and which are included in the amendments of hon. Members. Therefore, Government feel that a full inquiry has to be made in regard to these happenings, and to the extent that the Tariff Board has not covered any aspect of these recent happenings, Government will have to take steps to have a fuller inquiry made with regard to these remaining aspects. That means every issue which has been raised with regard to the recent happenings will be enquired into fully and adequately and by a competent body. Exactly how this definite promise will be implemented, will partly depend upon the report which we will get at the end of two or three weeks and partly after considering it upon our discussion among ourselves as to what further measures should be taken. But I want to assure the House that no single aspect of the recent happenings will be allowed to remain unenquired into; the whole thing will be enquired into by a body which I expect will thoroughly satisfy the House.

Then, in the amendments have been raised two or three other very important questions. It is helpful if we get a free and frank expression of the views of the Members of the House in regard to those issues. These issues relate, firstly, to the question of control or de-control. It would not be possible, naturally, for Government to express its views on this issue, but we shall listen with respect and attention to whatever views are expressed by the Members of the House on this particular issue which has been raised in most of the amendments.

The other issue on which also the views of the House will be helpful relates to the future of the Indian sugar industry and the need of the Central Government having more direct voice and responsibility not only in regard to sugar but also in regard to sugarcane and in all the decisions which have to be taken in regard to both these matters. I would not take further time of the House. As I said, if necessary, I will say at the end what has to be said in reply to any of the questions raised. But I would suggest that the views of the House might be freely expressed on these two or three issues which arise from these amendments.

Shri Ajit Prasad Jain: Sir, I warmly welcome the announcement of the hon. Minister about the appointment of a committee to investigate into the sugar affair. I further welcome his announcement that he would like to have a free discussion and a free expression of views on some of the outstanding problems in relation to the sugar industry. As the hon. Minister has stated, there are two aspects of this problem: one, the industry in general, and the other is the recent muddle in sugar. Ordinarily I would have preferred to deal with the general question first and with the sugar muddle afterwards, but as you have been pleased to say that there is a time-limit of fifteen minutes, I would rather begin the other way.

There was a carry-over, from the year 1947-48, of 1.75 lakh tons of sugar. Opinions have differed about this carry-over and the President of the Mill Owners' Association, Mr. Shanti Prasad puts it at 2.02 lakh tons. But I will not go any further into the controversy about the carry-over. The manufacture of sugar in the year 1948-49 was 10.20 lakh tons. Thus, at the beginning of the

present year, we had very nearly 12 lakh tons of sugar. Things went on in a normal manner till the end of June. There was no notable rise in price and the stocks appeared to be moving, more or less, in a normal manner. About the end of June, a strange state of affairs was revealed. It was found that the stocks in the hands of the mills in the U.P. and Bihar at the time were only 3.26 lakh tons. As regards the mills in the rest of India, most of the production of those mills was consumed by the end of June, which will be apparent from the stocks which were seized in the beginning of August and which were only about 15,000 tons. Therefore, about the end of June, the position was that the stocks of sugar had been very much depleted. During the six and a half months, that is the second half of December 1948 and the first six months of 1949, we had consumed no less than 8.5 lakh tons of sugar. Now, Sir, let us compare this consumption with the consumption of sugar in the year 1947-48. The total consumption of sugar in the year 1947-48 was less than 10 million tons, to be more exact 9.96 lakh tons. It is surprising that within almost 6½ months we had consumed 8.5 lakh tons compared to 9.96 lakh tons for the whole year 1947-48. In fact, Sir, these are only the figures of releases and I doubt if all this sugar was consumed. It has been said that part of this sugar may have been smuggled out to Pakistan. I am not sure whether and what quantity of sugar was smuggled out to Pakistan. Again, Sir, Government have tried to explain the increased consumption of sugar by the following facts:

(1) increase in population;

(2) increase in the habit of sugar-eating;

(3) lower sugar price compared to 1947-48; and

(4) easier availability of transport facilities.

but even after taking all these factors into account, I think the huge consumption requires an explanation. So the first question which is foremost in my mind is this: Where did this sugar, which could not have been actually consumed, go? My own apprehension is that it was concealed by the mill-owners, by the wholesalers and by the retail sellers, in order that they may take advantage of a rise in the prices.

Again, Sir, I am quoting the figures of U. P. and Bihar. At the end of June in the year 1948 the stocks in the hands of mills were 5,03,000 tons and on a corresponding date in 1949 the stocks were, as I said a moment before, 3,26,000 tons, *i.e.*, the stocks in the hands of the Mills at the end of June 1949 were 1,77,000 tons less than what they were in the preceding year on the 30th of June. Assuming that the monthly consumption of sugar is 1,10,000 tons, a figure accepted by the Agricultural Ministry, we had 5½ more months to go, that is, we would require during the remainder of the year about 5,80,000 tons of sugar. That was the position. We find that on the 24th of June Government granted a permit for the export of 50,000 tons of sugar to Pakistan. I do not know whether it was the Commerce Ministry or it was the Agricultural Ministry or it were both who granted this export permit. Fortunately not one grain of sugar was sent, but I have yet to know the explanation why when our sugar stocks had been depleted, and we did not have enough of sugar to go for more than three months, this export permit for Pakistan was sanctioned. I have an apprehension, Sir, that the sugar industry had the better of us; the sugar industry was trying to create a scare by two-fold means namely by setting afloat a rumour that sugar was scarce and that sugar was going to be exported to Pakistan. That point, Sir, is also one which also requires investigation.

Sir, I have said that the stocks about the end of June were depleted. During the next two months, July and August, the position became even more acute. In the month of July the releases were—I am only confining myself to U. P. and Bihar, because the rest of India becomes comparatively less important 98.52

[Shri Ajit Prasad Jain]

thousand tons. In August the releases were 1.21 thousand tons, that is, during these two months no less than 2,20,000 tons of sugar was released leaving a balance of 1,21,000 tons. On the 16th of August there was a fact-finding Committee called by the hon. Minister of Agriculture.

12 NOON

In that Committee the representatives of the industry, the representatives of the U. P. and Bihar Governments were present. I ask you why did you not take the decision to freeze sugar in that Committee:

Sugar had been fast disappearing. The price was rising in the month of July and at an average the rise in price had been Re. 1-2-0 per maund, that is Rs. 30 per maund and worked out on releases, it means that the mill-owners had made a profit of Rs. 30 lakhs. In the month of August, the rise in the prices—I am quoting the average, was Rs. 5-2-0 per maund, that is the mill-owners were making a profit of Rs. 140 per ton that is a total profit of Rs. 1,70 lakhs. During these two months the mill-owners had made a profit of about 2 crores of rupees. I want the hon. Minister to explain why he sat quiet for $1\frac{1}{2}$ months without taking any step whatsoever to arrest this deteriorating situation about sugar. That is the profit which the mill-owners have made but the trade, that is the whole-salers and the retailers, must have made a profit twice or thrice as much, about 5 or 6 crores, for sugar in the retails sometimes went as high as Rs. 2, Rs. 3 and Rs. 4 per seer. Thus, Sir, the consumer was fleeced of no less a sum than 6 to 8 crores of rupees, when the Government sat calling conferences, meetings, committees, when every Housewife was worried that she could not sweeten her child's milk with a pinch of sugar, the Government was fiddling with committees, boards and conferences. This is another point, Sir, which has got to be explained.

Then, Sir, there is the action of the U. P. Government. On the 26th of August 1949, the U. P. Government passed a freezing order on sugar in the United Provinces. That order related only to the mills. Now, sugar is an All India commodity. I have good reason to believe that the U. P. Government did not make any reference to the Central Government before freezing this stock of sugar. There has been some dispute as to when the U. P. Government informed the Central Government. U. P. Government says that, immediately after freezing the stock, they informed the Central Government. There has raged a great controversy about sugar-freezing order of the U. P. Government. It has been said that 30,000 tons of sugar disappeared between 26th August and 2nd September when the Centre's freezing order was passed from the market in the rest of India. Nevertheless U. P's freezing has one bright aspect that is out of 1,20,000 tons frozen all over India, the U. P. Government froze 80,000 tons of sugar and if this sugar were not frozen, we do not know what it would have come to. When the Central Government froze stocks of sugar on the 2nd of September, for one whole week and no arrangements for the distribution of sugar were made. I am yet to come across an explanation orders for immediate freezing of sugar on 27th August were not passed and why arrangements for the distribution of sugar were not made beforehand. Another question is why stocks in the hand of the trade which were considerable very nearly in the tune of 1,25,000 to 1.50,000 tons, were not frozen. These stocks were sold at black-market rates. And, Sir, the worst feature of the situation is, that the United Provinces Government have been blaming the Centre and the Centre have been blaming the United Provinces Government.

The millowners have been blaming both the Central and Provincial Governments. The merchants have been blaming both the Government and the Syndicate. The public has suffered. One does not know who is responsible. On the 12th of September the U. P. Government came out with a statement in which they called the action of the Centre in freezing sugar as "high-handed". On the 16th of September, a spokesman of the Central Government said that it was the U. P. Government which had compelled the Centre to freeze stocks

of sugar and if the Centre had not done so, no other portion of the country except U. P. would have got any sugar. Another spokesman of the U. P. Government, two days later, said that the spokesman of the Central Government had made an "irresponsible" statement. The President of the Mill-owners' Association, Mr. Shanti Prasad, says that it is the action of the Government which has created this scarcity. Mr. Narang says that because the Government did not go slow with sugar releases, this scarcity has come about. Merchants say that it is the millowners who have made these profits at the cost of the consumer. In this confusion, I think it is time that the Government should investigate and find out who is responsible for this muddle.

Shri Jaspat Roy Kapoor (U. P.: General): Are not the consumers equally to blame, because they consumed more sugar?

Shri Ajit Prasad Jain: No, that is wrong. In fact, one Government is accusing another. Those who are concerned with the production and distribution of sugar are also wrangling among themselves and accusing one another. I think it is time that the responsibility must be fixed and the guilt of the party who is responsible established. I therefore welcome the suggestion for an Investigation Commission. I regret that I have no time left to discuss the position of the Sugar Industry in general but the case against the Sugar Industry is so obvious that it does not need much argument.

Shri M. Tirumala Rao: Before you call on the next speaker, I beg to make a submission. There are eight amendments asking for the appointment of a commission and five asking for de-control. I would like you to control the discussion.

Mr. Speaker: I think the discussion can be better controlled by Members themselves not repeating the same arguments, and stating just their points in short. Everybody is anxious to speak and I am prepared to give chance to everybody, or rather, I am anxious to give chance to as many hon. Members as possible. But if there are repetitions, I shall be helpless. I shall make a selection, and not necessarily give chance to everybody who has moved an amendment. So far as I can, I shall call upon different representative views to be placed before the House. That is my idea. Of course, I do not know the particular views held by each hon. Member, but I shall select. That is the position I am taking now.

Prof. Shibban Lal Saksena: I am very glad that the hon. Minister of Agriculture and Food has accepted the substance of my amendment. That makes my task much easier. Still, I shall give in broad outline my own conclusions about the sugar muddle on the basis of my study. It is admitted even by the Government that they had a production of 10.2 lakh tons during last year. I would point out in this connection a serious departure which Government have made in the past practice. The sugar year has throughout been taken from 1st November to 31st October and in all publications of the Commerce Ministry the consumption figures are calculated from 1st November to 31st October. But in this note, the sugar year has been calculated from 1st December to 30th November. In this way, the amount of the carry-over has been shown to be reduced by about 50,000 tons. They have said that the carry-over is only 1·75 lakh tons, but even according to the figures of the Syndicate the figure is 2.36 lakhs. I hope Government will rectify this error and take the sugar year in the manner which has hitherto obtained, so that the figures may be comparable with those of the previous years.

Another thing that I want to point is that Government have, unfortunately, taken the figures from the Sugar Syndicate. This should not have been done. The Sugar Syndicate is after all one of the parties The merchants have their own figures. The Government must not depend upon anybody else. They

[Prof. Shibban Lal Saksena]

must have their own independent agency for collecting these figures. Government have already got the Excise Department. There is not a single grain of sugar which leaves the godowns without the tax being collected. I therefore insist that Government must appoint their own independent machinery to collect figures of stocks, depatches and sales of sugar from month to month. In fact, they must have obtained the figures from the Exeise Department returns and other returns, so that they may be exact.

Another thing that I wish to bring to the notice of the hon. Minister is that the Sugar Institute was under the Central Government till the year 1944. Since 1944 it has come under the Sugar-cane Committee, which is really the Sugar Syndicate, because it is dominated by millowners. What I want is that this Institute at Cawnpore should come under the direct control of the Government and the Director of the Institute should be perfectly independent, which he is not at present. At the present moment, the Institute is influenced by the Syndicate and the millowners and it is really not independent enough to give correct figures. I do not cast any reflection on anybody.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Which Institute is the hon. Member referring to?

Prof. Shibban Lal Saksena: The Indian Institute of Sugar Technology in Cawnpore, which is the only institute of its kind in the country. Till 1944 it was directly under the Central Government.

Shri M. Tirumala Rao: May I draw the attention of the hon. Member......

Mr. Speaker: No. Let him proceed.

Shri M. Tirumala Rao: But he is arguing on a wrong premise. This Institute is under the control of the Central Sugarcane Committee.

Mr. Speaker: Let there be no interruption. Otherwise, there will be no end to this debate.

Prof. Shibban Lal Saksena: Since 1944 it is under the central Sugarcane Committee, but before that it was directly under Government. My point is that if it is directly under Government, it will have independence and there will be no occasion whatever for the majority to dominate in the Sugarcane Committee. I want that the millowners should not have any say in the matter. It is only then that it will give us correct statistics which, at present, have been vitiated in the way I have explained. In fact, I was surprised that the Government have, in their note,—in the very first statement—given the figures of despatches and stocks taken from the Syndicate itself. In fact, these figures reveal the whole mystery. If you take the recent figures for your premise, I think the whole thing becomes vitiated. Similarly, in other figures also. I would therefore urge that the Government must see that they have their own independent agency which can give them correct figures on which they can safely proceed.

Coming now to the sugar muddle itself, I can say briefly that there was a production of 10 lakhs tons in the last year. It is agreed on all hands that this is so. It is also correct that there was a carry over of 1.8 lakhs tons in December and 2.36 lakhs tons in November. This carry-over of 2.36 lakhs is also the carry-over of the Syndicate and the Institute on 30th November. Now if you add 10·2 lakhs tons and 2·36 lakhs tons, there was clearly 12½ lakhs tons of factory sugar available from 1st November 1948 to 31st October 1949. Now the figure of consumption according to the Commerce Ministry for *Khandsari sugar* is about 1 lakh tons. So we can safely say that there was not less than 13½ lakhs tons of sugar available for consumption in this country from 1st November 1948, to 31st October 1949, which is the normal sugar year. Now, Government also admit in their note that the figure is about 12 lakh tons. They have ignored the *Khandsari sugar*. If they had taken that also, the figure would be 13 lakhs tons. They say that the consumption figures have risen to 13 lakhs tons. It is this point on which we differ. I say that nobody can believe that the consumption has risen to this height. I have given in my pamphlet, which has been distributed to hon. Members, figures of consumption since 1934-35 for thirteen years. During this whole period, the consumption has varied from 9 lakhs tons to about 13 lakhs tons and in one case 13¾ lakhs tons. The average is 11¼ lakhs tons. So in undivided India the average consumption of sugar over a period of thirteen years from 1934 to 1947 was 11½ lakhs tons. Out of this three lakh tons is the normal consumption of areas which have now gone to Pakistan. Thus there was only 8½ lakhs tons of sugar which used to be normally consumed on an average in the country.

If you take consumption you will find that consumption was at its highest when sugar was cheap. Sugar consumption went down when sugar became dear. During the two seasons preceding partition consumption of sugar was 10 lakhs and 10½ tons. The price of sugar had suddenly risen from Rs. 16.4 in 1945 to Rs. 20.14 in 1947. An increase of Rs. 4 per ton brought the consumption down by 2 lakhs tons.

This was the position until the partition. After partition there was decontrol in December 1947. That gave a fillip to the consumption and those people who could not get their full quota during the control years got their full quota. Now if 10½ lakh tons was the consumption in the preceding years, that means there was only 7½ lakhs tons consumed in the areas falling in the Indian Union during the years 1945—47. For the year 1947-48, after partition, the figures given are 9.90 lakhs by the Director of the Technological Institute. Mr. Shanti Prasad Jain gives the figures as 9.26 lakhs tons. I will take the bigger figure and assume that the consumption had increased to 10 lakhs tons. So the consumption in the year 1947-48 was 10 lakhs tons. In other words from 7½ lakh tons it jumped to 10 lakh tons, which means an increase of 2½ lakh tons. Whatever factors may be attributed to this increase—the sugar habit of the people, more money in the coffers of the people, decontrol—all these played their part in the year when consumption jumped up from 7½ lakhs in 1946-47 to 10 lakhs in 1947-48. Now we are asked to believe that there was a further increase in the year 1948-49. I say that nothing of that sort has happened. It is now well known that prices fixed for sugar last year were not maintained. There was a commission given by the Mills with the result that prices rose up to Rs. 32 and 33 a maund. This year in April-May-June the price was Rs. 30-13-0. Later it rose up to Rs. 32 and even to as much as Rs. 35. That means the average price of sugar this year has been considerably higher. If anything, this could have only led to a fall in consumption. The factors of change in the habit of the people, and more money in their pockets had all begun to play their part even earlier. I, therefore, say that there is no reason to believe the consumption figure of 13 lakh tons given by Government.

And who was responsible for this? I cannot really blame the Minister of the United Provinces, or Bihar or even of the Government of India. The real reason is this. They are the creatures of an organisation which they themselves have set up. By creating the Sugar Syndicate they have given it a monopoly. This Sugar Syndicate dictates the sugar policy of the Governments of the United Provinces and Bihar and also of the Government of India. And in spite of our best wishes to control sugar, we cannot do it. The fact is that they created this body—a monster which is eating into their vitals.—So long as the monster remains, even the best man there will be unable to control either the production or the prices. Circumstances as they were, they could not do anything. What naturally happened was this. The Sugar Syndicate knew that

[Prof. Shibban Lal Saksena]

there was an exportable surplus of 3 lakh tons. They also knew that if they were to export it abroad, they would not get very high profits. So they managed to bring about an artificial scarcity in the country. In fact, the country has paid from 16th December 1948 to 1st December 1949 a sugar levy of 4 annas a maund and the Syndicate has collected Rs. 75 lakhs out of this levy. What I, therefore, demand is that there must be a full enquiry into this matter. This much is definite that the whole thing has been very badly mismanaged and the Syndicate has succeeded in bringing the Government to its knees. In fact on the 20th June they knew they had at least 50 per cent of their stocks in their godowns. The released quota was passed on to their agents in Bombay Calcutta and other places to be sold in black market. It is quite easy for Government to find out from the Railway records as to where the consignments of sugar have moved, where it is hoarded and black-marketed. The men who are responsible for cheating the public to the extent of Rs. 20 crores should be hanged. In fact during the last two months of October and November the country has lived on 70,000 tons, whereas the normal consumption is 2 lakhs tons. I can easily prove that the Syndicate and the Millowners have cheated the public to the tune of Rs. 20 crores.

Now, Sir, I come to the main question of the Syndicate. What is the Sugar Syndicate? The Syndicate was formed in the year 1937 in the United Provinces. I opposed its formation tooth and nail even then; but, as usual, the Government turned a deaf ear. The main object of the formation of this body was to maintain the price of sugar cane. For the first two years of its working the Syndicate maintained sugar cane prices very well. In the third year the Syndicate said that unless cane prices were reduced from 10 annas to 6 annas they would close down the factories. The Government had to yield. The one purpose for which the Syndicate was formed—that is, to maintain the cane prices—was defeated by their threat to close down their mills.

The very same trick they are playing this year as well. They said we shall not start the factories until you raise the price of sugar. The Government had again to yield, for they took from Government at least Rs. 2½ crores by way of concessions for the 2 lakh tons of sugar which will be produced in excess. Therefore, I say that unless you dissolve the Syindicate you cannot proceed further. If you see the results of the working of the Syndicate you will be astonished. From 39 in 1937 the number of sugar factories rose to 150. During the twelve years of its working the Syndicate has been able to eliminate competition, both internal as well as external, with the result that it has built up a wonderful monopoly. They are now in a position to dictate to the Government, dictate to the cane-growers and dictate to the consumers. This kind of monopoly is responsible for this sugar racket.

Sir, there is then, the question of decontrol. I say that it is time that you decontrol sugar. If you decontrol sugar, you should also dissolve the Syndicate. Because, if you do not dissolve the syndicate, they will be creating difficulties which will raise the prices. The two things must be done simultaneously: dissolve the syndicate and decontrol sugar. There is enough sugar in the country; there are at least fifteen lakhs of tons of sugar. There will be no scarcity; we need have no fear on that account. On the other hand, we will have over-production. Sir, I support the motion of the hon. Minister.

Shri Dip Narayan Sinha: Sir, of all the industries of this country, the sugar industry is taken to be the most organised. One has, therefore, to hang down one's head in shame to find that the whole country was allowed to be involved into a sugar crisis of an ugly nature which could have been avoided. It is said that the crisis was an out come of shortage of sugar. I do not agree with that view. All who know things seem to be unanimous at least on one point and it is this. Not less than twelve lakhs tons of sugar were available in the country during the year of crisis. There is complete unanimity on this figure. There is of course a difference of opinion on the question of consumption. But if a reference is made to the statistics on the subject, it would be found that in undivided India, consumption stood always in the neighbourhood of 11 lakhs of tons per year. It is said that recently in this country consumption has increased, due to increase in population, introduction of prohibition in some parts of the country and rise in the purchasing power of the general masses. These points, I would submit, are very controversial. But granting that there had been some increase in consumption, the sugar available in the country should have been enough for normal requirements if we take one simple point into consideration. It is this. The areas which now constitute Pakistan used to consume 1.8 lakhs tons of sugar when India was undivided. The causes, therefore, in my opinion, are something other than shortage of sugar.

The causes of the origin of the crisis and its intensification, in my view, are these: release of sugar quotas by the Indian Sugar Syndicate to its constituents in larger measure than was the practice in previous years; a press report appearing on the 24th of June that the Government of India have decided to allow the export of sugar outside the country; a declaration by the Food Commissioner of the Government of India on the 10th of August that the area under sugar cane would be reduced to the extent of ten per cent.; seizure of sugar stocks available with the manufacturers on two different dates namely 26th August and 2nd September, 1949 by the United Provinces Government and the Government of India respectively; want of co-ordination between the various organisations existing in the country which deal with sugar and sugar-cane; and finally the introduction of recent control for distribution of sugar. I would not like to take the time of the House to explain all these points. It would suffice to say that a series of events happened which I have just enumerated and in my view these events conspired together to bring about the present position of scarcity. Last of all came the introduction of control which completed the whole picture leaving the country in chaos and confusion.

At this juncture, two questions arise, namely, is the sugar situation capable of an easy solution, and whether it is possible that in this country enough sugar can be produced which could be made available to the consumers at a reasonable price. My answer to these two questions is very definitely in the affirmative. To ease the present situation and to kill the excitement and tension which are there in the country over all that has happened in connection with sugar, I would make one simple suggestion. It is this.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairmen)*].

The recent control which has been introduced for distribution of sugar should be withdrawn. I would suggest with all the emphasis at my command, that a declaration to that effect should be made on the floor of the House before the sugar debate concludes. Of course, it would be necessary to keep an eye on the movement of sugar from region to region and from month to month. I think that can be easily done. The Government of India has got vast resources at its command and they can know, if they so like, the accurate and complete movement of sugar from month to month.

The second question is rather very important, and I would like to take a few minutes time of this House on that subject. It is quite possible to produce enough sugar in this country which would be cheap too. There are enough resources available in this country, which, if properly utilised, would produce the desired results. There are 135 sugar factories, at present working in the country. With their present equipment they can produce the required quantity of sugar, I am sure. Our sugar-cane growers with their present knowledge and experience are in a position to produce enough cane for gur and

[Shri Dip Narayan Sinha]

sugar. What is necessary is careful planning and work with a vision. I have already said that there is want of co-ordination between the various organisations existing in this country which work in connection with sugar and sugarcane. It is very necessary that complete co-ordination should be secured between them. No doubt some of them are doing useful work in their respective jurisdictions. Hon. Members of this House should realise that there are items of work which are of local or regional importance. These items do receive due attention at the hands of the organisations referred to above. But there are items which are of an all-India character and all-India importance. These items do not receive the attention which they deserve. They are neglected more often than not. It is therefore very essential that there ought to be one central agency in this country which might be entrusted with all the works which are of all-India importance and character. I have one suggestion to offer in this respect. There is the Indian Central Sugar-cane Committee which has been appointed by the Government of India. This Committee of course is working at present under certain handicaps. If those handicaps are removed and all the items of work which are of all-India character entrusted to it, I think the Committee would be in a position to show results according to a fixed schedule. What is necessary is that this Committee should have so to say, 'Dominion Status so far as its normal functions are concerned. With the grant of that sort of status. the Committee. I hope, would be in a position to deliver the goods.

Pandit Lakshmi Kanta Maitra: Give it Commonwealth status.

Shri Dip Narayan Sinha: Sir, what would happen next year? It has been said on many occasions that unless enough sugar is produced, the sugar situation would not be solved. If it is possible to produce about 12 lakh tons of sugar, during the coming year, there would not be any trouble whatsoever. Is it possible that that quantity of sugar can be produced? I can say with definiteness that if proper efforts are made, that quantity of sugar can be produced. To produce 12 lakh tons of sugar, we require about 120 lakh tons of cane. Is that quantity of cane available? If we refer to the figure of acreage under cane, it might be safely presumed that that quantity of cane would be available. At present 3·7 million acres are under cane cultivation. What is needed is that an immediate survey of the cane available in the areas of the sugar factories should be made and attempts should be made to find out what deficiency of cane would be there.

Shri B. Das (Orissa: General): What is the Sugar Committee doing? Just now, you said that the Sugar Committee is doing good work.

Shri Dip Narayan Sinha: If a survey is made, it would be possible to know the quantity of cane which would be available and if due facilities are given to sugar factories for transporting the same, I believe the required quantity of sugar would be produced during the present crushing period.

Sir, I am definitely against any import from outside both on the economic and sentimental grounds. If we allow the gate of import to be opened at this stage, the industry which has been so far developed and which has been able to do some work which is worthy of consideration would be killed. I know there is anger in the atmosphere over what has happened in connection with sugar. There is ample justification also for this. But I would submit that in a mood of anger, we should not allow anything to happen which might endanger the position of the sugar industry which it has acquired so far.

I would like to say a word about the Sugar Syndicate. My suggestion is that the Governments of the U.P. and Bihar should be requested to exempt the sugar factories in their areas from compulsory membership of the Sugar Syndicate. That step is very essential and should be taken immediately. I have heard that the Government is going to appoint an enquiry Committee. That Committee will necessarily take time and by the time its report is submitted the present opportunity for maximising sugar production which is the need of the hour would have disappeared. Therefore the suggestions which I have made require immediate consideration and if they are implemented, I am sure the present sugar position would be solved and we would also be in a position to solve the larger issue; *i.e.*, producing enough cheap sugar in the country.

Acharya J. B. Kripalani (U.P.: General): Sir, your predecessor in the Chair said that Member should avoid repeating themselves. Therefore, Sir, I will not cover the ground that has been covered by the previous speakers. Two things come very clearly out of the muddle in sugar. One is that our capitalists want to make our Government impossible, that whatever protection the nation may give them, on account of their short-sighted policy and unpatriotic conduct, they are betraying the interests of the country. But this could have been expected, because capital has always behaved in India in the same fashion. There may be hon. capitalists but capital as a whole was determined to betray the country before and is determined to betray the country now. They forget that they are sitting on the tree and filling their pockets and at the same time cutting the roots of the tree. These people think that they will live when India will not live. But this the Government should have anticipated.

Another thing that comes out clearly is that our administration is neither efficient nor clever. It has been said that at least 13 lakhs of tons of sugar were available in the market. The utmost consumption of sugar up to this time has been in the neighbourhood of ten lakh tons per year. Therefore there was an apprehension that 3 lakh tons of sugar will be available for export and this apprehension was provided against when the merchants, when the manufacturers, were allowed a levy of four annas per maund to enable them to export sugar at lower prices to other countries. And from this they have been able to collect fifty to seventy-five lakhs of rupees. These facts cannot be denied. However, Government all of a sudden, when the muddle came and when we were in a soup, told us that the consumption of sugar had increased. Sir, what do you think of such a government? When there is a muddle, they come out with an explanation. For over six months or eight months or a year, they did not know the forces that were working towards the increased consumption of sugar. Suddenly they discover it. They find that the population of India has increased. But the population of India has progressively increased. This was the plea given by the foreign government for all the starvation and all the famine, that there was in India. But the population has been increasing through the countries. Did the government suppose that population will not increase? Did they suppose that babies of six and eight months would eat sugar and not drink their mothers' milk? There is no justification for government to come out suddenly with such an explanation. And even if there had been this increase of consumption, they should have expected it. They could have expected that the consumption would increase from ten to thirteen lakh tons, and if they had husbanded their resources, the country need not have been brought to this sorry state. If they had previously taken the necessary measures to see that sugar was properly distributed and sugar was properly handled by the merchants, by the manufacturers, by the railways and others, then we might have avoided this muddle. That the administration has been inefficient and has been culpably negligent is borne out by the fact that the U.P. Government passes a freezing order in August, when the scare had been created, purposely and deliberately, by the capitalists. When the scare is created they pass this freezing order. What do they freeze? They freeze the sugar in the mills, when even a blind man could have seen that

[Acharya J. B. Kripalani]

about 90 per cent of the sugar had already gone out of the factories. They, therefore, freeze the remaining ten per cent. of sugar in the U.P. and they freeze only what is lying in the factories. They give their reasons now for this. They come out now with the plea that they had no power to freeze sugar that had left the factories. If they had no power, why did they touch this thing at all? They had no business to touch it, if they had only partial power. They never consulted the Central Government then, I am told, they announced this freezing order in the papers, and sent out to individual mills, registered letters. This is a wonderful way of doing things. They know that the black-market exists. They know that the capitalists are no friends of the people or of the government. They know all these things and yet they did this.

Shri Sarangdhar Das: When was this freezing order published?

Acharya J. B. Kripalani: On the 26th August it was published, and the letters were sent by registered post.

An Honourable Member: By whom?

Acharya J. B. Kripalani: By those who govern us or mis-govern us.

An Honourable Member: By the U. P. Government?

Acharya J. B. Kripalani: Yes, by the U. P. Government.

Shri L. Krishnaswami Bharathi (Madras: General): They do not govern us.

Acharya J. B. Kripalani: I say, yes, for even though it is a federal government it is all one single government. Make no mistake about it; Otherwise government is no organization, if it is divided against itself. What can you think of a government that is divided against itself? It is no government. The U.P. Government passed this wonderful order to freeze stocks of sugar and after seven days, the Central Government passes another order freezing the rest of the stocks. They could not consult each other. There was no co-operation between them. So I say the government is inefficient, and there is no co-ordination among them. The Central Government have more power to-day than they had at any previous time in our history, than they had in the time of the British, in the time of the foreign government. They have now more power. They have issued ordinances and they issue them without discrimination. When anybody criticises them, they do not issue them for the purpose of saving the people from scarcity, from famine or from other troubles that afflict this unfortunate land. I am sorry I have to speak harsh words, but we want that this country should be ruled. Either they should rule or they should make way for others. There is no third course. Please govern or go out. There can be no other alternative. What is this government? Two days back I was taken by a friend in Delhi to go and see the black-market. I asked him, "How can I see the black-market? People know me." "It does not matter," he said "there is no such thing as knowing or not knowing. Nobody cares." He took me to a place called, I think 'Khara Bholi'......

An Honourable Member: It is 'Kharibaoli'.

Acharya J. B. Kripalani: Well, I went to the place and I visited some fifty shops. They did not even enquire from me, '*Babuji, kuchh lena hai ki nahi*' but they plainly told me that the prices were Rs. 1/12/- or 1/13/- or 1/11/-.

Shri Ajit Prasad Jain: And so you must have now become an expert in the black-market.

Acharya J. B. Kripalani: Yes, if I had purchased there, I would have become a black-market expert like you.

Sir, what is the meaning of this black-market? I want you to understand the implication of black-market. It implies that the writ of the government does not run. Is there anything more humiliating to a government than that it should make laws, and they are violated at the sweet will of the people, and the violation is not punished? It is not only demoralising to the government but it is demoralising to the people. We are often told that we must be disciplined, that we must control ourselves, that we must obey orders. But when people see that those who do not obey the laws make money, and no punishment is meted out to them, then it is demoralising for peaceful citizens who have no intention to violate the law. They would also at critical moments, be tempted to break the law. It is a vicious circle. If the government's writ does not run, it is no government. Our Government must take stock of the situation. Do you not know how we demoralised the foreign government? What did we do? We non-cooperated with it. We broke its laws, why? Because we knew, Gandhiji knew and the Congress knew, that if the laws are constantly broken, the prestige of the government will be gone and with it its power. You may be punished, you may be sent to jail frequently, but the power of the government will go. How did China come to grief? I say China came to grief because of black-marketing, because of corruption, because of bribery, because of nepotism. You know China's leader—Chiang Kai Sheik. He was a great fighter and under him the Chinese fought and gave a good account of themselves. They made tremendous sacrifices and they resisted the Japs. But he was no good for peaceful times because he could not check corruption, he could not check black-marketing, he could not check inefficiency, he could not check nepotism. You know Churchill was very good during the war, but for peaceful times, the people wanted other leaders because Churchill would not be the person suited for carrying on the government in peaceful times. I say China has fallen because of the defects I have mentioned. So let us take care that we do not go their way. As the Chairman has rung his bell I will not take long to finish my speech.

Let me tell the House, Sir, 'do not fall into the trap that is prepared for you by the Government'.

They want you to give your opinion on control and on decontrol; they want you to give your opinion on this wretched organization of the mill-owners—what do you call it—the Syndicate. I am not familiar with all these things; therefore I do not know their names even. I tell you among the capitalists there is one party that wants the dissolution of the Sugar Syndicate because they have no power in the Syndicate. Then there is one set of capitalists who want that there should be decontrol, now because of control there will be accumulations of sugar. I would advise this House to give no opinion of its own whether there should be control or decontrol because there is a philosophy behind control and there is also a philosophy behind decontrol. If the Government is not prepared logically to follow the philosophy of decontrol, decontrol will be of no avail. If we advise Government that control be imposed then that also has its philosophy. The philosophy of control is that black-market be ruthlessly wiped out. If Government cannot wipe out the black-market, how does it benefit us to have control? Control may be necessary, control may be essential and it may be beneficial in these days but it should be real control—not bad control, not control that is no control at all. If you want decontrol, have it by making proper provisions by allowing sugar to come from outside, by building up your resources. We already had an example in cloth. You decontrolled it and you again controlled it. This Government is following an emperic policy. Emperic policies are necessary in politics but emperic policies can only succeed when there is an aim on the part of Government. I say this Government has no aim at all.

Shri Prabhu Dayal Himatsingka: My previous speakers have covered some of the points and Mr. Sinha has given the House his estimate of the causes that

[Shri Prabhu Dayal Himatsingka]

led to the scarcity of sugar. In this connection I wish to point out that the consumption in 1947-48 when the prices were Rs. 35/7/- per maund, even according to Prof. Saksena, was 10 lakh tons of sugar. In 1947-48 the position of despatches from the factories was very irregular. In some districts the supplies were regular whereas others were not getting regularly. Assam Government got supplies in one month and next month there were no supplies and this went on for some months. What happened then was when there was no regular supplies, people did not get sugar and nothing was consumed. They could not be expected to consume sugar that was lost in the bad months of supplies and that is how the consumption for 1947-48 was at 10 lakh tons. If you look at the figures of despatches in the year 1948-49 beginning from December 1948 right upto June 1949, you will find that the transport position having improved, the despatches were very much regular and were in excess of the previous three years. I have the figures for 1945, 1946, 1947 despatches month by month from January to December, and I have also got the figures of despatches in 1948 and 1949. If you compare the despatches of 1946, 1947, 1948 to the despatches in January 1949 to July-August 1949, you will find that the despatches in the year 1949 exceeded the average of the three years previous by 50 per cent., whereas Bihar and U.P. mills sent about 5 lakhs tons in 1946-1947-1948, in 1949 for these 8 months 8·5 tons were despatched and supplied to the various marketing centres of India. I am only referring to the quantity sent out from Bihar and U.P. for I have no figures for South India. I am told that by that time the sugar produced in other areas of India had almost all been sent out to consumers. So the quantity despatched from December to August from U.P. and Bihar amounts to 8 lakh tons because the supplies were very regular and because the price this year compared to the price in 1947-48 was cheaper by Rs. 7/- and therefore there has been more consumption.

Another thing that we have to remember is that of the decontrol in December 1947. There was no control after December 1947 and there was no complaint so far as prices were concerned right upto July 1949. Therefore you will find that from December 1947 upto July 1949, for 20 months, there has been regular supplies of sugar—no rise in price—and therefore it is not fair to say that either the manufacturers or merchants manipulated the rise in prices unfairly or that they entered into some sort of conspiracy and deliberately raised the prices.

If you look into the position for the last 20 months from December 1947 to July 1949 there was no rise in prices. The supplies were there and there was no complaint. Therefore we have to find out what led to this difficult position from July onwards.

Mr. Chairman: The hon. Member may continue his speech 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 Prabhu Dayal Himatsingka: Sir, I was giving certain facts and figures to show how the sugar market behaved during the period of decontrol from December, 19477, right upto July, 1949, and how there was no rise in prices. Therefore, something must have happened in July which led to the rise in prices Before July, as there was a feeling that there was a surplus stock, a large number of mills had been selling below the prices fixed,

by giving extra commission or brokerage. That indicates that they had a definite feeling that there was a surplus. But on account of certain factors like regular supplies, more consumption, and perhaps a little smuggling into Pakistan, and other factors which came into play, and also because of certain statements, as was mentioned by Mr. Dip Narayan Sinha, a feeling was caused in the market that there was going to be a shortage and the price began to rise. Looking to the despatches in August from the factories in Bihar, my own feeling is that if the U.P. Government's action of freezing the stocks had not been precipitated, and if the stocks that went out of the mills in July and August to the various consuming centres were allowed to be sold and consumed at proper prices without the threat of being frozen, then perhaps the price that had to be paid by the consumers after the freezing was made public, would have been much less than what it actually was. Sir, in Calcutta there was a large stock of sugar and what the hon. Minister there did was that he sent for the local merchants and came to an understanding with them that he would not freeze the stocks if they sold it at a certain price. Those stocks in Calcutta, which were very large, were sold to the public at the price fixed which was about 15 as. per *seer*. For five weeks, the people of Calcutta went on getting sugar supplies at the price fixed by the Government of West Bengal. On the other hand, if those stocks had been frozen, the machinery not being perfect, a large portion of those stocks would have gone underground and would have been sold at a much higher price because, when the stocks go underground, the sellers make a provision for payment to those who might come to catch them, and so on. In such a situation, so many factors come into play. Therefore, if the situation had been handled a little better, I do not think it would have developed as it has.

Now, Sir, I have suggested that for the future there should be decontrol. It is the experience of most of us here that control, unless it is effectively enforced, unless it is carried to the logical end, is worse than no control. If the commodity required be sufficient, and if proper arrangements are made for its distribution, there should be no reason why control should be clamped down on any commodity. The transport position has definitely improved. In fact, that is suggested as one of the factors for a higher consumption of sugar. The transport position having definitely improved, if steps are taken for larger production of sugar, there should be no reason why decontrol should not work well. It has worked well before, there is no reason why it should not work well in future. My own impression is that if supplies be made available at the present prices to the different consuming centres, the consumption is bound to increase and 12 lakh tons may not be sufficient. So far as I know, manufacturers did give some sort of an indication that they will try to increase production by 10 per cent. Actually, on that basis they have been assured of certain remission of cess and excise duty on the extra quantity that might be produced. Sir, Prof. Saksena has attacked that arrangement. I do not see why it should be attacked. You cannot produce more unless you carry cane from distant places, places which are not economic in the ordinary sense of the term. You cannot produce more also, unless you crush outside the regular season—at a later date when the cane dries up, or earlier when it is not fully mature. Only those factories will get the benefit which will produce more than what they had done in previous years. That is, therefore, a definite incentive towards greater production and there should be no question about the correctness of that decision.

Sir, I was saying that at the present prices and with proper distribution and supply, the consumption is likely to be more. Therefore, steps should be taken to see that the production is increased. In addition, I have suggested in my amendment that a certain quantity should be imported so that it may be kept as a reserve in order to be pushed into the market whenever there is a tendency

[Shri Prabhu Dayal Himatsingka]

for prices to rise. Sir, if a commodity is in short supply, you cannot by any means prevent prices rising. If it be not possible to import sugar, then some arrangements might be made so that releases from factories may be on a regulated, graduated basis in order that the production of the year is sent out during the twelve months and supplies may be regularly made.

Control means corruption, and more prices to be paid by those whose needs cannot be met by rationing. Therefore, decontrol will always be better. Under control sugar has to be supplied to every person whether he needs it or not. If you take 12 lakh tons as the annual production of the whole country, it will work out to only about 7 lbs. per year per head of the population. Surely that quantity will not be regarded as sufficient by anybody. If you have control, and therefore rationing, you cannot give more than that because you have to meet the demands of everybody. Therefore, control cannot be a remedy for this situation, and I have suggested in my amendment that decontrol should be announced as early as possible. Government should look into the position and decide from what date it should come into force. As a matter of fact, the present is the crushing season and for the next four months sugar will be produced and there cannot be any danger of prices going up if the quantities produced are released regularly. Sir, I know of a mill which began crushing early, which has got about 40,000 bags lying unreleased. That is only one mill. I am sure similar stocks are lying in various other mills.

That stock should be allowed to go into the market and the situation is bound to be eased. What I suggest is that we should take steps to allow decontrol, and if necessary, Government may fix certain maximum prices beyond which people cannot sell and take steps for its proper distribution. With these words, Sir, I support my amendment.

Shri Mahavir Tyagi: Sir, I am also in favour of decontrol. I do not want any control, for I have seen enough of that for the last so many years. I do not want to speak in louder tones today, for I pity the hon. Minister; it seems his comrades have abandoned him and he is sitting alone being attacked from all sides. Sir, Government in controlling the sugar industry has proved its utter failure and I think it is time that either the Leader of the Government or the hon. Minister concerned confesses to God and to the people, the electorate, in all humility that he has failed to deal with the situation. I think that is the only defence for Government to confess before the people and God that we have failed, and that will be the end of the controversy. Sir, the Sugar Industry Protection Act was passed in 1932. Soon after the salt Satyagraha movement, the country was under an emotion of patriotism and they thought that the sugar industry must be protected. As I said the Act was passed in 1932 and the motive behind this protection of sugar industry according to the Tariff Board Report was in these terms:

> "The problem is, therefore, one of protecting a particular branch of agriculture until such time as improvements in methods of cultivation and developments in research enable the agriculturist to increase his yields per acre and thereby effect a substantial decrease in the cost of cane, while maintaining or increasing his own profits."

This was the basis of that protection. Then on page 93 it is mentioned:

> "At least in the upcountry districts competition may drive prices even below this level. We consider also that, with improvement in cultivating methods and in varieties of cane, a still further reduction in costs will be effected thereafter and it is not unreasonable to suppose that eventually the consumer will obtain the sugar at considerably below the pre-war level."

These were the two bases on which the nation had agreed to give protection to the sugar industry.

Now, Sir, since 1932, upto now, let us examine whether these two objectives have been achieved to any reasonable degree. As far as the exploitation of the consumer is concerned, to whom this House had promised cheap sugar, he seems to have been exploited by so many agencies. For instance, take the Government of India. The Central Government is at present realizing an excise duty to the extent of Rs. 6.30 lakhs. In my own way, I would put it like this. It is a tariff wall of Rs. 12-9-7 per cwt. against the foreign sugar and it is under the shadow of that wall that protection goes and inch by inch we are protected. If I would translate it in another way, I would say that the consumer of sugar is paying at the rate of Rs. 12-9-7 per cwt. more than he would have paid if in the natural course sugar were free to come from outside. The consumer feels that because you have protected this industry to the extent of Rs. 12-9-7, he is being exploited to that extent. Out of this exploitation the Central Government is receiving Rs. 6.38 lakhs at the rate of Rs. 3/12/- by way of excise duty. Over and above that they also receive the income-tax from the industry which will make a still larger sum. The story does not end here but the Central Government raised the duty by nine annas per maund when the price of sugar was soaring above Rs. 28-8-0. Instead of reducing the rate of duty to reduce the burden on the consumer, the Central Government raised the duty by nine annas. This is the callousness with which the Central Government has been treating the consumers.

Now the Central Government is not the only exploiter. Then come the Provincial Governments. I was a Member of the Provincial Assembly of the United Provinces when for the first time the idea of a cess tax came up. I very enthusiastically supported the idea of the cess. The cess that was agreed was only six pies per maund on sugar-cane and it was in a way given out that all the money received shall be spent in developing sugar-cane cultivation, its quality and acreage, etc. Now, Sir, in Java the yield is five tons of sugar per acre (*Interruption*) I am not talking of sugar-cane; I am talking of sugar and 50 tons of sugar cane reduced to sugar will come to 5 tons per acre and the average yield of sugar in the United Provinces and Bihar is 1·4 tons per acre. This was the yield of our sugar when we decided to improve the quality of sugar-cane with the large sums of money that we realized out of this cess. In the United Provinces alone during the last ten years the cess income to the general revenues was Rs. 10·77 lakhs. Out of that, hardly 10 per cent. was spent on sugar cane development. From six pies they raised the rate of cess to annas three per maund of sugar cane and at the time when the price of sugar was raised from Rs. 20-14-0 to Rs. 35-7-0 per maund, the U.P. Government raised the cess from one anna to three annas per maund of sugar cane. It is in this callous way that Government have been piling up their taxes. Only 10 per cent. of this cess has been spent on development, and that too, not on actual development, but mostly on the pay of the officers. The average yield remains the same.

Another factor is the co-operative societies. They charged at the rate of 2½ annas per maund of sugar in the beginning and now they are realizing 7½ annas.

Then come the cane growers. In the beginning, that is 1931-32, 11·68 lakh acres were under improved cane. Now the sugar cane acreage under improved cane has increased to 36 lakh acres, thereby reducing the acreage under food crops. The price which the consumer had to pay to the cane growers was Rs. 3-2-0 per maund at the time we started, but now it is Rs. 16-4-0. It may be that the majority of the voters are cane growers. But it does not matter. A cane grower is also a consumer. As I said, the male is the cane grower; the female is the consumer. So I speak on

[Shri Mahavir Tyagi]

behalf of all of them. They are all consumers and this is the way in which they have been exploited.

Coming to the sugar mills, there were 31 mills in 1931. Today there are 134 of them. The total production which was 1,58,000 tons is now 10,02,000 tons. The industry has been thriving. The mills have produced more. They could not have done so if they did not make profits. They have been realising book profits to the extent of 6 per cent. My friend Shibbanlal Saksena said ten per cent. Then, of course, there is the black market profit which goes along with the income-tax saving. That is not accounted for. Then there is the managing agency profit. The mills are giving the produce to their own merchants who make black market transactions and bring that money again to the owners of the mills. In this way, the exploitation is going on. Sir, to put it briefly, I want to know how long this fleeeing of consumer will continue. This House promised to give sugar to the consumer more or less at competitive rates at the end of protection. We do not find any sign of it. Protection cannot be allowed to continue for ever.

I am sorry I am hard up for time. The hon. Minister said that he is going to institute an enquiry. I want to know from him what he is going to enquire into. What has he been doing so long? It is not his responsibility alone. My contention is that the whole Government has failed in taking proper steps in this matter. They stand accused before the bar of public opinion. If they have done nothing so far, what are they going to gain by making an enquiry now? You let the horse run away and after that, you are trying to lock the stables. What is the good of enquiring? Even if you want to enquire, can you assure this House that the man who is guilty, be he an officer in your Secretariat, or your Adviser in the Centre or in the Province, or be he a Minister--will be brought to book? Will the blackmarketeer be taken to task? If the enquiry means that you are going to have the guilty man convicted and punished, I can understand that there is some sense in the enquiry. Otherwise, this enquiry will produce no results. The Congress Organisation, to which I belong, gave life to us all in 1930 and from the dust we made salt and through that salt from dust we drew life. Today it seems to me that through sugar we are giving back the life to dust again.

Shri M. Tirumala Rao: Sir, I would like to confine myself to the terms of my amendment, because hon. Members have already dealt with several aspects of the question. In regard to the proposed enquiry, I am not very happy about the results that will accrue. It is a sort of *post-mortem* that we are conducting with regard to the fixing of responsibility for the muddle that has occurred in recent months. I want to bring to the notice of the Government that the Department over which my hon. friend presides has got no definite policy in the matter of sugar. It has been drifting. It has been left to the management of the bureaucracy which is accustomed to go in the old ruts of sitting in the Secretariat either with a blue pencil or a red pencil, to say or not to say, to approve or not to approve of what is sent to it in the files. There are several agencies that have been working now. If you see the total sugar production in the country, you will find that the U.P. and Bihar have come for a larger share. The U.P. have an acreage of 18,67,000; Bihar 4,16,000; Bengal 3,23,000 and Madras 1,56,000. Being the largest cane producing areas, naturally the U.P. and Bihar have a dominating voice in this industry. They practically dictate the policy with regard to the bringing into existence of new factories in the whole country. They have, in a way, prevented new sugar factories from springing up in the rest of the country, lest the interests of the factory owners in these two provinces should suffer.

Shri Jaspat Roy Kapoor: How can they prevent?

Shri M. Tirumala Rao: There was a sort of understanding. Every factory must come before the Government for a licence and these two provinces have a dominating voice in dictating their opinions and views to the Central Government.

Shri Jaspat Roy Kapoor: Not before the Provincial Governments. Nor even before the Central Government. There is no licensing system for sugar mills outside U.P. and Bihar.

Shri M. Tirumala Rao: Please listen to me. I am making out this point. And we have seen that the average production per acre has been stationary for the last several years at 15 tons. As the previous speakers have pointed out, there was no development in spite of the collection of sugar cess to the extent of Rs. ten crores during the last eight years. The U.P. have only spent about Rs. two crores. The Central Government did not take a comprehensive and all-India view except in recent years. Thus we see that the total quantum of production of cane has not improved. The total quantity of sugar production has also not improved. There are certain varieties that are being produced in larger quantities in the tropical zones of South India. They were not encouraged because the interests of the cane growing areas in the Northern India will suffer. In all these things, I charge the Central Government with having neglected its responsibility in taking a comprehensive view of this industry. If you see the report of the Tariff Board, you find that the Tariff Board has rightly come to the conclusion that this industry is one of the major industries which involves an amount of more than Rs. 20 crores, and nearly 65 per cent. of this amount goes to the primary cultivator. It cannot, therefore, be lightly said that the protection should be removed. I will be the last man to agree to any proposal to import sugar from abroad, either from a dollar point of view or from an industrial and agricultural point of view. By this protection, the consumer has taken the burden upon himself of paying much more to the indigenous sugar than imported sugar, but he has helped to build up an industry in this country, which has become the mainstay of millions of cultivators in this country. There are several agencies which are now concerned with this. The Provincial Governments have got a say in the matter. The Sugar Syndicate, in a manner, controls this industry. The Council of Agricultural Research is another agency which seeks to help this industry. The Central Government in its Food and Agricultural Ministries has got a say

3 P.M.

in the matter. There are so many agencies in so many places that there is no coordination between their activities to such an extent that this debacle has come about suddenly. I do not known what justification there was for the Government of India to decide to export about 50,000 tons of sugar to Pakistan. If they had all the material before them, if they had the statistics and true facts about the quantity of sugar that is available for local consumption and that is available as surplus for export, they would not have come to this decision. The very idea, the very bit of news that trickles into newspapers, that the Government of India would encourage export, set the mischievous the greedy, merchant or trader into action. They speculate; they try to corner; they send goods underground.

Yesterday, Sir, it was revealed that many of the selling agents of these factories are their own people—their brothers, their cousins—and it is only a *benami* transaction. The producer transfers the stocks, in the name of his cousin, or brother, or brother-in-law, in the name of another company and the whole stock disappears underground. That is the main channel through which it finds its way to the black market. For all these reasons I want to say that this industry should have a centralised control and should be organised at the top.

[Shri M. Tirumala Rao]

The Government of India have brought into existence, during the last two or three years, a Committee called the Central Sugar Committee to which they have transferred the cess that has been collected all these years. They have in the books transferred to this Committee an amount of nearly Rs. 50 to 60 lakhs. But this committee, like several other commodity committees which have been brought into existence by the Government of India, has no real powers. There is an *ad hoc* President for this Committee, who is the President for all the Committees brought into being by the Government of India. That is the trust they repose in these committees. One gentleman is supposed to be an expert on tobacco, on groundnuts, on sugar cane, on fodder, on cattle-breeding and on everything under the sun! That gentleman is to be found more often in the air than on the land, because he has to fly from place to place merely to preside over these Committees. When I was on the Tobacco Committee I made a protest against this; when I was in the Oilseeds Committee I made a protest against this; and in the Sugar cane Committee I brought a resolution to the effect that the Committee requires a wholetime officer to administer the affairs. What I say is that you should have a more comprehensive view of these things.

We wanted to transfer the Sugarcane research station in Coimbatore to the Central Sugar-cane Committee. Again Government comes in the way. The Central Sugar-cane Committee ask for an agricultural engineer on Rs. 600 a month. An Assistant Secretary in the Department sits here and crosses a red pencil across the resolution, without understanding the meaning of these things

How long are you going to carry on in this empirical, *ad hoc*, and inefficient manner an industry which costs the nation to the tune of Rs. 20 crores? Whatever may be the nature of the immediate enquiry you are going to institute to find out the guilt of the past, what are you going to do for the present and the immediate future? I want to make a suggestion. There is no use trying to control this industry, or any industry, as long as you are not capable of taking effective steps against the black-marketeer. The hon. Minister came during the last Budget Session with a Bill, which the House approved, for extraordinary powers for punishing people who contravene laws of food. I want to know, has he had one occasion to bring the sections of that Act, the powers of that Act, into operation, while the whole country is crying hoarse about black-marketing in food-grains? You may have the powers, but I do not see sufficient strength and nerve behind the Government to get hold of the black-marketeer and giving them condign and exemplary punishment. As long as you are not strong enough to do that, there is no point in seeking such powers.

I think some of the sugar factors have started crushing cane from November 15th. Their season is about six months—that is up to May. During these six months they are expected to produce about eight to nine lakh tons of sugar. That is every month on an average sugar will be coming into the market at the rate of one and a half lakh tons. When adequate new sugar comes into the market you should allow the law of supply and demand to play its part rather than trying to control the commodity. You should see that every grain of sugar produced is taken out through the proper trade channel. Otherwise there is no point in continuing this control. I want that there should be fixation of sugar prices. If you want that a particular price should be charged for sugar, you must also be able to enforce it. There is no point in leaving it at that. You must make up your mind to spread your net wide and effectively to get hold of the black-marketeers and give them exemplary punishment. You should be able to deal with them, however big they may be, effectively. Then and then alone will you be able to exercise some control over the prices. I do not think there is any necessity for continuing the control over distribution.

Sir, with regard to the long-term remedy, I want you to exercise your mind a bit over all the several research schemes that have been started. With all these schemes we have not been able to produce, to improve the glucose content of the sugar-cane. We have not been able to improve the sugar content of the sugar-cane. We have not been able to improve the quantity of sugar cane that is produced. If you are able to produce 30 tons per acre in the United Provinces and Bihar, you do not require 35 or 36 lakhs of acres to be kept under sugar-cane. I have here figures to show that total acreage under food-grains in the country is 18 crores. Out of this only 35 lakhs are under sugar-cane. If you want to reach your 16 lakh tons you can bring in another lakh or two of acres under cane. Improve the quality of sugar-cane and the production of sugar is bound to go up.

But above all my amendment requires that a statutory board with absolute and autonomous powers, and without interference from the bureaucracy should be brought into existence and should have a plan before it for production of cane, for improving the quality of cane, and for the production and distribution of sugar. The ancillary organisations that are required for all these purposes should be brought into being by the supreme authority which will control this industry, which is nearly worth Rs. 20 crores.

Mr. Naziruddin Ahmad: Sir, I think this House should not shirk an enquiry on the floor of the House and try to find out a scape-goat just to allow the Government to escape. We have heard a lot about the people who are responsible for this. But nobody has yet put his finger on the weak spot of the whole transaction. I do not wish to go into details—it is not necessary—they have been sufficiently stated in the House. I find that the sugar issued by the Sugar Syndicate up to about the end of June last was about 80 per cent. of the current year's produce. This works out at about 84 per cent. of the total stock. So far as issue was concerned, this left the Sugar Syndicate with a balance of 16 per cent. of the entire stock. On an examination of the satistics as to the actual stock lying in the hands of the member mills, there was a stock of about 74 per cent. of the total stock lying there, although ten per cent. out of this had been issued. There is always a disparity between the amount issued and the amount which actually leaves the factories. So, at the end of June, we were left with about 26 per cent. of the total stock in hand. I submit that at this stage a very fatal step was taken by the U.P. Government. That I think is the one thing which lies at the root of the trouble. There was a letter written by the U.P. Government dated 20/21st July last to the Sugar Syndicate. It was to the effect that "the Government would like the Sugar Syndicate to release the balance of stocks", and further that "the Government desired that the Sugar Syndicate must not withhold any part of the member factories' sugar stocks for any reason whatsoever." The U.P. Government thus enjoined upon the Syndicate to issue all the entire stock in their hands. There were about five or six months to go ahead and I submit that this precipitated the crisis. At this stage there was not the slightest justification whatsoever to issue the entire stock.

An Honourable Member: What is the date of this letter?

Mr. Naziruddin Ahmad: 21st July 1949.

From certain publications issued by the Sugar Syndicate, it would appear that the Sugar Syndicate was really fighting against the issue. They thought there had been enough issue, and if there was not an adequate balance left in the hands of the Sugar Syndicate, they would not be able to control the market.

[Mr. Naziruddin Ahmad]

It is the visible stock in the hands of some authority that creates a psychological atmosphere in the markets and really controls the prices. But, once it is felt that the stocks are low, then, you cannot control the market at all. It further appears that the Sugar Syndicate approached the Sugar Commissioner of U.P. and Bihar and pressed upon him the necessity of retaining something in hand in order to carry on the market through safely for the next five or six months. With great effort the Commissioner was made to reduce the release to half. The balance of half of the stocks, I submit, in the hands of the Sugar Syndicate was a precarious balance which created the psychological atmosphere necessary to precipitate the crisis. The prices began to advance.

Then, suddenly, the U.P. Government woke up from deep slumber and suddenly there was an order to freeze all the U.P. stock in the factories. It should be remembered that the stocks of the member factories in Bihar was left untouched. The order was absolutely partial and as has already been pointed out there was no coordination in this respect between the U.P. Government, the Central Government and the Bihar Government. The Bihar Government stock was absolutely free and the U.P. stock alone was freezed. This does not take into account the stocks in the market. In big godowns and other places, stocks remained to be dealt with as the owners pleased. There is not the slightest doubt that full advantage was taken of this position.

Then, after a few days, the Government of India in their turn woke up from slumber and freezed the entire stock all over India. Now, this margin of time between the U.P. Government's order, and the Central Government's order and the failure to coordinate their efforts and to act in a concerted manner led to a further crisis. What happened is the visible stock, specially from Bihar, disappeared from the market.

Many theories have been propounded. One jolly theory advanced by the Central Government in the note circulated was that population has increased. If so, the population must have quickly increased within a few days. Throughout India there has been a sudden spurt in the population. Because.........

Pandit Lakshmi Kanta Maitra: This is against all physiological and biological facts.

Mr. Naziruddin Ahmad: That is so. The normal increase cannot at all account for this huge consumption. If this huge consumption in the course of a few days can be accounted for by an increase of population, then, the productivity of the land so far as population is concerned must have been concentrated within these few days. Then, Sir, as pointed out by an experienced Member of the House, while productivity of land is decreasing, population is increasing. Then, again, the Government also says that consumption has also suddenly increased within the course of four or five months. I submit these two contentions are entirely fallacious. Population is increasing at a very slow rate; consumption is proceeding in a most slow manner. These two contentions on the part of the Government as to the disappearance of the entire stock must be rejected as entirely fallacious and unacceptable.

What has become of this stock is a matter which is not directly known; and it may be perhaps profitable to consider the probabilities. I believe the stock that left the member mills went into the market. It went to various places throughout India in large and small markets as well as in the hands of small and big individuals. As soon as this precarious stock position was known that only ten per cent. was left to be issued, and there was about a period of five months to go—as soon as this was apparent to businessmen throughout India, they concealed their stock and as a result prices began to rise. It rose to two

or three rupees per seer. As one hon. Member has explained, that sugar is being dealt with in the black market even in Delhi. Any hon. Member or Minister might go and see for himself what is happening.

The difficulty is this. We are passing laws and resolutions. But, the laws are not being administered with a strong hand. Black-market will disappear if guilty persons are adequately dealt with. Instead of that, the amount of punishment is increased, and as is common knowledge, only the small fries are being caught, leaving the large black-marketeers absolutely at large. Probably, they are patronised by high authorities. If you control sugar or any thing, or decontrol it, as has been pointed out, there is a philosophy of control and a philosophy of decontrol. I submit that control must be effective or there should be no control. Decontrol also should be effected in a scientific or properly planned manner or there should be no decontrol. Any system which we adopt must be effectively, strongly and resolutely followed. Otherwise, chaos will follow. I submit that in the large list of suggestions for action by the Government, there is no case for abolishing the Syndicate altogether. If you find them guilty, of course, by all means, abolish them. I submit the Syndicate should be reconstituted. They are after all a controlling body; some Government officials should also be associated with them. They should control the market.

I should suggest a practical step that instead of focussing your attention on enquiries and commissions and so forth, you should try to give the people some amount of sugar. I think there is a considerable amount of sugar in the black-market. If you want to bring out all that sugar at once by a magic wand, I think there is one way to do it. I submit that you should at once declare your determination to import sugar to the extent of the shortage in the market. This will produce a psychological atmosphere and the stock with the black-marketeers will come out. It is common knowledge that on a conservative estimate the consumers within the last few days, on account of the bungling of the Government, Central and Provincial, have had to pay an extra amount of ten crore of rupees. That will no doubt go against the policy of protection, but whom are you protecting? You are protecting an industry which cannot protect itself. Protection has been there for the last 17 years. In fact the industry has not grown to manhood after these 17 years. They have not yet attained majority so to say, and the more protection you give to this industry, the less efficient it becomes. The only result of protection is that the consumer has to pay increasingly high prices. I therefore submit that the Government should take courage in both hands and act in a patriotic manner. You cannot be patriotic to an industry which cannot take care of itself. You must be patriotic to the people. You must give them sugar at cheap prices. As soon as you declare your determination to do this, the necessary psychological atmosphere will be created and the sugar which is now hidden will rush out because the dealers will feel that prices will come down quickly and that their hidden stock must be brought out before the prices come down. A declaration of this policy would be enough. The import should be of a quantity which would create a healthy stock position.

Sir, I do not wish to take the time of the House any more. I think the sugar position has one redeeming feature. This shortage of sugar will benefit diabetic patients, and those people who are not diabetic will also be benefited because there will be no chance of their getting diabetes. For diabetic people this will be curative, and on non-diabetic people it will act as a preventive. But if anybody still wants any sugar, he has the sugar-coated speeches from the hon. Minister, and also sweet Resolutions. Instead of talking and passing Resolutions, the work should be carried on resolutely and the stock position should be strengthened. The Government, Central and Provincial, have no grip on the stock position The quotas issued

[Mr. Naziruddin Ahmad]

by the Sugar Syndicate were known, and the stock position should have been fully watched and controlled. The hon. Minister on a previous occasion said that, although sugar was going to be de-controlled, they would watch the situation carefully. Possibly they were watching the situation with sleepy eyes. I think the Commission should, if there is an enquiry, take note of the fault of the Government also.

श्री बलवन्त सिंह मेहता : अध्यक्ष महोदय, मेरे अमेण्डमेन्ट (amendment) में दो खास मुद्दे हैं। एक तो है शूगर (sugar) को डीकण्ट्रोल (decontrol) करने के बारे में और दूसरा एक कमेटी को नियुक्त करना जो इस बारे में सब बातों पर जांच करे। जहां तक दूसरा सवाल है माननीय खाद्य मन्त्री जी ने ऐलान किया है कि शीघ्र ही यह कमेटी बैठा दी जायगी। इस चीज का मैं स्वागत करता हूं और साथ ही साथ यह भी प्रार्थना करता हूं कि इस कमेटी में देशी रियासतों के उपभोगताओं, वहां के मिलों में जो काम करने वाले मजदूर हैं, वहां के गन्ना उत्पादक याने केन-ग्रोवर्स (cane-growers) —, इन सब लोगों का पूरा २ प्रतिनिधित्व इस कमेटी में अवश्य हो, यह होगा ऐसी मुझे आशा है।

मैं इसमें नहीं जाऊंगा कि देशी रियासतों में किस प्रकार से शूगर की कमी हुई है। क्योंकि इस विषय में यहां पर काफी प्रकाश डाला जा चुका है। किस प्रकार से सेंण्ट्रल गवर्नमेण्ट की ओर से देशी रियासतों के मिल मालिकों को मौका दिया गया कि वह शूगर को ब्लैक मार्केट मे बेचें।

Ch. Ranbir Singh: They are going to have *Gur* bungling also.

श्री बलवन्त सिंह मेहता: हां ठीक है। देशी रियासतों में जहां मैं रहता हूं वहां पर कई मिलें हैं मगर आश्चर्य की बात यह है कि वहां पर भी शूगर की काफी कमी हो गई है और शूगर के बारें में जो स्कैण्डल (scandal) वहां पर चल रहा है उसका वर्णन नहीं किया जा सकता है। इसके बारे में ज्यादा अच्छा प्रकाश तो तभी हो सकेगा जबकि उस पर पूरी तरह से कोई जांच की जाय और वह जनता के सामने रक्खी जाय।

मैं सिर्फ आपका ध्यान इस ओर दिलाना चाहता हूं कि वहां जो पूंजीपति हैं मिल (mill) मालिक हैं, उनके हाथों से यह कष्ट वहां की जनता को मिला है। आज जनता को और देश को जो कष्ट हो रहा है वह इन्हीं पूंजीपतियों की वजह से भुगतना पड़ रहा है। देश को काफी बदनाम इन पूंजीपतियों ने करा दिया है।

हमारे राजस्थान में काफी कपड़ा उत्पादन होता है और काफी मिलें वहां पर हैं। मगर इन बातों के होते हुए भी वहां पर पहले कपड़े की कमी इसी तरह से हो

गई थी. वहां से लाखों और करोड़ों का रुपया पाकिस्तान को स्मगल कर दिया। किशनगढ़ वहां पर एक छोटा सा स्थान है। उसकी आबादी बहुत कम है। वहां पर कपड़े का खासा व्यापार बहुत होता है। वहां से लाखों का कपड़ा पाकिस्तान को स्मगल (Smuggle) किया गया। इसके बाद कुछ मिल मालिकों ने मिलें इसलिए बन्द कर दीं कि उन्हें कपास सस्ते भाव से नहीं मिल पाया। सरकार ने उन्हें सस्ते भाव पर मिलों के लिए कपास दिलाया मगर उन्होंने ज्यादा मुनाफा लेकर दूसरों को बेच दिया। इसकी अब तक कोई भी कार्यवाही नहीं की गई।

Mr. Speaker: Order, Order. The hon. Member will confine himself to the sugar question and not deal with the question of controls generally.

श्री बलवन्त सिंह मेहता : तो मैं यह कह रहा था कि इस तरह से हमारे पूंजीपतियों ने देश को कष्ट पहुंचाया और बदनाम करवाया। शूगर सिन्डीकेट (Sugar Syndicate) की ओर से एक रिपोर्ट (Report) हमको मिली उसमें यह लिखा हुआ है :

"Important cause of the high price of Indian Sugar is due to the substantial amount that has to be paid to the Governments both Central and Provincial by way of excise duty, provincial cane cess and sales tax—the incidence of which comes to about Rs. 5 per maund of sugar."

तो इसकी ओर मैं सरकार का ध्यान दिलाना चाहता हूं। यह सारा दोष इन लोगों का है और इन्होंने सेन्ट्रल (Central) और प्रान्तीय गवर्नमेन्टों के ऊपर यह दोष डाल दिया है। जहां तक रियासतों के यूनियनों (Unions) का सम्बन्ध है वहां पर पूंजीपतियों ने अपनी फैक्टरियां (Factories) इस ख्याल से खोली हैं कि वह इन्कम टैक्स (Income tax) से बच जायं और उनको किसी प्रकार की ड्यूटी (Duty) न देनी पड़े। ये लोग वहां पर बहुत कम टैक्स देते हैं। किसानों और मजदूरों के अधिकार तो वह लोग बिल्कुल मार देते हैं और उनको बहुत प्रकार के कष्ट उठाने पड़ते हैं। वहां पर प्राविन्शियल सेस जैसी कोई चीज नहीं है। वह लोग हर तरह से टैक्सों से बच जाते हैं और वह इस तरह से बेजा फायदा उठा रहे हैं।

Mr. Speaker: The hon. Member is going into other questions. We are concerned here only with the sugar question. If he has no arguments on sugar...

श्री बलवन्त सिंह मेहता : मैं उसी पर आ रहा हूं। मेरे कहने का मतलब यह है कि इस प्रकार की सहूलियत होते हुए भी वह सारी की सारी शक्कर को वहां से उड़ा लेते हैं और उसको इतने मेंहगे भाव से बेचते हैं, मैंनें बतलाया कि कितना कनसेशन (Concession) उनको मिलता है। बीस पचीस परसेन्ट (per cent.) का कनसेशन उनको टैक्सों (taxes) में मिलता है। इनकम टैक्स के अलावा उनको यह टैक्स नहीं देने पड़ते और फिर भी जो किसान और मजदूर भाई ह

[श्री बलवन्त सिंह मेहता]

उनका तोल और मोल में शोषण होता है। बस इतना ही कह कर मैं बैठ जाना चाहता हूं।

मुझे एक यह बात अर्ज करनी है कि जो इस प्रकार की घटनाएं होती हैं उनमें सज़ा क्या दी जाती है। जो लोग गांव में काम करते हैं, खास कर कांग्रेस (Congress), कार्यकर्ता, उनको इस समय काफी मुसीबत है. लोग पूछते हैं कि यह क्या हो गया : हम लोग खुद फैक्टरियों में गन्ना पहुंचाते हैं फिर भी हमको शक्कर नहीं मिलती। वैसे किसान लोग बहुत कम शक्कर इस्तेमाल करते हैं लेकिन प्रसूति के समय उनको शक्कर की जरूरत होती है वह भी उनको नहीं मिल पाती। मेरा कहना है कि यहां पर काफी रिआयतें उनको दी हुई हैं पर इसके बरखिलाफ वे हमारे देश को और हमारी गवर्नमेन्ट को बहुत बदनाम कर रहे हैं। मेरा तो कहना है कि इस समय इनको नेशनेलाइज करने का अच्छा मौका है। जहां कहीं भी ऐसी शिकायत आये वहां नैशनेलाइजेशन हो जाना चाहिये। जिस फैक्टरी के विरुद्ध इस प्रकार की शिकायत हो उसको बिना कम्पनसेशन के गवर्नमेंट को अपने अधिकार में ले लेना चाहिए और इसके लिये काफी सजा देनी चाहिये जिससे उनके सामने एक उदाहरण रहे। आज हमारे भारत का विदेशों में कितना बड़ा नाम है। हमारे नेता लोग जो यहां बैठे हैं वे पूजे जाते हैं और सारा संसार उनकी ओर टकटकी लगाये हुये है। लेकिन आज उन्हीं के लिये हमको गालियां सुननी पड़ती हैं. यह किस वजहसे सुननी पड़ती हैं, केवल इन्हीं पूंजीपतियों के कारण, इन बड़े बड़े मिल मालिकों के कारण। तो इस कारण में आपका ध्यान इस ओर आकर्षित करना चाहता हूं कि जल्दी से जल्दी आप इन फैक्टरियों को नैशनेलाइज (nationalise) कर दीजिये और जो अपराध करें उनको सख्त से सख्त सजा दीजिये।

(English translation of the above speech)

Shri Balwant Sinha Mehta: Sir, there are two underlying ideas in my amendment. One is about the decontrolling of sugar and the other with regard to the appointment of a committee to enquire into the various aspects of the affair. So far as the second item goes, the hon. Food Minister has announced that such a committee would soon be appointed. I welcome this and at the same time I hope that the consumers and the cane-growers in Indian States and the labourers working in the mills there would be fully represented on that committee.

I shall not go into the factors which have caused sugar scarcity in the Indian States, as considerable light has already been thrown on that aspect here. It could be revealed how an opportunity was allowed by the Central Government to the mill-owners of Indian States to sell sugar in the black market.

Ch. Ranbir Singh (East Punjab: General): They are going to have *Gur* bungling also.

Shri Balwant Sinha Mehta: Yes, that's right. In the Indian States, where I live, there are many mills but what surprises one is this that there too sugar has come to be very much scarce and the scandal which is current there with regard to sugar is beyond description. Further light on this issue could be possible only if a full investigation is carried out and the results of the same are made public.

My intention is merely to draw your attention to this suffering which the public of that place have undergone at the hands of the local moneyed persons and the mill-owners. It is these very capitalists who are responsible for all the troubles facing the country and its people to-day. . They have brought much discredit to the country.

In our part of the country *viz.*, Rajasthan, there are enough cloth-mills and generally there is an appreciable production of textiles. But, in spite of all that, we found the area in the recent past a deficit one with regard to cloth because of the reason described hereafter. Capital to the tune of lacs and crores has been smuggled to Pakistan from that place. Kishangarh is a small place there with a very small population but well-known for its flourishing trade in textiles. Cloth worth lacs of rupees was smuggled into Pakistan from there. After that had happened, many mills were forced to close down because of the failure of the mill-owners to procure cotton at cheaper prices. It was then that the Government came to their rescue and arranged to supply them cotton at cheaper prices for milling purposes which they, however, sold to others in that very form at much profits. No investigation was ever proceeded with in the matter.

Mr. Speaker: Order, order. The hon. Member will confine himself to the sugar question and not deal with the question of controls **generally.**

Shri Balwant Sinha Mehta: So I was describing how our capitalists have brought suffering and discredit to the country. In a report circulated on behalf of the Sugar Syndicate, we come across this:

"Important cause of the high price of Indian sugar is due to the substantial amount that has to be paid to the Governments both Central and Provincial by way of excise duty, provincial cane cess and sales tax—the incidence of which comes to about Rs. 5 per maund of sugar."

For that reason I want the Government to pay attention towards this subject. It is these people who are, in fact, entirely to blame, but they have managed to shift it over to both the Central and the Provincial Governments. So far the various Unions of States come in this picture, these people have established their factories within the territories of such Unions with the intention to evade income-tax or duty of any other type. They pay only nominal taxes in those regions. They simply usurp all rights of the peasants and the workers and, thus, make them suffer in many ways. There is no such thing like a Provincial Sales Tax levied in such territories. In this manner they succeed to evade all taxes and take an undue advantage.

Mr. Speaker: The hon. Member is going into other questions. We are concerned here only with the sugar question. If he has no arguments on sugar....

Shri Balwant Sinha Mehta: I am coming to that. By this statement I mean only to show how, despite all these concessions and facilities, the total quantity of sugar is made to go underground and how it is subsequently sold on exorbitant prices. I have, therefore, given an account of the big concessions they continue to enjoy. 20 to 25 per cent. of the concessions are given to them by way of taxes. Besides income-tax, they are not required to pay these taxes and even then the peasants and the labourers are ruthlessly exploited both in weighments as well as in fixation of prices. **With this I wish to resume my seat.**

[Shri Balwant Sinha Mehta]

One thing, however, I have more to submit is to know the nature of punishment awarded in case of offences or situations like these. Those working in the country-side, particularly the Congress workers, are generally faced with a very awkward and a much difficult position these days. People enquire how that came to happen. They complain that they could not procure any sugar even though it were they who were the producers as well as suppliers of the sugar-cane to the factories. On these accounts they are particularly critical of the Government. Generally speaking the peasants are accustomed to a very little use of sugar but unfortunately they are unable to meet their requirements of this commodity even at the time of delivery when it is very necessary. My submission is that in spite of so many concessions the capitalists are making the Government a target of scandalous criticism in the public eye. In my opinion this is an opportune moment to nationalize this industry. We should proceed with nationalization wherever a complaint comes to notice. The Government should take over, without compensation, every such factory against which a complaint of this type is found to exist. They should further award an adequate punishment to those concerned in order to set an example for them. Our country stands high in the esteem of the world to-day; our leaders sitting here are most respected and the whole world is watching them closely. But here we hear them being abused. Why this abuse then? It is because of these very capitalists and the big mill-owners. That is why I wish to draw your attention to the immediate necessity of nationalization of the factories and I seek severest punishment of those found offending in this respect.

Shri O. V. Alagesan: Sir, this subject of sugar was formerly being dealt with by the Food Ministry. Then it was transferred to the Ministry of Agriculture, and when we asked for the reason, we were told that the officer dealing with that subject had been transferred to the Ministry of Agriculture from the Ministry of Food. So naturally we thought that that particular officer ought to be a very capable and efficient officer, since the subject follows him on his transfer. Therefore, Sir, we are surprised now that this muddle has occurred. How was it possible for such a mess to have been created with such an efficient officer at the helm there? Was it because the subject followed him that this has happened? I hope, Sir, the committee that is going to be just now created, will enquire into this also.

Sir, the hon. the Prime Minister promised to have a note circulated to the House on the sugar question before it is debated, and accordingly a note was circulated. But, Sir, to put it mildly, some parts of that note I should say, are rather an affront to the intelligence of this House. While citing the reasons for the sugar muddle, it is stated in the note that we produce more children, and therefore this has come about. The increase of population is stated to be one of the causes. It is certainly a very bold reason to be cited. I suppose the writer of this note is another incarnation of that economist Malthus who perhaps thinks that the continual mismanagement of the sugar question will produce scarcity of sugar which in its turn will help solve the problem of our population. This, perhaps, is the positive check that he wants to prescribe. Sir, it is a pity that the House should be treated to such stuff by a Government Department. Again, Sir, another reason mentioned is easier transport. Formerly, transport was the proverbial bottle-neck and was blamed for everything that went wrong in the country. It is curious that when the transport position has eased, even then it is being blamed. It looks as though the efficiency in one Department affects the efficiency in the other. If Shri Gopalaswami Ayyangar works efficiently, it makes the other friend Shri Jairamdas Daulatram inefficient. One is led to that conclusion. More wagons have been allotted for the movement of sugar than were asked, and that is a charge

levelled against the Transport Ministry by one of those connected with this sugar business. Sir, I can cite many other instances from the note to show that it is not satisfactory, that it is scrappy and does not give us the real picture.

Sir, I have no intention to criticise any provincial government, much less the Government of the U.P. I know it enjoys a very privileged position to-day. It is not *persona non-grata* with the Centre as some of the other provincial governments are. It enjoys such a privileged position. I would not have mentioned the name of the U.P. Government here, but for the fact that the note betrays this fact that the policy with regard to sugar is being decided not in Delhi but in Lucknow—I suppose that is the capital of the Government of U.P. Sir, the Centre had their own proposals to face this sugar question, to solve this sugar problem. The Centre circularised its proposals to the various provincial governments, and among those proposals we do not find the suggestion to freeze the stocks of sugar. The proposal of the Centre was that the price should be made statutory, that the provincial governments should be vested with power to enforce it, since the Sugar Syndicate was misbehaving and putting up the prices, and that freezing and such other action should be taken in individual cases only if any body misbehaves. That was the proposal of the Centre, and there were also other minor proposals. Well, these proposals were sent to the provincial governments on the evening of 25th August and the U.P. Government freezes the stocks before the 27th, after these proposals were sent to them. In the meanwhile other provincial governments sent in their opinions and most of them agreed with the Central Government in its proposal not to freeze. Therefore, it is clear that the hands of the Centre were forced by the U.P. Government and this has precipitated the crisis. I know the U.P. Government have got sufficient justification for that, because they have once before persuaded the Centre to fix the prices at a certain level, at Rs. 35/7/- per maund to enable them to pay the cane growers at the rate of Rs. 2/- per maund of sugar-cane. Again, Sir, they are accustomed to have periodical windfalls of revenue from sugar. One such windfall was when they share with the Centre the surplus realised by the sale of sugar on a former occasion and that amounted to a few crores.

So having tasted all these unexpected profits and windfalls, they took action in an independent way without consulting the Centre or other provinces. Their action was dictated solely by the exigencies of the situation obtaining in their province. They did not take the all-India situation into account. Again I should say this crisis-mongering and the freezing of the stocks was well-timed and came in exactly on the eve of the Deepavali and Durga Puja, so that it may bring the highest return to the improper profit-seekers.

Then I should pass on to the question of the levy of cess on cane. This question was referred to by one of the previous speakers also and it should be very carefully examined by the Centre as well as provinces. Now the excise duty on sugar is Rs. 2/12/0 per maund and for that the cess levied on sugar-cane is Rs. 1/14/- *i.e.*, 0/3/- per maund of sugarcane. I venture to submit that it becomes another excise duty for levying which the province has no right. Cess is defined as tax levied for a specific object. Here the specific object apparently is the development of sugar industry. Have these amounts collected in the name of cess been utilized solely for the purpose of advancement of cane development? They are not and they were merged in the general revenues and used for other purposes. In the name of sugar cess no Provincial Government has any right to levy cess on a commodity which is used in all India taking advantage of the position that they grow most of the sugarcane in the country and impose a burden on the people in other provinces and make undue profits. This should be very carefully examined because under the list of subjects for taxation by States, the States can levy excise duty on alcohol,

[Shri O. V. Alagesan]

narcotic drugs etc. They can't levy excise duty on anything else. This levy of cess amounts to an excise duty in my opinion. The U.P. and Bihar Governments have realized to the tune of Rs. 15 crores. Now Mysore and Bombay have already imposed a cess. Perhaps other Governments also taking the cue, may follow suit. If Madras, for instance, begins to levy cess on its oil-seeds, on its cotton and on its tobacco, then it will certainly affect all-India prices. So this levy of cess should be carefully gone into before any Provincial Government tries to make use of it in this manner.

Another more important factor that emerges out of this situation is this. We have seen our Government in action these two years matched against the capitalists and industrialists of the country. In every encounter that this Government had to face with the capitalists and industrialists of this country, the Government except in one instance *viz.*, the institution of night air-mail service—had to stage a climb-down. During the cloth crisis, it was said that a profit of about 70 to 80 crores was made by the Industry and that could not be checked by Government. Again to-day various figures were cited. The Sugar industry has made a profit of six to eight crores according to Mr. Jain and about 20 crores according to Prof. Saksena. When the people see the helplessness and the inefficiency of the Government against this class of people, naturally they get disheartened. They come to lose confidence in Government and nothing that has happened in the country recently has struck a blow at the prestige of Government as this sugar muddle and its handling by Government. This is an aspect which should be taken note of by Government. The Government is capable of keeping law and order in all the territories under us. Even recently we passed a Police Bill for the purpose. But what is the use if people are protected against petty house-breakers but are left unguarded against the industrial and commercial thugs of this country who want to commit periodical pick-pocketing of the poor man's purse? So it is the duty of Government to guard the people against the nefarious designs of these people. I venture to say that it is a case of mismanagement of trust property by these people. I would draw the attention of the House here to Gandhiji's theory of Trusteeship. It so happens that these people have been entrusted with the second biggest industry in the country and they should see to it that they play the game by the people but they have never done so till now. On the other hand, they don't want to produce more sugar. They want the *status quo* to continue. This year according to all calculations there was enough of sugar. Even taking the consumption of sugar in the country to be 13 lakh tons, we had 13 lakhs in our hand which was equal to the total consumption in a year. But they are not satisfied with this position. They want to create a scare of scarcity and dearness of sugar so that they can make high profits. If there had been plenty of sugar it will sell cheap and that will mean less profits. I should say that they should not be permitted to carry on like this and Government should devise some way to prevent it. I want to throw one suggestion. Of course we should not depend upon imports—we have no foreign exchange to be spent on imports but just as we propose today in the case of food-grains, we should build a reserve of sugar against all contingencies to prevent the prices from shooting up. Why not we import a minimum quantity of sugar and keep it is reserve, so that it may be used in times of need and we may not be found completely at the mercy of the profit-seeking industrialists?

Sir, one word about the Syndicate and I shall have done. Even the capitalists—at least a section of them—don't seem to be in favour of the Sugar Syndicate. If this Syndicate is abolished forthwith, I think it will go unwept, unsung and unhonoured. Nobody will shed a tear over it. I think the Government will take immediate action in this direction.

Shri B. P. Jhunjhunwala: Sir, when the Commerce Minister during the last Budget session came for extension of protection for two years, I had said that the four parties to the Sugar Industry *viz.*, the Two Provincial Governments—the U.P. and Bihar, the Central Government, Industrialists and the Kisans—have been the cause of standing in the way of progress if not ruination of this industry in India. If they had not looked only to their gain but to the development of this industry as a national industry and had taken proper steps and if they take proper steps even now in the future with the existing plant without any importation of any further machinery, 50 per cent. production of sugar can be increased in this country. Sir, it will take a long time to explain this proposition, and I have no time to explain it now. I shall do that when the Government comes up with the question of protection during the next Budget session.

Now, to come to the present muddle. I welcome the inquiry committee which the Government has proposed, to find out as to who is to be blamed for this muddle. But I should say that the appointment of the inquiry committee should not result only in making a report and letting the public know that an inquiry was held which revealed that this and that had happened. It should not result in nothing further being done; if that is going to be the result, I would say, let us forget the past, don't hold any inquiry at all, let us think of the future.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairmen)*].

Sir, I am of opinion that some inquiry should be held and those who are responsible for this muddle should be brought to book.

The Ministry of Agriculture, in their note on the sugar question, have stated:

"The sugar year December 1948 to November 1949 began with a reported carry-over of 1.75 lakh tons according to the declaration of the Sugar Syndicate."

But my friend, Mr. Ajit Prasad Jain, says that according to the President of the Indian Sugar Mills Association, 2·2 lakh tons was the carry-over at that time. Both these bodies are responsible bodies. Sir, I want to bring one important fact to the notice of hon. Members. It is only the marginal surplus or marginal deficit that upsets the market one way or the other. Therefore, this figure of carry-over was a very important one. My information is that the carry-over figure given, as has been stated by the Agriculture Ministry, by the Sugar Syndicate, that is 1·75 lakh tons, as also the other figure given by the President of the Association, were much in excess of what actually was the stock at that time. And this has created all the confusion. If the inquiry committee which the Government has promised, will go deep into this matter to find out the facts, it can expose the honesty, efficiency and otherwise of the Syndicate, the industrialists and the efficiency or otherwise of the Government and the Excise Department. Sir, with this suggestion I pass on to the other point.

Pandit Balkrishna Sharma (U.P.: General): On a point of information, if the hon. Member thinks these figures are either exaggerated or under-estimated, may I know his calculation as to how much was in actual stock?

Shri B. P. Jhunjhunwala: It was not more than 1;25 lakhs, and as I have said, the marginal surplus or deficit of even 50,000 tons means a great deal in creating a sensation in the market.

An Honourable Member: How do you suppose it was 1:25 lakh tons?

Shri B. P. Jhunjhunwala: I don't suppose. If an inquiry is held, the facts will be out. It is for the Government to make an inquiry and many things will be exposed if a searching inquiry is made.

[Shri B. P. Jhunjhunwala]

Well, just after that I understand the industrialists approched the Agriculture Ministry saying that there is going to be a shortage and Government should take such and such steps in order to combat any shortage and prevent a rise in price. I want to point out that we have seen that the Government wakes up only when there is no remedy left. Government has been planning to increase production of sugar since August. Once I heard that the Government was thinking of issuing a notification to the different factories that they should start crushing even from the middle of September. I don't know with what resource in their hand they could make this proposal. This thought probably dawned upon them as a result of super wisdom. Anyway, that was what I heard, and there was an item in the papers also at that time to this effect. So, the Government has been trying that there should be more and more production of sugar. What is the result of their attempt? We had all expected that there will be more production of sugar at least at the beginning of the season and that when there is sufficient cane the result will be better. But the *Indian News Chronicle* of the 22nd carries a report:

"*Fall in sugar production in November*,—1,02,000 mds. of sugar was produced by the entire sugar factories in the Indian Union during the first fortnight of November, 1949, as compared with 1,31,000 tons......"

Instead of stepping up the production, the result that we find is that it has gone down. One of the causes—I don't say the only cause—which was brought to my notice about a fortnight ago was that some order had been passed by the U. P. Government which has been the cause of deterioration of production of sugar in that Province. I have nothing to say, nor am I competent to say, anything regarding the policy which that Government has adopted with regard to the *zamindari* policy. I support it; they are doing it in pursuance of the assurance which we the Congress-men gave.

Shri Mahavir Tyagi: On a point of order, may I ask what has the abolition of *zamindari* to do with sugar?

Shri B. P. Jhunjhunwala: I am going to say that. You kindly sit down.

Shri Raj Bahadur (United State of Rajasthan): On a point of order, Sir. Can the hon. Member assume the function of the Chair and order another member to sit down?

Mr. Chairman: The hon. Member may leave the Chair to take care of itself.

Shri B. P. Jhunjhunwala: My hon. friend, Shri Mahavir Tyagi, for whom I have great regard, says, what has the *zamindari* abolition to do with sugar production. Let me point this out to him. A circular was issued, No. 189-C, dated Lucknow, the 24th November, 1949.

Just as I have said, I am not against this circular so far as its attempt to make the Z. A. F. successful. The U. P. Government tried its best to make their scheme of zamindari abolition a success, but they should take other things also into consideration. They should see that it does not affect the other economy of the country. This circular is from the Cane Commissioner, U. P. Government. If I read the whole circular it would take the whole of my time. In pursuance of this circular, I would simply read one letter.

4 P.M.

An Honourable Member: May I request the hon. Member to place the thing on the table of the House, so that we can have a look at it?

Shri B. P. Jhunjhunwala: This will form part of my speech.

Shri Mahavir Tyagi: I want to know if it is a public document.

Shri B. P. Jhunjhunwala: It is a public document, a circular to all Secretaries and all the Cane Unions in the U. P.

Mr. Chairman: The hon. Member may give the purport of that order.

Shri B. P. Jhunjhunwala: It will be clear from this letter which has been addressed to my hon. friend Prof. Shibban Lal Saksena by one cane grower who says:

"Dear Prof. Saksena,

I am giving you the following information taking you to be a wellwisher of the tenants of U.P.

I have an Agricultural Farm at Kashipur (District Nainital), where I grow about 50—60,000 Mds. of sugarcane per year and supply the same to L.H. Sugar Factory at Kashipur. I have today received a letter from my Manager that the Addl. District Magistrate of the place has given a Ukase."

I do not know the meaning of the word 'Ukase'.

Shri Mahavir Tyagi: Ukase, it is a medicine.

Shri B. P. Jhunjhunwala:

"that preference in acceptance of cane at Factory and also in early payment thereof should be given to those tenants who have contributed to Zamindary Abolition Fund. This has created a great consternation among the tenants and large quantities of cane are getting dried thus effecting a great reduction in sugar-production, besides incalculable financial harm to the poor tenants.

Will you please raise your voice against such extortions and Black and Tan methods?

I shall be glad to give you any further information that you may need in this respect."

This is the letter which my hon. friend Prof. Shibban Lal Saksena has given to me.

Shri Raj Bahadur: What is the purpose of the circular about which he mentioned? That is a private letter.

Shri Mahavir Tyagi: Is it permissible to read private letters in this House, Sir?

Mr. Chairman: The hon. Member wanted the purport of the order, and it is mentioned there.

Shri B. P. Jhunjhunwala: I have nothing more to say except that we should all help in making this *Zamindari* Abolition a success.

Shri Ajit Prasad Jain: On a point of order. A certain circular has been referred to. Something of what is contained in the circular is being conveyed to the House by reading another private letter. It is most unfair to a Government which is not represented here that its orders should be interpreted in this manner. I submit, Sir, that the whole or a portion of the circular itself may be read.

Mr. Chairman: The hon. Member may read the operative portion of that circular.

Shri B. P. Jhunjhunwala: But the time for reading this should not be taken into account, Sir.

"Preference may be given to the *Bhumidars* and intending *Bhumidars* in the issue of *purzis* and as far as possible efforts may also be made to fit them in priority over others in the supply calendars to finish their cane earlier so that they may be able to make up the deficiency in the amount required for acquiring the *Bhumidari* rights. Such *purzis* shall be issued by the Secretaries of the unions only to the extent of the amount required for *Zamindari* Abolition Fund and they should before issuing such *purzis* satisfy themselves

[Shri B. P. Jhunjhunwala.]

that the amount is actually required for the purpose. A record of these special *purzis* together with the amount of *Zamindari* Abolition Fund towards which these *purzis* were issued to every individual grower should also be maintained separately. Care should be taken that this special concession is not misutilised."

Sir, the result of this circular is that some of the factory owners have represented to me that those people who have given an undertaking to the Government that they will allow their price to be deducted for *Zamindari* Abolition Fund should be given preference to them. They do not come to the factory to deliver their canes because they think that they will not get the money. Then the other cane growers, just as I have read out from this letter to you, think that they have got no chance of giving the cane to the factory with the result that they too are trying to crush their cane in other ways rather than allow the same to be dried. Sir, it may be said that after all the cane will be crushed and some sweet thing will be produced. I am wholeheartedly in support of producing *gur* in preference to cane. Sir, if we want sugar, there should be more sugar and more sugar should be given to the people. In that case you have to take this point into consideration. Otherwise if *gur* is produced, it is better for health. The whole thing is whether we all sitting here are prepared to substitute *gur* in place of sugar. (*Interruption.*) I am prepared to take a vow from today that I shall not take white sugar from today if all the Members join with me.

Mr. Chairman: The hon. Member's time is up.

Shri B. P. Jhunjhunwala: I am sorry but there were so many interruptions. My hon. friend, Mr. Ramnath Goenka is also very much in favour of austerity. If we are going to show any austerity, let us be prepared to have *gur*, at least the minimum that we need in place of sugar. What I said was that if you are all prepared, I also join you from today. Sir, I had to speak on decontrol and I want to take that up.

Mr. Chairman: Order, order, please. Before I call upon other Members to speak, I would like to know if the House would like to sit till six o'clock.

Several Honourable Members: Yes, Sir.

Mr. Chairman: I have got still nearly eight or nine names on the list. If the House wants to sit up to five o'clock, then I have to call upon the hon. Minister to reply before then.

Shri R. K. Sidhva: The hon. Speaker has already announced that we shall be sitting up to six o'clock.

Mr. Chairman: I take it that the House is willing to sit till six o'clock.

Pandit Balkrishna Sharma: Sir, I was told by the hon. the Speaker that the House will sit today till six o'clock and to that effect an announcement has already been made by him. I therefore beseech you not to kindly upset that announcement by again putting it to the vote of the House.

Shri R. K. Sidhva: The hon. Speaker said last time also that the House will sit till six o'clock.

Mr. Chairman: The House will sit till six o'clock.

Shri H. V. Pataskar (Bombay: General): I do not propose to take even the fifteen minutes that are usually allowed to speakers as there are so many hon. Members who want to speak. So far as this question is concerned, there are two aspects. One is as to what has happened. The other is as to what is to be done in future. So far as the first is concerned, it is clear from the speeches which have been made in the House and the information supplied not only by Government but by the Sugar Syndicate and other associations and bodies that there are five or six parties in this question and every one of them has profited by this industry. The price of sugar that is imported from outside is much lower. It is at the most Rs. 14 or 16, whereas the minimum price that is being paid in the country at control rate is Rs. 28-8-0. Therefore, the Central Government is realising profit by excise revenue. My hon. friend Mr. Tyagi was frank and he said that the U. P. Government have realised about Rs. ten crores by way of cess and out of that amount they have hardly spent ten per cent. for improving and developing sugarcane. To that extent, the Provincial Government of U. P. also has profited at the cost of the consumer. Similar is the case with regard to cane growers. I am told they are paid more than what should ordinarily be paid to them. Similar is the case with manufacturers.

It is clear from the facts narrated to us that in November 1949 the carry-over stock was somewhere between 1.25 lakh tons according to Shri Jhunjhunwala and 2 lakh tons according to other estimates. Therefore, taking the additional production of nearly ten lakhs, it was enough for the whole year taking the normal consumption of sugar into consideration. It appears that all these various interests have been trying to throw the blame one on the other. We do not know what would be the result of the enquiry, but from what I have heard, I am convinced that everyone has bungled. Everyone has had his own axe to grind and there was no co-ordination. The result is that, despite the fact that there was no deficit, we have had to pass through the present ordeal. As we find not only from criticisms outside but from the speeches made in the House, our Government have lost immensely in credit and reputation on account of this 'sugar muddle'.

Coming to the question as to what is to be done so far as the future is concerned, I would like to point out that the provinces of U. P. and Bihar must remember that a province like Bombay has suffered the most on account of the sugar shortage. In Bombay the urban population is 26 per cent. of the total population according to 1941 census. From the two per cent. in Assam of urban population, nowhere else is it so high as 26 per cent. The result is that the urban population require more sugar and naturally there is greater suffering and discontent. I do not grudge people coming to Bombay province from all over India, because it is a highly industrialised province; but, on the one side, we allow people to come in and on the other side we find that when sugar or food has to come from outside there are restrictions on its so coming from other provinces. We are always told that Bombay is a deficit province in the matter of food and sugar. So long as you go on increasing the population of the province by allowing free import of men but restrict import of food or sugar, it can never become self-sufficient in food or sugar. I do not want to be provincial, but this is the state of affairs. Bombay has suffered the worst on account of this muddle. When I go back from this place to my place, I find that whereas you can get sugar for Rs. two a seer here, you will have to pay much more than that in my province, say as much as Rs. five a seer. Why is it so? Why should we pay through our nose? I think the time has come when it is impossible for this Government to control sugar effectively. There is conflict between the cultivator of the U. P. and the manufacturers in that Province. There is conflict between the interests and objectives of the Government of India and the Provincial Governments of U.P. and Bihar. It is impossible, in the face of these things, that any Government—whether it is this Government or any other Government—will be able to carry on this control effectively. If you wish to effect an equitable kind of distribution, the question will arise as to how it is to be done: is it to be done on the basis of requirements or on the basis of population? In the former case, there may be certain provinces which claim more than they may be entitled to on the basis of population. To my mind, whether you blame

[Shri H. V. Pataskar]

the Central Government, the U. P. Government, the millowners or the dealers, it is impossible that the control on sugar can hereafter be effectively exercised. Therefore my submission is that sugar must be decontrolled. Sugar is not an essential article of life like food. We know that even by controlling, we cannot do its distribution properly; so the best thing would be to remove this control. It may be argued that, after all, if we import sugar, the industry which has been maintained in the country ever since 1932 will go down and be ultimately destroyed. So I would suggest that we may keep the price at Rs. 28/8/0, but there should be no restriction whatsoever on the selling or movement of sugar from one province to another. Otherwise, I am sure a province like Bombay will always remain a deficit province. From the points of view of Government, of the convenience of the public and also of the difficulty of maintaining this control, it is best that sugar should be decontrolled. At the most, we may fix the price at Rs. 28/8/0. All these Syndicates, Cartels and Trusts must be abolished. The ordinary law of supply and demand should be allowed to operate. In the beginning there may be some trouble, but that does not matter. If there was not this Syndicate, ordinarily the price may have increased by an anna or two, but now we find that although there was enough sugar to last the whole year, an artificial scarcity was created and it has caused so much hardship and misery to the public. I will cite a simple example. In Poona town, the black market price of sugar is Rs. five, I am told. What happened was this. A particular man who had an ample stock when the trouble arose, sold half of it at the black market price and the other half he had kept aside. When the police came to enquire, he threw it into the drain lest he may be detected. All that sugar was washed away. What is the good of such things? I am told that although the stocks with the mills were frozen in U. P., the stocks with the dealers were not frozen. They said they had no powers. Then the powers had to come from the Centre. The Centre had to consult the provinces. And among the provinces themselves there was no co-ordination. There was delay in several provinces issuing their own order. The result was that not only the manufacturer but the dealer who had some stock with him made a fortune out of this scarcity. I ask a simple question. Why is there this black market? It is because the controls are ineffective. Many people ask why the Government should not stop the black market. I ask you, in a vast country like this, how many prosecutions are you going to launch? The best thing would be to decontrol sugar. Whether you blame this Government or that Government, whether you blame the manufacturer or you blame the dealer, it has been proved beyond doubt, in my opinion, that sugar should be decontrolled. It has been proved beyond the scope of any enquiry that decontrol is the only solution. There must be free flow of sugar from one province to another. I warn my U. P. friends that if they stop sugar from being freely sent to other parts of the country where it is so badly required, the result would be that they would lose the sympathy of those people after some time. Therefore, that is the only thing that should be done. I say that sugar should be decontrolled with a determination that there should be no control again. If you want to decontrol now let us not even imagine of controlling it again. In the case of food, we cannot take any risk, because in the absence of it people may starve and die. But not so in the case of sugar. Therefore, if you want to maintain this national industry, that is my humble suggestion.

Mr. Chairman: I want to announce that a further restriction of time has to be imposed as there are still seven or eight Members who are anxious to speak. We have got only one hour and ten minutes. I would request hon. Members to restrict their speeches to ten minutes, to enable as many Members as possible to speak.

Shri Sarangdhar Das: Sir, it was announced by the hon. the Speaker that those who have moved amendments will have a right to speak first, and then the others will take their chance. According to this arrangement, we are deprived of an opportunity of speaking after having tabled amendments.

Mr. Chairman: The hon. Member may wait for his chance.

Pandit Thakur Das Bhargava: Is it absolutely necessary for a Member to send a note for him to get a chance to speak?

Mr. Chairman: No, it is not necessary.

Mr. Hossain Imam (Bihar: Muslim): Sir, I do not wish to take up the time of the House on discussing, or making a *post mortem* examination, of the past. It is a common ground between the Government and the House that there has been something wrong in the past. They have agreed to have an examination. Therefore to confine ourselves to the past mistakes is like beating a dead horse.

I would only suggest that the Committee which the hon. the Food Minister proposed to form should be presided over by a Judge of the calibre of either Justice Rajadhyaksha or Justice Varadachari, so that its recommendations may command respect. I would also suggest, that the Committee, when it is formed, should work consistently and be able to submit its report as soon as possible, so that we may not be wise after another event.

Thirdly, Sir, I should like to urge that it is wrong of the House to condemn a Government which is not present in the House to defend itself. What reasons and what difficulties prompted the United Provinces Government to take this action, we do not know. We have got no official papers circulated to us on behalf of the United Provinces Government to express their point of view. Therefore, I do not think that it would be just and fair on our part to condemn them outright without hearing their case.

I should concentrate mostly on the present. What should be the policy now? I am definitely of the opinion, Sir, that rationing is an encouragement for the black market. If you do not give full ration—and it is not possible for you to give full ration—then decontrol is the only thing open to you. But the price of the mill stock must be controlled. We may take powers under the Essential Supplies Act to restrict the retail prices of the district retailers also. Prices had been controlled during the war without rationing and they can today be controlled without rationing. But I have to blame the Government—especially the Finance Ministry—on one matter. We find from the notes circulated by the Food Ministry that they recommended the import of 50,000 tons of sugar costing anything between two to three crores and the Finance Ministry did not agree to it. It seems somewhat strange that a country with an import trade of about four hundred crores of rupees cannot find three crores in four months. We could have reduced some of the motor cars and luxury articles which we are now importing from other countries in favour of this very essential commodity.

Sir, I should like to stress that I do not hold any brief for the Government or for the capitalists. But I do feel that the Government erred grievously when they did not compensate the sugar mills for the decreased price paid on their stocks. If they had any justification to take away from the mills the excess in prices which was fixed in 1947-48, there was absolute justice on the part of the mills to get some compensation from the Government. But unfortunately this was denied to them. That was the wind which you sowed, with the result that you now have to reap the whirlwind. They, therefore, took advantage of the position and their rights under the law to increase the prices and to recompensate themselves for the losses which they had incurred,

[Mr. Hossain Imam]

It is very essential that in order to control the supply, we should take into account what is the potential capacity of consumption. Some of my hon. colleagues will not agree with the Government's view that there has been increased consumption. It is necessary that we should look to the papers and find out what the conditions were in 1947. The price then was Rs. 20 per maund and it was increased to Rs. 35. Therefore, the demand after the first decontrol was not increased in the same proportion, because prices went up by 75 to 80 per cent. The other factor was that *gur* prices were Rs. 15 a maund in place of Rs. 13 in 1946. Therefore, there was no competition between the two.

Now in the current year the sugar prices rose up to Rs. 28 a maund, as compared to Rs. 20 in the previous year. So the difference between the two prices was responsible for the larger consumption of fine sugar by the general public. It is, therefore, necessary, in my humble judgment, that we should allow import of refined sugar of a small quantity in order to supply all the requirements of the Greater Calcutta and Greater Bombay. In the meantime, rationing should be abolished from these two areas. Sugar should be allowed to be sold for a specific period of a month and a half or two months at the utmost to the general public, to anyone, as they like and at whatever prices offered, but on this definite understanding that from 1st February the Government will ration it, give one pound of sugar per week for each individual in Calcutta and Bombay. This quantity can be imported and profitably sold by Government through registered shops on their own or through the ration supply offices. These are the people who use the maximum quantity of sugar and are prepared to pay the highest prices. We will thus be able to relieve the pressure on supply. In future there will not be a shortage, provided we are prepared to bring foreign sugar whenever there is a necessity.

I may mention, Sir, that I have heard it definitely from the Government authorities that during the period of rationing, the Sugar Syndicate really did not function. We had the control of production and distribution. Similarly I do not want to have rationing. But I want this control to be maintained. It was initially wrong of the Syndicate to have sent destination quotas for 40 per cent. in the first three months of the year and after that ten per cent. every month. Ordinary arithmetic will convince you that the whole stock would be exhausted in about nine months, as it has happened. Therefore, it is necessary that there must be destinational control by the Government. The Government must watch not afterwards, but as the thing goes on, how things are moving and as soon as they find that there is scarcity or high prices they must be able to import. I may mention that in the long run, it would be more advantageous to the Finance Department to have imports and thereby a good income from customs rather than be stingy about foreign exchange and allow black-market to prosper. Their giving small rations to the public means direct encouragement to black-marketing. You lose your Income-tax also on the black-market profit. After all is said and done, it is the black-market money which is playing all this havoc and until you free it and allow it to be invested, you will have no peace in this country.

Dr. P. S. Deshmukh: Sir, it has been pointed out by a number of speakers in this House that the whole scarcity is more the result of manipulation than any real deficiency in sugar. In this amazingly unconvincing note circulated by Government, effort has been made to show that consumption has suddenly gone up. My hon. friend Prof. Shibban Lal Saksena has quoted certain figures to show how hopelessly unsound this contention is. I will give you a few further figures from which it will be apparent that, in spite of the fact, that we

are going to appoint an Enquiry Committee, the main blame for this muddle will have to be placed at the door of none else, but on the Central Government.

Many hon. Members have blamed the Syndicate. I have no doubt, Sir, that the Syndicate has played its own part; so have the mill-owners, as well as the merchants and traders in the country. But, Sir, after all, the Syndicate is more or less a creature of the Government, whether it is Central or the United Provinces or Bihar Government. In any case, any reasonable person must expect that the Central Government would keep itself duly informed of the doings of the Syndicate. The sugar that was sent out from the mills was sent out with the consent of the Syndicate.

Shri Ajit Prasad Jain: Not always.

Dr. P. S. Deshmukh: So far as those mills which are members are concerned, I am sure, at any rate, they are kept informed.

Shri Ajit Prasad Jain: No.

Dr. P. S. Deshmukh: I have here figures that have been provided, so far as despatches from Member factories during this period are concerned. They show quite clearly that, as a matter of fact, since the year 1944, there has been a decline in consumption rather than a rise. In 1944, we consumed 8,43,000 tons out of the sugar produced by these factories which are members of the Syndicate. In 1945, it went down to 7,89,000 tons; in 1946, it went further down to 6,61,000 tons; in 1947, it went further down to 5,76,000 tons. In 1948, it showed a slight increase and went up to 6,82,000 tons. The average per month of despatches from these mills works out in 1944 to 70,000 tons a month, in 1945 to 65,000 tons; in 1946 it works out at 58,000 tons and in 1947 it works at only 48,000 tons. There is a slight recovery in the year 1948 and we have a figure of 56,000 tons. All the arguments, that have been brought together in this note to show that all of a sudden the average has gone up to 100,000 tons per month are, I think, an exaggeration which can have no basis, no justification whatsoever. The argument that there has been an increase in population also is a fallacious argument because, as can be seen, population does not increase in one year; if there is an increase, it is an increase everywhere. In spite of this increase, in spite of the increase in wages, in spite of the fictitious rise in the standard of living which the hon. Minister thinks there is in the country, which I do not believe, I cannot accept that the average consumption has risen to 1 lakh tons a month. All these arguments are quoted to show that there is basis for the contention that consumption has gone up so much that in the year 1949, we shall require not less than 13 lakhs of tons of sugar, which would be twice as much as 1948. This would be, even taking the most popular year, a year in which there was the greatest consumption, at any rate from these factories, one and a half times as much. That is the calculation you will find in the note also. The average that was taken away from the mills per month was in the neighbourhood of 97,000 tons to 100,000 tons, because during the first nine months, more than nine lakhs were consumed. Even with whatever there was from the previous year, there could have been left three lakh tons which was hardly sufficient for three months. It was from these figures that the hon. Minister has tried to argue that there is scarcity, that there is a larger demand and a shorter supply. My contention is that this is absolutely untrue. It has not only been proved by the figures quoted by Prof. Shibban Lal Saksena; it is absolutely borne out by these figures. If this was the position, the Central Government should not have allowed itself first of all, to agree on the one hand, in the month of June to allow any export, which, of course, did not take place, of two lakhs of tons, and on the other hand, in a few months time or in a few weeks time to be convinced that the consumption has increased so much that there is scarcity and therefore we will have to take some steps to stop it. The whole thing has been

[Dr. P. S. Deshmukh]

so utterly mismanaged probably because the hon. Minister was misled by the information given by the Syndicate.

The Honourable Shri Jairamdas Doulatram: I do not like to interrupt my hon. friend. But, he has forgotton that he is giving figures for control years, when there was low consumption, when the production was also less. These figures relate to these control years, when very limited sugar rations were issued. They are not figures of normal demand and normal consumption.

Dr. P. S. Deshmukh: I would have been very glad to correct myself; but I am unable to do so, because, the lifting of control was not a matter of yesterday. I am sure control over sugar was lifted at least about one year and ten months back.

An Honourable Member: Eighth December, 1947.

Dr. P. S. Deshmukh: The figures can speak for themselves. Secondly, all these figures are for un-partitioned India, when India was not partitioned. There is also another factor to justify that consumption could not have possibly increased to this extent and in allowing himself to be convinced to the contrary that there is real deficiency, I think the hon. Minister has fallen into an error and it is that error that is responsible for the whole muddle. The second thing is—I must conclude, I have no other alternative, I have hardly begun—unfortunately, the blame which can be placed on the shoulders of the Central Government does not end there. What has the Central Government done during the last four months. There has been no improvement whatever in the condition of things in regard to the supply of sugar. The Government which has brought about this scarcity, have at least saved two lakhs of tons of sugar from being consumed by the people. From October to the end of January, they are going to give only two lakhs of tons, and if there is a consumption of at least 90,000 tons per month, there has been a saving of two and a half lakhs of tons and there can be no possibility of scarcity hereafter. My submission is that there has been great bungling in many parts of the Government; it has been a case of the blind leading the blind, with the result that we are left face to face with this situation and the whole country has suffered innumerable hardships, which, one of these days is not only bound to recoil on the heads of the Government themselves, but on every one of us. I therefore think that at the earliest possible moment, if this Government possesses any foresight, if this Government is clothed with any authority at all, this whole muddle should come to an end, within the next fortnight or so, and the people should be able to get sugar, if necessary, at even a slightly higher price. But sugar must be decontrolled. That is the only solution. The enquiry should be public as well as judical so that all those responsible shall be punished.

पंडित ठाकुर दास भार्गव : जनाब चेएरमेन साहब, इस मामले में जो हाउस (House) के सामने दरपेश है, ज्यादा सोच विचार का तो सवाल इस में पैदा ही नहीं होता। जिस गवर्नमेन्ट (Government) ने प्रोटेक्शन (Protection) दी थी, जिन वजहात की बिना पर प्रोटेक्शन दी थी, देखना यह है कि आया वह प्रोटेक्शन किसी हद तक कामयाब हुआ या नहीं। एक सवाल तो हाउस के सामने यह है कि इस वक्त यह झगड़ा हो गया, शुगर मडल (Sugar muddle) हो गया, उसके असबाब क्या हैं। मुझे कहने में ज़रा भी ताम्मुल नहीं है कि इस सारे झगड़े में अगर कोई शख्स कोई अथोरिटी (authority) ज़िम्मेदार

है इस मडल के वास्ते, यह प्रोटेक्शन अगर नाकामयाब हुआ है, तो वह सिर्फ गवर्नमेन्ट आफ इंडिया (Government of India) है। एक हिन्दी में मिसाल मशहूर है। चोर को क्या मारें, चोर की मां को मारें। जिस गवर्नमेन्ट ने यह प्रोटेक्शन दिया था, उस गवर्नमेन्ट का यह फ़र्ज़ था इस प्रोटेक्शन को कामयाब बनाती, यह प्रोटेक्शन सारे मुल्क की कौस्ट (Cost) पर दिया जाता है, किसी खास प्राविन्स (Province) की कौस्ट पर नहीं दिया जाता है, हिन्दुस्तान के हर एक आदमी को सैक्रीफ़ाईस (Sacrifice) करनी पड़ती है। जब कोई प्रोटेक्शन दिया जाता है, उस सूरत में उस गवर्नमेन्ट का यह फ़र्ज़ था कि जो सारे देश के ऊपर अपना तसल्लुत रखती है फूड (Food) प्राविन्शल सब्जेक्ट (Provincial subject) है तो भी आज हम किसी प्राविन्शल गवर्नमेन्ट (Provincial Government) को शकर की कमी के वास्ते जिम्मेदार क़रार नहीं दे सकते। क्योंकि वह ज़ाहिर सबूत है। लेकिन इस की ज़िम्मेदारी अब गवर्नमेन्ट आफ इंडिया ने ली है। लेकिन यह चीज साफ़ नहीं है। अब यू० पी० के सन् १९३८ के ऐक्ट (Act) के मातहत यह सिन्डीकेट (Syndicate) बना है और यू० पी० गवर्नमेन्ट (U.P. Government) का ही उस पर इन्तज़ाम है। उस की दफा ११ ए० के मातहत शुगर की कीमत मुकर्रर की जा सकती है। लेकिन २८ रू० ८ आ० की कीमत जो मुकर्रर की गई है वह मिनिमम (minimum) क़ीमत है। लेकिन मैक्सिमम (maximum) क़ीमत मुकर्रर नहीं की गई है। मैं पूछना चाहता हूं कि क्यों मैक्सिमम क़ीमत मुकर्रर नहीं की गई। आज किसी के यह कहने का सवाल ही पैदा नहीं होता है कि कंट्रोल (Control) से ज़्यादा क़ीमत लेते हैं क्योंकि गवर्नमेन्ट आफ इंडिया ने या गवर्नमेन्ट आफ यू० पी० (Government of U. P.) ने कोई सीलिंग प्राइस (Ceiling price) मुकर्रर नहीं की है।

Shri Krishna Chandra Sharma: It was agreed between the Industry and the Government.

पण्डित ठाकुर दास भार्गव : मैं पूछना चाहता हूं कि सारे देश के मामले में जहां हरेक कन्ज्यूमर (consumer) का इंटरेस्ट (interest) मौजूद है। What is the gentlemen's agreement, and where are the gentlemen who made the agreement? हमको मालूम है कि पिछले साल जबकि डि-कण्ट्रोल (de-control) हुआ, उस वक्त क्या सूरत हुई थी। गवर्नमेण्ट आफ इण्डिया और मि० श्यामाप्रसाद मुकर्जी यहां बैठे रहे और यू० पी० गवर्नमेण्ट ने एक फेट अकम्पली (fait accompli) गवर्नमेण्ट के सामने पेश कर दिया और गवर्नमेण्ट आफ इण्डिया मजबूर हो गई कि उसके मुताबिक काम करे। अभी मिस्टर हुसैन इमाम साहब ने फरमाया है कि किसी गवर्नमेण्ट के खिलाफ़ कुछ कहना जो

[पंडित ठाकुर दास भार्गव]

यहां रिप्रेजेण्टेड (represented) नहीं है, मुनासिब नहीं है। मैं बहुत अदब से अर्ज़ करना चाहता हूं कि इस तरह से तो सिन्डीकेट के ख़िलाफ भी कुछ कहना नहीं चाहिये। लेकिन कुछ चीजें होती हैं जो लाज़िमी व मुसल्लमा होती हैं। मसलन यह चीज़ मुसल्लिमा है कि अभी तक गवर्नमेण्ट आफ इण्डिया ने कोई फैसला नहीं किया था कि क्या पालिसी (policy) अख्त्यार की जाय, इससे पहले फ्रीज़िंग (freezing) यू० पी० में हो गई। मुझे नहीं मालूम.........

श्री महावीर त्यागी: अगर उसने ऐसा न किया होता तो हिन्दुस्तान में इतनी चीनी भी न मिलती जो आज मिल रही है।

पण्डित ठाकुर दास भार्गव: मैं इसके लिये यू० पी० गवर्नमेण्ट को उसकी बैक (back) पर नहीं कंडेम (condemn) करना चाहता लेकिन मैं जानता हूं कि गवर्नमेण्ट आफ इण्डिया के हुक्म के बग़ैर, और हुक्म बड़ी आसानी से लिया जा सकता था, मिल स्टाक (Mill stock) क्यों फ्रीज (freeze) कर दिया गया। अगर यू० पी० गवर्नमेण्ट इसका जवाब न दे, क्योंकि वह यहां ट्रायल (trial) पर नहीं है, लेकिन हमारी गवर्नमेण्ट को जवाब देना होगा कि उन्होंने उसके ख़िलाफ़ क्या ऐक्शन (action) लिया, क्या गवर्नमेण्ट ने कोई कम्यूनिके (comnunique) निकाला कि क्यों चूंकि यू० पी० गवर्नमेण्ट ने ऐसा कर दिया है इस लिये हमारी गवर्नमेण्ट भी मजबूर हो गई। मैं इसमें यू० पी० गवर्नमेण्ट को कंडेम नहीं करना चाहता लेकिन एक सवाल पूछना चाहता हूं............

श्री अजित प्रसाद जैन: आप सवाल यह पूछिये कि सेण्ट्रल गवर्नमेण्ट ने क्यों फ्रीज़ नहीं किया।

पण्डित ठाकुर दास भार्गव: मुझे कोई गरज़ नहीं ह कि क्यों नहीं किया, लेकिन मैं अदब से यह पूछना चाहता हूं कि इस देश के अन्दर जिसका यह क्लेम (claim) है कि यहां पर इतनी शुगर पैदा होती है जितनी देश के लिये काफी है फिर मुझे बतलायें कि क्या वजह है कि यहां पर कण्ट्रोल किया जाय। यहां पर कण्ट्रोल करने के यह माने हैं कि गवर्नमेण्ट ठीक तौर पर इन्तज़ाम नहीं करती वरना कण्ट्रोल के मानी क्या हैं? कण्ट्रोल के मानी मैं समझ सकता हूं उस मुल्क में जहां किसी चीज़ की कमी हो, ताकि हर एक को वह चीज़ मिल जाय। लेकिन इस देश के अन्दर यह चीज़ इफ़रात में मौजूद थी। फिर इस कण्ट्रोल का क्या मतलब है? इस तरह क्या आप हर चीज़ को फ्रीज़ करते जायेंगे। २७ तारीख को वहां पर फ्रीज होती है, और ३० तारीख को यहां मीटिंग होती है और फिर फ्रीज़िंग का हुक्म होता

है। क्या कोई इतना बेवकूफ़ शख्स है कि वह यह भी नहीं समझेगा कि कीमत में शुगर महंगी बिकेगी। फिर अगर वह अण्डर ग्राउण्ड (underground) नहीं जायेगी तो क्या होगा? क्या आप इसकी उम्मीद कर सकते हैं? नतीजा यह हुआ कि जैसा शिड्यूल ४ (Schedule 4) में दिया हुआ है बहुत जगह स्टाक्स (stocks) नहीं मिले। कहां से मिलते? जब लोगों को यह मालूम हुआ कि इतना रुपया अब ब्लैक मार्केट से पैदा होगा तो आप यह उम्मीद नहीं कर सकते कि वह पैट्रियाटिक (patriotic) होंगे। जनाबवाला, यहां पर सिन्डीकेट की बहुत बुराई की गई है। मैं सिन्डीकेट का वकील नहीं हूं। लेकिन जो कुछ उन्होंने किया अपने मेम्बर साहबान के फायदे के लिये किया, न किया हो उन लोगों ने तो न किया होगा। मैं झगड़े में पड़ना नहीं चाहता क्योंकि इन्क्वायरी होने वाली है। मेरे पास ऐसे बहुत से कागजात मौजूद हैं जिनको पढ़ कर मैं कह सकता हूं कि इस नतीजे पर पहुंचना मुश्किल है कि किसका कितना कसूर है, मैं बिल्कुल इस झगड़े में पड़ना नहीं चाहता न मैं किसी को कंडेम (condemn) करता हूं। लेकिन मैं एक बात जानता हूं कि अगर सिन्डीकेट ने यह किया तो अपने मेम्बर्स (members) के लिये किया और सिन्डीकेट की कोई जिम्मेदारी नहीं है कि कोई पैट्रियाटिक काम करती और देश के लोगों का भला करती। यह फर्ज है गवर्नमेण्ट आफ इण्डिया (Government of India) का। मैं अदब से पूछना चाहता हूं कि गवर्नमेण्ट आफ इण्डिया ने क्या कार्रवाई की। अगर सिन्डीकेट ने उनको धोखा दिया अगर यू० पी० गवर्नमेण्ट ने उनको धोखा दिया तब उन्होंने क्या किया और क्यों धोखे में आये। गवर्नमेण्ट आफ इण्डिया कैसे अपनी पोजीशन (position) जस्टीफाई (justify) कर सकती है। मैं कहना चाहता हूं कि जब मैं सारी बातें देखता हूं तो मुझे समझ में आता है कि गवर्नमेण्ट आफ इण्डिया ने अपने कई चीजों के अख्त्यारात प्राविन्शियल गवर्नमेण्ट्स को दे रक्खे हैं। और वह अपने काम से अच्छी तरह वाकिफ नहीं हैं। मैं पूछना चाहता हूं कि क्या यह ३ आने का सेस (cess) जो है जिससे दश वर्ष में आठ करोड़ अड़तालिस लाख रुपया आता है जिसका बड़ा हिस्सा जनरल रेवेन्यूज (general revenues) में जाता है और वह यू० पी० गवर्नमेण्ट को क्यों देना चाहिये। मुझे आप बतलायें कि जब कि दुनिया की गन्ना पैदा करने की ताकत बढ़ गई है तब आपकी क्यों घट गई है? मुझे यह बतलाया जाय कि जब हर एक मुल्क में एक एकड़ में ४० टन पैदावार है तो क्यों यहां १५ टन ही है? जितना रुपया इस मुल्क के लोगों से लिया गया वह जनरल रेवेन्यूज़ में चला गया और जिस गरज़ के वास्ते लिया गया था उस पर अच्छी तरह नहीं खर्च किया गया। मिलों के बारे में मैं कुछ नहीं कहना चाहता। आप जानते हैं कि मिलों को मजदूरों को ७० रुपया देना पड़ता है, सेस देना पड़ता है और गन्ने की कीमत चार आने मन से एक रुपया दस आना मन हो गई है।

[पंडित ठाकुर दास भार्गव]

इससे उन लोगों का भला होता है जो मिलों में काम करते हैं और जिनका उनसे ताल्लुक है। मैं भी चाहता हूं कि उनकी भलाई हो, लेकिन मैं यह नहीं चाहता कि उनको जस्ट ड्यूज (just dues) से ज्यादा देकर उनको सारे मुल्क के कास्ट पर पेम्पर (pamper) किया जाय। यह जितनी भी चीजें हैं वह सारे मुल्क के फायदे के लिये हैं, किसी खास कम्युनिटी (community) के फायदे के लिये नहीं। सन् ३० में इसी जगह से हम उस वक्त की गवर्नमेण्ट से प्रोटेक्शन के लिये झगड़ते थे और उस गवर्नमेण्ट को हमने मजबूर कर दिया कि प्रोटेक्शन दे। लेकिन हमको देखना चाहिये था कि हर एक कन्ज्यूमर को इस देश में सस्ती और अच्छी चीनी मिले। क्या हमने इस पर अमल किया? ३१ से १३४ मिलें हो गईं ताहम इसका क्या किया जाय कि यहां पांच रुपये और चार रुपये सेर चीनी मिलती है? मैं जानता हूं कि इस इन्क्वायरी (inquiry) से कोई फायदा नहीं होगा और इसकी कोई ज़रूरत नहीं है। इसमें यही कहा जायगा कि फलां की एरर आफ जजमेण्ट (error of judgement) है, फलां की एरर आफ जजमेण्ट है। अगर आप कुछ करना चाहते हैं तो इस कण्ट्रोल का खातमा कीजिये और इसको देश में रहने न दीजिये।

मेरे चन्द दोस्तों ने इम्पोर्ट (import) का ज़िक्र किया है। मैं समझता हूं कि अगर किसी भी मुल्क से एक टन भी इम्पोर्ट किया गया तो वह इस बात की निशानी होगी और इस बात का सबूत होगा कि गवर्नमेण्ट आफ इण्डिया इन्तज़ाम नहीं कर सकती और हम लोगों की नाक कट जायगी कि हम protection को कामयाब न बना सके और ठीक इन्तज़ाम करने के काबिल नहीं हैं। मैं इस लिये इम्पोर्ट के सख्त खिलाफ़ हूं और इसको निराशा की बात (argument of despair) समझता हूं।

(English translation of the above speech)

Pandit Thakur Das Bhargava: Sir, the matter, that is before the House, does not at all warrant a lengthy consideration. After taking into consideration the attitude of the then Government that granted protection and the reasons for granting such protection we have to see whether the protection given to this industry has proved successful to some extent or not. The first question before the House is to ascertain the reasons of this present sugar muddle. Without the least possible hesitation I can say that if any person or authority is solely responsible for this muddle and if the protection has failed then that authority or person is none else than the Government of India. In Hindi there goes a proverb that catch the evil at its source. It was the duty of that Government, which had granted protection, to make protection successful. Such protections are given at the cost of the whole country and not at the cost of a certain province. Every person in India has to make some sacrifice. Whenever any protections are given then the Central Government becomes duty bound to see that they become successful. Food is a provincial subject even then we cannot hold any Provincial Government responsible for this sugar

shortage. Because it is self-evident. But now the responsibility has been taken over by the Government of India. But the affair is not above board. The Sugar Syndicate was constituted under an Act passed by the United Provinces Government in 1938, and the same United Provinces Government control and supervise it. Under section 11A of that Act the price of sugar can be fixed. But the price, Rs. Twenty-eight annas Eight, that has been fixed denotes the minimum price. The maximum price has not been fixed. I want to enquire why the maximum price was not fixed? Today it does not lie in anybody's mouth to say that prices far higher than the controlled rates are being charged, because neither the Central Government nor the Government of the United Provinces have fixed any ceiling price.

Shri Krishna Chandra Sharma: It was agreed between the Industry and the Government.

Pandit Thakur Das Bhargava: I want to ask that in a country wide problem involving the interest of each and every consumer what is a gentleman's agreement, and where are the gentlemen who made the agreement? We know what had happened last year when sugar was decontrolled. The Government of India and Shri Syama Prasad Mookerjee kept standing like mere spectators and the Government of the United Provinces created a *fait accompli* and the Government of India was obliged to fall in line with it. Just now Mr. Hossain Imam has said that it is not at all proper to say anything against any Government which is not represented here. Very humbly I beg to say that similarly we should not say anything against the Syndicate also. But there are certain established and accomplished facts also. For instance it is an established fact that the Government of India had not yet come to any decisions regarding its policy in this matter that the freezing of sugar stocks took place in the United Provinces. I do not know . . .

Shri Mahavir Tyagi: Had this step not been taken then even this much sugar that we are getting to-day would not have been available.

Pandit Thakur Das Bhargava: For this action I do not want to condemn the United Provinces Government behind its back, but I want to know why the stocks in mills were freezed without the permission of the Government of India and when such permission could have been easily obtained. The United Provinces Government may not give any explanation because it is not on trial here, but our Central Government will have to give an answer as to what action did it take against the said Provincial Government. Did the Central Government issue any communique to the effect that the Central Government was obliged to do so as it had already been done by the United Provinces Government. I do not want to condemn the United Provinces Government for this action but I want to ask a question . . .

Shri Ajit Prasad Jain: You better ask why the Central Government did not freeze the stocks?

Pandit Thakur Das Bhargava: I am not at all interested to know why it was not done, but very humbly I beg to request you to tell me why sugar was made a controlled commodity in a country which claims to produce so much sugar that would suffice for the needs of the whole of the country. Here the controlling of this commodity means that the Government do not manage the matter properly, otherwise what else does controlling mean? I can understand the reasonability of imposing control in those countries where there is a deficiency of a certain commodity so that this particular commodity may become available to every person. But in this country this commodity was in abundance. Then what does this control mean? Would you go on freezing each and every commodity in this manner? There in the United Provinces the stocks are freezed on the 27th and on the 30th a meeting is convened here

[Shri Shankarrao Deo]

and then afterwards orders are passed for freezing the stocks. Is there any such fool who would not comprehend even so much that sugar would sell at a decidedly higher price? Then if the stock would not go underground then what else would happen? Can you hope for anything other than this? The result was that, as mentioned in schedule 4, stocks were not forthcoming in several places. Where could they be found? When people came to know they were going to make so much profit from the black market you could not expect them to act in a patriotic manner. Sir, the Syndicate has come in for a severe censure. I hold no brief for the Syndicate, but then, whatever they did they did for the benefit of their members. May be they did not do anything. I do not want to enter into that controversy as an inquiry is going to be started. I have a number of documents with me by a perusal of which I can say that it is difficult to apportion the blame. I would in no case enter into that controversy, nor would I condemn anybody. But one thing I know that if the Syndicate did it they did it for their members. No responsibility rests on the shoulders of the Syndicate to engage in patriotic activities and thereby benefit the people of this country. This is a duty of the Government of India. I would respectfully enquire, what action did the Government of India take? If the Syndicate played foul with them, if the U. P. Government betrayed them, what action did they take? And, why did they let themselves be betrayed? How is the Government of India going to justify its position? I want to say that when I examine all aspects of the affair I find that the Government of India have delegated their powers in several fields to the Provincial Governments, who, however, are not fully conversant with their job. I want to ask why should the U. P. Government have the three anna cess which yields eight crores and forty-eight lakhs of rupees in ten years, the major portion of which belongs to the general revenues? Could you tell me why is it that whereas in other countries there is improvement in the capacity for production of sugarcane in our case there is deterioration? I should like to be told why is it that when in every other country there is a yield of 40 tons per acre here it is only 15 tons. All the money that was exacted from the people of this country came to be included in the general revenues and was not spent properly for the purpose for which it was got. I do not wish to say anything with regard to the mills. You know the mills have to pay the labourers at the rate of seventy rupees and they also have to pay the cess. Besides, the price of sugar-cane has risen from four annas per maund to one rupee and ten annas per maund. This works to the benefit of those people who work in the mills and are connected with them. I too want that they should be benefited but I do not want that by payment of more than their just dues they should be pampered at the cost of the whole country. All these provisions are for the benefit of the entire country and not for the benefit of any one community. In 1930, in this very House, we used to quarrel with the then Government over protection and we compelled them to grant protection. But we should have seen to it that good and cheap sugar was made available to each and every consumer in this country. Did we act on that principle? From 31 the number of mills rose to 134 but what is the good of it when sugar is sold at four to five rupees a seer? I know this inquiry is not going to yield any good and that it is not at all called for. All that will be said at this inquiry will be that so-and-so and so-and-so made an error of judgment. If you want to do anything you should end this 'control'; there should be no place for it in this country.

Some of my friends have touched on the question of import. I feel that even if a single ton is imported from any country it would be an indication and proof of the fact that the Government of India cannot manage things and we would be humiliated by the fact that we could not make a success of protection and that we are incapable of good administration. Hence, I am bitterly opposed to import and regard it as an argument of despair.

Shri Sarangdhar Das: There is a portion in my amendment in which I have said that Government failed in their duty to protect the consumer. As regards other matters, sufficient has been said already by the previous speakers and I do not wish to repeat them, although in the matter of seeing where the blame is and asking for an enquiry, I repeat that it should be done within, at the most, one month and it should be presided over by a High Court Judge and I wish to add that there should be no person connected with the sugar industry, on this committee. However, my point is that the Government failed to protect the interests of the consumer. I wish to point out that the consumer during the last eighteen years of the protection period, has paid somewhere near Rs. 350 crores to establish this industry in this country so that he can obtain cheap sugar and also that there may be the other benefits that come to a country when such an industry gets established. With this purpose the consumer has paid this amount, and it is the duty of the Government to see to it that the price of sugar does not go up enormously, but it has gone up enormously.

There are various figures from various sources, about the stocks and the despatches from the mills; but I will take the figures from the note circulated by the Government, and I find therein that although there was a carry-over from the beginning of the year, that is, from November, the despatches were anywhere between 50 per cent. and 200 per cent. more than what they used to be in the previous year. And I find from another source—also a Government source—the Director of the Institute of Sugar Technology, Kanpur, who issues during the season a fortnightly report, and I believe it must be coming to the Government also, I find from this source that in the month of March, the despatches shot up from somewhere about 30 lakh maunds—it is all expressed in maunds—to nearly 45 lakh maunds. Therefore, I want to know how the Government did not know, that such abnormal despatches were being made from the mills. And then, in the month of June, the same Syndicate comes forward to the Government with a request to export 50,000 tons of sugar. It should have been the duty of the Government to find out why, if so much increased despatches had been made, 50,000 tons should be exported again to Pakistan. From all these things I can see that this powerful body, the Sugar Syndicate, had become a very powerful influence in the country, at least with the Government. This powerful body, having always objected to the sugar cane prices fixed by the U. P. and Bihar Governments, started this year a very nice conspiracy from the beginning of the season, so that the Government might be embarrassed, there might be scarcity of sugar and the Government might beg the sugar manufacturers to increase production and then they might claim that the price of sugar must be raised from Rs. 28/8 and the price of sugar cane should be reduced. This, to my mind, was absolutely a conspiracy, and they have succeeded in it.

In this connection I want to point out something that the other speakers have not touched upon. I have understood from the various sources, and from the Government also, that in December, 1948, the Syndicate had agreed to keep the price at Rs. 28/8/- per maund; but in March, April, May, the mills were charging anywhere from Rs. five to Rs. eight per bag over the sum of Rs. 28/8/- and there was a circular issued from the syndicate to the mills that nothing prevents them from charging this premium. I wish to know from the Government why these people who had entered into an agreement to keep the price at Rs. 28/8/- should not be punished—no matter how big they are—why they should not be punished for having broken that agreement. Now, this is one point that the previous speakers have not dealt with, but I think it is a very pertinent point. Unless you punish people for having broken agreements as you do with the poor people who, if they break any contract, are punished; unless you punish these big people also, how are you going to remove scarcity of sugar or scarcity of anything?

Pandit Lakshmi Kanta Maitra: Punishments are for small people, not for big people.

Shri Sarangdhar Das: No, it is for big people also. That is why I say Members of Government go on telling the people to tighten their belt, and to talk of big things and not of small things, while millions are suffering in this manner. After paying Rs. 350 crores in 18 years for establishing this industry, if they are not getting sugar, then the Government must be held responsible.

As Acharya Kripalani said, if the Government cannot govern, then it has no business to stay there.

I want to say a little bit about protection. Many of the speakers have said about the industry not having progressed. I can tell you that the industry

5 P.M. will never progress as long as most of the factories are situated in the sub-tropical belt of U.P., Bihar and Punjab. Most of the factories must be removed to tropical belts of Bengal, Orissa, Madras and Bombay—Maharastra and sugarcane should be grown there where it is yielding 50 tons per acre while the maximum in U. P. is about 15 tons. You can't decrease the price of sugarcane unless the yield goes up as it will in the tropical belt only. When the matter of protection comes, I will have a say.

Shri Krishna Chandra Sharma: I have given notice of an amendment to appoint a Committee under the presidentship of a High Court Judge, representing the industry, cane-growers and members of the Parliament to go into the details of this question of muddle and the general situation of the sugar industry and report thereon.

As I read through the amendment and I listened attentively to the speech of the hon. Members, I am reminded of what Washington said in 1784:

> "What of this Government, half-starved, limping, on the stretcher, tumbling down at every step."

This was the description of American Government given by Washington in 1784 and it is completely true of the present Government. The painful story is that while the American Government had not the sanction behind it because there were so many States jumbled together and the Central power could not depend on the allegiance of the people as a whole, this Government is so powerful as no other Government has ever been so far in the history of the world and yet things have happened which could not be imagined to have happened. There is a man who raises a finger and the whole Nation obeys him. It is a story that in the future generations nobody would ever be ready to believe. I don't take sugar as a separate item. It is a question of how you move the whole machinery. I cite the instance of what happened after the Revolution in Russia. There was something round about the city. 50,000 ordinary men assembled together to move about the thing and the Minister and the high officials were working along with the people but the subordinate services—the clerks and assistants in the office and the Assistant Engineer were sleeping all right. So it is the story whenever a revolution comes, whenever a change comes, the men on the top are anxious to lead it and the man below is anxious to do the job but the men in between sleep all right. He has no sense of social conscience and this is the present story, whether you take the mill hand, the sugar magnate or anybody else. It is no use to say that the Sugar Syndicate is not doing its job. You say you decontrol the sugar and let the things go the natural course. Then you should be prepared for another question. Abolish the military and police and let things go the natural course. Then not a single sugar factory will exist and not a single millowner will exist tomorrow. Are you prepared for that. No man is entitled to the protection of the State unless he is socially conscious. Anybody who is doing otherwise is a criminal

before the people and he is a sinner. Why not the man who exercises take the *dunda* in the hand and teach a lesson? What happened during the riots? These people were trembling. Who saved them? The man who was getting Rs. 30 as a Police Constable was the man on the spot and you asked him to stand at the gate of the criminal and, save his family and now you say decontrol. Is there any sense of justice or commonsense?

Then I say a word to the Government. The situation demands quick decision and strong action. As Acharya Kripalani said there is no way out. Either you control or import sugar from outside. You can't import—you have no means to import. What is the other way open? Ration sugar and control it and fix prices and take the strongest action. Put in the jail people who break the law and take the strongest action. No Government in a change-over has ever run efficiently without strong action. You say that you will talk to them. I have read the Chairman's address. He said the Deputy Prime Minister has done this and has given this concession or that but concessions do not produce a social conscience. It is necessary to have a sense of duty in the people and it is necessary to consider yourself as an organic part of the people as a whole and to realize that you can't exist if the people do not like you. If you say natural economics shall take natural courses, you must be ready to say that natural justice shall have its play. This Government may go but you will be wiped out too and so it is no use saying we have invested so much.

Pandit Lakshmi Kanta Maitra: I am sorry to interrupt my hon. friend. Certainly the whole speech is directed against us. What have we done?

Shri Krishna Chandra Sharma: I am referring to the industry. The only course open now is to increase production of sugarcane and realize whatever amount is available and take to task people concerned with production. The second course to take is to see that whatever is produced comes into your hand, control its price, ration it and if anybody breaks the law, take the strongest possible action against him and things will go well.

Mr. Chairman: Pandit Balkrishna Sharma.

Shri R. K. Sidhva: I have got my amendment. All the amendments are over and I don't know why I should not have any chance.

Mr. Chairman: You will get your chance.

Pandit Balkrishna Sharma: Sir, for nearly the whole of the day, I was in vain trying to catch your or your predecessor's eye and I din't get that chance. At long last, I have got these ten minutes and I don't know if I shall be able to do justice to the subject which is under discussion.

At the outset, I wish to say that as I participate in this debate, I feel sad at heart, and naturally enough. Anyone may ask the reasons for this feeling of sadness. (*An hon. Member*: No, no, we won't ask). If you don't, then you are very unimaginative. You must. Well, Sir, sugar has left a very bitter taste in my mouth, and I am sad because I feel that one more blow has been dealt towards shattering our dream, a dream which we all cherished. The dream which our Government, and with them we, wanted to realise was to establish a new economic order in our society without any violent, cataclysmic change in our social set-up. We desired sincerely and in all good faith to build a half-way house between capitalism and socialism, a house where capital, labour, consumer, all may find a welcome shelter. But where are we today? I am very sorry to say that this inhuman, monstrous, greedy, gruesome, mean and murky manipulation of sugar prices by the *thugs* of the sugar industry has scorched my dreams. Was it out of pusillanimity that our Government cherished such a dream? No. The Father of our Nation taught us to secure co-operation of the capitalists in building our economy. Have we succeeded?

[Pandit Balkrishna Sharma]

Do we not see that our loans remain unsubscribed, do we not see that a loaded pistol is always held at our heads? Is there any wonder then, Sir, if I begin to lose faith in the humanity of the capitalists? If such continues to be their attitude, then let me tell them that the day is not far off when doom and utter doom will overtake them. Some of them may be chuckling when I say so. The Fundamental Rights in our Constitution have assured them the right to own property. Let them know that our Constitution is not an unchangeable, inexorable edict of Nantes, that the people of this country have a right to change it. Let them know that by their own actions they are putting the whole country in a vicious mood. I am reminded of the teachings of the *Gita*. At one place the author of the *Gita* says:

आत्मैव ह्यात्मनो बंधुरात्मैव रिपुरात्मन:

The *Gitakar* says that the self is the friend of the self and the self also is the enemy of the self. And these, our capitalist friends, today are the greatest enemies of their self because they have not learnt that great art which the *Gitakar* in the very next *sloka* says:

बन्धुरात्मात्मनस्तस्य येनात्मैवात्मनाजित:

The *atma*, the self, is the friend of him who has conquered the self. And they have not been able till today, even after having seen the whole country in utter misery, to conquer their wretched greed and their wretched lust for the filthy lucre. That is where we are. They are mercilessly driving us to the conclusion that in this Gandhi-forsaken land no half-way house shall be built, that it is impossible to resolve the inherent contradictions between capitalism and a happy, contented society, and that in the very near future we will have to destroy this system root and branch. It is to this conclusion that they are driving our country.

What is the sugar scandal? It is chicanery, it is fraud, it is dirty dishonesty *in excelsis*. Let the House not go with the idea that the sugar crisis came upon us suddenly or as a matter of course. No, Sir. It was a well-planned, well-thought-out, premeditated affair. The sugar magnates had planned to create a crisis. There was a well-laid conspiracy and in order to prove that well-laid conspiracy, I will try to place before this House certain figures. As early as the month of February this year, the offtake from the mills was so inordinately large that it defies any other conclusion except that the capitalists wanted to create a crisis in this country. Sir, in February, 1948, the despatch in the month of February from the mills was 7,68,180 maunds, but this year, in the month of February, the offtake was 31,65,030 maunds. What possible rationale can be given for this huge offtake from the mills in one month except that in the near future they had an eye on creating a scare in the market and a trumped up shortage?

To take another point, there are three questions before us, and those three questions as the hon. the Food Minister pointed out are: Firstly, enquiry, secondly the fate of the Syndicate and thirdly control or decontrol. He has very kindly agreed to an inquiry being held in this affair; secondly, we have to see what should be the fate of the so-called Syndicate; thirdly, the question of control or decontrol. These are the three questions before us. So far as the inquiry part of it is concerned, I think the Government has done well in deciding upon an inquiry. That an inquiry is called for is eminently clear from the information which has been supplied to this House today. As the House already knows, on the 1st of August, we were told, there was a stock of 280,000 tons of sugar in the factories, but when the freezing order came

it was found that only 106,000 tons of sugar were seized which means that 174,000 tons were left to be accounted for. Out of this 174,000 tons only 104,000 tons was shown to have left the mills during that period. Still, 70,000 tons remain to be accounted for and they have not been accounted for till today. Then, in the United Provinces the mills reported at the time that there were 92,000 tons. But when freezing came 9,000 tons were missing. If you take the price at Rs. 40 a maund, then it will come to something between six and seven crores of rupees which the mills, the Syndicate or the trade have made on that amount for which no account has so far been given by anybody.

I would like to place before the House some information.

Sir, the way in which this monopoly is worked is abundantly clear from the fact that the mill-owners have got their own agencies and *benami* transactions take place and the poor trader and the stockists and the wholesaler come in for a lot of criticism from us for little fault of theirs. I do not say that there is no fault on their part also, but I can tell you that wherever there is black-marketing, please take it from me, because I have got personal experience, it is only the mills that are responsible. I have got here names of certain firms, certain agencies which are nothing except the big mill-owners themselves and they receive the full produce of those mills. For instance, the Sugar Agents Limited and the Moon Corporation, these are the two institutions which belong to one particular group, I am told, the Birla Group, and the whole sugar produce of this group goes to them. Then again, there is the Thapar group which has got five mills. He has got his own "produce exchange", that is his own concern and everything comes to it. We are accusing the poor wholesaler here. It is these people. Then there are the Bharat Traders, the Asok Marketing Corporation and the Vyaparas Limited of the Dalmiayas and seven mills are under them and they pocket the whole amount. Then there are the Anand Ram Puranmal of Jaipuriyas and they have two mills under them. Then there is Surajmal Hariram of the Khaitans and Indrachand Vijaya Kumar belonging to Kejriwals. This is the information that I am giving to the House.

Shri R. K. Sidhva: Sir, I am very glad that the Government have taken a decision to appoint a Committee. I only hope, Sir, that the personnel of the committee will be persons of integrity, independent, impartial and honest.

Mr. Chairman: The hon. Member will have to finish before 5-30 P.M.

Shri R. K. Sidhva: I hope I will be given some consideration as others had been.

I only want to state that the Government of U. P. and Bihar had issued an order freezing the sugar stocks on the 26th of August and the Central Government on the second of September. I am surprised and amazed at the system of issuing the freezing order. Whenever any such action had to be taken, it should have been issued simultaneously all throughout India; and what has happened, Sir? Even though the order of the U. P. Government for freezing was issued on the 26th of August, on the 28th of August 600 bags were despatched from Seora in U. P. to Carnac Bunder in Bombay. Then 600 bags were despatched on the 30th August and again 200 bags were despatched from the same station to Carnac Bunder. Thus so many sugar bags have gone underground. Now coming to the rate, the rate of standard sugar is at Rs. 28-8-0. I have got in my possession original bills which indicate that they have charged the price of Rs. 35-8-4. There is a firm called Sugar Agents Limited in Seora in the U. P. who have sent to the Bombay Sugar Trading Company 220 bags, 600 bags of standard sugar at Rs. 35-8-4. This matter was brought to the notice of the hon. Minister by well-known responsible person. I also made a reference the other day in the question hour and the hon. Minister stated that he had no recollection. I now give him

[Shri R. K. Sidhva]

these details and when this responsible person went to him, he said: "Now let us talk of the future and past is past". I am now telling this to recollect his memory. These are the facts I have got before me and the attention of the Government was also drawn by a responsible person, and yet no steps were taken by the Central Government. This was somewhere in the month of October. This is the position under which this racket has taken place. I do not know who is responsible really. The responsibility is either on the one or the other, but ultimately, it is the Centre's responsibility, no matter whether orders have been issued by the U. P. Government or the Bihar Government.

Then, I do not understand, Sir, when 41 factories in the other parts of the country excepting Bihar and U. P. can be managed without a syndicate why a syndicate should be imposed on these two provinces. These 41 factories have managed their movement very well. I cannot understand why this syndicate should be entrusted with the particular purpose of movement. If there is no alternative, then my conclusion is it is nothing but the industrialists' own concern, they are all mixed up in this and amongst themselves. They plan out, conspire and allow the extra price, the corruption and the black-marketing fall on the shoulders of consumers. Government have come into unnecessary criticism for the sins of these industrialists. The other day when we were discussing a measure against corruption, I brought in an amendment which purported to state that seven years rigorous imprisonment should be inserted instead of three years. The hon. Minister of Food did not accept my amendment. If he had accepted my amendment, Sir, then these people would not say that Government is weak. He did not accept my amendment suggesting seven years. The West Bengal Government have moved a Bill for seven years rigorous imprisonment. This is a matter on which I wish to draw the attention of Government. That on account of Government's weakness, the people outside who are dealing in this trade say that Government is luke-warm, it will do nothing to us and we will make profit at the cost of the consumers and bring the Government to disrepute. The C. P. Government are also thinking of taking very drastic measures. Unless Government takes drastic measures and takes some definite action against these people, Sir, you may do what you like, they are going to flout you, because they know that you are not going to do anything. I was very glad to note that this committee is to be appointed but this committee should submit its report within one month and within one week after the submission of the report, Government must take a decision. As the maxim goes 'Strike the iron when it is hot'. Similarly, you should take immediate action. Tomorrow the personnel should be announced and within one month the report should be out. We want at least some action and very severe action should be taken.

Then as regards punishment whenever a person is found guilty of bribery and corruption his goods must be confiscated. This is the best remedy and unless you confiscate the goods, they will not come to their senses because they will cease to exist. They are now prepared even to go to jails also, but when it affects their pockets, they fear. Unless drastic action is taken such as confiscation of property against persons who commit these crimes, Government's name will come into disrepute.

As to what control should be imposed is not a simple matter. From the very inception of control, when it was introduced, I have always been for control, because in principle it is very good. Under control every person gets some quantity at the fixed price and in my view, the principle is very good, but in our administration we have failed to give that control.

I have come to the conclusion that the control must go. There is no other alternative. At the same time the prices should be fixed; I leave that detail

to Government but immediate steps should be taken to de-control. Under control people are put to harassment, black-marketing goes on, no stocks are available; let us have de-control; we have experience of decontrol also but it is the lesser of the two evils. In these circumstances, I submit that de-control should be adopted.

The Honourable Shri Jairamdas Doulatram: I have listened to the debate with very great attention, and I am grateful to the House as a whole for the very constructive and helpful criticism that it has made of all that has happened in the course of the last six months. I, however, feel that sometimes the Central Government is criticised for things which it would be fair to criticise them for if they had been in charge of affairs for a long number of years. It was said that the production of cane per acre in U.P and Bihar was only round about 15 tons all these years and there has been no progress and Government is blamed for this. I think it will be fair only to comment on the progress or lack of progress in the course of the last two years only. It is when a new Central Government is placed in power that it can effect changes even in matters which are within a sphere which may be provincial. So also in regard to a few other aspects of today's criticism, I feel that it would be fair to have this point in the background that the Central Government has been in charge only for these two years. Therefore, with regard to the more basic and fundamental aspects of the sugar industry and the progress or the lack of progress made therein I think it will be desirable to wait for future action.

With regard to the recent developments, all that I want to say is that, much as I would wish that the Central Government had been in a position to act, because sugar had been decontrolled, the power to deal with sugar industry was derived from the Provincial Acts of U.P. and Bihar. Under those Acts, there are bodies set up by the two Provincial Governments—the Sugar Commission and the Joint Sugar Control Board—and the sugar problem largely is controlled by those bodies. Obviously, with a large measure of provincial autonomy conceded to provinces, it is not possible for the Central Government to intervene in the provincial sphere from day to day, until a situation arises which needs handling by the Central Government. I must venture to state that, as soon as the Central Government began to feel that the prices of sugar were rising, they decided that they must intervene even though it was a provincial sphere. The price of sugar also was not fixed by Government as the statutory price. The price of sugar during the decontrol period was fixed by the Sugar Syndicate. There was discussion in Joint Sugar Control Board where the U.P. and Bihar Governments are represented, and as a result, a certain price was framed and more or less fixed. That price had not the effect of a statutory price. Any breach of that understanding was not a legal offence. We found that prices had been rising and somewhere in the middle or third week of July we felt that the Central Government must intervene.

Pandit Hirday Nath Kunzru (U.P.: General): Will the hon. Minister be agreeable to answer a question? Will he say whether it is a fact, as alleged by the Sugar Syndicate, that the release of sugar quotas made was with the approval and even at the instance of the U.P. Government?

The Honourable Shri Jairamdas Doulatram: I will not be able to reply with regard to what the U.P. Government did, because these facts are within the knowledge of the U.P. Government. All that came before the Central Government was that there was a rise in prices.

Pandit Hirday Nath Kunzru: Did the Central Government come to know at any time up to the month of June 1949 that the stocks of sugar were getting rapidly depleted at the instance of the U.P. Government?

The Honourable Shri Jairamdas Doulatram: We did not know that it was at the instance of the U.P. Government.

Pandit Hirday Nath Kunzru: Or because of the action taken by the Sugar Syndicate?

The Honourable Shri Jairamdas Doulatram: We did not know at whose instance it was, but when we did discover that the sugar stocks were being depleted and we found that the prices were rising beyond a certain limit......

Pandit Thakur Das Bhargava: When was it discovered for the first time by the Central Government—in what month and on what date?

The Honourable Shri Jairamdas Doulatram: I said, round about the second or third week of July.

Pandit Thakur Das Bhargava: And before that did the figures come to the Central Government or not? Did they know or not know that sugar was being sent out?

Shri R. K. Sidhva: The figures came. There are the monthly returns.

The Honourable Shri Jairamdas Doulatram: The figures did come, but I am talking of the price. The stocks were there in the country. They were not only in the factories. Large stocks were also with the trade.

Shri Ajit Prasad Jain: May I know whether the Central Government did or did not come to know before the 15th July 1949 that the stocks of sugar had been depleted, no matter whoever may have been responsible for the depletion?

The Honourable Shri Jairamdas Doulatram: What I am stating is that the stocks in the factories had been depleted in the sense that the stocks in the factories were not adequate, in my opinion, for the rest of the year, unless the stocks with the trade also became available to supply the needs of the consumers.

Shri R. K. Sidhva: Is there any check-up in the Centre of the despatches made? Are there not monthly returns?

The Honourable Shri Jairamdas Doulatram: As I said just now, the whole thing was being handled by the U.P. and Bihar Governments Sugar Commission and Control Board.

Shri Ramnath Goenka (Madras : General): At the time the decision was taken by the Government of India for the export of sugar, what was the stock and did the Government of India realise at that time that the stocks had actually depleted, at least with the mills?

The Honourable Shri Jairamdas Doulatram: As I said, the stocks in the factories were not adequate to allow any export. That is also one reason ultimately why export was not possible.

Shri Jaspat Roy Kapoor: May I ask whether it is a fact that actually exports were allowed?

The Honourable Shri Jairamdas Doulatram: No licences were issued for export.

Shri Jaspat Roy Kapoor: Is it a fact or not that the Joint Secretary or Secretary of the Agriculture Ministry kept on sending repeated reminders to the Sugar Syndicate to despatch large quantities of sugar from the mills even up to the middle of August, and telegrams after telegrams were sent by the Agriculture Ministry to the Syndicate asking them to despatch as soon as possible and as much as possible out of the mills making full use of the railway wagons available?

The Honourable Shri Jairamdas Doulatram: I am not aware of that. I do not believe it; because I was myself opposed to any kind of export of sugar outside. (*Interruption.*)

Mr. Chairman: I think there must be an end to these questions. Let the hon. Minister proceed with his speech.

Mr. Naziruddin Ahmad: I would ask only one question.

Mr. Chairman: I am sorry. Order, order.

The Honourable Shri Jairamdas Doulatram: As I was explaining, when the prices began to rise, the Central Government felt that they must intervene. It is not every rise in the price of a commodity that must make the Central Government to intervene. (*Interruption.*)

Pandit Hirday Nath Kunzru: The hon. Minister said a little while ago that he was not in favour of exports of sugar to Pakistan, but the memorandum supplied to us by the Ministry of Agriculture says:

"Government decided, from the point of view of the balance of payment with Pakistan, that 50,000 tons of sugar out of the current year's production should be released for export by the Ministry of Agriculture."

The Honourable Shri Jairamdas Doulatram: As I said, no licences were issued at all and there was no export from the factories even after that decision.

Now, as I was stating, when certain commodities are decontrolled, Government does not intervene the moment prices rise if Government's policy in respect of that or those commodities has been one of decontrol. It is only when prices rise to a level where people begin to feel about it keenly that the policy of decontrol gets changed and Government intervenes. That is why the Government did not intervene at the very earliest occasion. When Government did intervene, obviously, the only way in which it wanted to intervene was to see that the price which had been fixed became statutory price and no factory was able to sell sugar at a higher price. Selling it at a higher price was to be an offence. That was the proposal which the Government of India wanted to implement. But as I have explained in my note, other developments took place and Government decided to freeze the stocks all over the country. In freezing the stocks all over the country, the first step that had to be taken was to see how we could allocate adequate sugar to the provinces. It is only when the Central Government gets information as to how much stock is available in each factory, that it can make proper allocations to the provinces. The Central Government cannot make an *ad hoc* allocation of a certain number of thousand tons to Bombay or Bengal, because the Bombay and the Bengal Governments must know from which factories they have to secure that quantity of sugar. Therefore, it became inevitable that that information should first be secured with regard to the stocks in each factory in the country and having secured that information Government had to make allocations to the provinces and each province was asked to take certain quotas from the factories allotted to it.

We had also to see that the transport arrangements were such as to enable the movement of sugar in the shortest possible time. That also meant that a certain kind of zonal system had to be evolved, so that each area was able to receive sugar speedily. Government went out of its way and arranged for specials to be run to those areas where there was the greatest need, as in the case of Bombay, Saurashtra and later on to some other parts of the country. Every effort was made to see that sugar reached the deficit areas within the shortest possible time.

Considerable discussion has taken place with regard to the actual consumption of sugar in the country. I do not want to go into details; nor do I want to weary the House with elaborate figures. But I will just try to illustrate the point from the figures which have been supplied by the Central Board of Revenue with regard to areas with which the United Provinces and Bihar are not concerned, which would indicate that consumption has been increasing.

[Shri Jairamdas Doulatram]

These are returns from the factories of Madras and Bombay. The Central Board of Revenue reported that while in 1947-48 throughout the whole year 60,000 tons of sugar was sold by the Madras factories (that was the previous year when there was no abnormal situation) in the year 1948-49 from the month of December to June (when there was no abnormal situation in the country) during those seven months as much as 40,000 tons had been sold by those factories.

So also in the case of Bombay. The Bombay factories in the whole of the preceding year 1947-48 sold as much as 92,000 tons, whereas in the months of December to April this year the Bombay factories sold 65,000 tons.

That means in regions which have nothing to do with the Syndicate (that is the United Provinces and Bihar) consumption had increased and I think it will be a little risky to suggest....

Shri Ramnath Goenka: They were the figures of delivery and not consumption.

The Honourable Shri Jairamdas Doulatram: These are the figures when there was no abnormal feature of exports. Those were the sales when there was normal demand and normal supply.

As a matter of fact a committee of specialists which sat sometime soon after the war and went into the whole question of the development of the sugar industry, made certain recommendations which are most illuminating. I will just read that portion to show how consumption has increased. This is what that Committee said in 1946, dealing with the growth of consumption in the country as a result of the war and other factors:

"Before the war India had become self-sufficient in respect of its sugar requirements. Indeed in certain areas production was in excess of this. Imports were small and were mainly confined to maritime States. The average annual demand for internal consumption was 10,30,000 tons. (This was, of course, for United India.) It has since grown considerably owing to the general growth of population, the increase in industrial and urban population and improvement during war-time in the purchasing power of at least a section of the population with consequent changes in their standards of living and habits. To these causes will soon be added the general impact of the habits of two million soldiers who returned from the war.

The estimates made by the Governments of provinces and States and the Sugar Controller for India show that the present effective demand for sugar is about 50 per cent. higher than in 1939 (That means in five years it had increased by 50 per cent.)

This is further substantiated by certain figures supplied by the Director of Cost of Living Index of the Labour Department of the Government of India about family budgets of working classes in urban areas. These indicate that the *per capita* consumption of sugar by these classes has during the war time increased by about 50 per cent."

What I was suggesting was that, apart from the situation in the country...

Some Honourable Members: From which report is the hon. Minister reading?

The Honourable Shri Jairamdas Doulatram: This is from the report of the Sugar Panel.

Shri R. K. Sidhva: Who were the members of that Committee?

The Honourable Shri Jairamdas Doulatram: The members consist of representatives of industry as well as others. They were Sir Sri Ram, Mr. R. C. Srivastava of the Sugar Syndicate, Mr. Vishnu Sahai, Mr. S. M. Dhar (an official), Dr. B. C. Guha, Mr. Lalchand Hirachand, Mr. M. B. Amin, Mr. Webb and Dr. M. K. Maitra.

They were people from different sections—consumers, government officials, representatives of industry, etc. But these are also facts which the report of the Director of Cost of living Index supported.

Pandit Lakshmi Kanta Maitra: I was not there.

The Honourable Shri Jairamdas Doulatram: Not you.

Whatever were the actual facts during the past six months, the trend of discussion today indicated that our consumption is not very high. Personally I regard that as a dangerous sign, because if our production is not adequate, and we live in the complacent hope that our consumption is not high, then many complications are bound to arise. We must face the actual facts. If we see the actual life round about us—leave aside these books and statistics—we are bound to have the conviction that the tea habit, the habit of other drinks and the habit of sugar is increasing. Larger and larger number of people are taking to sugar. Whatever may be the actual figure of consumption this year is a matter which can by all means be investigated later.

As I have suggested in my introductory remarks, as soon as the Tariff Board report is available (which would be in the course of the next two or three weeks) and we find how much of the ground covered by the discussion today is also covered by the Tariff Board, then we shall decide what remaining matters have to be enquired into. As I have already indicated, and I am saying this in consultation with the Prime Minister, we will have the matter inquired into, fixing the personnel, and procedure later on, in consultation with our colleagues.

With regard to the other suggestions made, namely, control and decontrol and central control of the sugar industry, I shall take the latter first. As I have indicated, for reasons arising from decontrol of sugar, the Centre removed its hand as it were from the helm, but it has had to put its hand again. I feel strongly that sugar is an industry which must be guided, supervised and controlled by the Centre, not only because it is one of the major industries, the second biggest industry, but because it caters to the needs of the people of the whole country. With regard to central control, under the new Constitution, sugar is already included among the industries which, with the sanction of the legislature, can be a central industry. But, looking to the trend of feeling, I believe that steps can be taken even before the Constitution comes into operation, which will enable the Centre to control the sugar industry much more actively and directly than has been possible. In regard to that, the position of the Syndicate is an important factor. If any arrangement is arrived at which is dependent upon the Indian Sugar Syndicate, obviously the control of the Centre to that extent is restricted, because the Indian Sugar Syndicate is at present an organ of a provincial Government or rather two provincial Governments. This is also one of the matters which is being examined by the Tariff Board. I expect that the Tariff Board will have something to say on the matter and its recommendations are bound to lead to certain decisions in the direction which you desire. I would not now be able to anticipate the report of the Tariff Board in this regard.

Then remains the question of control and decontrol. I do not think it is possible for Government to make any statement in regard to its policy, whether it is going to control or decontrol, until we have re-examined the whole matter, appreciated all that you have said, and discussed it in the cabinet. Then only we will be able to come to a decision on that vital issue. I will be able to say nothing at present. All that I would say, however, is that those who are in favour of control should be prepared for the inherent consequences of control and those who are in favour of decontrol should also be prepared for the inherent consequences of decontrol. What happens is.....

Shri R. K. Sidhva: What is the alternative left? What is the remedy?

The Honourable Shri Jairamdas Doulatram: What happens is that when Government controls any commodity, after a certain time, dissatisfaction starts.

Mr. Naziruddin Ahmad: There is bad management.

The Honourable Shri Jairamdas Doulatram: I know there is a certain amount of dissatisfaction with regard to the control of foodstuffs also in spite of the fact that food is a vital commodity and has had to be controlled. As a result of public agitation, a year or two ago, food was decontrolled. After some time there was again an out-cry that food must be controlled, with the result that we had to re-impose control. I would really say that we should educate public opinion. On the people also lies some responsibility, and we should educate them to adjust themselves to the consequences of either decision. I heard with great attention some of the speeches which were made, and which referred to the action which Government should take. I felt that there was considerable truth in what they were saying that Government had a duty to perform and there is no doubt that wherever Government is not able to perform its duty, it must come in for legitimate criticism. But, I feel that there are certain spheres in which Government is able to function effectively only when there is maximum co-operation from the rest of the nation. It may be said that it makes me sad......

An Honourable Member: The co-operation is there.

The Honourable Shri Jairamdas Doulatram: I was not speaking of the entire public. It made me feel sad when, listening to some of the speeches, I contrasted the state of our country with some other countries. We have controls here; there are controls in some other countries also. In those countries, the commodities are not being distributed by the Government ration shops. The commodities are being distributed by ordinary trade. Trade accepts the decision of the Government that a certain quantity only is to be given to an individual and only at a certain price. And with the co-operation of that section of the public, a large amount of rationing, over a long number of years has been rendered possible. Similarly also, other sections of the public. The attitude of the people towards black-marketing in certain countries is different from the attitude towards black-marketing in our country. It is possible for the Government to punish heavily as the Government has done in Bombay city. In Bombay city, black-marketeers have received very heavy punishments. Whether the law provides for three years or seven years, it can be equally effective.

Shri R. K. Sidhva: One day's imprisonment and a fine of one thousand rupees.

The Honourable Shri Jairamdas Doulatram: It may be so in one case. I know the Bombay Government wishes to excuse or pardon nobody where the truth is found. I also believe that after the last amendment of the Essential Supplies Act, hundreds of cases have occurred in which black-marketeers have been punished, though I am not prepared to say that the punishment has been adequate in all cases. I have no doubt that a heavier punishment ought to be given. Whoever commits a breach of the law, ought to get the maximum penalty so far as control of commodities is concerned. But, I also feel that it will be a great help if public opinion also gets educated with regard to black-markets.

Shri Ramnath Goenka: May I ask one question, Sir? Will the Government of India at least stop inviting opinion from black-marketeers, whom they know to be black-marketeers, and consult them in season and out of season?

The Honourable Shri Jairamdas Doulatram: I certainly feel that we should not give encouragement to the black-marketeers in any manner. (*Interruption*). It may be that opinion may be invited from a party because he is a party concerned in the decision. After all, we cannot say that we shall not consult any of the interests concerned before dealing with those interests and before taking any action with regard to those interests. There has to be a certain amount of ascertaining........

Shri R. K. Sidhva: We do not say, don't consult; do not take their orders.

The Honourable Shri Jairamdas Doulatram: We are not taking their orders. It will be one thing to ascertain the opinion of the parties affected; it is entirely a different thing to follow the advice of those people. In matters which affect the general public and in which their own interests may be affected, that advice has to be accepted, not because they have given the advice, but only when the advice is in the public interest. Therefore, what I suggest is, if public opinion is educated to help the administration in the same way as public opinion is educated in some other countries, the task of the National Government is easier. I do not want to suggest anything more with regard to the development of social consciousness; but I do feel that the difficulties of the Government are very much reduced when that measure of social consciousness is available. When that kind of social consciousness and educated public opinion is available, it should be impossible for a black-marketeer to be able to live comfortably in his neighbourhood, if he is cutting the throat of the people. That is the kind of consciousness which was referred to in the case of China yesterday at another place. It is that kind of consciousness of the average citizens which helps Government to deal with a situation even though there are defects with regard to administration.

Shri Ramnath Goenka: One question, Sir. There is a news item from Calcutta.....

An Honourable Member: It is already six o'clock.

Shri Ramnath Goenka: One small question. There is a news item from Calcutta, attributed to the U. P. I. that sugar control is going. Will the hon. Minister categorically deny this?

The Honourable Shri Jairamdas Doulatram: Government have come to no decision with regard to its policy about control and decontrol. I have just now said that Government will go into the whole matter from all points of view and then come to a decision.

Shri Jaspat Roy Kapoor: One question, Sir.

Mr. Chairman: Order, order.

Shri Ajit Prasad Jain: In the statement circulated to the Members of the House. I find that out of the 15 provinces and States, no less than eight had not frozen even one grain of sugar with traders. Among those provinces is Delhi. What steps did you take to freeze the stocks in Delhi? Why was not any stock frozen? Did you ask the provincial Governments why they have not frozen any stocks with traders?

The Honourable Shri Jairamdas Doulatram: As was illustrated in the case of West Bengal, wherever the provincial Governments or local Governments, who were given permission to deal with the local situation, felt that any particular step with regard to freezing would worsen the situation, and drive away the sugar underground and so make the situation worse, they did not take that action. In every case where trade co-operated with the Government, freezing did not take place, as in West Bengal, where for five weeks after the freezing order, the merchants sold sugar at fifteen annas a seer as a result of arrangement with the Government. We naturally had to leave to the provincial Governments who are in charge of the local situation and who were responsible for dealing with the local situation, to deal with it in the manner they thought would be in the interests of the people, and would not worsen the situation.

Shri R. K. Sidhva: May I make one suggestion, Sir?

Mr. Chairman: Order, order. Now, what about the amendments?

Shri Ajit Prasad Jain: In view of the statement of the hon. Minister that a Committee is going to be appointed which will investigate into the whole question of the sugar industry and also the present muddle, I do not propose to press my amendment.

Mr. Chairman: Does any other hon. Member wish to press his amendment?

Mr. Naziruddin Ahmad: I would press my amendment (No. 13), though it is an unlucky number.

Shri Sarangdhar Das: I would like to press my amendment (No. 15).

Mr. Chairman: The question is:

"That at the end of the motion, the following be added:

'and that having considered the same this Assembly is of opinion that the sugar situation has not been properly handled by the Government.'"

The motion was negatived.

Mr. Chairman: The question is:

"That at the end of the motion, the following be added:

'and that having considered the same, this Assembly is of the opinion that the Government have failed in their duty to protect the consumer, and that with a view to bring the guilty party or parties, implicated in this artificially created scarcity and in the consequent blackmarket prices, and with a view to prevent the recurrence of such a situation in future, the Government do appoint forthwith a Committee of three with a High Court Judge or one qualified to be a Judge of a High Court as Chairman to make a thorough inquiry into all aspects of the situation and to report within one month with recommendations for dealing with the guilty party or parties.'"

The motion was negatived.

Mr. Chairman: The House now stands adjourned *sine die.*

The Assembly then adjourned sine die.

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