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Wednesday
2nd September, 1953

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Vol. III contains Nos. 1—25)

(Part I—Questions and Answers)

**PARLIAMENT SECRETARIAT
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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

1341

HOUSE OF THE PEOPLE

Wednesday, 2nd September, 1953

The House met at a Quarter Past
Eight of the Clock

[MR. DEPUTY-SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

MANAGERIAL AND ORGANISATIONAL
ASPECTS OF INDUSTRY

*937. **Shri M. L. Dwivedi:** Will the Minister of Commerce and Industry be pleased to refer to his remark made on the floor of the House while moving the "Industries (Development and Regulation) Bill" to the effect that Government's policy would be not only to keep the wheels of industry moving, but also to take measures to improve its managerial and organisational aspects as well and also to the Report of the Technical Sub-committee of the Working Party for the Cotton Textile Industry and state:

(a) whether any action has been taken in the direction pointed out by the Minister; and

(b) whether the recommendations of the Technical Committee have been found acceptable to Government in entirety or in part?

The Minister of Commerce and Industry (**Shri T. T. Krishnamachari**):

(a) and (b). I do not quite see what the hon. Member who has tabled the question wants. What I am reported to have said does not necessitate any action unless the special circumstances relating to an industrial unit demand it. The recommendations made by the Technical Committee of the Working

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Party for the Cotton Textile Industry are under examination.

Shri H. N. Shastri: Are Government aware that in the course of the last one year forty textile mills have been closed and that most of these closures are due to mismanagement or internal differences in the management? If so, what steps have the Government taken to restore production?

Shri T. T. Krishnamachari: The question assumes quite a number of facts, which, I am afraid, are not quite correct. I do not know if it is exactly forty; it is much less according to my information, and the cause of the closures is not always mismanagement. There are a number of other factors like wornout machinery. It is rather difficult, Sir, in answer to a supplementary question to analyse the various factors that have contributed to the closing down of these mills. But the closing down of these mills has not affected the overall production of textiles.

Kumari Annie Mascarene: May I know, Sir, whether Government have realised the importance of training up skilled labour in textile factories?

Shri T. T. Krishnamachari: I suppose, Sir, we do realise the importance of all important questions like this, but I do not see how it has any relevance to the question before the House.

Pandit C. N. Malviya: Is it under the consideration of Government to form committees of representatives of management, labourers and Government to manage the factories efficiently?

Shri T. T. Krishnamachari: I do not know, Sir, if the hon. Member has any particular unit in mind. Maybe that in a particular unit some such thing might be possible—not generally.

Kumari Annie Mascarene: I wish to raise a point of order. The answer given to this question is rather evasive. I wish to know why it is so when the question has been admitted by the Chair.

Mr. Deputy-Speaker: The question is of a very general character. Hon. Members should appreciate that question-hour is not devoted to a discussion of matters of policy. It is meant solely to elicit information from Government, information which is not available in books, charts, periodicals, bulletins, etc. A question of a general nature will only elicit reply of a general nature.

Shri Punnoose: The hon. Minister stated that forty is too high a number in his view. May I know the figure he has and the number of workers involved?

Shri T. T. Krishnamachari: Notice, Sir.

PRODUCTION OF ROCK SALT

***938. Prof. D. C. Sharma:** Will the Minister of Production be pleased to state what efforts the Government are making to increase the production of rock salt in India?

The Parliamentary Secretary to the Minister of Production (Shri R. G. Dubey): The only rock salt sources in India are in the Mandi District of Himachal Pradesh. The present production is about 6,000 tons per annum, and is not of the requisite standard of purity. A scheme for the development of the mines to produce 66,000 tons of refined salt per annum by adopting wet mining methods was submitted to Government by a Swiss Firm, and has been included in the Five Year Plan. Core drilling operations are now in progress at Mandi to estimate the extent of salt deposits. The Scheme will be taken up for im-

plementation when the results of the core drilling are known.

Prof. D. C. Sharma: May I know, Sir, how far the committee set up for prospecting rock salt in the Mandi area has made progress? I think, Sir, the same answer was given to me last time also.

Shri R. G. Dubey: On a previous occasion the position was explained. There is no committee as such set up for this purpose. The Associated Drilling and Supply Company, of which Bird and Co. are the principal agents in India have undertaken the boring operations in this area. But unfortunately, Government have come across certain difficulties which, if you would permit, I shall explain to the House.

Mr. Deputy-Speaker: I shall not allow it; the hon. Parliamentary Secretary will please circulate a memorandum.

Shri R. G. Dubey: In 1952 December.....

Mr. Deputy-Speaker: Whenever any Minister wants to explain a point elaborately, he will kindly pass on a note which I will circulate to hon. Members of the House. That would be better.

Prof. D. C. Sharma: May I know, Sir, in view of the fact that there are a large number of consumers in India who are habituated to taking rock salt, what efforts Government are making to improve the supply position of rock salt?

Shri R. G. Dubey: Now the position is like this. There have been some difficulties regarding boring operations, because the standard machinery used for boring operations was found to be inadequate for the purpose because of the particular nature of the rock salt. So, Government have been in consultation with a Swiss firm, as well as the Associated Drilling and Supply Company regarding further steps. Now it is the rainy season. After the monsoon is over this matter will be again gone into.

The Minister of Production (Shri K. C. Reddy): May I point out, Sir, that some years back a certain section of the people of India were used only to rock salt. During the last three or four years their habits have changed and they have reconciled themselves to the use of our modern refined salt and there is no necessity, we find, to revive the taste again for that rock salt to which they were accustomed before.

Shri V. P. Nayar: Are Government aware that rock salt is necessary for the preparation of certain Ayurvedic medicines and also medicinal preparations of other indigenous systems of medicine and that owing to non-availability of the required quantity of rock salt, the prices of rock salt in Calcutta and other places have shot up 18 to 25 times?

Shri R. G. Dubey: Government have not received any such complaints.

Shri N. M. Lingam: May I know the percentage of sodium chloride in unrefined rock salt as found in India?

Shri R. G. Dubey: In the Mandi rock salt sodium chloride content is 80 per cent. whereas in the Kewera range it was about 90 to 98 per cent.

Shri S. C. Samanta: May I know, Sir, whether the Salt Control Order of Himachal Pradesh has been removed and what is the recommendation of the Commodity Control Committee in the matter?

Shri R. G. Dubey: I do not believe there is any Salt Control Order there.

Shri Achuthan: Is it worthwhile for Government...

Mr. Deputy-Speaker: No opinions will be asked on the floor of the House.

Shri Achuthan: Have Government considered the desirability or the necessity of launching upon this expensive experiment for the manufacture of rock salt when we have enough of sea salt at our disposal?

Shri R. G. Dubey: Government have to consider the intense feeling in cer-

tain sections of the people of the North for rock salt. All the same Government find that people are becoming accustomed to the use of other salt.

Shri Damodara Menon: What are the reasons for the decision that it is not necessary now to revive the taste for rock salt?

Mr. Deputy-Speaker: He has already answered it. Sea salt is cheaper, rock salt is difficult to get.

Shri Damodara Menon: The hon. Minister stated that there is plenty of rock salt deposits in the country. He has not stated that if we take steps to see that rock salt is produced in large quantities it will not be cheaper.

Mr. Deputy-Speaker: We are not entering into a discussion.

Shri Damodara Menon: He simply stated there is no necessity to revive the taste for rock salt now; some reason must be given for it.

Shri K. C. Reddy: May I explain, Sir? The simple reason is that we have not got the necessary quantity of rock salt in our country at present. We were importing rock salt from Pakistan at very fantastic prices. We had to put a stop to it owing to our exchange and monetary position. That is why we do not want to revive the taste for rock salt at present. The people who were used to rock salt have now reconciled themselves to using Sambhar salt or salt of that type. But that does not mean that we should put a stop to mining rock salt wherever it is available. Government are taking step to produce rock salt in our country.

Mr. Deputy-Speaker: Next question.

Shri Raghavalaiah: Sir, you had asked me to put a question.

Mr. Deputy-Speaker: I did. But all the questions have been sufficiently thrashed out.

Shri Raghavalaiah: There is one question which has not been thrashed out.

Mr. Deputy-Speaker: Maybe, but I am not going to spend more time on this question.

LIP-STICKS (IMPORT)

*939. **Prof. D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) the amount of customs duty realized by Government on the import of lip-sticks into India; and

(b) from which countries these are imported?

The Minister of Commerce (Shri Karmarkar): (a) Separate statistics for lip-sticks are not maintained.

(b) Largely from the U.K. and France.

Prof. D. C. Sharma: May I know if the consumption of this article of luxury is on the increase or decrease?

Shri Karmarkar: It depends upon how much we are importing, less or more.

Shri Dabhi: May I know the necessity for the import of lip-sticks and whether Government fear any opposition from the fair sex if they stop its import?

Mr. Deputy-Speaker: Are we getting into the reasons for the import of every article? It is a luxury article.

Hon. Members will elicit answers and get facts. There is no question of asking for opinion.

Shri Dabhi: I asked the necessity.

Mr. Deputy-Speaker: Necessity is a matter of opinion. We are not only getting on with necessities but with luxuries also.

Shri M. S. Gurupadaswamy: Is there any concern in India manufacturing lip-sticks?

Shri Karmarkar: No, Sir, not to our knowledge.

श्री जांगड़े: क्या यह सही नहीं है कि पंजाब और दिल्ली प्रान्तों में लिप-स्टिक का ज्यादा प्रयोग होता है ?

उपाध्यक्ष महोदय: सारे हिन्दुस्तान में होता है ।

Shri S. C. Samanta: May I know whether any substitutes have been found out by our Government and whether any attempt has been made in this direction?

Shri Karmarkar: Perhaps *pan* would serve the purpose well.

FIVE YEAR PLAN

*940. **Shri Nageshwar Prasad Sinha:** Will the Minister of Planning be pleased to state whether any progress has been made to set up an authority between the Secretariat departments and the district officers for co-ordination and supervision of district programmes of work under the Five Year Plan?

The Deputy Minister of Irrigation and Power (Shri Hathi): The necessary information is being collected from State Governments and will be laid on the Table of the House when it becomes available.

Shri Nageshwar Prasad Sinha: May I know whether it will be an official or a non-official body?

Shri Hathi: The recommendations in this respect are contained in Chapter VII of the Planning Commission's Report. What is envisaged is an official who would supervise the progress of the Plan and also, at the village level and district level, non-official bodies.

Kumari Annie Mascarene: May I know whether this authority will take into confidence the people of the villages in executing the Plan?

Shri Hathi: As I mentioned, it is envisaged that right from the gram panchayat there will be a continuous system of co-ordination, development and execution. At the *gram panchayat* level it will be the villagers who will have complete voice in planning and

execution also. Further on it will come to the district level. It is only co-ordination between the secretariat and district level that this question relates to.

Shri S. N. Das: May I know whether the organisational set-up for the execution of the Five Year Plan from Delhi to the districts has been finalised and, if so, whether it is functioning?

Shri Hathi: That is actually what I said. The information from the States has been called for. When it is available it will be placed on the Table of the House.

Shri L. N. Mishra: May I know whether it is a fact that the District Development Councils that have been set up in each district are presided over by the District Magistrates and there is no co-operation between the official and non-official members?

Shri Hathi: There are different patterns in different States. I do not know to which particular State the hon. Member is referring.

Shrimati Jayashri: May I know whether the progress of the Plan is far behind the schedule?

Shri Hathi: The progress report gives the details of the progress achieved for the various plans.

Shri Muniswamy: May I know whether any honorarium or something like salary will be paid to those private persons who participate in this work?

Shri Hathi: I do not think so.

Shri Sarangadhar Das: May I know if the attention of the hon. Minister has been drawn to the piece of new published in the *Times of India* this morning that the targets of the Planning Commission are far from being reached by the States?

Shri Hathi: I have not read today's *Times* yet.

EXPORT OF SLATE

*941. **Shri S. C. Samanta:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether slates for roofing or for school use are being exported from India; and

(b) if so, the amount and value of slates exported during 1947—52?

The Minister of Commerce (Shri Karmarkar): (a) and (b). Export of slates for roofing or for school use are not recorded separately in official statistics and the information is therefore, not available.

Shri S. C. Samanta: Is it a fact that Himachal Pradesh has a large quantity of slate deposits and some writing slates are being exported from that place?

Shri Karmarkar: Likely, but I have no definite information.

Shri S. C. Samanta: Have Government any proposal to explore other places where there are deposits of slate?

Shri Karmarkar: I have no exact idea of it.

Shri Raghavalah: May I know to what countries Government—the Centre or the States—are exporting slate?

Shri Karmarkar: As I said, this item is not recorded separately in our official statistics and the information is therefore not available.

Shri Raghavalah: It need not be, separately recorded. I want to know the names of the countries to which slate is exported and the quantities of exports.

Mr. Deputy-Speaker: The names of the countries are many. What is the total amount?

Shri Karmarkar: Sir, the item is not separately recorded. Therefore, it is not possible to find out. Slates might be included under Stationery, etc. Therefore the particular item cannot be isolated.

Shri Raghavalah: What steps are the Government taking to encourage the slate industry in Andhra and other parts of the country?

Mr. Deputy-Speaker: This relates to exports and not to encouragement.

SOAP INDUSTRY

*942. **Sardar A. S. Saigal:** (a) Will the Minister of Commerce and Industry be pleased to state what help Government are giving to soap producers in India?

(b) Is it a fact that Indian production of soap by organised units of the industry rose from 83,500 tons in 1951 to 85,000 tons in 1952?

(c) Do Government collect data in the various States as regards soap production?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) No special help is given by Government to organised producers. The All-India Khadi and Village Industries Board have on hand a scheme for helping production of soap with neem oil.

(b) Yes, Sir.

(c) Yes, Sir, in respect of the organised units only.

Sardar A. S. Saigal: Is it a fact that there is great scope for the production of good quality soap but on account of high prices of oil good quality soap cannot be produced?

Shri T. T. Krishnamachari: I am afraid the position is not exactly as the hon. Member envisages. The capacity for production in the organised units is no doubt much higher than the actual production. But it is also true that the high cost of oil is a factor that contributes to depress production, but I am not sure that it is unduly depressed.

Kumari Annie Mascarene: May I know what percentage of soap consumed in the country is imported?

Shri T. T. Krishnamachari: No soap is imported.

Shri A. M. Thomas: May I know whether the hon. Minister can give us information with regard to the percentage of soaps produced in this country on a cottage-scale basis?

Shri T. T. Krishnamachari: Unfortunately we have no data in regard

to cottage industry production of soap. I might add that it is very difficult to collect data, for the reason that cottage industry in the matter of soap-making appears now and again and disappears.

Shri Punnoose: It is stated that the production of soap has increased from 83,500 to 85,000 tons. May I know how much of this additional quantity has been produced by Indian companies and how much by foreign companies?

Shri T. T. Krishnamachari: Notice.

Shri M. S. Gurupadaswamy: In view of the fact that there is a large quantity of soap manufactured in India, is there any move to control the quality of soap?

Shri T. T. Krishnamachari: At the present moment, there is no method or rather no means employed for controlling the quality of soaps.

Shri H. N. Mukerjee: In view of the public statements made by representatives of the Indian soap industry about the unfair competition with which they are faced from foreign interests concerned in the soap industry, what steps do Government contemplate to prevent these foreign interests from dominating the scene of Indian soap production?

Shri T. T. Krishnamachari: Government are not yet convinced that there is any unfair competition.

Shri Sarangadhar Das: If there is no import of soap from abroad, how is it that we find in the market Pears Soap, Palmolive soap and so forth?

Shri T. T. Krishnamachari: My hon. friend's information is not quite correct. These soaps are manufactured in this country.

Shri S. V. Ramaswamy: What is the quantity of soap made by Lever Brothers alone and what is the quantity made by the others?

Mr. Deputy-Speaker: How does it arise?

Shri T. T. Krishnamachari: Notice.

Shri Punnoose: May I know how the

reduction of duty on cocoanut oil imported from Ceylon has affected the cost of production of soap?

Shri T. T. Krishnamachari: I do not think there has been any reduction in the duty on cocoanut oil. There has been some reduction in the case of copra.

Shri H. N. Mukerjee: Is the Government aware that there are two varieties of Pears soap in the market, one made here and one made in England?

Shri T. T. Krishnamachari: I do not use Pears soap; so I am not aware.

Mr. Deputy-Speaker: Next question.

Shri Sarangadhar Das: Should the Minister use a soap to know what soaps are imported?

Kumari Annie Mascarene: On a point of order, Sir, should the Minister use a soap in order to tell the public that he does not know anything about it?

Mr. Deputy-Speaker: Using is one of the main sources of information. Next question.

FERTILIZER MISSION

***943. Dr. Ram Subhag Singh:** Will the Minister of Production be pleased to state:

(a) whether a Fertilizer Mission led by Shri B. C. Mukerji had recently visited quite a number of important fertilizer plants throughout the world;

(b) if so, whether that Mission has submitted any report to Government; and

(c) if so, the chief recommendations contained in that report?

The Minister of Production (Shri K. C. Reddy): (a) Yes.

(b) Yes.

(c) Government are considering the report of the Mission and it would be rather premature to disclose now the recommendations of the Mission.

Dr. Ram Subhag Singh: Has that Mission suggested to the Government

that a plant to manufacture urea and ammonium nitrate should be set up in order to provide diversity and balance in the availability of fertilisers?

Shri K. C. Reddy: There has been a proposal to manufacture urea and/or ammonium nitrate at Sindhri under the consideration of the Government. Specially, after the installation of the coke oven plant at Sindhri, the gas that would be thrown out could be utilised for the manufacture of this particular type of fertiliser. So it was that this Mission was sent out to study the various processes abroad and make recommendations to the Government in this behalf. This task was undertaken with the help of the T.C.A.

Dr. Ram Subhag Singh: Has it also been proposed that the present system of distribution of fertilisers should be changed and that it should be marketed by the company itself in order to make it easily available?

Shri K. C. Reddy: That question does not arise.

Shri H. N. Mukerjee: What is the Government's view of the public impression that the experience of Mr. B. C. Mukerjee, the leader of this delegation, as Director of the Sindhri Fertiliser Co., is being wasted because of his transfer to another department of the Government?

Shri K. C. Reddy: I cannot accept that proposition. It does not necessarily mean that all his experience would be wasted. Whenever we feel it necessary to consult him in relation to any particular matter, we shall certainly consult him and he will make his experience available. The fact that he has gone over to another assignment does not mean that his experience would be wasted.

Shri Nanadas: May I know the countries which this Mission toured?

Shri K. C. Reddy: Japan, Canada, U.S.A., U.K., France, Holland, West Germany, Switzerland and Italy.

Shri A. M. Thomas: May I enquire, according to the report made by them,

how our Sindhri fertiliser plant compare with the foreign plants?

Shri K. C. Reddy: I should say very well.

Dr. Ram Subhag Singh: May I know the expenditure incurred on the tour of this Mission?

Shri K. C. Reddy: A part of the expenditure was met by the Sindhri Fertiliser Co., and a part was met by the T.C.A. The expenditure met by the Sindhri Fertiliser Co. towards the pay of officers who served on the Mission was Rs. 19,263/3/-. The expenditure met by the T.C.A. towards the travelling and subsistence allowances and other incidental charges is reported to be 10,098.45 dollars.

Shri Muniswamy: May I know whether in this Mission there were representatives of all States and also may I know whether the Members are all Government officials or private individuals?

Shri K. C. Reddy: There was no need for representation of all States on a Mission like this. The Members of the Mission were: Mr. B. C. Mukerjee, Managing Director, Sindhri Fertiliser Co., Dr. Nagaraja Rao, Industrial Adviser to the Government of India in the Ministry of Commerce and Industry, Dr. Van Evere, nominee of the T.C.A. and Shri K. C. Sharma, Plant Superintendent, Sindhri, as Secretary.

Shri A. M. Thomas: Has this Mission enquired into the cost of production in foreign countries and if so, how does the cost of production there compare with the cost of production in our own country?

Shri K. C. Reddy: No doubt, the Mission went into the question of production of urea and ammonium nitrate in the various countries abroad, but, they cannot obviously compare the cost of production in our country because as yet we have not started production of urea in our country. They have made certain recommendations and estimates. But, as I have already indicat-

ed, it is not desirable now to go into the details.

Shri S. C. Samanta: May I know whether it is a fact that the cost of the expansion scheme which the Government is contemplating on the recommendation of this Mission will be met by the T.C.A.?

Shri K. C. Reddy: I cannot say anything definitely about it now. The T.C.A. has evinced great interest in this scheme. It may be possible for the T.C.A. to come to our aid wholly or partly to set up the plant. As I said, it would be premature to say anything definitely about it now.

Kumari Annie Mascarene: May I know whether the cost of production has increased owing to the fabulous amounts paid to foreign experts?

Shri K. C. Reddy: I do not understand the hon. Members question at all. Perhaps she is referring to the ammonium sulphate being manufactured at Sindhri or at Alwaye.

Kumari Annie Mascarene: Sindhri.

Mr. Deputy-Speaker: We are concerned with two particular things here: Urea and another.

Shri N. M. Lingam: May I know if the Mission has taken into consideration the potentialities of compost making in India?

Mr. Deputy-Speaker: As a by product of fertilisers?

Shri N. M. Lingam: As a supplementary to fertilisers.

Mr. Deputy-Speaker: We are going from one subject to another.

UNEMPLOYMENT

***944. Shrimati Tarkeshwari Sinha:** Will the Minister of Planning be pleased to state:

(a) whether it is a fact that the Planning Commission have started a sample survey of unemployment in the country; and

(b) whether this survey will cover the entire field or will be confined to some particular sector?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). The Planning Commission has initiated the following enquiries into the problem of unemployment:

(i) a survey of unemployment in 18 towns;

(ii) a sample enquiry into unemployment in Delhi based on the Live Registers of the Employment Exchanges; and

(iii) an intensive enquiry into unemployment in the Calcutta area on the basis of a sample of 4,000 households.

A proposal for the study of the unemployment problem in Travancore-Cochin is also under examination.

Shrimati Tarkeshwari Sinha: May I know what is the percentage of unemployment in the country on the basis of this sample survey?

Shri Hathi: The survey is not yet complete.

Shrimati Tarkeshwari Sinha: May I know if any appraisal of the employment potential will also be conducted in the river valley projects?

Shri Hathi: That data is also being collected separately.

Kumari Annie Mascarene: May I know whether the Government is aware that ever since the Congress took up administration, skilled women workers have been displaced to a great extent in the medical department?

Shri Hathi: It is a matter of opinion.

Kumari Annie Mascarene: No, Sir. I can prove it.

Pandit C. N. Malviya: May I know what will be the estimated expenditure on this new venture and what will be the staff employed?

Shri Hathi: I cannot give exactly what will be the expenditure, but it is being conducted by the Indian Statisti-

cal Institute. I do not think the expenses will be much.

Shrimati Renu Chakravartty: In view of the fact that this sample survey has come under great criticism and there has been wide fluctuation of the results, may I know whether Government also propose to enquire into the various industries with the help of labour organizations and employers' organizations to find out the extent of unemployment?

Shri Hathi: Of course, Sir, their co-operation will be necessary, but for the present we are only having a sample survey in 18 towns with a population of more than 50,000 persons.

लाला अशित राम : क्या मंत्री जी कृपा करके बतलायेंगे कि अनइम्प्लाइमेंट की जांच के लिये जो सेक्टर बने थे, उनके साथ साथ जो रेफ्यूजी कोलोनिया हैं उन के भी सेक्टर बनाने का ब्याल रक्खा जायगा ?

Shri Hathi: It will be there in these 18 towns, of course.

Shri Raghuramalah: May I know, Sir, whether the sample survey covers rural areas in any particular place?

Shri Hathi: No, Sir. This sample survey only covers town area.

Sardar A. S. Saigal: May I know, Sir, whether a sample survey will also be made of those ladies who are unemployed?

Mr. Deputy-Speaker: Very well.

Shri Raghavalah: Government has said that there was a sample survey on unemployment. What is the description and the number of the samples that they have surveyed in this unemployment?

Mr. Deputy-Speaker: They have said '18 towns.'

Shri Vittal Rao: May I know, Sir, if it is a fact that the Ministry of Labour have submitted proposals to the Planning Commission for payment of relief for involuntary unemployment; if so, whether its examination will be held up till the survey is completed?

Shri Hathi: That is an altogether different question. That does not arise from this, but that will be taken into consideration.

Shri Jhunjhunwala: Was such a survey ever made before? If not, what is the reason for having this present survey?

Shri Hathi: Such a detailed or technical survey was not made before. Of course, some attempts were made in 1935. The U. P. Government made some survey, and also the Bombay Government, but such a technical detailed survey was not taken up.

Shri Jhunjhunwala: What was the result of that survey?

Mr. Deputy-Speaker: The Provincial surveys?

Shri K. K. Basu: May I know when the results of the sample survey are expected?

Shri Hathi: The survey of the 18 towns will be over within a couple of months. The survey about Calcutta may be finalised by February, 1954, and Delhi in about two, three months.

Prof. S. N. Mishra: May I know whether the Planning Commission maintains any machinery or has any device of keeping track of the employment opportunities that are being created because of the operation of the Plan?

Shri Hathi: The Planning Commission has written to the various State Governments and they are collecting the data as to what number of persons will be employed in the various development projects.

Pandit Thakur Das Bhargava: May I know the names of these 18 towns?

Shri Hathi: The 18 towns are selected at random. Their names are: Amritsar, Rampur, Kanpur, Banaras, Gaya, Kakinada, Tiruchirapalli, Hyderabad, Bangalore, Ajmer, Ujjain, Sambal, Bundi, Kothagudem, Nanded, Gadag, Palghat, Nadiad.

DOCUMENTARY FILMS IN ORISSA

***945. Shri Sanganna:** (a) Will the Minister of Information and Broadcasting be pleased to state whether Government are aware that important social, political, historical and economic events of Orissa do not find place in the films under the series "Indian News Review" and "Documentary Films of India" released so far by the Films Division of the Government of India?

(b) Is it a fact that Hirakud River Valley Project has been recorded by the Films Division, as one being worked in the Madhya Pradesh?

(c) If so, what steps have been taken by Government to set right this defect?

The Minister of Commerce (Shri Karmarkar): (a) No, Sir. Social, political, historical and economic events in Orissa are included according to their importance and the availability of space in the Indian News Review and documentary films released by the Films Division.

(b) and (c). In the commentary of the documentary film *Rivers in Harness* the Hirakud Dam Project was erroneously mentioned as being worked in Madhya Pradesh, obviously a printer's devil. Steps have been taken to make the necessary corrections.

Shri Sanganna: May I know whether the river Mahanadi has not been recorded in the films on our river valley projects?

Shri Karmarkar: Rivers are not recorded as such, but any particular event is recorded.

The Prime Minister (Shri Jawaharlal Nehru): Hirakud is part of the Mahanadi project.

Shri Karmarkar: I am sorry. I understand my friend asks about the Hirakud project. My information is that the Hirakud project is being filmed again for demonstration.

Shri B. C. Das: Who edit these documentary films, and have they knowledge of all the parts of India?

Shri Karmarkar: The official Editor; Yes, Sir.

Shri B. C. Das: May I know whether suggestion is invited from the State Governments before these documentary films are prepared?

Shri Karmarkar: Yes, Sir. This work is done in co-operation with the States.

Mr. Deputy-Speaker: Next Question.

Shri Raghavaiah rose—

Mr. Deputy-Speaker: The hon. Member is a little late.

Shri Raghavaiah: Yes, Sir.

Will the Government produce documentaries relating to the Bakhra-Nangal and D. V. C. projects?

Shri Karmarkar: I have no information about that, but I should presume so.

CENTRAL SILK BOARD

*947. **Shri Shivananjappa:** (a) Will the Minister of Commerce and Industry be pleased to state as to how many times the Central Silk Board has met this year? -

(b) What is the nature of the business transacted?

The Minister of Commerce (Shri Karmarkar): (a) The Board met last in September, 1952, and its Standing Committee held meetings in February, 1953, and July, 1953.

(b) A number of schemes for the development of the sericulture industry were examined and grants for such schemes sanctioned.

Shri Shivananjappa: May I know the specific reasons for not convening this meeting since the Board was re-constituted in December?

Shri Karmarkar: The Board normally meets once a year, and the Standing Committee meets oftener, whenever it is necessary.

Shri M. S. Gurupadaswamy: When will be the next meeting of the Board?

Shri Karmarkar: After the new Board is constituted, I think.

Shri M. S. Gurupadaswamy: What were the subjects discussed by the Standing Committee which met recently in Bombay?

Shri Karmarkar: I could mention a few schemes. It is a long list. The Standing Committee which met in February and July this year considered the following which are under implementation by the Central Silk Board:

- (i) consideration and examination of various steps for increasing production of raw silk in India;
- (ii) assistance to the spun silk industry;
- (iii) consideration of the question of improving the present methods of marketing of silk;
- (iv) grading of silk waste; and
- (v) collection of statistical information relating to the production of pure silk fabrics from.....

Shall I read the whole thing?

Mr. Deputy-Speaker: Is no communique issued regarding this matter as soon as decisions are taken?

Shri Karmarkar: Normally, a press note is issued.

Shri Raghavaiah: Since the constitution of the Silk Board, may I know how many times the Standing Committee met, and what are the important subjects discussed at these meetings?

Shri Karmarkar: I should like to have notice about that. Normally, the Standing Committee meets twice a year, if I can trust my memory. Regarding the subjects discussed, I should like to have notice.

Kumari Annie Mascarene: May I know whether, after the constitution of this Board, the marketing of silk has improved?

Shri Karmarkar: The marketing question is being considered, as I said.

SHEET GLASS FACTORIES

*948. **Shri Shivananjappa:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether there are any sheet glass factories in India;

(b) the places where they are situated; and

(c) whether there is any proposal submitted by the Travancore and Cochin Government along with a request from a private firm to start one factory in that State?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):
(a) Yes, Sir.

(b) Two in Bihar, and one in Uttar Pradesh at Bahjoi. Another factory is being put up at Assansol in West Bengal which is expected to go into production by March, 1954.

(c) No proposal has been submitted by the Travancore-Cochin Government; but a scheme for the setting up of a factory in that State has been received from a private party.

Shri Shivananjappa: May I know, Sir, the nature of the help that the Government are giving to the sheet glass manufacturers?

Shri T. T. Krishnamachari: Actually, the kind of help Government can give in a matter like this is only a question of making the raw materials available and giving them such technical advice as is available to us.

सेठ जेबल सिंह : क्या मंत्री महोदय यह बतलाने की कृपा करेंगे कि ग्लास शीट्स जो हिन्दुस्तान में तैयार होती हैं, उससे हिन्दुस्तान की जरूरत पूरी हो जाती है ?

Shri T. T. Krishnamachari: Certainly, Sir, the Indian production is not adequate for our consumption, and so a certain amount of import has to be allowed.

Shri K. K. Basu: May I know whether these firms are wholly Indian or whether they are foreign partnerships?

Shri T. T. Krishnamachari: Notice.

Shri H. N. Mukerjee: May I know the reasons why there was entire stoppage of production of sheet glass for four months as reported in the Commerce and Industry Ministry's Statistics of Production, in October, 1952?

Shri T. T. Krishnamachari: That is probably because the Sodepur Glass Works had closed down. I am not able to say anything in regard to the other factories. If the hon. Member puts down a question, I will answer.

Shri A. M. Thomas: The hon. Minister stated that there has been a request from a private party in Travancore-Cochin. May I know the name of the person? Is it the proprietor of the Ogale Glass Factory at Alwaye?

Shri T. T. Krishnamachari: That was an old story. The Ogale Glass Works did put up a proposal, but subsequently they withdrew the proposal, presumably for want of finance. This is a different party altogether, who wanted to manufacture in Cochin. He was asked to send in his application to the licensing committee. So far no application has been received.

Dr. Ram Subhag Singh: The hon. Minister referred to the sheet glass factory in Bihar. May I know when that factory was founded, and whether it is run by Government agency or by any private party?

Shri T. T. Krishnamachari: I think the history of this factory is fairly familiar to the hon. Member. At the moment, I think the factory is under the control of the Industrial Finance Corporation.

Shri Punnoose: Is it a fact that a type of sand found in certain parts of the coastal line of Travancore-Cochin is very helpful for the production of sheet glass, and if so have the Government explored the possibilities of encouraging that industry there?

Shri T. T. Krishnamachari: Notice.

Dr. Ram Subhag Singh: May I know whether that factory is being run satisfactorily? I want to know whether the production that was expected before the factory came under the control of the Industrial Finance Corporation is being maintained now-a-days.

Shri T. T. Krishnamachari: The hon. Member is again asking me a question, of which I am sure he has knowledge. The very fact that this factory had to be taken over by the Industrial Finance Corporation provides evidence enough to show that the factory was not being run properly.

CO-OPERATIVE HEALTH CENTRES SCHEME

*949, **Shri Muniswamy:** (a) Will the Minister of Rehabilitation be pleased to state whether the "Co-operative Health Centres Scheme" sponsored by the Government of India in 1948, is functioning at present?

(b) If so, how far has it progressed?

(c) How many Centres were started and what was the total amount paid to those Centres as grants?

(d) Is it a fact that some of the Centres were closed down?

(e) Do Government propose to renew the grants to those Centres?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) No. Three of the Centres started by Government under the scheme were closed down and the control of the others was transferred to other agencies.

(b) Does not arise.

(c) Five. The total expenditure during the period the Centres were running amounted to Rs. 34,990.

(d) Yes. Three Centres were closed down and two Centres were transferred to private agencies.

(e) The question does not arise, as none of the Centres is now run by Government.

Shri Muniswamy: May I know the medical systems to which these grants were given?

Shri J. K. Bhonsle: Allopathic, Ayurvedic and Homoeopathic.

Shri Muniswamy: Of these, three centres have been closed down. Which system is still continuing?

Shri J. K. Bhonsle: The Allopathic system has been closed down, while the Ayurvedic and Homoeopathic centres are continuing.

Shrimati Renu Chakravartty: May I know the reason for the closure?

Shri J. K. Bhonsle: Primarily because the people are used to getting free medicines from Government and municipal dispensaries.

Shri Muniswamy: May I know the places where these centres were opened?

Shri J. K. Bhonsle: Daryaganj, Gole Market, Subzmandi, Babar Road, and Karol Bagh.

Shri N. M. Lingam: May I know the names of the private agencies that have now taken over this work?

Shri J. K. Bhonsle: The Ayurvedic system has been entrusted to one gentleman by name Ram Ratan Foplai, and the Homoeopathic to the All India Institute of Homoeopathy.

जोंक नदी घाटी परियोजना

*९५०. **श्री जांगड़े :** क्या सिबाई तथा विद्युत मंत्री यह बतलाने की कृपा करेंगे कि क्या यह सत्य है कि मध्य प्रदेश की जोंक नदी घाटी परियोजना का कार्य अनिश्चित काल के लिये स्थगित कर दिया गया है ?

The Deputy Minister of Irrigation and Power (Shri Hathi): Yes, Sir.

श्री जांगड़े : क्या मैं जान सकता हूँ कि जोंक घाटी योजना को बन्द करने के क्या कारण हैं ?

Shri Hathi: The reasons were that the site that was selected was found unsuitable, and any other site nearby would have meant increased expenditure in regard to excavating tunnels etc. and all this would have resulted in higher cost.

श्री जांगड़े : क्या यह सही नहीं है कि पिछले सत्र में माननीय मंत्री महोदय ने कहा था कि जोंक घाटी योजना को मान लिया गया है और यह लेने लायक है ?

Shri Hathi: Yes. Looking to the further geological investigations it was found that there was no suitable dam site, and therefore it had to be abandoned. But before looking to the other aspects, it was worth taking up, except that the best zone had not been found.

श्री जांगड़े : क्या मैं जान सकता हूँ कि मध्य प्रदेश की सरकार ने मध्य प्रदेश की बहुत सी नदी घाटी योजनाओं में केन्द्रीय सरकार को सहयोग देने से इसलिये इनकार किया कि केन्द्रीय सरकार ने उत्तर में ऐसा कहा कि इन बड़ी योजनाओं को लेने और पूरा करने में बीस वर्ष लगेंगे ? क्या इसी लिये मध्य प्रदेश सरकार ने इनकार किया था ?

Shri Hathi: If it refers to this particular project, that is not correct. The reasons for abandoning it are as I stated before.

PAY AND ALLOWANCES

***951. Shri Sanganna:** Will the **Prime Minister** be pleased to state whether there is any difference in matters of pay and allowances of the Central Government employees and those of the North East Frontier Agency although the latter too are under the administrative control of the Government of India?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika): Not all Central Government employees serving in different parts of India or elsewhere are on the same scales of pay. Persons employed in Part C States and in many Central Government Offices located elsewhere than at the headquarters of the Government of India are paid according to the rates prevailing in the adjacent Part A States. This principle has generally been followed up to the

present in fixing the emoluments of employees of the North-East Frontier Agency. The revision of those emoluments, having regard to the arduous nature of the work and the difficult local conditions, is however under consideration.

Shri Sanganna: May I know whether the officers working in this area have been recruited from Assam or from any other State?

Shri J. N. Hazarika: They are recruited from Assam as well as other parts of India.

Shri Amjad Ali: Is it a fact that a number of officers in the North East Frontier Agency had recently been inducted from outside Assam?

The Prime Minister (Shri Jawaharlal Nehru): So far as the number is concerned, though not a far greater number, but a very great number is from Assam. There have been a number of people on the technical, engineering and other sides in the top grades, who have been brought from outside.

RESTRICTIONS ON MOVEMENTS OF INDIAN AMBASSADORS

***952. Shri Bishwa Nath Roy:** Will the **Prime Minister** be pleased to state:

(a) the countries where there are restrictions at present on the movements of Indian Ambassadors and those of the Embassy staff; and

(b) whether there is any restriction in India on free movement of any foreign embassy staff?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Among the countries where Indian diplomatic Missions are stationed, there are no restrictions except in the U.S.S.R. In the U.S.S.R., certain regulations are in force which apply to all the Envoys of other countries there. These restrictions on the movements of foreigners were introduced in war time. Later, the list of restricted or prohibited areas was added to. In June 1953, however, many of these restrictions were removed, though

some military and frontier areas still continue to be prohibited territories.

(b) No special restrictions have been imposed in India.

Shri Bishwa Nath Roy: May I know whether negotiations are going on for the removal of the remaining restrictions?

Shri Anil K. Chanda: There is no question of any negotiations with the Government.

Shri M. S. Gurupadaswamy: The hon. Minister stated that in U.S.S.R., there are certain restrictions imposed. May I know whether any restrictions are imposed on U.S.S.R. Embassies in other countries?

Shri Anil K. Chanda: In certain countries like the United States and the U.K., certain restrictions were imposed in 1952.

Shri Nanadas: In his answer, the hon. Minister stated that no special restrictions are imposed. May I know whether there are ordinary restrictions imposed on other Embassies in India?

Shri Anil K. Chanda: Obviously there are no ordinary restrictions.

Shri C. D. Pande: Are Government aware that certain Embassies in Delhi take very active interest in the internal politics of the country?

The Prime Minister (Shri Jawaharlal Nehru): Wherever this has been brought to the notice of Government, and Government are satisfied that there has been such a case, Government have taken an active interest in that matter.

INDIAN CITIZENS IN NEPAL

*953. **Shri Bishwa Nath Roy:** Will the Prime Minister be pleased to state:

(a) whether Indian citizens have now to face some restrictions in Nepal for purchasing immovable property; and

(b) if so, whether Nepalese citizens have any restrictions in India in the same matter?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) According to the Government of Nepal law of 28th Ashwin Samvat 1987 (1930 A. D.) no alien, including Indians, can acquire property in Nepal unless he has become a permanent resident of that country. The Treaty of Peace and Friendship of 1950 between Nepal and India, however, grants reciprocal rights to the nationals of each country regarding ownership of property in the other. Individual cases of hardship or restrictions against Indians are brought to the notice of the Nepal Government by our Ambassador in Nepal.

(b) No.

HANDLOOM AND KHADI DEVELOPMENT CESS ACT

*954. **Shri Veeraswamy:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total amount realised in the shape of cess at the rate of 3 pies per yard on mill-made cloth from the date of enforcement of the Handloom and Khadi Development Cess Act up to the end of July 1953;

(b) the amount of contribution given to the Madras State for development of handloom industry; and

(c) in what ways the weavers are to be helped with this fund?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Approximately Rs. 3,01,10,000 (Rupees three crores, one lakh and ten thousand).

(b) No contribution has yet been given to Madras from the proceeds of the Cess. Schemes submitted by the Madras Government are now being scrutinised.

(c) The attention of the hon. Member is invited to Section 4 of the Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953.

Shri Veeraswamy: May I know, Sir, the reason why the Government of India have not yet complied with the request of the Chief Minister of Madras State for reservation of 60 per cent. of production of bordered sarees and dhotis by the handloom industry?

Shri T. T. Krishnamachari: I do not know, Sir, how this question arises from this.

Shri Velayudhan: May I know, Sir, how much out of these 3 crores of rupees collected is now allotted or spent in helping Khadi production?

Shri T. T. Krishnamachari: With regard to Khadi production, Sir, I can give details if notice is given.

Shri Veeraswamy: May I know, Sir, whether it is a fact that thousands of weavers thrown out of employment are wandering as beggars as they do not get alternative work?

Shri T. T. Krishnamachari: This Government has no information.

Kumari Annie Mascarene: May I know, Sir, whether any amount was given to the Travancore-Cochin State?

Shri T. T. Krishnamachari: The Travancore-Cochin State was invited to send up proposals. I believe the proposals have been sent and are now being examined.

Shrimati Tarkeshwari Sinha: May I know, Sir, if Government propose to give any kind of help to other Khadi producing States in India, as for example, Bihar, U.P. and Andhra?

Shri T. T. Krishnamachari: I require notice.

Shri Veeraswamy: May I know, Sir, whether it is a fact that the Government of India have issued orders to restrict installation of new spindles, and if so, why?

Shri T. T. Krishnamachari: I do not think, Sir, the Government of India have issued any such order.

Shri Damodara Menon: May I know, Sir, the basis on which this cess is

being distributed to the different States?

Shri T. T. Krishnamachari: Sir, the real basis is a question of need. If State Governments send up proposals and those proposals fit in with the scheme envisaged in the Act under which the cess is collected, then the money is given.

Shri Raghavaiah: Of the cess collected, i.e. Rs. 3 crores, may I know what amount is going to be spent on the Mission that is going to be sent abroad for canvassing markets for handloom and Khadi cloth? It is stated in the Act that a Mission will be sent abroad for canvassing markets.

Shri T. T. Krishnamachari: Sir, it depends upon the budget that the Handloom Board sends to us. I am afraid I have not got the details as yet.

Shri S. V. Ramaswamy: Are the Government aware that the mill-owners have adopted such a method of production that the estimated cess will not be realised?

Shri T. T. Krishnamachari: I am afraid, Sir, it looks as though our estimates are likely to be exceeded.

Shri Heda: In view of the fact that in spite of some subsidy given at the time of the sale of Khadi, the production of Khadi has not appreciably increased, are Government contemplating some more measures to see that production of Khadi is increased?

Shri T. T. Krishnamachari: Sir, I would like to verify the basis of the question. If the hon. Member gives notice, I will furnish an answer.

Shri Muniswamy: The hon. Minister was just now pleased to state that the scheme submitted by the Madras Government is now under the consideration of the Central Government. May I know how long it will take to complete scrutiny of the scheme and when will the distribution take place?

Shri T. T. Krishnamachari: Human factor is involved in this and it is

a thing which is rather difficult to estimate. We are doing everything to expedite our decision.

Shri N. Somana: May I know, Sir, which are the States that have been given assistance so far?

Shri T. T. Krishnamachari: As I said, no distribution has taken place from out of the proceeds of this cess. Assistance is being given from out of funds allocated for this purpose otherwise. There are a number of schemes from State Governments which are now being examined and I believe in the course of about three to four weeks, the scrutiny will be completed and we might sanction expenditure in regard to proposals made by the various State Governments.

NORTH EAST FRONTIER AGENCY

***955. Shri Rishang Keishing:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that on account of continuous and incessant rains in the North East Frontier Agency for the last four months of April, May, June and July, communications both land and air, have been completely dislocated;

(b) if so, what are the means by which food, medicine and other essential articles are carried to the interior of the North East Frontier Agency from outside;

(c) whether Government are aware that acute food shortage prevails in North East Frontier Agency;

(d) whether the local authorities in North East Frontier Agency have appealed to Government for relief; and

(e) if so, what actions have been taken?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika): (a) Communications in the Agency have been severely dislocated in several areas of the Agency on account of heavy rains during the monsoon months.

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(b) Where foot-tracks have remained open to traffic, essential supplies have been carried to the interior outposts through porters. Elsewhere supplies have been regularly airdropped, except on days when weather conditions have been adverse for air-dropping in the hills.

(c) Living conditions in certain areas of the hills, where the slopes are too steep to permit of proper cultivation, have always been arduous during certain months, but no report has been received that the hill-people are experiencing any unusual difficulty this year.

(d) The local officers have standing instructions to submit periodical intimation regarding their stocks of essential supplies, so that airdrop may be arranged in each of the areas according to their requirements. These instructions are being followed.

(e) The I.A.F., who are carrying out the airdropping operations, have been making every effort to airdrop essential supplies in the areas where they are required. They have airdropped over 48,500 maunds of food and essential commodities at 35 centres in the Hill areas of the North East Frontier Agency from October, 1952 to the end of July, 1953. About 2,300 men are permanently employed as porters in the six Districts, so that the local Officers may be able, wherever the hill-tracks permit, to send supplies to the Administrative Centres and outposts where they are required. Steps have also been taken to construct mule tracks and jeepable roads in some of the outlying areas.

Shri Rishang Keishing: May I know, Sir, whether Government are aware of an appeal made by the A.P.O. and M.O. from Hayuliang in North East Frontier Agency to the Indian public (which was published on 4th July in the *Assam Tribune*) to compel the unsympathetic and inactive authorities to make immediate arrangements to save them from the clutches of sure death?

The Prime Minister (Shri Jawaharlal Nehru): No, Sir. We are not aware of this appeal.

Shri Amjad Ali: Are we to understand that the airdropping of food and medicines still continues?

Shri Jawaharlal Nehru: Yes, Sir, it continues. But of course, in this monsoon weather, airdropping becomes more dangerous and it has been more restricted. Perhaps the House will remember that last year, or some months back, in the course of two or three months there were two serious accidents in this very region involving two of our Air Force aircraft. Since then, we revised the whole scheme and greater care is taken, and, it is also proposed now to get helicopters for this purpose.

Shri Amjad Ali rose—

Mr. Deputy-Speaker: The Question-hour is over.

Short Notice Questions and Answers BIHAR AND WEST BENGAL COLLIERIES

I. Dr. M. M. Das: Will the Minister of Production be pleased to state:

(a) whether Government are aware of the crisis that is facing at present the collieries of Bihar and West Bengal producing lower grades of coal due to continuous non-availability of wagons;

(b) whether Government have received any complaint from the Indian Collieries Union, Katrasgarh, drawing the attention of Government that a large number of collieries in West Bengal and Bihar are on the verge of closing down on account of this reason; and

(c) whether it is a fact that Government have been requested by the Indian Collieries Union to appoint immediately a non-official Enquiry Committee to investigate into the various complaints against the Coal Commissioner's Office regarding allotments, allocation and sanction of wagons etc.?

The Minister of Production (Shri K. C. Reddy): (a) Government are not aware of any situation which may be described as a crisis facing the collieries of Bihar and West Bengal producing lower grades of coal, because of continuous non-availability of wagons. There has been no continuous non-availability. As the total wagon availability is not fully in keeping, however, with the demand, shortages in the supply of wagons sometimes arise, but this applies as much to the movement of higher grades of coal as of lower grades. Compared to last year, the total quantity of lower grades of coal moved in the first half of this year has shown an improvement.

(b) and (c). Yes. Such communications have been received by the Government from the Indian Collieries' Union.

Dr. M. M. Das: May I know, Sir, whether it is not a fact that the transport bottleneck for want of proper supply of adequate wagons is a long-standing grievance of these collieries and whether the Government propose to take some steps which will have a lasting effect to redress their grievances?

Shri K. C. Reddy: I am glad that the hon. Member is thinking of this transport bottleneck as a longstanding grievance which only justifies the stand that I took that there has been no crisis recently of the kind that the hon. Member has envisaged in his Short Notice Question. Apart from that, this transport bottleneck to some extent has always been there as the hon. Member has said, but this is because of the overall transport facilities that we have in our country at present. The demand is there to a certain extent and it is a fact that we are not able to fulfill the entire demand for transport of coal. The Railway Ministry is doing its best to increase its wagon supply availability and to the extent that they succeed in that direction, to that extent we

will be in a position to make more and more wagons available for coal transport.

Shri Frank Anthony: The Minister has given us to understand that the supply of wagons does not meet with the demand. I want to know whether that statement is correct or a communique with purports to have been issued by the Railway Board only a few days ago stating that there is a surplus of wagons and the demand is not sufficient to meet the supply?

Shri K. C. Reddy: I am not aware, Sir, if the Railway Ministry as such has issued a communique recently. I remember to have read certain reports in the newspapers regarding this matter. The hon. Member has not grasped the full implications of that statement as it has appeared in the press. The newspaper report does not say that there is any amount of wagon availability in our country at present. It refers mostly to movement in one direction. Anyway, Sir, I do not want to base my statement on the newspaper report.

Dr. M. M. Das: May I know, Sir, whether the complaint made by the Collieries that invidious distinction and discrimination is made regarding the allotment of wagons and the distribution of Government orders for medium grade coal by the Coal Commissioner's office?

Shri K. C. Reddy: There is no discrimination. This is a matter which depends on what grades of coal do several industries require and to what extent they could be supplied by the various Collieries. For example Railways and certain public utility concerns require high grades of coal and certain other industries require low grades of coal. Coal has got to be distributed judiciously to meet the demands of the various categories of industries. It cannot be that we can distribute this coal on a pro rata basis to each colliery as the Indian Collieries Union has been demanding. It is a very complicated matter and I can assure the hon. Mem-

ber that keeping all factors in view an equitable distribution is always attempted by the Coal Commissioner with success.

Dr. Hari Mohan: Will the Minister be pleased to state whether the Indian Collieries Union functions at all and if so is it a recognised Union?

Shri K. C. Reddy: Indian Collieries' Union is a recent growth; it is not yet recognised and I do not know how many collieries are members thereof.

Mr. Deputy-Speaker: Short notice questions Nos. 90 and 92. They may be taken together.

SITUATION IN BURNPUR

II. Sardar A. S. Saigal: (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that fourteen thousand workers of Burnpur are out of employment and a situation has arisen making it necessary to guard the mill area by calling the military?

(b) How and with whose consent was the military called to protect the surroundings of the mill area?

(c) Do Government propose to state the full facts regarding the situation at Burnpur?

(d) Has the steel production gone down since this situation arose?

(e) If so, by how much has it gone down this year as compared to the last three years since 1950 to 1952?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Due to the lock-out of the Indian Iron and Steel Company and the Indian Standard Wagon Company at Burnpur, since 24th August, 1953, all the workers numbering about 14,000 are out of work excepting the essential services consisting of about 1,500 workmen. Both the military and police are guarding the factory, water-works, etc. which have been declared by the Government of West Bengal as "protected places" under the West Bengal Security Act.

(b) At the request of the Government of West Bengal, the military has moved in.

(c) The trouble started on the January 19th when the workers in the Sheet Mili started a "go-slow" policy. This spread to the rest of the Works on the 13th June, 1953. The principal reason for the "go-slow" movement, according to the labour in the Sheet Mill, was that the Labour Union did not present to the Management their grievances while the Management refused to deal with the workers direct. A number of attempts at conciliation made by the State Government Officers including the Labour Minister of West Bengal and Officers of the Central Government failed, culminating in the workers giving a strike notice on the 21st August, and the Management declaring a lock-out on the 24th August, 1953.

(d) Yes, Sir.

(e) A statement is laid on the Table of the House. [See Appendix V, annexure No. 1.]

LOCK-OUT IN INDIAN IRON AND STEEL COMPANY

• III. **Shri H. N. Mukerjee:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the Indian Iron and Steel Company, Burnpur, has ordered a lock-out of its workers since 23rd August, 1953;

(b) whether there is any truth in the report that the said Company has, during the pendency of the lock out, terminated the services of nearly 14,000 workers; and

(c) what steps are being taken by Government to prevent deterioration of the situation and restore production to normalcy?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Yes, Sir, from the 24th August and not from the 23rd.

(b) The Company have informed us that they have not actually terminated the services of their workers,

and would do so only in the case of those workers who, within a time to be specified by the Company, fail to give an undertaking that they will be willing to return to work and give normal production.

(c) It is, I think, for the workers to give the necessary assurances that they will desist from resorting to the go-slow tactics employed by them and thus create a favourable atmosphere for the resumption of work and for the consideration of their demands.

Sardar A. S. Saigal: Sir, is it a fact that the manager is trying to humiliate and ill-treat the workers?

Shri T. T. Krishnamachari: These charges are often made, but I do not think, Sir, there is any basis for this; or at any rate there is any specific grievance that has been mentioned.

Shri H. N. Mukerjee: There was a press report that as early as on 26th June, Government had agreed to the demands of the workers regarding the reinstatement of the dismissed workers and a fair and free election of the Union by all the workers. May I know why this attitude, which was described by the Action Committee as helpful, was given up?

Shri T. T. Krishnamachari: I do not know what the Action Committee says is helpful and what is not. So far as the Government of West Bengal is concerned, they only know this fact—that the Action Committee leaders have persistently stuck to their determination not to allow production to be increased by more than 5½ annas, as they call it. And naturally, Sir, the management did not agree, and that is why the grievances could not be considered. They wanted the grievances to be redressed but they would not step up production beyond 5½ annas.

Mr. Deputy-Speaker: Shri Mukerjee.

Sardar A. S. Saigal: Was there any apprehension of breach of peace and so the military was called?

Mr. Deputy-Speaker: I have called Shri Mukerjee.

Shri H. N. Mukerjee: The legal procedure being that after a lock-out, the matter must be referred to adjudication, what steps are the Government going to take to see that the company's virtual termination of the services of these 14,000 workers is set at naught?

Shri T. T. Krishnamachari: The legal position in regard to that matter has apparently been considered by the West Bengal Government.

Sardar A. S. Saigal: Was there any apprehension of breach of peace and so the military was called?

Shri T. T. Krishnamachari: Yes, Sir. It is obvious that the military would not be called by the State Government unless they apprehended that the police force at their disposal was not adequate for the purpose of maintaining law and order.

Shri H. N. Shastri: Are the Government aware that in the course of the last ten days, two mass meetings of Burnpur workers, each attended by eight to ten thousand workers, were held under the auspices of the Union in which the workers unequivocally condemned the anti-social "go-slow" tactics inspired by interested parties and pledged their full support to the union leadership in restoring normal work and, if so, what steps do the Government propose to take to ensure early resumption of work in the factory?

Shri T. T. Krishnamachari: To the best of my information, I can say that there have been two meetings held by the union leaders and resolutions passed by the workers assembled in that meeting, condemning the "go-slow" policy. Sir, it depends upon the number of workers who are prepared to come in, for the management to decide whether they will be able to reopen the works. I am not able to envisage what the position will be, but it is hoped that some definite improvement may take place next week.

Sardar A. S. Saigal: Who is the owner of the Burnpur Factory?

Shri T. T. Krishnamachari: It is a company called The Indian Iron and Steel Company.

Shri A. S. Saigal: Who has got the chief share?

Mr. Deputy-Speaker: For each year the proprietor changes.

Shrimati Renu Chakravartty: In view of the statement of Mr. Giri that the employer should not lock-out and in view of the statement of the President of the Action Committee who has said that they would be prepared to accept the intervention of Mr. Giri, the Union Labour Minister, what has he done for terminating the dispute and coming to a settlement?

Shri T. T. Krishnamachari: That question must be addressed to Mr. Giri.

Shri H. N. Mukerjee: May I know why, when the workers, in spite of having given strike notice, have kept the essential services going, they are being humiliated by having to produce passes signed by an unrepresentative gentleman called Mr. John?

Shri T. T. Krishnamachari: These are matters of detail about which the hon. Member apparently knows more, and I do not see why such a question should be addressed to me.

Shri K. K. Basu: May I know whether, before the lock-out was declared by the authorities, the Government of India were consulted, and what has been done over it?

Shri T. T. Krishnamachari: These are matters of day-to-day occurrence. May I re-state the position? Here, as I said the troubles started some time in January in the sheet mills, and the tactics adopted was one of 'go-slow' which reduced production and that fever spread to the general works in June, and the total production was reduced considerably. The action committee leaders, whoever they might be, have said that they would

not allow production to be stepped up by what they call more than five annas, which might come to 35 per cent. This is entirely unheard of in labour disputes. We understand strikes, we understand lock-outs. Strikes sometimes are caused by workers, lock-outs by managements, but the question of 'go-slow' policy in an iron and steel works—where, as I have said before, the coke oven, blast furnace and melting shop have to be maintained at a high temperature, and if it is not maintained there will be damage, and I have to say there has been damage—is something unheard of. I am sorry to see that responsible Members of Parliament should give any moral support to an attitude of workers which is detrimental to the future of industry as a whole in this country.

Shri Belli Ram Das: May I know whether this lock-out is legal or justified or it is supported by the Government?

Shri T. T. Krishnamachari: No lock-out is supported by Government. It is a matter between management and labour. So far as the question whether it is legal or not is concerned, it is for the management to take such legal advice as is available for them and face the consequences.

Shri Thanu Pillai: May I know how many unions are functioning in that State and which union sponsors the 'go-slow' policy and which union supports the increase in production, and what help do the Government propose to give to the union which supports increase in production?

Shri T. T. Krishnamachari: To the best of my information, there is only one union and that union does not support the go-slow policy. That is the information I have now.

Shrimati Renu Chakravarty: In view of the fact that it is such an important industry, why does the Government of India take an attitude that it has nothing to do in the matter? Will the Government state what they propose

to do in the matter or will they just leave it to go on in this way?

Shri T. T. Krishnamachari: The position, Sir, as I said, is this. I think if my hon. friends here will join with the Government and say that we do not want to countenance any 'go-slow' policy in any important national work, we can get a move on to remedy the situation. But so long as hon. Members really support the action of labour which want to go slow and would produce not more than 35 per cent. of the total producing capacity, Government can do nothing. After all, Government are dependent on public support. Apparently no such support is forthcoming.

Shri Frank Anthony: Is it a fact that all this trouble arose only after Government, in pursuance of their policy to encourage what is regarded as a stooge union, have refused to deal with the real representatives and insisted on dealing with the gentleman who had entirely lost the confidence of the workers and the members of the Union?

Shri T. T. Krishnamachari: My hon. friend, in his eloquence, assumes a lot of facts which have no basis really. I must deny everything that he has said.

Shri H. N. Mukerjee: Sir, on a point of order. The Minister seems to reflect on the *bona fides* of Members who ask certain questions regarding a very important centre of production in this country. I want to know whether this kind of thing could be countenanced.

Mr. Deputy-Speaker: As regards this point of order, all that I can say is, not only questions are put for eliciting information, but I find very often, notwithstanding my trying to correct hon. Members, that hon. Members give information or suggestions. They ought not to make suggestions—various suggestions for action emanate from one Member or the other. Naturally, the hon. Minister feels that the suggestions are encouraging those persons in continuing the strike, or the management conti-

nuing the lock-out—one way or the other. I would therefore urge upon hon. Members not to make suggestions at all on the floor of the House, but confine themselves, during Question-hour, to eliciting facts in which case I will not be called upon to decide on points of order.

The Prime Minister (Shri Jawaharlal Nehru): With all respect, Sir, may I express my entire agreement with what you have been pleased to say. An hon. Member just now called somebody a stooge. These are insinuations and if insinuations and attacks of this kind are made in this House naturally, the response is going to be something like that. There has to be restraint on both sides—on the Government as well as on the other side.

My hon. colleague asked for the co-operation of hon. gentlemen on the other side. He did not accuse them of anything. He asked for their co-operation to stop a policy of 'go-slow' not about anything else. In this particular matter, as a matter of fact, the Government of India has been intensely interested, intensely involved and continuously consulted for the last three or four months. Apart from the whole Government of India, I, as Prime Minister, have continuously been consulted about it. I do not, of course, mean to say that every little thing done there is our responsibility. It may be the Government of Bengal's responsibility or the company's responsibility. But the major fact is that we are concerned—apart from the question of production—in the safety of that very valuable plant. The Government of India's money is involved in it—we have given plenty of money; it is a question of about Rs. 10 or 20 crores.

In this dispute, as far as I know, the major dispute is not between the management and the workers. The major dispute is *inter se* between the workers. Let it be settled. An hon.

Member mentioned something about the elections. We have no doubt that elections should be held; everybody is agreed that elections should be held. But one can hardly have an election when a 'go-slow' policy is pursued and trouble is happening all over. As soon as this matter is settled there is bound to be an election. Let the workers choose their leaders, whoever they may be and let them go ahead with their Union. Whoever may be the office-bearers, or the committee of the union they will deal with it. Here is a simple course. But an attempt is made to force the issue by 'go-slow' policy and, as a matter of generosity, we are told: "All right, we will not go so slow as we have been going, but in future we will produce 35 per cent." Remember, Sir, that the normal production is supposed to be 100 per cent. Presumably, they are paid for it; presumably they do work for it. Now as a matter of generosity, the offer is made by the hon. gentlemen of the action committee, "We shall produce in future 35 per cent. if you do this and that." I do submit, Sir, this is not a reasonable frame of mind, at least on the part of a responsible set of persons. It is impossible to deal with. The first thing—quite apart from any dispute, let it be settled, let there be election—is that we should see that this exceedingly valuable national property should not be ruined.

An. Hon. Member asked: Is there fear of breach of peace? I hope not, I don't know. But I dare take no risk of any injury to the plant. It is for the protection of the plant that this is being done.

I submit we are all interested, every Member of this House is interested, in putting an end to this dispute, in protecting the plant, in maintaining production and in these 14,000 workers working, not suffering, not being victimised and so on and so forth. But what I wish to make clear is that the go-slow tactics will not be tolerated whatever happens.

WRITTEN ANSWERS TO QUESTIONS

'MIRI JEEM'

*946. **Shri Beli Ram Das:** (a) Will the Prime Minister be pleased to state whether it is a fact that the Abors of the North East Frontier Agency produce a kind of warm cloth called 'Miri Jeem' in every house?

(b) Do Government propose to start weaving schools in the Abor and Mishmi Hills to encourage large scale production of 'Miri Jeem'?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika):

(a) Warm cloth, commonly called 'Miri Jeem', is produced in many homes in the Abor Hills District. It is also produced fairly extensively by Miris in the plains areas of the Assam State.

(b) Weaving schools have already been started in the Abor and Mishmi Hills Districts for teaching improved methods of producing cloth for use of the tribal people themselves who had so far to purchase cloth from outside. Attempts are also being made to improve the quality of 'Miri Jeem' by local experiments in these weaving schools.

INDIANS IN BURMA

*955. **Shri Achuthan:** (a) Will the Prime Minister be pleased to state whether Government have figures as to the number of Indians in Burma who have got permanent stay certificates, and the floating number on an average?

(b) Are all the facilities of Burmese citizens extended to these Indians by the Burmese Government to carry on their vocations?

(c) Have the Burmese Government recently deported Indians and if so, why?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) The information is not available with us. The Government of Burma have recently finished taking a census. It will be some months before their census report is published.

(b) All Indians who have acquired Burmese citizenship are treated without any discrimination.

(c) Recently some Indians have been deported mainly because of their undesirable activities.

SHIP-BUILDING

*957. **Shri Jethalal Joshi:** Will the Minister of Production be pleased to state:

(a) whether it is a fact that the cost of ship-building has risen high and

(b) if so, to what extent it would affect the development programme of ship-building?

The Minister of Production (Shri K. C. Reddy): (a) The cost of ship-building has generally risen all over the world during the last few years.

(b) This higher cost of ship-building is, to a certain extent, deterring purchasers from placing orders for ships to the extent was expected, but all possible steps are being taken to ensure that the shipyard's capacity is fully utilised.

BETEL NUTS

*958. **Shri Gidwani:** (a) Will the Minister of Commerce and Industry be pleased to state whether the goods imported in this country are marked with the "Country of Origin" by the exporting countries?

(b) Is it a fact that betel nuts of Indonesian origin are imported in Malaya and then re-exported to India as of Malayan origin?

The Minister of Commerce (Shri Karmarkar): (a) Imported goods which have to indicate the "Country of Origin" are detailed in the Schedule to Government Notification No. S.R.O. 440, dated the 31st March 1951, a copy of which is available in the Parliament Library.

(b) Government are not aware of what is happening in other countries. Adequate precautions are, however, be-

ing taken to prevent betelnuts of other than Malayan origin being passed off as Malayan betelnuts. For this purpose each consignment is required to be accompanied with a certificate of origin duly countersigned by the First Secretary (Commercial) to the Representative of the Government of India in Malaya to the effect that he is satisfied after investigation, that the goods are the produce of Malaya and not of any other territory.

INDIAN EMIGRANTS TO NORTHERN RHODESIA

*959. **Shri S. N. Das:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that a certain number of Indian Immigrants all of whom had Indian Passports for Northern Rhodesia were not allowed to land at the Portuguese West African Port of Beira recently on the ground that they had no permits to enter Northern Rhodesia with them;

(b) if so, the circumstances in which they were refused permission to land by the Port Authorities;

(c) whether such permits were necessary for Indian immigrants in the past;

(d) whether the Indian High Commissioner in East and Central Africa took any steps to facilitate their landing;

(e) if so, the details of the steps taken and results achieved;

(f) whether the Government of India have represented to the Portuguese Government regarding the inconvenience caused to the Indian Immigrants; and

(g) if so, with what result?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes Sir; Some Indian passengers bound for Northern Rhodesia were not permitted to disembark at Beira (Portuguese East Africa) as an assurance about their entry into Northern Rhod-

esia was not forthcoming from that country's Government.

(b) The permission was refused on the ground that there was no assurance that the persons concerned would be admitted to Northern Rhodesia.

(c) No. Neither permits nor any assurance was asked for in the past.

(d) Yes.

(e) As soon as the Commissioner for the Government of India in British East Africa learnt of this incident, he sent telegraphic communications to the Governor of Northern Rhodesia, the Government of Northern Rhodesia and the Government of Portuguese East Africa. The Government of Northern Rhodesia, in their reply stated that they were not responsible for the refusal of the Portuguese authorities to permit Indian passengers to disembark at Beira. They further stated that they could not give any assurance about the admittance of new immigrants into Northern Rhodesia until they had ascertained, on the arrival of the intending immigrants at the borders of the country, that they have fulfilled the requirements of the Immigration Ordinance. The Government of Portuguese East Africa, on the other hand replied that as the Government of Northern Rhodesia did not give an assurance regarding the entry of the persons concerned, they could not be allowed to land at Beira.

(f) The matter has been brought to the notice of the Portuguese Charge d' Affaires in New Delhi.

(g) Government are awaiting the result of their approach to the Portuguese authorities.

FLOOD RELIEF FOR BIHAR

*960. **Shri Jhulan Sinha:** Will the Prime Minister be pleased to state:

(a) whether he has received reports from the Bihar Government regarding the extent of damages caused by the floods in the various rivers of Bihar; and

(b) if so, whether he has taken the same into consideration while making grants from his Relief Fund?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes, the position was also brought to the notice of Government by Members of Parliament and other people from Bihar.

(b) A sum of Rs. 20,000/- from the Prime Minister's National Relief Fund has been sent to the Chief Minister of Bihar for relief work in the flood affected areas.

ACID FROM MOLASSES

***961. Shri Jhulan Sinha:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that *Levulinic acid* has been produced from molasses;

(b) if so, the scope of development of this acid industry; and

(c) its effect on the price of sugarcane and sugar?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Yes, Sir, only on a laboratory scale.

(b) As a proper industrial process for its manufacture has yet to be worked out, the scope for development in this acid industry cannot be assessed at present.

(c) It is very unlikely that any development of the manufacture of levulinic acid from molasses will affect the prices of sugar or sugarcane.

MOR PROJECT

***962. Shri B. K. Das:** Will the Minister of Irrigation and Power be pleased to state whether any time limit has been fixed for the repayment of the loan given to the Government of West Bengal for the Mor Project and on what terms the loan has been given?

The Parliamentary Secretary to the Minister of Finance (Shri B. B. Bhagat): Yes, Sir. An attached state-

ment giving the requisite information in respect of loans given so far is placed on the Table of the House. [See Appendix V, annexure No. 2.]

PHARMACEUTICAL INQUIRY COMMITTEE

***963. Dr. Amin:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any time limit has been fixed for submission of the report by the Pharmaceutical Inquiry Committee; and

(b) if not, the reasons thereof?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) No, Sir.

(b) It was not considered necessary.

COLOUR BAR IN LONDON HOTEL

***964. Shri Sinhasan Singh:** Will the Prime Minister be pleased to state:

(a) whether Government's attention has been drawn to a news item 'Colour Bar in London Hotel' appearing in the front page, in Column 5 in the 'Hindustan Times' dated the 10th August, 1953;

(b) if so, whether such bans have been or are being applied to Indian citizens also; and

(c) if so, what steps Government have taken in this matter?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes.

(b) and (c). There is no official ban in the United Kingdom and the attitude of the U. K. Government has been to condemn all forms of discrimination on grounds of race. In regard to action taken by private hotels, there is no legal obligation to compel them to accept any member of the public who asks for accommodation. Wherever such an instance occurs, the High Commission of India in London has taken cognisance of it and, wherever feasible, have made representations to the U.K. Government.

TETRA UTHYL LEAD

*965. **Shri Sinhasan Singh:** (a) Will the Minister of Works, Housing and Supply be pleased to state the total cost of using Tetra Uthyl Lead in the Indian petrol?

(b) From which country or countries is Tetra Uthyl Lead imported?

(c) Is there any standard insisted for the use of petrol in India?

(d) If so, what is the standard?

(e) In what proportion is this Tetra Uthyl Lead used in petrol?

(f) Is it not a fact that power alcohol produced in India can be substituted for this Tetra Uthyl Lead and do Government propose to appoint a Commission of experts to go into this fact for providing a substitute for this imported article?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): (a) Except for a very small proportion, the petrol consumed in India is imported. The imported petrol is received blended with Tetra Ethyl Lead. The actual cost of Tetra Ethyl Lead that does go into the petrol consumed in India is not therefore separately available. The estimates of the cost of Tetra Ethyl Lead, however, vary from 1.5 to 7.5 pies per gallon of motor spirit.

(b) Most of the Tetra Ethyl Lead imported for blending with indigenously produced petrol comes from dollar sources.

(c) and (d). The petrol supplied is 70 octane.

(e) 2.5 to 3 c.c. per gallon.

(f) Power alcohol can be used as a substitute for tetra Ethyl Lead. There is no necessity to appoint any Commission of Experts. Govt. are examining the question.

TRANSMITTER AT POONA

*966. **Shri H. G. Valsnav:** (a) Will the Minister of Information and Broadcasting be pleased to state the power

of the transmitter that has been installed at present at Poona and its range of listening?

(b) What is the maximum K.W. power proposed for the broadcasting station at Poona?

(c) What would be the listening range of the said station when the proposed high power transmitter is installed?

The Minister of Commerce (Shri Karmarkar): (a) 1 K. W. medium-wave transmitter is being installed at Poona. The range of its primary service would extend to a radius of about 25 to 35 miles, though it can generally be heard far beyond that range.

(b) 5 K. W. mediumwave.

(c) The range of the primary service of the station after installation of the 5 K.W. transmitter would be about 60 to 80 miles, but it would be heard up to a radius of about 200 miles.

INDIAN NATIONAL FLAG

*967. **Shri A. K. Gopalan:** (a) Will the Prime Minister be pleased to state whether it is a fact that the Portuguese Consulate in India refused to fly the Indian National Flag on the 15th August, 1953 while all other Embassies and Consulates in India flew the Indian National Flag alongside the flag of their countries?

(b) Do Government consider this as a breach of diplomatic practice and privilege?

(c) If so, what action do Government propose to take in this connection?

(d) Is it a fact that a demonstration led by the Goan Peoples' Party hoisted an Indian National Flag on the parapet in front of the Consulate on the 15th August, 1953?

(e) Has it come to the notice of Government that the Indian Police on duty at the place snatched away the Flag from the parapet?

(f) If so, what action was taken in the matter?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) The Portuguese Consulate in Bombay did not fly the Indian flag over their premises on the 15th August 1953. Only the Portuguese Flag was flown. We have no information as to whether other foreign missions and their consulates in India flew the Indian Flag alongside their own on that day.

(b) No. Though flying the flag of the receiving country on its National Days by foreign missions is not obligatory, this practice is observed by some countries as a matter of courtesy and reciprocity.

(c) In view of answer to (b) above, does not arise.

(d) No flag was hoisted by the demonstrators either on the parapet or on the wall facing the Consulate.

(e) and (f). Do not arise in view of answer to (d) above.

ELECTRICITY FOR RAJASTHAN

495. Shri Morarka: Will the Minister of Irrigation and Power be pleased to state whether and if so, what districts of Rajasthan would be supplied electricity under the Bhakra Nangal Scheme?

The Deputy Minister of Irrigation and Power (Shri Hathi): The question of supply of Power for distribution in Rajasthan is under the consideration of Government.

HOUSING SCHEME FOR RAJASTHAN

496. Shri Morarka: Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether the Government of India have been approached for any housing scheme from Rajasthan;

(b) if so, whether the scheme is submitted by the Rajasthan Government or by a private individual;

(c) whether Government have considered these schemes, if any; and

(d) what are the decisions?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Yes.

(b) The Rajasthan Government has not so far sent up any scheme of its own. The requests for financial assistance under the Subsidized Housing Scheme for Industrial Workers have been received from the following firms:

(i) The Jaipur Udyog Ltd., Jaipur.

(ii) Raj Traders Ltd., Jaipur.

(iii) The Maharaja Kishangarh Mills Ltd., Madanganj.

(c) and (d). These are under consideration.

"FOREIGN" LIQUORS

497. Dr. Amin: (a) Will the Minister of Commerce and Industry be pleased to state whether Government are aware that there is considerable demand for Indian made "foreign" liquors in foreign countries?

(b) What steps do Government propose to take to build up our country's export trade in "foreign" liquors?

(c) What is the total amount of foreign exchange earned each financial year from exports of "foreign" liquors from 1948 to 1953?

The Minister of Commerce (Shri Karmarkar): (a) Government have no precise information.

(b) There are no restrictions on export.

(c) Exports of "foreign" liquors are not separately recorded in official statistics. A statement showing the value of exports of all liquors for the five years ending 1952-53 is, however, attached.

STATEMENT

The value of exports (including re-exports) of liquors from India during the five years 1948-49 to 1952-53

Year	Value in rupees.
1948-49	2,99,459
1949-50	1,79,246
1950-51	2,84,396
1951-52	5,51,304
1952-53	5,71,215

JUTE

498. Shri N. B. Chowdhury: Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have appointed a Commission to enquire into the marketing practices in the raw jute and jute goods trade etc.; if not, when they propose to do so; and

(b) whether its terms of reference include or would include the ascertainment of the cost of cultivation of jute and recommendation of measures to secure fair price for the grower?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) The reply to the first part of the question is in the affirmative. The second part does not arise.

(b) Yes. A copy of the Commission's terms of reference is attached. [See Appendix V, annexure No. 3.]

HANDLOOM CLOTH (EXPORT)

499. Shri Buchhikotiah: (a) Will the Minister of Commerce and Industry be pleased to state the quantity of handloom cloth that was exported in 1952 to each foreign country separately?

(b) What is the total quantity of handloom cloth that was exported from January to August, 1953 and to which countries?

(c) What is the percentage of increase in export business of handloom cloth when compared with previous year?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) and (b). A statement is attached. [See Appendix V, annexure No. 4.]

(c) 21 million yards of handloom cloth were exported during the period January—May 1952, as compared to 24.23 million yards for the same period during 1953. The increase in exports is 15.4 per cent. approximately.

CLOTH (EXPORT)

500. Shri Keshavalengar: Will the Minister of Commerce and Industry be

pleased to state the total quantity of exports of all varieties of cloth in 1953 from January to the end of June (month-wise)?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): A statement is attached. [See Appendix V, annexure No. 5.]

EXPORTS TO CEYLON

501. Shri Muniswamy: Will the Minister of Commerce and Industry be pleased to state:

(a) whether any complaint has been received from the Government of Ceylon regarding Indian merchants who export goods to Ceylon without stamping them as "Made in India";

(b) if so, what action was taken by Government to prevent such occurrences in future; and

(c) whether there is any machinery to check, whether the goods are marked as "Made in India" before they are exported to foreign countries?

The Minister of Commerce (Shri Karmarkar): (a) Yes, Sir.

(b) Exporters in India have been advised through a Press Note and through the publications of this Ministry that all goods exported to Ceylon should be stamped "Made in India". A copy of the Press Note is attached. [See Appendix V, annexure No. 6.]

(c) No, Sir.

INDIA STORES DEPARTMENT, LONDON

502. Shri K. C. Sodhia: (a) Will the Minister of Works, Housing and Supply be pleased to state the total number of officers working in the India Stores Department, London, at present?

(b) How many of them are Indians?

The Deputy Minister of Works, Housing and Supply (Shri Burayehain): (a) 81.

(b) 48.

EXCISE DUTY ON COAL AND COKE

503. **Shri K. C. Sodhia:** (a) Will the Minister of Production be pleased to state the total gross proceeds of the excise duty on coal and coke during 1952-53?

(b) What were the total collection charges of the same and whether any special agency was employed to collect it?

(c) What was the total amount of grant and other assistance paid for stowing operations to owners, agents and managers of coal mines?

The Minister of Production (Shri K. C. Reddy): (a) Rs. 1,22,12,509-8-0.

(b) Rs. 2,44,250-12-0. The excise duty is collected by the Railway Administration who recover 2 per cent. as collection charges.

(c) Rs. 60,77,013.

कारखाने के मजदूरों के लिये मकान

५०४. डा० सत्यबाबी : क्या निर्माण गृह-व्यवस्था तथा रतब मंत्री यह बतलाने की कृपा करेंगे कि इस वर्ष मजदूरों के लिये मकान बनाने के लिये जो रुपया बजट में स्वीकार किया गया था उस में से भिन्न भिन्न राज्यों को कितनी राशि मिली है ?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): Disbursements are related to the actual progress of construction. A sum of Rs. 5,01,250 has so far been advanced during the current financial year—Rs. 76,000/- to U. P. Government and Rs. 4,25,250/- to a firm in Orissa.

BETEL NUTS

505. **Shri Muniswamy:** (a) Will the Minister of Commerce and Industry be pleased to state how many applications were received for the import licence of betel-nuts in all the four regions for the period January-June, 1953?

(b) How many licences were issued in all throughout the country?

(c) How many new-comers were granted licences?

(d) How many of those new-comers belong to the State of Madras?

The Minister of Commerce Shri Karmarkar: (a) 2,015.

(b) 1,300.

(c) 509.

(d) 198.

EXPORT LICENCES FOR ONIONS

506. **Shri Muniswamy:** Will the Minister of Commerce and Industry be pleased to state how many licences for the export of onions have been granted in Madras State?

The Minister of Commerce (Shri Karmarkar): The requisite information is contained in the Weekly Bulletin of import and Export Trade Control, published by the Chief Controller of Imports and Exports, copies of which are regularly supplied to the Library of the House.

DEVELOPMENT COUNCILS

507. **Shri K. K. Basu:** Will the Minister of Commerce and Industry be pleased to state:

(a) how many Development Councils have been formed under the Industries (Development and Regulation) Act, 1951;

(b) the names of the industries where such Councils have been formed;

(c) the number of meetings the respective Councils have held;

(d) the number of new licenses that have been applied for by each industry separately; and

(e) how many granted?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Two.

(b) Heavy Chemicals (Acids and Fertilisers) and Internal Combustion Engines and Power Driven Pumps.

(c) Heavy Chemicals (Acids and Fertilisers)—One.

Internal Combustion Engines and Power Driven Pumps—Two.

(d) and (e). A statement is attached. [See Appendix V, annexure No. 7.]

Dated.....24.11.2019

**THE
PARLIAMENTARY DEBATES**

**(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT**

1965

HOUSE OF THE PEOPLE

Wednesday, 2nd September, 1953

1966

The Minister of Rehabilitation (Shri A. P. Jain): Sir, I will make a brief statement about the facts.

*The House met at a Quarter Past
Eight of the Clock*

[MR. DEPUTY-SPEAKER in the Chair]

**QUESTIONS AND ANSWERS
(See Part I)**

9-40 A.M.

MOTION FOR. ADJOURNMENT

**HUNGER STRIKE BY PRESIDENT OF TECHNICAL INSTITUTE WORKERS UNION,
FARIDABAD**

Mr. Deputy-Speaker: I have received notice of an adjournment motion signed by Shri V. P. Nayar and Shrimati Renu Chakravartty. It relates to a hunger strike by the President of a Union in Faridabad, started as early as the 18th of August 1953. We have not been taking notice of hunger strikes.

Shrimati Renu Chakravartty (Basirhat): This dispute has been going on since April. We would never have brought this matter before this House unless the condition of the President was so very bad. Government refuses to refer the question to conciliation, as demanded by the Union. Therefore, there is no other way but to raise the matter on the floor of the House. All that we want is that the matter should be sent for conciliation.

378 PSD

The Technical Institute in Faridabad was started about two years ago as a measure of relief. It is not a commercial concern. In fact, during the last two years, Government have heavily subsidised this institution. The primary object was to give employment to displaced persons and to a certain extent that object has been fulfilled. The number of persons employed in the Institute is 435.

Unfortunately, during the last one year, there has been quite a lot of trouble in that Institute. Since December last, there have been no less than three strikes. Everytime when the strike was resorted to, I took a human view and tried to meet their demands, more from a compassionate point of view than as a labour dispute. In fact, that has encouraged those persons to make more and more unreasonable demands.

In the beginning of July a notice containing 17 demands was served on the management. Out of those, eleven or twelve demands were either wholly or partially conceded and they are being implemented. The other demands we could not accept. On the 18th of the last month, the workers, numbering about three hundred, mostly displaced persons, went on strike. It was an illegal strike. The strike continued for three days. Simultaneously, one Shri Hukamchand, went on hunger strike. He has been examined at least twice medically. I

[Shri A. P. Jain]

have got the latest report. He was examined yesterday at 4-15 P.M. by Dr. Varma, and Col. K. Rai has given his medical report on the facts ascertained by examination. The report, is: "From the abovementioned medical examination report, it is quite clear that so far there are no signs of dehydration, nor any signs of ascetosis; nor are there any marked signs of weakness at present."

I want to make it clear that neither the future of the Technical Institute nor the settlement of any labour dispute can be decided by hunger strike. If these things are to be decided by hunger strikes, there will be no orderly society. The hunger strike is entirely his business. It is for him to give up the hunger strike. We cannot do anything under the threat of hunger strike.

Shri V. P. Nayar (Chirayinkil): May I say something? The hon. Minister's statement does not contain all the facts about the case, Sir.

Mr. Deputy-Speaker: All that I am concerned with at this stage is whether consent ought to be given or not. I have brought this up before the House inasmuch as a number of workers are involved and a serious situation is supposed to have arisen. I wanted to know all the facts as far as Government are concerned. The facts have been placed before the House, in so far as they have come to the knowledge of Government.

It has been repeatedly held on the floor of the House that hunger strike is not one of the constitutional methods which should be adopted for the purpose of getting redress of any grievance. I wanted to have some facts elucidated. I would advise that he should terminate his fast as early as possible and desist from it hereafter.

I am sorry I am unable to give my consent to this adjournment motion.

Shri V. P. Nayar: May I point out that it is not the hunger strike which is the subject matter, but the serious situation consequent on the hunger strike.

Mr. Deputy-Speaker: Here only three hundred workers are involved. The Short notice question which we now disposed of concerned about 15,000 workers.

LEAVE OF ABSENCE

Mr. Deputy-Speaker: I have to inform hon. Members that I have received the following letter from Shri B. Shiva Rao:

"I was hoping that I would be well enough to return to India by the end of August and attend the current session of the House of the People for the last two or three weeks in September. Unfortunately, my recovery is slower than I had expected and under medical advice I am compelled to stay away for the whole of the session. I would be grateful if you will kindly obtain for me the permission of the House to be absent for the entire period."

Is it the pleasure of the House that permission be granted to Shri B. Shiva Rao for remaining absent from all meetings of the House till the end of the present session?

Hon. Members: Yes.

Leave was granted.

Mr. Deputy-Speaker: I have received another letter, from Shrimati B. Khongmen which says:

"I have been ill for the last two months. I am afraid I shall not be able to attend the Parliamentary session. May I request you to be so kind as to grant me leave of absence for the whole of this session?"

Is it the pleasure of the House that permission be granted to Shrimati B. Khongmen for remaining absent from all meetings of the House till the end of the present session?

Hon. Members: Yes.

Leave was granted.

BUSINESS OF THE HOUSE

Mr. Deputy-Speaker: I have to inform the House that the Business Advisory Committee met on the 1st September 1953 to consider the question of allocation of time to the various items of Government business which are to be concluded before the current session terminates.

The Committee were informed that Government considered that the Estate Duty Bill and the Estate Duty Rates Bill should be passed during the current session. The House had also to find time for the Supplementary Demands for Grants and the Resolution on P.E.P.S.U.

The Committee agreed to the following time-table for the various items of Business:—

1. Nine days with effect from the 2nd September 1953 (i.e. to-day) might be allotted for the consideration of clauses and schedule and the passage of the Estate Duty Bill and the Estate Duty Rates Bill.
2. The total time available for consideration of the clauses of the Bills should be apportioned between the various groups of clauses according to their importance and the discussion on the particular group of clauses terminated on the due date.
3. In case it is found that the discussion on the group of clauses was not concluded within the specified days, the House might sit in the afternoons on those particular days for completion of the discussion on specified clauses.

4. One and a half days might be allotted for the Supplementary Demands for Grants and the Resolution on P.E.P.S.U.

The Committee also appointed a Sub-Committee to prepare a detailed time-table for the consideration of the clauses of the Estate Duty Bill in such a way that adequate time was made available for the discussion of important clauses and the total time of nine days apportioned between the various groups of clauses and the third reading of the Bill. The Sub-Committee met at 4-30 P.M. on the 1st September and have made the following recommendations:—

- (i) Clauses 2 to 29.—Three days plus two afternoon sittings (afternoon sitting on the second day being compulsory and on the third day if necessary).
- (ii) Clauses 30 to 34 and the schedule.—Three days plus two afternoon sittings (afternoon sitting on the second day being compulsory and on the third day if necessary).
- (iii) Clauses 35 to 81 and the schedule, Clause 1, enacting formula etc.—Two days plus one afternoon sitting if necessary.
- (iv) Third Reading.—One day plus one afternoon sitting if necessary.

The Sub-Committee also considered that whenever an afternoon sitting was found necessary, it might commence at 4-00 P.M. and conclude at 7-30 P.M., if the business is not otherwise terminated earlier.

Shri K. K. Basu (Diamond Harbour): At the time of the passing of the Preventive Detention Act Government gave an undertaking that within one year the House will be given an opportunity for a discussion. But in the list of business that you have just now announced it does not find a place. I do not know—but the Home Minister then said that within a year there will be a report and a discussion on it.

Shri Frank Anthony (Nominated—Anglo-Indians): May I also bring to your notice that the Independent Parliamentary Group sent a letter to the Leader of the House asking whether, in view of the assurance that had been given by Government, he would allot some time for a discussion on the working of the Preventive Detention Act?

Shri N. C. Chatterjee (Hooghly): May I remind you, Sir, of my motion for an enquiry into the causes of the death of Dr. Syama Prasad Mukerjee? You were good enough to say that you would try your best. May I know from the Leader of the House whether an early date will be fixed for discussing the matter? It is very important.

The Prime Minister and Leader of the House (Shri Jawaharlal Nehru): To take up the last matter first, it is for you, Sir, to decide about either the relevance or the importance of the question. I should have thought it had neither, in view of the developments that have taken place. (*Shri N. C. Chatterjee: Question.*) The hon. Member will kindly permit me to proceed. If the House desires, or if the hon. Members on the other side desire, we might consider it. But it will have to be after the regular hours, till midnight if necessary. We will have to go through the normal business. So it will have to be outside the regular hours. If I may say so, it will be easier to decide these and other points after the conclusion of the Estate Duty Bill. Then we shall be in a better position to know where we are.

There is another matter. I gave an assurance to the House about a debate on foreign affairs. For that too, if you will permit, after the Estate Duty Bill is over we should try to find a day and, as I said, two hours or, if possible, more for the other discussion suggested by the hon. Member Mr. Chatterjee.

In regard to this Preventive Detention Bill matter I received a communication from Mr. Anthony and others

and I forwarded it to the Home Minister. I am sorry he is not here. The Home Minister said that he would himself like a full discussion on this. But he referred to the very statement he had made in Parliament which, I believe, said that it may be after a certain period, a year. He said he was looking forward or at any rate expecting a discussion in the next session, not in this session, when he would have facts and figures fully ready. It may be possible—if the House so desires and he places certain facts before the House in the course of this session so that it may know about the present position. But from the point of view of time alone, it will be difficult to find time in this session.

श्री पी० एन० राजभोज (शोलापुर—रक्षित—अनुसूचित जातियाँ) : मैंने प्रधान-मंत्री को लिखा था कि शेड्यूल्ड कास्ट्स और शेड्यूल्ड ट्राइब्ज के लोगों के बारे में बहस करने के लिए हम लोगों को टाइम मिलना चाहिये। इस पर चीफ क्लर्क के द्वारा मुझ को जवाब दिया गया है कि दूसरे सेशन में टाइम दिया जा सकता है। लेकिन मैं यह कहना चाहता हूँ कि यह बहुत बड़ा पब्लिक इम्पार्टेंस (सार्वजनिक महत्व) का मामला है और इस के लिए इसी सेशन में कुछ समय मिलना चाहिये। मैं लीडर आफ दि हाउस से कहना चाहता हूँ कि उन को बाध इस सवाल पर भी कुछ कहना चाहिये था। अभी उन्होंने कई बातों का जिक्र किया लेकिन इस बात पर जरा भी नहीं बोले।

श्री जवाहरलाल नेहरू : मैं इस का जवाब दूँ? मुझे ताज्जुब हुआ, हैरत हुई और आश्चर्य हुआ यह सुन कर कि मैं आनरेबल मेम्बर को जवाब नहीं देता।

श्री पी० एन० राजभोज : आप यहाँ पार्लियामेंट में अभी तक जरा भी कुछ नहीं बोले।

श्री जवाहरलाल नेहरू : मेम्बर साहब के इतने खत मेरे पास आते हैं कि बावजूद मेरे जवाब देने के दूसरा खत आ जाता है। मेरा सारा पेशा खाली उन के खतों का जवाब देने का ही नहीं रह गया है। फिर उन के खतों में उसी बात को दोहराया जाता है जिस का मैं जवाब दे चुका होता हूँ। इस में कोई सन्देह नहीं कि जिस मामले का उन्होंने जिक्र किया वह बहुत जरूरी है और जाहिर है कि यह हाउस उस को जितना ज्यादा बक्त दे कम है। लेकिन सवाल है बक्त का और हाउस के गौर करने का। मैं कहना चाहता हूँ कि कोई इन्जाम लेना चाहिये कि हाउस सात घंटे बैठा करे, जैसे और हाउसेज बैठा करते हैं। चार पांच घंटे में काम नहीं चलता। सात घंटे बैठा करे तो शायद कुछ हो सके।

श्री पी० एन० राजभोज : मेरा यह कहना है कि हम लोगों को भी टाइम मिलना चाहिये। 'यहां' में देखता हूँ कि काश्मीर, कोरिया और डा० श्यामाप्रसाद मुखर्जी के बारे में टाइम मिलता है, दूसरे मामलों में टाइम मिलता है, जिक्र होता है। मुझे कुछ न कुछ डेफिनिट जवाब मिलना चाहिये।

Dr. Lanka Sundaram (Visakhapatnam): May I also draw your attention to the statement made by the Prime Minister agreeing to a full dress debate on foreign affairs? I believe that in the Business Advisory Committee time was found available for this.

Mr. Deputy-Speaker: After the Estate Duty Bill is over.

Shri K. K. Basu: Actually the Preventive Detention Act is going to be over by December. They undertook to give an opportunity for discussion within a year. Therefore I request you, Sir, and the Leader of the House to allot two or three hours or one day for discussion of that matter.

Shri Jawaharlal Nehru: He may get in touch with the Home Minister. I can hardly give any details.

Mr. Deputy-Speaker: The House will now proceed with Legislative Business.

COMPANIES BILL

The Minister of Finance (Shri C. D. Deshmukh): I beg to move for leave to introduce a Bill to consolidate and amend the law relating to companies and certain other associations.

Mr. Deputy-Speaker: The question is:

"That leave be granted to introduce a Bill to consolidate and amend the law relating to companies and certain other associations."

The motion was adopted.

Shri C. D. Deshmukh: Sir, I introduce the Bill.

ESTATE DUTY BILL—Contd.

Clause 2.—(Definitions)—Contd.

Mr. Deputy-Speaker: The House will now proceed with the further consideration of the Estate Duty Bill. All the amendments that have already been moved have been read out to the House yesterday. Any hon. Member in possession of the House? Yes; Mr. Barman.

Shri Barman (North Bengal—Reserved—Sch. Castes): Mr. Deputy Speaker at the outset while supporting the amendment of Mr. Bhagat, I should express my gratefulness to the various sections of the House. Mr. Bhagat's amendment introduces some new element in the original amendment.

Mr. Deputy-Speaker: Order. order. We were on a particular amendment relating to charitable endowments. The hon. Finance Minister desires to make a statement to shorten the debate.

Shri N. C. Chatterjee (Hooghly): I hope he will withdraw Mr. Bhagat's amendment.

The Minister of Finance (Shri C. D. Deshmukh): I did not think that our attempt to define would lead to so much discussion in the House. My belief was based on the fact that there was a similar verbiage in the Income-tax Amendment Act that was passed. I have listened very carefully to the debate that has taken place for a day and a half over my amendment and the crop of amendments to which it has given rise. I have come to the conclusion that in view of the relative importance of this clause it is hardly worth while prolonging the debate. It is with this object that I am trying to make a suggestion.

As I pointed out, we are concerned with deaths that take place within two years and six months of a certain gift for a public or charitable purpose having been made. Because, gifts within six months as things stand today in the clause, will not be considered, no matter for what purpose and gifts beyond two years are not hit by anything in the Act. Statistically, I do not think that the number of such deaths between this period would be so great as to make any difference either way. My argument has been that it does not really matter because these gifts are only within a stated period. Then, somebody can retort, in that case, what harm is done to the revenue if you do not insist on the exclusion of these things? The second reason which weighed with me is this. By the Explanation, we have allowed a very large number of exceptions. We have also allowed the inclusion of women and children which, as I explained, is irrespective of any community. Then, there is this thorny question whether community means caste. There are many amendments to that effect. I myself would be averse to try to define this more precisely. Therefore, that matter will have to be left to the rulings of High Courts and there may be further confusion. Taking a practical view of

this question, without surrendering any of the principles which influenced me in proposing this definition, I think I ought to withdraw that particular portion which has any specific reference to religious community. My difficulty is, if I withdraw my amendment, then, there will be no definition. On the other hand, there are no other amendments which I can accept in their entirety. I was impressed by the arguments of Mr. Tek Chand when he said that something ought to be said as to whether the charities are for purposes within the country or outside the country. For that also we have an analogy in the recent amendment of the Income-tax Act. I believe therefore that to have a sort of a parallel provision, we should add the words "within the territory of India". On the other hand, his second amendment includes some modification of the words religious worship or teaching and so on. As I said, I have come to the conclusion that we had better not make any reference to this thorny issue here. This is not the place for it. If it has got to be fought out, let it be fought out in a more spacious atmosphere and not with reference to some incidental reference to religious and charitable purposes. I think the best thing would be to define public charitable purpose as including relief of the poor, education, medical relief and advancement of any other object of general public utility within the territory of India, and leave matters there. If the House will permit this eleventh hour amendment, which is a certain amalgam of all the amendments that have been introduced, then, we can proceed with the other clauses.

Shri Jhunjhunwala (Bhagalpur Central): In that case, would you take away the Explanation also?

10 A.M.

Shri N. C. Chatterjee: This is a very sensible suggestion. That means, practically the Select Committee's recommendation is accepted with slight modification. The House should immediately accept it so that we can proceed with the other clauses.

Shri S. S. More (Sholapur): Sir, I had submitted an amendment, No. 471 and the Minister for Finance was kind enough to accept it at the initial stage. The very fact that Mr. Chatterjee who represents the Hindu Mahasabha has characterised the proposal by the Finance Minister as sensible excited suspicion on our part and to us it means that it is a reactionary surrender on the part of the Government to the reactionary elements from their own party.

Shri N. C. Chatterjee: Sir, I object to the word reactionary.

Shri S. S. More: It is not unparliamentary. My submission is.....

Shri A. P. Sinha (Muzaffarpur East): There is no reactionary element in the Congress Party. He may be a reactionary.

Shri S. S. More:.....In that case, I will have to stick to my guns and press for any amendment, whatever the consequences which may follow and that I may be given an opportunity to state my reasons.

Some Hon. Members: No, no.

Mr. Deputy-Speaker: I believe the hon. Member has already spoken on this matter.

Shri S. S. More: No, Sir. The moment it was accepted by the Finance Minister, I did not say a word because it became a matter of governmental responsibility. Now, I will have to stand on my feet individually.

Shri C. D. Deshmukh: If I seek permission to withdraw my amendment, then, there would be no basis for the amendment of the hon. Member.

Shri S. V. Ramaswamy (Salem): May I point out one thing? If the hon. Finance Minister is withdrawing that portion, will the Explanation also go?

Shri C. D. Deshmukh: Yes.

Shri S. V. Ramaswamy: He has not stated that. The Explanation should go.

Shri Syamnandan Sahaya (Muzaffarpur Central): That would be only consequential.

Mr. Deputy-Speaker: The Finance Minister may formally move the amendment.

Shri C. D. Deshmukh: I beg to move:

In page 2, after line 46, insert:

"16(A) 'public charitable purpose' includes relief of the poor, education, medical relief and the advancement of any other object of general public utility within the territory of India;"

Mr. Deputy-Speaker: Amendment moved:

In page 2, after line 46, insert:

"16(A) 'public charitable purpose' includes relief of the poor, education, medical relief and the advancement of any other object of general public utility within the territory of India;"

So far as the opportunity to Mr. More to speak again is concerned, what I would say is, it is not only the Finance Minister who has to be satisfied. All the hon. Members have to be satisfied about any motion. Hereafter, possibly, he may be more careful not merely to accept any assurance, but try to convince the House. He cannot have another opportunity. Now, this amendment is before the House. Any Member wanting to speak on this may speak.

Shri S. S. More rose—

Mr. Deputy-Speaker: On this amendment?

Shri S. S. More: Not on this.

Mr. Deputy-Speaker: Not on the original amendment; I am sorry, I cannot allow.

Shri S. S. More: I want to get a procedural matter clarified. I moved my amendment. The Finance Minister was pleased to accept it. Suppose he accepted it and now he withdraws his amendment, does that knock out my original amendment?

Mr. Deputy-Speaker: It does not. All I can say is, if it is an amendment to an amendment, along with the withdrawal of the original amendment, the amendment to the amendment goes. But, if it is an independent amendment, it is different.

Shri S. S. More: My amendment is not an amendment to an amendment.

Mr. Deputy-Speaker: If it is an independent amendment, whoever moves an amendment has got the right not only to move, but to express his opinion regarding it in support of it. But, if he is merely satisfied with what the hon. Finance Minister then thought might be desirable, then he must be satisfied with that. He must have persuaded the House by other arguments. I do not think I can allow the hon. Member now to speak on his original amendment. So far as the Finance Minister is concerned, certainly his first impression was that he might accept it, but in view of the discussion that has ranged over this matter and the number of amendments that have been tabled one after another, and amendments to amendments, he now thinks it is better to propose a new amendment and place it before the House.

Shri C. D. Deshmukh: If he wants to speak on this amendment, he can do so, and he can incorporate the same kind of observations that he would have made on the original amendment. I do not see how he loses thereby.

Shri S. S. More: The recent amendment moved by the hon. Finance Minister will be voted upon. I want to take my amendment with your permission, if it is permitted by the procedure of the House, to actual voting.

Mr. Deputy-Speaker: It will be voted upon. There will be no difficulty. But, I will not allow him an opportunity to speak on his original amendment, but he can speak on the amendment proposed by the hon. Finance Minister.

Shri S. S. More: With due deference to your judgment and ruling, I think as far as my amendment is concerned, it is ruled out of the field.

Mr. Deputy-Speaker: He can speak on this.

Shri S. S. More: It is not a matter of adjustment or convenience. I want to know the procedure exactly.

Mr. Deputy-Speaker: The hon. Member will not be allowed a second opportunity to speak. He relied upon his own judgment as to whether he should be satisfied with the hon. Finance Minister's then saying that he would accept it. There is the House to vote for or against it. Therefore, he lost that opportunity. I do not want to create a bad precedent so far as this matter is concerned.

Shri S. S. More: I never wanted it.

Mr. Deputy-Speaker: That is all right. If he wants to speak on this amendment, he can speak.

Shri Damodara Menon (Kozhikode): I asked whether it would be possible for me to move an amendment to the present amendment moved by the hon. Finance Minister. My amendment is.

In the revised amendment proposed by Shri C. D. Deshmukh, *re: definition of 'public charitable purpose'* add at the end:

'but does not include any purpose which is expressed to be for the benefit of any particular religious community;

Explanation.—A purpose which is expressed to be for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be for the benefit of a particular religious community within the meaning of this clause.'

Mr. Deputy-Speaker: That is, he wants to add whatever is omitted there as supplementary or an addition to the Finance Minister's amendment. He may move it.

Shri Damodara Menon: I beg to move:

In the amendment proposed by Shri C. D. Deshmukh, at the end, add

"but does not include any purpose which is expressed to be for the benefit of any particular religious community;

Explanation.—A purpose which is expressed to be for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be for the benefit of a particular religious community within the meaning of this clause."

Shri V. P. Nayar (Chirayinkil): There is my amendment No. 551 which I wish to move.

Mr. Deputy-Speaker: Amendment No. 551 is already moved. Mr. More.

Shri S. S. More: I heard what the Finance Minister said today with the greatest regret and the greatest pain.

Shri Barman: I am not speaking at length, but I wish simply to put one question to the hon. Finance Minister.

Mr. Deputy-Speaker: I will allow.

Shri Barman: The latter portion is now eliminated about which the other day the Finance Minister said that the same phrase also occurs in Section 15(b) of the Income-tax Act. And in that connection it was stated that if that amendment of the Finance Minister had remained, gifts for temples, mosques and churches would not be included in 'public charitable purpose'. Now, what is the position after that is eliminated? Would it make any difference between the applicability of the Income-tax Act and this Act in matters of religious churches, temples or other things?

Mr. Deputy-Speaker: That is the very object, to create a difference between that and this.

Shri S. S. More rose—

Mr. Deputy-Speaker: We have got a number of Clauses.

Shri S. S. More: Yes. I shall be as brief as possible.

I was responsible for moving a particular amendment in which I wanted to rule out gifts to charities which were designed to benefit a particular community or caste. But, at the same time, I was very particular to see that any benefits supposed to be given to the Scheduled Castes or backward classes or scheduled tribes should not be ruled out. I think I owe it to the House to explain why I made that sort of discrimination. Now, there were certain Members who made a definite allegation that this particular amendment which was accepted by the Government.....

Mr. Deputy-Speaker: That is not ruled out here by the present amendment.

Shri S. S. More: It is not ruled out. But there were many Members who complained, who did make it a ground of grievance that certain caste Hindus or other persons belonging to other religions were discriminated against. I may take the illustration which was given by the hon. Member, Shri Chatterjee. He said: "Supposing a Hindu is pleased to make a certain donation which is for the uplift, or given some relief to the widows, why should such acts be ruled out?" I did make a discrimination in favour of the backward classes, the scheduled castes and the scheduled tribes. Mr. Chatterjee stopped low to make a suggestion that the non-Brahmin Marathas are being sought to be benefited by my amendment.

Shri N. C. Chatterjee: I never suggested it. I did not say so. As a matter of fact, somebody said

"The Marathi mind is talking".

I said: "Only one section of the Marathi mind is talking".

Shri S. S. More: I accept his explanation.

Mr. Deputy-Speaker: Sometimes the temper of the House goes up on account of the importance of the subject and the difference of view. But, as far as possible, I appeal to all hon.

[Mr. Deputy-Speaker]

Members not to bring in any community, religion, caste or sect this or that hon. Member belongs to, or even to avoid reference to individual communities and castes and creeds in any adverse manner.

Shri P. N. Rajabhoj (Sholapur—Reserved—Sch. Castes): Mr. Dhulekar spoke.

Mr. Deputy-Speaker: There is no good attributing motives to hon. Members here. Each hon. Member does it in the best interests, according to his own lights. Therefore, such aspersions, reflections and remarks might be avoided.

Shri S. S. More: I will give my reasons why I wanted to serve the interests of the backward classes and the backward communities—I mean the scheduled castes and the scheduled tribes. I refer you to Part XVI of the Constitution—"Special provisions relating to certain classes". This Constitution very specifically lays down that in this great country, unfortunately due to our past.....

Mr. Deputy-Speaker: I do not think anybody objects except on the ground that it involves discrimination and is opposed to the fundamental rights under the Constitution.

Shri S. S. More: I may proceed further with the argument, that we have assured in the Preamble that there shall be equality of opportunity. This is what it says:

"Equality of status and of opportunity".

I will confine my remarks particularly to the Hindu community. Due to our past, the different *Smritis* and the different pronouncements of the sages, our Hindu community is split up into "*char varnas*", and the four "*varnas*" have now further developed about 300 castes. Now, there are some persons who believe that for the present there are only two *varnas*, the Brahmins and all the rest are *sudras*. I do not want to go into this past

history, but my argument relates to the fact that our ancient sages, the great Manu and others, when they divided the society into these four "*varnas*", gave certain privileges to the upper class, to the Brahmins and Kshatriyas, while the other "*varnas*", the Vaishyas and the Sudras were treated as less than human beings. I do not go chapter and verse into the Manu Smriti, the Apastamba Sutra or any other Sutra, but I may say that if a Sudra learns Veda, he is to be punished.

Mr. Deputy-Speaker: How is all that relevant here?

Shri S. S. More: That is why all these so-called Sudras, particularly the untouchables, were not allowed to accumulate property. The upper classes were allowed to expropriate and take over the properties of the Sudra, because he was considered to be a slave; he was prevented forcibly from acquiring property, from taking education. And now, the result is that in this country we find different sections which are at poles opposite so far as cultural development and educational development are concerned. I would submit that the man who becomes rich acquires wealth by indulging in a certain trade or business activity, and he acquires all his profits from all the persons in the country. If that be so, why should he use his profits and his wealth in favour of a particular caste or community? Due to the policy of the Britishers, and due to our past tradition, we have developed in this country not national patriotism, but caste patriotism. Even the philanthropists who give charity do not think in terms of national interests: on the contrary they think in terms of the interests of a particular caste or community. With your permission, I would like to read an extract from Dr. Ghurye's book on 'Caste and Race in India'.

"This tendency for every large caste to live in isolation from other castes has been steadily growing during the last twenty

years. It will be observed that this desire is only the old-caste practice of reserving special parts of the village for the different castes moulded to suit the changed conditions of city life. The inclination of the people was encouraged and aggravated by private charity expressing itself through the channels of caste. With the quickening of caste-consciousness and the fostering of caste-patriotism, philanthropic persons have been building houses and chawls to be rented only to their caste-members at moderate rents. Charity, intending to further the educational interests of a caste, has found expression also in providing free hostels to the student members of the caste. As a result, in those areas of Bombay which are largely inhabited by the middle classes, we find today whole chawls which are occupied by members of one or two castes with close affinity, whole buildings rented at moderate or even nominal rents only to the members of a particular caste, and hostels giving free accommodation to the students of a particular caste. Buildings meant for members of particular castes generally bear prominent boards blatantly announcing the fact of their reservation and where it is a case of individual endowment also the name of the philanthropic donor. Even the colleges and the University are infested with endowments from which scholarships are to be paid to students of certain specified castes."

If you read the Calendar of the Bombay University or the Poona University, and go through the relevant documents of the public colleges, you will find certain sections making a donation of prizes or scholarships not only in favour of their own caste, but even their particular sub-castes. You will find that persons who are spoken of as Konkanasth Brahmins donating scholarships for students coming only from their particular caste. You will also find Maharattas making donations

to students, irrespective of the merits of persons coming from that particular community. The only community in whose special favour there is no donation of this kind, is the Scheduled Castes, because they have no property, and they have no rich people among themselves, who could donate in this way and create bad blood. Supposing students belonging to the Harijan community which is poor...

श्री पी. एन. राजभोज : 'हरिजन'

शब्द हमको बहुत खराब लगता है, मोरे साहब उसके लिए शेड्यूल्ड कास्ट बोलें, लेकिन मेहरबानी करके 'हरिजन' मत बोलें ।

Shri S. S. More: I think the word 'Harijan' is hallowed by the Congress. I once belonged to the Congress, and so I cannot give up that practice.

My submission is that I agree with Panditji that we must demolish this monster of caste-ism, and I do not question his sincerity in the matter. We are talking about national sentiments, we are talking about unity, and we say that we are going to evolve unity out of the diversity that is prevailing in the country. But can you create unity by keeping all these diversities, and not only that, but by still further aggravating these diversities in the country? It is no use talking about national unity or national solidarity, if you keep all these castes and communities, and allow them to think in terms of their own castes or groups.

This debate has convinced me about one fact, viz. Mr. Chatterjee who is supposed to lead the Hindu Mahasabha has a larger following inside the Congress than outside it. I do feel that some of these persons who are now passing as Congressmen, are possibly political revolutionaries, but they are social reactionaries. If we begin a study of social reform, the Congress, we find, has all along been pleading, let us have political independence, let us be masters in our own house, and then we can think of social reforms. But here is a very modest

[Shri S. S. More]

measure. The Finance Minister does not rule out all gifts, if the gifts are made before two years, then all such gifts even to a particular caste or community are valid. The only concession that he wanted to give was to non-communal or non-caste gifts, but even that was stoutly resisted.

Shri C. D. Deshmukh: Women and children.

Shri S. S. More: As far as women are concerned, according to our old Shastras, they are Sudras, and so I have nothing to say against them. Let them be given all benefit. I cannot understand the mentality of the old Brahmin sages.....

Mr. Deputy-Speaker: What about children?

Shri S. S. More: Before *upanayana*, they are Sudras—I do not know what happens after that. Do these persons who have been stoutly defending the Shastras, really observe them? They now have their own businesses. I can quote you Manu Smriti, in which it has been said that a Brahmin who follows the profession of a physician is impure, and a Brahmin who accepts services under the king is impure, and is not supposed to be a true Brahmin.

Mr. Deputy-Speaker: Are we going into the general question of '*chaturvarnyam*'?

Shri Gadgil (Poona Central): He wants an opportunity to quote from scriptures.

Shri S. S. More: It was referred to by my hon. friend Mr. Dhulekar in the course of his speech. There was a bundle of references to this in his speech, and when he was speaking, he was almost raving.....

Shri Dhulekar (Jhansi Distt.—South): You are thundering.

Shri R. K. Chaudhury (Gauhati): You are foaming. (*Interruptions*).

Mr. Deputy-Speaker: Order, order. No hon. member need say that another hon. Member was raving. If he retorts, what will happen?

Shri S. S. More: I will exchange.

Mr. Deputy-Speaker: One hon. Member would say 'raving', another hon. Member would say 'thundering' and so on. Let us try to avoid both of these expressions.

Shri S. S. More: My object in moving this amendment of mine is that we should make an effort to take people out of their line of thinking in terms of caste communalism. Only the upper castes monopolise all business; only the upper classes monopolise all offices; they monopolise all industries; they accumulate wealth at the expense of all persons in the community. So, when they get an opportunity to make charity, they should not be allowed to benefit only their own caste. If the sentiment of nationalism is to be inculcated in the people, if the spirit of nationhood is to be developed in our people, we will have to make honest efforts,—not pay mere lip-sympathy,—to demolish all these feelings of caste-ism and caste rivalry. If one caste is out to maintain its existence naturally, it evokes a certain reaction from the other castes. If those persons coming from the upper classes and castes are not going to allow themselves to be peacefully taxed, as contemplated by the hon. Finance Minister, I fear that a day may come when the suppressed people will take the law into their own hands because you are not allowing the law to make the necessary equitable adjustment in society. It was stated in the Statement of Objects and Reasons that this measure has a social objective in view and a social justification also. I fear that the hon. Finance Minister by agreeing to give up his amendment in favour of Mr. Bhagat's amendment, has really gone against his own declaration.

He is taking away the plank of social justification and concentrating more on the economic justification, the point of getting money. I want to emphasise the social justification as fact. That is one of the reasons why I moved my amendment. I still feel that Government ought to knock out all charity. This State is a welfare State. Let this be a

welfare State in the real sense of the term; let this State be a father and mother to all the people. Whether the widows come from the Hindu religion, whether the widows come from the Muslim religion or whether they come from the Harijan community, for whom nobody cares, let this State give relief to them. Let this State be a real father and mother to all the people—a real Welfare State. If Government proposes to build up a Welfare State, then there will be no necessity for any such communal or caste charity.

Shri C. D. Deshmukh: May I suggest, Sir, that the hon. Member will have an opportunity to state his views in regard to charity in general when we come to clause 9? What he has said just now would be more relevant to clause 9.

Mr. Deputy-Speaker: Why should he repeat? I am allowing him to finish.

Shri S. S. More: I accept what Mr. Deshmukh says.

Mr. Deputy-Speaker: The hon. Member might finish with one or two more sentences.

Shri S. S. More: You cannot shut me out for all time. The procedure will not permit it.

So my submission is that I am very sorry that Mr. Deshmukh has been advised to withdraw this particular amendment, and if he goes on surrendering to the reactionary opinion in the country, I am sure that the declaration made by the Prime Minister on 15th August that casteism has to be demolished will not come true. On the contrary, we shall continue to think in terms of castes and communities and there shall be 3,000 nations. Yesterday Shri Rohini Kumar Chaudhury said that the Hindus are a nation. Then the Scheduled Castes, Mahars and Mogers and others will say that they are nations. Then you shall have not only one nation, but 3,000 nations, and I do not know where this country will go to. So I must express my regret at this, and com-

mend the amendment which I have moved.

Shri Damodara Menon: I did not want to participate in the debate on this amendment at all because I am in entire agreement with the principle underlying the amendment standing in the name of Mr. B. R. Bhagat. But today I was surprised to find the hon. Finance Minister withdrawing the whole amendment. (Interruptions). That amendment has been withdrawn. This has been a great surprise to me because.....

Shri R. K. Chaudhury: On a point of information. How can the Finance Minister withdraw Mr. Bhagat's amendment?

Shri Damodara Menon: It is a Government amendment.

Shri S. S. More: Mr. Bhagat is a part and parcel of the Government.

Shri Damodara Menon: It is always the case that whenever any progress is being contemplated, technical difficulties are pointed out by lawyers, and here the Finance Minister has retreated in the face of this opposition. I never thought that he was so timid. It is a matter of principle.....

Shri C. D. Pande (Naini Tal Distt. cum Almora Distt.—South West cum Bareilly Distt.—North): He is wise.

Shri Damodara Menon:....Whether we should in this country now wage a direct battle against all kinds of narrow and sectional prejudices and also communal feeling.

Shri C. D. Deshmukh: All I said was that we should choose another time and occasion for waging such a battle.

Shri Damodara Menon: That has always been the plea of the Government. Whenever occasions arise in this House for our expressing unequivocally our condemnation of narrow, communal feeling, some technical difficulties will come up and the excuse will be 'let us consider it at a future time'.

[Shri Damodara Menon]

Now, Sir, I fail to see why we should not accept the amendment as it has been proposed by Mr. Bhagat. Now the question is this. We do not ban any kind of charity or donation for the benefit of a particular religious community. They may do that; only they have to pay the tax. That is only the mildest form of condemnation that we can show to this kind of communal feeling that is going on in this country. This has been our curse for a long time. Probably we have inherited this curse from centuries. But this has been standing in the way of our progress. Now here we find people in their full charitable inclination making donations for the benefit of their particular caste and also of their particular community. Why should that happen in free India? Why not we ask these gentlemen who are charitably-inclined to expand their charity a little more so that members belonging to other communities also benefit by that? Now it is time we showed our mind to these reactionaries, and if we yield on this matter at this time, it will only serve to encourage people who are on the side of reaction. I would therefore request the hon. the Finance Minister to stand by the amendment he moved.

An Hon. Member: He has already withdrawn it.

Shri Damodara Menon: Even now he can accept my amendment, as I have moved, because there is no question of our going back upon our declared principles.

Shri P. N. Rajabhoj: May I speak, Sir?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): Sir, I beg to move:

"That the question be now put."

Pandit Thakur Das Bhargava (Gurgaon): Is it the contention of the hon. Member, Mr. Damodara Menon, that castes can ever be con-

strued as religious communities? Will any court of law uphold it?

Shri Damodara Menon: The question is whether.....

Mr. Deputy-Speaker: The hon. Member has closed.

Shri Damodara Menon: Because he has raised a point.....

Shri C. D. Pande: A motion has been moved that the question be put.

Shri K. K. Basu (Diamond Harbour): You cannot allow him to put it. Why should the question be put now?

Mr. Deputy-Speaker: I cannot prevent any question being put. (Interruption)

Shri S. S. More: His object is served.

Shri Damodara Menon: My contention is only this. The idea behind this amendment is very clear even to my hon. friend, Pandit Thakur Das Bhargava. We do not want any kind of charity to be given for any particular community or any kind of narrow sectional interest. His complaint is that this probably may not have the desired effect. This kind of technicalities have always been set up by our legalistic-minded friends. Whenever any such proposal is before the House, they will not help us by suggesting in what particular manner the difficulty can be got over. If they are standing by the principle underlying this amendment, of course it will be possible for them to frame a legal phraseology by which this idea can be expressed. But they do not want to do that. Therefore it is that I say that it is always the legal technicalities that come in the way of progress and always lawyers find difficulties whenever we make an attempt to see that the community progresses along the right lines. Even if there are some difficulties, let the court decide. Let us accept this amendment and show that we are totally against any kind

of communal feeling and communal charities in this country.

Shri Tulsidas (Mehsana West): May I raise a point of order?

Mr. Deputy-Speaker: I will put the question. There has been enough discussion. (*Interruption*). Order, order. I will take the sense of the House.

Shri K. K. Basu: You cannot stop members from speaking. I would earnestly request you, Sir, not to shut out different groups from expressing their views. Yesterday we rose five times and we were told we could speak today. But now the question is being put.

Shri P. N. Rajabhoj: The Scheduled Castes' view is not placed before the House.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): We have been getting up 15 times and we do not get a chance.

Mr. Deputy-Speaker: It is not that all the 500 members can speak on a particular clause.

Shri K. K. Basu: Why should it be restricted?

Mr. Deputy-Speaker: There is no question of restriction.

Shri Tulsidas: On a point of order, Sir. Is it proper for a Member of the Select Committee who has not put in any Minute of Dissent on this particular question of public charitable purpose and has agreed with the Report of the Select Committee which is in the hands of the Members, to raise another issue which he has not raised in the Select Committee?

Mr. Deputy-Speaker: There are two points. So far as the question is concerned, a Motion for closure has been moved. So far as the point of order is concerned, normally any hon. Member who is a Member of a Select Committee has to say what all he must before the Committee. Otherwise, the object of referring the matter to the Select Committee is not

fulfilled. On fundamental issues, if he wants to differ, he must make a reference to it in a Dissenting Minute and so on. But there are exceptions where by oversight a matter might have been overlooked. The House will always expect that matters of policy which are not referred to in the Select Committee and are of far-reaching consequences ought not normally to be raised here, but I do not know what procedure there is. But unless there is a large consensus of opinion in favour of it, normally one ought not to do it. Of course, there are exceptions. I do not want to give a ruling on this. But there is no rule preventing it.

The question is:

"That the question be now put."

The motion was adopted.

Mr. Deputy-Speaker: I will now put Shri Damodara Menon's amendment to the amendment moved by the hon. the Finance Minister.

The question is:

In the revised amendment proposed by Shri C. D. Deshmukh, re: definition of 'public charitable purpose' add at the end:

"but does not include any purpose which is expressed to be for the benefit of any particular religious community;

Explanation: A purpose which is expressed to be for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be for the benefit of a particular religious community within the meaning of this clause."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

In page 2, after line 46, insert—

"(16A) 'public charitable purpose' includes relief of the poor,

[Mr. Deputy-Speaker]

education, medical relief and the advancement of any other object of general public utility within the territory of India;"

The motion was adopted.

Shri S. S. More: I have got an amendment to move.

Mr. Deputy-Speaker: So far as Mr. More's amendment is concerned, I am afraid it is blocked. Now there is a definition of "public charitable purpose" and the other amendment is also a definition of "public charitable purpose". We cannot have two swords in the same cover. Therefore, that is barred. All the other amendments are also barred.

I shall now put the clause to the vote of the House.

Shri S. S. More: There are certain other amendments to the definitions. On the previous occasion you said, "let us take first Government amendments and then we shall come to private amendments."

Mr. Deputy-Speaker: I have got a list of amendments. I have allowed hon. Members to suggest all the amendments that they want to Clause 2.

Shri S. S. More: I wanted a definition of "public charitable purpose". That is over. There are others too.

Mr. Deputy-Speaker: There are many other matters other than "public charitable purpose". I agree.

Shri S. S. More: What happens to the other amendments?

Mr. Deputy-Speaker: All the other amendments are lost. With respect to any particular sub-clause I have allowed all the amendments to be indicated to me and have treated them as moved. That is the rule that I have adopted so far as clause 2 is concerned.

Shri S. S. More: No, I am speaking of the whole clause.

Shri Tulsidas: You allowed amendments only on the "public charitable purpose". What about other definitions?

Mr. Deputy-Speaker: If there has been a misunderstanding, I will allow other amendments to be moved. What are the other amendments that you want to move?

Shri Krishna Chandra (Mathura Distt.—West): The discussion was only confined to Mr. Deshmukh's amendment.

Mr. Deputy-Speaker: I will allow all the other amendments to the other sub-clauses now. Whichever hon. Member wants to speak on his own amendment or on any other amendments moved by others relating to clause 2 can speak. Let that be the understanding. Let me ask hon. Members to indicate to me what amendments they want to move.

Shri Telkikar (Nanded): I have also an amendment 468.

Shri H. G. Vaishnav (Ambad): I want to move 370.

Shri Tulsidas: Sir, I beg to say that amendment No. 5 is a consequential amendment. As such I am not moving it.

Shri S. S. More: I want to move 469.

Mr. Deputy-Speaker: So, the amendments that are now to be moved are 5, 370 and 469.

Shri Telkikar: The amendment proposed by me is:

In page 1, line 24, add at the end:

"and 'dying' and 'death' include legal death, as in the case of a *sanyasin* renouncing the world;"

When I first proposed this amendment, I thought the idea behind it was simply that Government should not miss the earliest chance of getting the duty. Now, I suppose it has got some more significance. The definition of 'death', as it is framed,

when read along with clause 6, gives more chances of evading taxes. There is a very large loophole for tax evaders. What a man who wants to evade tax has to do without infringing the law in the least is, he has to become a *sanyasi* only some hours before his death. I think this definition and clause (6) seem to have been copied from the English law. It is all right when the conditions obtaining in England are taken into consideration. But in the background of the Indian tradition and in the context of the Hindu law in India, I think this definition would defeat the object of the legislation under consideration. Of course we have been trying our level best to minimize the number of chances for tax-evaders, but we shall fail in our attempt, if we allow the definition of death to stand as it is, it would entail evasion of taxation. Because, what a person who wants to evade estate duty without infringing the law in the least has to do is this: he has to become a *sanyasi* some hours before his death.

An Hon. Member: He can as well make a gift, so many hours before his death.

Mr. Deputy-Speaker: If he survives, what happens? (Laughter).

Shri Telkikar: If he becomes a *sanyasin*, we cannot charge his property. Unless a person dies, according to clause 5, no duties are levied on the property. So, death is an initial think. If they would wait till the death of the *sanyasin*, the legal position is different. Then again the property cannot be charged, because the *sanyasin* cannot possess any property, nor can he dispose of any property.

Mr. Deputy-Speaker: The property, if any, will continue to be his property.

Shri Telkikar: According to clause 6, we can charge that property
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which is deemed to pass on his death. No property can be deemed to pass on the death of the *sanyasin*. Only that property can be charged which is deemed to pass on the death of a particular person. If a *sanyasin* dies, no property can be considered to pass on his death, because he is considered to possess no property, nor has he the right to dispose it of. In any case, the whole property escapes the estate duty. If his successors followed the same example, I think—in the case of a Hindu—one can easily evade the tax. The whole tax can be evaded.

Mr. Deputy-Speaker: Apart from that, instead of allowing the law to take its course he can dispose of the property to the next reversioner.

Shri Telkikar: Again, the death of Hindu widows may also create some further complications. The death of a Hindu lady, I mean the remarriage of a Hindu woman. It is taken to be her legal death in her first husband's family or in her deceased husband's family. It might create some further complications. Of course, I have not considered the matter fully; so I leave it to be considered by the able Finance Minister. But I suppose there is no difficulty in just having the clause amended as I have proposed, in which case these difficulties will be avoided.

Mr. Deputy-Speaker: The hon. Member may still take time to consider and then say later on: "Death, for the purpose of this section means civil death." We need not now encumber this definition. This will be physical death.

Shri C. D. Deshmukh: I can reply after he says something on that aspect—death. Then there is No. 370.

Mr. Deputy-Speaker: What about No. 5?

Shri Tulsidas: That will come automatically—a consequential amendment—if my amendment to (4) is accepted. I am not moving it now.

Mr. Deputy-Speaker: Yes. So, amendment No. 5 is treated as not moved. Now, amendment No. 469.

Shri S. S. More: I beg to move:

In page 2, for lines 25 to 29, substitute:

"(15) 'Property' includes any interest in property, movable or immovable, the proceeds of transfer thereof and any money or investment for the time being representing the proceeds of transfer and also includes any property converted from one species into another and also any debt and anything in action, and any other right or interest in the nature of property whether in possession or not; "

I have accepted the amendment as submitted to us by the Select Committee and over and above that, I have made some addition to that amendment. When I spoke first at the time of the general discussion, I had made a request to the Finance Minister that his definition of 'property' is rather a limited one, and I was particular to point out that, for instance, a claim for damages will not be included in that definition of property. So, I am trying to make the whole definition of property more comprehensive, so that more items of property which are substantial items should not be excluded from the assessment; because, under clause 5, a man's property is supposed to be subject to a levy, but if this word 'property' is not described with sufficient comprehension, then it will mean that certain items given in the definition may be excluded. That is my purpose, and I believe the Finance Minister will at least apply his mind to this particular definition and see whether he could accept it or not.

Shri H. G. Vaishnav: I beg to move:

In page 3, after line 3, insert—

"(20) "death" includes legal death of a person caused by his

becoming an ascetic or a *sanyasi* by renouncing the worldly affairs; and

(21) "accidental death" means death caused by any accident not within the control of the deceased."

I have suggested this amendment to add sub-clauses (20) and (21), to clause 2. First, clause (20) is about the definition of deaths. What is death? What is death, in the sense, or for the purpose of, estate duty? As my friend just now stated, when one becomes a *sanyasi*, according to Hindu law, it is a civil death. My hon. friend has stated that when a Hindu becomes a *sanyasi*, according to Hindu law, he dies a civil death. No provision has been made in the Estate Duty Bill to provide against this. When a man dies (if it is a civil death) no estate passes. This will be a further means of evading the tax. A tax can be evaded in so many ways. What I submit is that this will be the easiest way to evade the estate duty.

I take a concrete case. A man possesses property worth five lakhs. They expect his death at any moment. Immediately he dies the property will pass and it will be taxed according to the provisions of the Estate Duty Bill. A few days before his death he becomes a *sanyasi*. What will happen is that immediately he becomes a *sanyasi*, no property passes, according to the definition of the Estate Duty Bill. This is a legal factor which we have to consider very carefully. The whole property immediately he becomes a *sanyasi* will pass to his heirs.

Mr. Deputy-Speaker: If he is only an Arjuna-*sanyasi* for the purpose of evading the tax?

Shri H. G. Vaishnav: So the matter has to be tackled in a practical manner. After he becomes a *sanyasi* the property will pass to his heirs. If he survives for one year

the property will remain without tax. When he actually dies there will be no property for him which can be taxed because the property is already vested in his heirs. So, this anomalous position will arise. In this manner the practice may be continued with the result that heir after heir will avoid the payment of estate duty. There will be a great number of *sanyasis* solely for the purpose of avoiding the tax. So I suggest that death should be defined as: "civil death of a person caused by his becoming an ascetic or *sanyasi* by renouncing worldly affairs". When the property passes to his heirs it should be taxed.

Shri Morarka (Ganganagar-Jhunjhunu): What if he comes back?

Shri H. G. Vaishnav: A *sanyasi* cannot come back to his previous *ashram*. There are no instances where a man who has become a *sanyasi* and had his property vested in his heirs, has come back.

Shri Dhulekar: May I point out to the hon. Member that *sanyasis* are being elected to this House?

Shri H. G. Vaishnav: For property purposes, for civil purposes, he does not exist.

Shri Dhulekar: If he is 'civilly' dead, how can he become a Member here?

11 A.M.

Shri H. G. Vaishnav: It is for the people to decide. I am discussing the aspect according to Hindu Succession law.

According to Hindu law nobody can deny, it is a fact, that immediately a man becomes a *sanyasi*, renounces the world, his estate passes to his heirs. Will that fact be denied by any legal authority? So, the property will immediately be taken by other persons and there will be no property left to be taxed. This loophole may lead to the property being left untaxed from generation to generation. To avoid this con-

tingency my suggestion is that death should be defined to include 'civil death' as well when a man becomes a *sanyasi* by renouncing the world. The Finance Minister should consider this aspect. Otherwise, there will be a lot of encouragement for people to become *sanyasis* and there will be a number of *sanyasis*.

The second part of my amendment relates to the definition of 'accidental death'. These words relate to clauses 9, 30, etc. What is the definition of 'accidental' death? 'Accidental death' means death caused by any accident not within the control of the deceased. A man is driving a motor car: something happens and he dies in that calamity. That is an accidental death. This definition is necessary because in further clauses whenever the limitation of two year period, or any further limitation for transfer of property, is mentioned, a doubt should not arise there. That is why I am particular that the definition of accidental death should not be left ambiguous.

Shri Dhulekar: Is the dictionary not sufficient for this? Do we not understand what is an accidental death?

Shri H. G. Vaishnav: You may understand it; but it should be beyond ambiguity.

I request the hon. the Finance Minister to give due consideration to the amendments suggested by me and accept them.

Shri S. S. More: I want to put a concrete case to the Finance Minister. Supposing a man becomes a *bona fide sanyasi*. According to the fiction of the Hindu Law he is supposed to be dead and his property passes on to his heirs. The man becomes a *sanyasi* at the age of 40; he dies at the age of 60. During twenty year period the property left with his heirs is squandered. Then how is the duty to be recovered?

Mr. Deputy-Speaker: Whatever remains at the time of his death.

Shri S. S. More: When you are making adjustments in the personal law which defines death.....

Mr. Deputy-Speaker: What happens if he abandons and goes away? Apart from becoming a *sanyasi*, if he goes away what happens?

Shri S. S. More: The presumption under the Evidence Act is if a person is not heard of for seven years he is supposed to be dead.

Mr. Deputy-Speaker: That is legal death.

Shri S. S. More: I have put a concrete case to the Finance Minister. He will have to wait for twenty years. The man might have gone to the Himalayas. Nobody will know whether he is dead or not.

Mr. Deputy-Speaker: Mere *kashayam* is enough for *sanyasi*, is it?

Shri S. S. More: I am not going into that. Under the Hindu Law his heirs are put in possession of the property as soon as he becomes a *sanyasi*, and the moment they take up the property as heirs of the *sanyasi* it should be taxed. That is my submission. It is much more in the interests of Government to do so.

Shri Barman: I do not want to deal with the question of *sanyasis* which has been dealt with thoroughly. I want to refer to some other case, namely the Hindu widow succeeding to the husband's property. So long as she lives she is the owner of the property and she has a right to the usufructs. But suppose the widow remarries. According to Hindu Law her right ceases.

Mr. Deputy-Speaker: Does she "die" then? Is it said anywhere in Hindu Law that she dies civilly?

Shri Barman: That is not included in definition or under the clause 6?

Mr. Deputy-Speaker: There is no civil "death" on re-marriage, of a widow. The property passes under the law.

Shri Dhulekar: "Person" includes a *sanyasi*. There is no question

about that. Therefore any person who dies physically, dies. Therefore the provision in the Hindu Law as it pertains to *sanyasis* is abrogated by this definition. Because, here it is clearly laid down that when a person becomes a *sanyasi* he does not die, but when he dies actually, that is physically, then he dies. That *sanyasi* is a person. He is not supposed to die when he becomes a *sanyasi*. He dies only on the day when he actually dies physically. Therefore to that extent the Hindu Law may be supposed to be abrogated.

Pandit Thakur Das Bhargava: I want to say a few words on this. It is quite true, as my hon. friend Mr. Dhulekar says, that if "deceased" and "death" are defined as they are in this Bill the law shall consider only a person's physical death as the point of death when the question of taking a share out of the property arises. There is no doubt about it. But the principle of Hindu Law is quite clear that a *sanyasi* becomes civilly dead as soon as he becomes a *sanyasi*. It is not every *fakir* that renounces the world and goes away; many remain, and after taking that sort of *sanyas*, enjoy worldly comforts. There are those who really renounce the world and go to the Himalayas, and so civil death takes place at the time they take *sanyas*. A very difficult question may arise in practice. If a person dies today.....

Mr. Deputy-Speaker: If he contracts a debt and becomes a *sanyasi* will a suit be not pursued against him?

Pandit Thakur Das Bhargava: If he incurs a debt, that debt will be binding on his sons if it is a good debt.

Mr. Deputy-Speaker: Suppose he has no property.

Pandit Thakur Das Bhargava: Then the debt cannot be recovered.

Mr. Deputy-Speaker: There will be no decree against him?

Pandit Thakur Das Bhargava: No decree can be passed against him.

Shri C. D. Pande: Nobody will give a loan to a *sanyasi*.

Shri Gadgil: He will get it as gift.

Pandit Thakur Das Bhargava: If he is civilly dead, all those consequences follow which follow from death. There is no doubt about it.

I will give another example. Suppose a person becomes a *sanyasi* and the property is inherited by his heirs. After twelve years the people will have acquired a position adverse against Government. This is a legal proposition, and unless and until you bring it in line with the Hindu Law you will not be doing the right thing. This is going to happen in very few cases. When a person becomes a *fakir* he does not become a *sanyasi* in the sense in which Hindu Law understands it, because after a person takes *sanyas* he cannot do anything so far as civil rights are concerned. His death is a question of fact. He becomes civilly dead when he renounces the world. We have known of *fakirs* becoming members of legislature, etc. But *sanyas*, in the true sense is when he renounces the world. We ought to provide in this Bill what would happen to these cases.

Mr. Deputy-Speaker: Suppose a Roman Catholic becomes a priest, joins the Holy Order.

Pandit Thakur Das Bhargava: A Muslim *fakir* and a Christian priest do not become civilly dead in the sense in which a *sanyasi* becomes civilly dead under the Hindu Law. If we follow the Hindu Law—and we must follow it—what is the position?

According to personal law the person really becomes "dead" and the continuance of his life makes no difference in the matter of inheritance of his property. Are we going to abrogate it? And it will stand abrogated, as my hon. friend says. According to the present Bill his property will not be taxable until he dies say

for twenty years or more if he survives the date of renunciation. In the meantime his property may be squandered or wasted. The treasury will as a matter of fact be deprived of its right dues. (An Hon. Member: Delayed.) There is no question of delay. Suppose the property, for good consideration, is sold and disposed of. In that contingency no tax will be leviable from him. Therefore it is not a matter which we can ignore.

This is a serious matter and we should make our law rightly that "death" as defined in clause 2 includes the civil death of a *sanyasi*. Even though, as I have said, such cases will be rare, they may occur, and in respect of very very rich persons also I know of very rich persons, men who are masters of crores, especially among Jains, who have become *pucca sanyasis* leaving all their property. Therefore in respect of those who become *sanyasis*, according to the civil law of the land, I think we should make a provision. We should seriously think about the matter and not think it is a matter which will not arise.

Shri N. C. Chatterjee: Sir, it is not every *sanyasi* who becomes civilly dead. According to Sir Dinshaw Mulla's Hindu Law when a person enters into religious order renouncing all worldly affairs, his action is tantamount to civil death. Then all property which belongs to such a person at the time of renunciation passes immediately on his renunciation to his heirs. But, Sir, there is a qualification. Property acquired by him subsequent to the renunciation passes to his spiritual heirs. You know that can't be claimed.

Mr. Deputy-Speaker: Spiritual heirs on physical death.

Shri N. C. Chatterjee: Therefore, there will be two Estate duties which can be extracted if the law is properly made. There is one other trouble and Mr. More should consider it. This law cannot be applied to the *sudras*. If a *sudra* becomes a *sanyasi*, even renouncing all worldly affairs, you cannot exact this Estate duty from him.

Shri S. S. More: Sudras have no property.

Shri N. C. Chatterjee: As a matter of fact, so far as I know, specially in Bengal, they are richer than the poor Brahmins.

Dr. M. M. Das: Brahmins are richer and more influential than sudras everywhere.

Shri N. C. Chatterjee: The Hindu law texts applicable to the ascetics do not apply to sudras unless usage to that effect is established. In 40 Calcutta 545, so far as Bengal is concerned, the Calcutta High Court has held that no such usage is there. Madras has taken the same view in 40 Madras 846. The principle is that a sudra cannot really enter into the order of *yati* or *sanyasi* from the canonical point of view. It has got to be considered seriously whether you will allow any discrimination between Brahmins and sudras and sudras and non-sudras. (Some Hon. Members: No discrimination.) The same law should be applied. It should be carefully considered.

Shri S. S. More: May I make one point clear?

Mr. Deputy-Speaker: No, no. How long are we to be on this?

Shri Gadgil: The only thing is, why worry the *sanyasis* unnecessarily? Because of the worries of the world, he renounces. Let us not worry about him in this House. Let me understand from my hon. friend how many people are likely to become *sanyasis* in order to avoid the Estate duty?

Shri S. S. More: We do not say, in order to avoid.

Pandit Thakur Das Bhargava: People do not become *sanyasis* to avoid this duty; but as a matter of course.

Shri Gadgil: What was suggested was that this taking to *sanyas* tantamounts to civil death, but he will continue to live and meanwhile the property will pass and his heirs will

squander. Let me understand how many such cases are going to happen, how many happen at present. Let us have a little more sense of realism. Should we legislate for abnormal cases?

Pandit Thakur Das Bhargava: This is not abnormal.

Shri Gadgil: Or should we legislate for normalcy of experience? I do not think any such definition is necessary. The question for consideration is whether for the purposes of this Act we contemplate real physical death or some notional death like a man taking to *sanyas*. Probably in his case it may be that all the interests that pass to his heir may be as well a gift and not a passing of the estate as contemplated in section 5.

Shri T. S. A. Chettiar (Tiruppur): There is another difficulty. There may be people who become *sanyasis* and after some time, come back to ordinary life. When once civil death has happened, he comes back.

Mr. Deputy-Speaker: He is re-born.

Shri T. S. A. Chettiar: What will happen to his property? I do not think it is necessary for this amendment to find a place here.

Shri C. D. Deshmukh: This quest of perfection is admirable. But, really I have not got statistics about *sanyasis*. As far as I can gather from the observations of Mr. Chatterjee, you can get *sanyasis* only from a small section of the Hindu community.

An Hon. Member: And also from the Jains.

Shri C. D. Deshmukh: If *sanyas* was taken two years or more before death, then, it really does not matter and you might consider it as if a gift had been made. One is concerned with deaths that occur before two years after taking *sanyas*. Otherwise this feeling that something is escaping Estate Duty does not haunt me as it seems to haunt hon. Members. I have reconciled myself to the prospect of a lot of property escaping this Estate duty. Gifts

will be made, trusts will be made and so on. We are really concerned with that critical period. Statistically I think the problem is so unimportant as not to deserve attention at the present moment. But, if later on, I find in the light of experience that a lot of people are taking to *sanyas*, I shall be able to bring in an amendment and prevent the re-enactment of, so to speak, the original Act. That is my second reason why we should avoid all these great many complications. The questions whether a *sanyasi* will be able to acquire property whether it is going to devolve on his spiritual heirs, etc., would be very difficult to determine for the administrative machinery. I think it is a wrong principle to try to legislate for an odd and remote contingency. These remarks apply both to amendment number 463 and a part of 370.

The same objection, or I think of a rather different kind, applies to the attempt to define accidental death. That is to say, it is a kind of over-refinement. Everybody knows what an accidental death is and the difficulty about distinguishing between suicide and accidental death is the difficulty of the coroner or some official who is equivalent to the coroner. Once that is decided, we clearly know whether it is accidental death or not. It is not by definition that we are going to be able to decide whether a particular case of death, of suspected suicide or accidental death. That is implicit in the argument of the hon. Member. Therefore, I think both these amendments are unnecessary.

With regard to property also, I have given careful thought to this question and I have taken counsel from my legal advisers. They advise me that this change is not necessary: that is to say, the change of the word 'sale' to 'transfer'. Apart from this, the other thing is: "debt and anything in action, and any other right or interest in the nature of property whether in possession or not;" The point to remember is that the definition of property as given in the Bill is not an ex-

haustive definition. That is to say, it does not keep out other kinds of property which could be held as property. It is therefore unnecessary to describe exhaustively the items which are ordinarily understood as falling within the scope of the meaning of the word property. I shall quote an analogy. In the Income-tax Act, the term income is nowhere exhaustively defined although an inclusive definition does appear in section 2(6)(c). When we define in a Bill a term which is otherwise commonly understood, it is the ordinary practice to include those items only about which there may be some doubt. Here, there is no doubt regarding debts and anything in action. These are covered by Explanations 1 and 2. Regarding subsequent part of the addition, we are not clear as to what an interest in the nature of property means, seeing that property includes interest in property. Transfer really includes, if we analyse the position, sale, exchange, mortgage and gift. Exchange is covered by the words 'any property converted from one species into another'. Mortgages are covered by Explanations 1 and 2 and there is a special provision for gifts in the body of the Bill. Therefore, we are advised that it is not necessary to have the amendment which has been proposed by the hon. Member. I therefore oppose all the three amendments.

Mr. Deputy-Speaker: I will now put the amendments to the House unless they are withdrawn.

Shri H. G. Valshnav: I withdraw my amendment No. 370.

Shri Telkikar: I withdraw my amendment No. 463.

The amendments were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

In page 2, for lines 25 to 29, substitute—

'(15) "property" includes any interest in property, movable or immovable, the proceeds of transfer

[Mr. Deputy-Speaker]

thereof and any money or investment for the time being representing the proceeds of transfer and also includes any property converted from one species into another and also any debt and anything in action, and any other right or interest in the nature of property whether in possession or not;"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3.— (Interpretation)

Shri C. D. Deshmukh: I beg to move:

In page 3, omit lines 8 to 10.

Shri Tulsidas: May I move my amendment No. 7?

Mr. Deputy-Speaker: It is the same as the Finance Minister's amendment.

Shri C. D. Deshmukh: He can move it. I withdraw mine.

Shri Tulsidas: I beg to move:

In page 3, omit lines 8 to 10.

In page 3, after line 26, insert—

"Provided that no property taken under a gift, settlement, disposition or transfer made prior to the passing of this Act shall pass or be deemed to pass on the death of the deceased or be deemed to be included in the property passing on the death for the sole reason that the prescribed period of time has not elapsed prior to the death."

With regard to Amendment No. 7, I must congratulate the hon. Finance

Minister for having accepted the amendment which I moved because it is a clause which does not appear at all in any of the Estate Duty Acts of the United Kingdom and I could not get any explanation from the Finance Ministry. As the Finance Minister has accepted it, I am thankful to the Ministry for the same. May I go on to my other amendment?

With regard to my amendment No. 8 this is inserted in the original sub-clause (2) to remove the possibility of doubt as to the scope of the provisions contained in Parts 2 and 3 of the Bill. My object of inserting this new provision is to provide against the possibility of a property taken under a gift, settlement, disposition or transfer prior to the passing of this Act being included in property passing on death for the sole reason that the prescribed period of time has not elapsed prior to this. This has got to a certain extent retrospective effect. I would like to ask the hon. Finance Minister that when a particular person has given a gift to a charitable institution before the passing of the Act, say last month, and when the Act is passed this month, in the middle of this month, and within three months or two months he dies, what is the position? The effect of this Act will be that that property or gift which has been given to a charitable institution would be taxed because to the extent of six months the period has not elapsed. The man has given the gift before the Act is passed. He does not know what will be the provisions of the Act, what is going to be passed, and therefore, it will create a certain amount of complications.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

I feel that there will be a lot of hardship, and as this is a measure, the first of its kind in this country, it would be advisable that any gift or settlement or trust which has been created before the passing of this Bill should not be brought within the

scope of this Act. I do not know, perhaps this may also be against the Constitution. I feel very strongly that the amendment which I have moved is correcting the position as I pointed out above, and I hope that the Finance Minister will accept it, as he has always been open-minded.

After all, a number of things have been changed in this Bill, and therefore, one does not know before the passing of the Bill what is going to be the Act. Therefore, whatever has been done before the passing of the Act should not be affected. I request the Finance Minister to accept this amendment.

Shri M. S. Gurupadaswamy (Mysore): Mr. Chairman, Sir, I rise to oppose this amendment moved by my hon. friend Mr. Kilachand. Mr. Kilachand, coming as he does from a business community, is naturally sensitive to certain provisions of the Bill. He was complaining just now that the Bill will prove hard in those cases wherein you find transfer of property before the passage of the Bill. Certainly, Sir, I agree with him that it will prove very hard on those people who have attempted or who have already passed on property to others. He was also complaining that many people do not know the provisions of the Bill, so it will be very inequitable to make the Bill retrospective. I submit that many people who have transferred their property recently have anticipated the Bill. I want that this amendment should not be accepted by the hon. Finance Minister and those transfers which have already been made by certain vested interests should be taxed, should be brought within the ambit of the Bill. Such an amendment, if it is accepted, will encourage vested interests and it will encourage the tax-dodgers. I submit once again that properties have been transferred already with a view to evade taxation under the Bill and that thing should be stopped immediately. We do not want any tax evasion by way of anticipating the passage of the Bill. I submit that this amendment should

not be accepted by anybody in the House.

Shri C. D. Deshmukh: I rise to oppose this amendment. I know at least one case where, when in 1936 the question of imposing some form of death, succession or estate duty was first broached, very clever people started making transfers of their property. That process has, I have no doubt, been accelerated as the chances of this Bill becoming law have appeared dreder from their point of view, rosier from our point of view. And, therefore, I am quite certain that, if we are concentrating attention on possible tax-evaders, a large number of people have made dispositions of property in order to escape the tax in spite of lack of precise information—obviously, that is natural—and prediction as to what form the law will take finally, because they are taking no chances. So far as the transfers before two years are concerned, there is nothing one can do about it, but there is no reason why the law should go out of its way to crown their efforts with success, so to speak. And, therefore, I think it will be against the public interest to accept any such exemption of these people.

Shri S. S. More: May I seek some clarification from the Finance Minister? Amendment No. 7 is equal to Amendment No. 466 of the Finance Minister. Why is he proposing deletion of these lines in Clause 3? Is it needless, or will some other definition of property etc., cover even such cases? Can he give us some more light?

Shri C. D. Deshmukh: This clause dates from the original drafting of the Bill, and the original draftsman—which I had occasion to mention at one time—was Shri B. N. Rau, who thought it a measure of abundant caution to include these words. But then afterwards we were put on inquiry, and we were asked to explain what exactly they meant, and none of us is able to see what purpose these words serve.

Shri S. S. More: You are deleting everything we cannot understand?

Shri C. D. Deshmukh: I think it should be the rule. Otherwise I should be able to say that this clause was for this purpose. Applying my mind to it, I really could not give myself any satisfactory explanation of the purpose which these words serve. Therefore I have come frankly before the House to say that I am accepting this amendment, supporting the view taken by the hon. Member that these words are unnecessary.

Shri Gadgil: Mr. Chatterjee also wanted that.

Mr. Chairman: This forms the subject matter of amendment No. 466. This appears in the order paper first, before amendment No. 7. Which is to be put to the vote, No. 466 or No. 7?

Shri C. D. Deshmukh: No. 7 is going to be put first.

Mr. Chairman: The question is:

In page 3, omit lines 8 to 10.

The motion was adopted.

Mr. Chairman: I shall now put amendment No. 8 to the vote of the House.

The question is:

In page 3, after line 26, insert—

"Provided that no property taken under a gift, settlement, disposition or transfer made prior to the passing of this Act shall pass or be deemed to pass on the death of the deceased or be deemed to be included in the property passing on the death for the sole reason that the prescribed period of time has not elapsed prior to the death."

The motion was negatived.

Mr. Chairman: The question is:

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

The motion was adopted.

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

Clause 4.—(Estate Duty authorities.)

Shri S. V. Ramaswamy: I beg to move:

In page 3,

(i) after line 28, insert—

"(a) The Appellate Estate Duty tribunal".

(ii) lines 29, 30 and 31, for "(a), (b) and (c)" substitute "(b), (c) and (d)" respectively.

In page 3, after line 31 insert—

"(1A) The Central Government shall appoint an Appellate Estate Duty Tribunal, which shall be presided over by a Judicial Officer not less than the rank of a District and Sessions Judge."

Shri Tulasidas: I beg to move:

In page 3, omit line 31.

In page 3, omit lines 45 to 49.

In page 4, line 6, omit "other than valuers".

In page 4, after line 7, insert—

"4A. Appellate Tribunal.—(1) The Central Government shall appoint an Appellate Tribunal consisting of an equal number of judicial members and accountant members as defined in sub-section (2) to exercise the functions conferred on the Appellate Tribunal by this Act.

(2) A judicial member shall be a person who has exercised the powers of a District Judge or who possesses such qualifications as are normally required for appointment to the post of District Judge; and an accountant member shall be a person who has, for a period of not less than six years practised

professionally as a Registered Accountant enrolled on the Register of Accountants maintained by the Central Government under the Auditors' Certificate Rules, 1952.

(3) The Central Government shall appoint a member of the Tribunal to be President thereof.

(4) The powers and functions of the Appellate Tribunal may be exercised and discharged by benches constituted from members of the Tribunal by the President of the Tribunal.

(5) If the members of a bench differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority; but if the members are equally divided, they shall state the point or points on which they differ and the case shall be referred by the President of the Tribunal for hearing of such point or points by one or more of the other members of the Tribunal and such point or points shall be decided according to the opinion of the majority of the members of the Tribunal who have heard the case, including those who first heard it.

(6) Subject to the provisions of this Act, the Appellate Tribunal shall have power to regulate its own procedure and the procedure of benches of the Tribunal in all matters arising out of the discharge of its functions including the places at which the benches shall hold their meetings.

4B Board of Valuers.—(1) The Central Government shall appoint a Board of Valuers consisting of a sufficient number of qualified persons to act as Valuers for the purpose of this Act and shall fix a scale of charges for the remuneration of such persons.

(2) The Central Government may from time to time appoint persons to be members of the Board of Valuers.

(3) The Central Government shall appoint one of the members of the Board to be President thereof.

(4) The powers and functions of the Board may be exercised and discharged by benches constituted from members of the Board by the President of the Board.

(5) Subject to the provisions of this Act, the Board shall have power to regulate its own procedure and the procedure of benches of the Board in all matters arising out of the discharge of its functions, including the places at which the benches shall hold their sittings."

Shri S. S. More: I beg to move:

In page 4, lines 2 and 3, for "a Controller" substitute "The Board".

In page 4, line 4, for "him" substitute "a Controller".

Shri Barman: I beg to move:

In page 4, line 2, before "the conditions" insert "the appointment and".

Shri C. C. Shah (Gohilwad-Sorath): On a point of information, Sir. Some of these amendments now moved, e.g. 304, 305 and 12 relate to the creation of an Appellate Estate Duty Tribunal. There are amendments on the same subject, but of a different character, e.g. amendments Nos. 179 and 187, the former by Shri Chand Singhal, and the latter by me. Clause 61 deals with appeals. My amendment provides for appeals not to any appellate tribunal to be created expressly for the purpose of this Act, but to either the High Court of a State or a District Court of the State. So, there is no necessity to create any appellate tribunal as such.

So far as Clause 4 is concerned, it only mentions the authorities under this legislation. But the substantial question is whether an independent appeal to a judicial or other authority

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should be provided or not. My respectful submission is that these amendments may be discussed, when we come to Clause 61, for they will be more appropriate at that stage. The discussion on that clause would rather be a long one, because as far as I could judge from the debate during the first reading, I find that there were so many hon. Members who had spoken in support of the creation of a judicial authority for an appeal against the Central Board of Revenue. Instead of bringing up a discussion at this stage, I would submit that these amendments that have now been moved may stand over until we come to clause 61.

Shri S. V. Ramaswamy: We may discuss the general principle whether there should be an appellate tribunal at all.

Mr. Chairman: There are two questions to be decided. Clause 61 relates to appeal against determination by Controller. The first question is whether we should have a judicial appellate tribunal or a controller. Unless this is decided, the question of an appeal to the High Court would not arise. Therefore I think clause 61 may be discussed at the time it comes up for discussion in the normal order in the Bill, and there is no point in having a discussion at this stage, so far as an appeal to the High Court against the determination by the Controller is concerned.

The main question is whether we should have a system as given in the Bill or an appellate tribunal. I think we should confine our discussion at this stage, to this aspect of the question, unless the hon. Finance Minister thinks that we will be better advised if we have all the discussion at one place, in regard to determination by courts.

Shri Gadgil: I find that Amendment No. 12 provides for the addition of two new clauses 4-A and 4-B. If that amendment is moved now, the whole

matter can be discussed. If it is rejected, then the other amendments will be barred. So this amendment can as well be discussed now.

Mr. Chairman: Supposing the House takes a decision in regard to the question whether there should be an appellate tribunal or not, subsequently this question will not be allowed to be discussed again. At this stage, if we confine ourselves to this question alone, I think nothing will be lost.

Shri S. S. More: May I make a submission. Sir? We may postpone the discussion of clause 4(1), till we reach clause 61, while we may discuss the other sub-clauses now. My hon. friend Mr. Gadgil suggested that if we come to any particular conclusion at this stage, the result will be that when we come to clause 61, all these amendments will be ruled out, supposing the verdict of the House goes against them.

The Deputy Minister of Finance (Shri M. C. Shah): Subject to that, we can pass clause 4, and if there is any change later on alter it.

Shri S. S. More: It won't be a consequential change. Amendments to sub-clause (1) of clause 4 and to clause 41 are—some of them—based on principle: what is to be the authority, whether a bureaucratic authority or a judicial authority? It covers a larger canvas and will have to be gone into in greater detail. Supposing on this particular amendment we arrive at a decision, then all discussion about a judicial tribunal at the stage of clause 61 will be ruled out.

Shri Tulsidas: May I point out that my other amendments Nos. 9, 10 and 11 are consequential amendments, after amendment No. 12 is taken up. Therefore, if you take up the other sub-clauses now and sub-clause (1) later on, that again does not serve the purpose.

Mr. Chairman: The point we are discussing is not that. There is no difficulty in taking up amendment No. 12 at this stage which relates directly to clause 4. The question is about clause 61—whether we should include the discussion of it at present; that is, so far as clauses 4 and 61 are concerned, whether there should be one discussion now or at a later stage, clause 61 can be discussed and we can now discuss clause 4. That is the question.

Shri S. V. Ramaswamy: May I suggest, Sir, that amendments to clause 61 may be taken up as well so that they can be discussed at this stage?

Mr. Chairman: I would ask the opinion of the House as to how would we be losing if we allow discussion of clause 4 at this stage. If we take a decision, then in the natural course of events when we reach clause 61 we will be discussing it on the basis that clause 4 is not amended—if we do not amend it—or if amended, then on that basis the discussion will proceed. There is no difficulty to my mind.

Shri K. K. Basu: What should be the tribunal and in what manner it should be constituted will all come under clause 61.

Mr. Chairman: I should think there will be no difficulty. Unless the House directs me to do otherwise. I should think that we proceed with clause 4 and then 4A and 4B at this stage.

Shri N. C. Chatterjee: As a matter of fact, I ought to tell the House that the Business Advisory Committee took the view, which you had been pleased to communicate, and the Deputy Minister will support me, that at this stage we could discuss amendment No. 12 of Mr. Kilachand and clause 61 would come later. On that basis, Sir, the time-table was prepared and we have been allowed three days and an afternoon. Of course, it knocks out the whole time-table if this discussion is shut out. That is a small point but....

Mr. Chairman: There is no inconvenience in taking up clause 4 now and subsequently clause 61. May I just know what the Finance Minister has to say?

Shri C. D. Deshmukh: Some time or the other a good deal of discussion has to take place on the whole system—how the valuation is to be arrived at and who is to decide appeals etc. Now, it is really a question of allowing time for it on a certain occasion. Now, as the hon. Member has said, their own assumption is that the whole matter will be discussed now rather than when we come to clause 61. So far as we are concerned, we are ready, that is to say, we have no objection to urge against the discussion taking place now which will be inclusive implicitly of discussion on clause 61. There may be certain residual matters to which we shall come only when we come to clause 61. But I have no objection to the whole principle involved in this being discussed at length now, as has been arranged by the Sub-Committee of the Business Advisory Committee.

Mr. Chairman: Mr. S. V. Ramaswamy.

Shri S. V. Ramaswamy: I beg to move:

In page 3,

(i) after line 28, insert—

“(a) The Appellate Estate Duty Tribunal”.

(ii) lines 29, 30 and 31, for “(a), (b) and (c)” substitute “(b), (c) and (d)”, respectively.

In page 3, after line 31 insert—

“(1A) The Central Government shall appoint an Appellate Estate Duty Tribunal, which shall be presided over by a judicial Officer not less than the rank of a District and Sessions Judge.”

I submit this raises a question of fundamental importance. The question is whether the appeal should be to a Judicial body or to a departmental body. Now, according to clause 4, there are only three Estate duty authorities—the Board, Controllers

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of Estate Duty and Valuers. These amendments seek to introduce a fourth category, namely, the Appellate Estate Duty Tribunal. The object is this. In this connection, I have to make a reference to clause 61. That clause provides for appeals to the Central Board of Revenue against the orders of the Controller. It may be noted that appeals under this clause are granted only against orders of the Controller. For instance, there is no appeal against the determination by the Controller that a certain person has taken possession of or administers any part of the estate which, however, is disputed by such person. Further, under clauses 42, 44, 45 and 46, certain matters have to be proved to the satisfaction of the Controller and no appeals are provided for against the decision of the Controller. In fact, there is no reason why there should not be an appeal against any determination by the Controller.

Secondly, Sir, as both the Controller and the Central Board of Revenue are limbs of the same revenue collecting machinery, an appeal from one to the other is not of any practical value. Further, the Board sits in Delhi and the appellant has to incur the expenditure of going to Delhi if he wants to be personally heard in appeal. In small cases, it will not be possible for the appellants to go to Delhi and they will be unable to have the opportunity of being heard personally. In order that justice is not only done, but may also appear to be done, it is necessary that the parties get the opportunity of arguing their case before an impartial appellate body sitting at a reasonable distance from the place where the parties reside. Under the Income-tax Act, an Appellate Tribunal is provided, to which appeals must be made. Even the majority of the Members of the Select Committee support this, though they have said that the question can be considered later on. In

view of our experience under the Income-tax Act where an appellate tribunal is provided for, it is absolutely necessary that an independent appellate authority should be set up here even now to hear appeals against the Controller.

Sir, strictly speaking, it would be a great asset to the country if we have got judicial officers presiding over Appellate Tribunals. The atmosphere of a judicial body is entirely different from that of a departmental body. Confidence should be infused in the minds of the assesses and one way to infuse such confidence is to set up judicial bodies. It is in that view of the matter that I urge that these amendments should be accepted.

Shri Tulsidas: Sir, this clause prescribes the various authorities for the purpose of administration of estate duty and their functions. These include the Controllers of Estate Duty, the Central Board of Revenue and the Valuers. The Controller of Estate Duty will be the first authority to make assessment of estate duty, and against an order of the Controller an appeal has been provided to the Central Board of Revenue under clause 61. If the dispute relates to valuation of property under clause 61, the Board may, and if the person accountable so requires it shall refer the matter to Valuers. As the Controller and the Central Board of Revenue are both limbs of the same revenue collecting machinery of the Government, the latter occupying a superior status and position, an appeal to the Central Board of Revenue against the order of the Controller may not be found of much practical value. Besides, it will also not create that much confidence amongst the assesses because, as I just now pointed out, both are limbs of the same revenue collecting authority, one making the valuation and the other hearing the appeal, the one hearing

the appeal being a superior authority. But generally, as we all know, even in income-tax matters, some of the instructions are always sent from the Central Board of Revenue. Therefore, the appeal may be going to the same authority. Therefore, it will definitely not create the confidence among the assesseees that full justice is done.

Sir, usually the Board will not only be guided by the guiding principles on which assessments are to be made under the Act but will also be dealing with cases which come to it in appeal. This militates against the objectives of an impartial and unbiased decision taken by an independent tribunal entirely divorced from the considerations of revenue accruing to Government. It is necessary that the assessee must feel that he has been justly dealt with and that in the execution of law the scales have been held even as between himself and the revenue imposing authority. There ought, therefore, to be an independent tribunal on the lines of the independent tribunal under the Income-tax Act to which appeals should be provided from the orders of the Controller. The final fact-finding authority, as in the case of the Income-tax Act should be an independent appellate tribunal as otherwise the benefit of the appeal to the assessee would be of an illusory character.

Sir, I have also provided in my amendment for a Board of Valuers. If I may say so, this matter was discussed in the Select Committee. I do not wish to say what happened in the Select Committee but I know that most of the opinion was in favour of the Board of Valuers as well as the question of Appellate Tribunal. Even when the Bill was discussed last session a very large number of Members had expressed that there should be an appellate authority which would create confidence amongst the assesseees and they should feel that proper justice has been done.

Sir, even in income-tax matters the Government has felt after some experience that an appellate authority should be created and they have created an appellate authority. Under the U.K. Act, both on matters of law as well as fact, an appeal can be made to the County court and to the High Court. Here most of the appeals are to be made to the Central Board of Revenue. Even on the question of valuers the Bill has provided that if an assessee is not satisfied with the valuation by the Controller the matter may be referred to the arbitration of valuers.

You know very well that when these valuers are appointed by the Central Board of Revenue—whether it may be one arbitrator appointed by an assessee or the other appointed by the Government, these valuers will naturally be to a certain extent biased. Therefore, even regarding the question of valuers, in my amendment, I have provided that a Board of valuers may be appointed on the same lines as the Appellate Tribunal.

12 Noon

Sir, I know most of the Members have experience of this matter and will appreciate that particularly if the smaller assesseees have to come over to Delhi, say, from Travancore-Cochin for appeal to the Central Board of Revenue they will find it difficult. If you have a Court of Appeal they will have to attend the hearings on the appeals. The valuation or Controller's decision may go against them and the appeal will be so costly that it will not be possible for them to have justice at a cheap cost. Therefore, either we must accept the principle of the Appellate Tribunal or we must allow the assesseees to go to the District Courts. It will, otherwise, create confusion and people will naturally feel that proper justice has been denied to them. Therefore, I have tabled this amendment. I know it is a very controversial point. I know that the Government feels, "let us have some experience of the administration of

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this Act and if necessary we may have this changed later on." But, when a new legislation of this type is being enacted, it will naturally be proper to create a machinery whereby there will be a sense of confidence amongst the people that justice will be done properly.

Sir, even in the English Act (Diamond p. 323, Fin. Act. 1894 s. 10) you will observe that "any person, aggrieved by the decision of the Commissioners as to repayment of overpaid duty or the amount of the duty claimed, may appeal to the High Court or to the County court when the value of the property does not exceed £ 10,000/-". We have adopted the provision from the U.K. Act where, whether it is points of law or points of fact, the matter can be referred to the court. Here we have provided that on the decision of the Controller the appeals can only be made to the Central Board of Revenue.

In the question of valuers, as I pointed out, it will be the question of arbitration. The arbitrators will also be appointees of the Central Board of Revenue. Therefore I have provided both with regard to the valuers and with regard to the Appellate Tribunals. Sir, it is absolutely important that we must create confidence amongst the people that proper justice will be done, otherwise this will create a lot of confusion. Besides, this Act is a very complicated one. In certain questions, the Controller may have a certain point of view but the assessee is always satisfied if any other authority hears the appeal and gives a decision. It is, therefore, absolutely essential that the amendment which I have moved is incorporated. It will be in the larger interest of the people because they will have confidence that there is an appellate authority to whom they can go even if the Controller or the Valuer has not given a proper judgment.

On this point we have had a lot of discussion both in the Select Committee and here. I had occasion personally to make my observations in the Select Committee. I do not wish to go any further into this matter but I do feel that this is a matter on which I am sure the hon. the Finance Minister will keep an open mind and will judge it from this point of view that this is a thing in which they should create confidence amongst the people who should feel that in the administration of this Act there will be proper justice done. Otherwise, already the Act is complicated; there are so many points of view, so many rulings of the court. We have always been told that on a particular point of view, there is a ruling of a court. If we have not to go to a court on a question of even facts where the ruling has been given by other courts, how is the appellate authority going to understand that ruling? The appellate authority must be the authority appointed by the Law Ministry or it must be a court. Otherwise, even the rulings cannot be interpreted in the manner that could be understood, unless the person is from the judiciary.

I know that even in the Select Committee and even otherwise, there has been an open mind on this point. Naturally, the authorities are also keen that in this matter, whatever is considered fair and equitable should be done. I feel that unless we provide an authority from the Ministry of Law or from the Judiciary, it would be unsatisfactory. For, if a person is free to go to the court, it is not because he is unable to get proper justice. Besides, as I pointed out, it is very expensive for a person to come to Delhi to give a hearing to the Central Board of Revenue, from States like Travancore-Cochin and Madras, or even from other places. Therefore, it is absolutely essential that either he has to go to a court or, as my amendment is, an appellate

tribunal should be appointed forthwith. I have made my points. I hope the hon. Finance Minister will take into consideration the points that I have made.

Shri C. C. Shah: Mr. Chairman, Sir, The question which we are discussing does not involve any question of principle or policy regarding the imposition of estate duty. It is only a question of administrative machinery to be created for the purpose of deciding questions arising out of the administration of the Act. Therefore, my first respectful submission is that the Government should not treat this as a question involving any policy or principle, but as I have always said, view it with an open mind.

I heard the hon. Finance Minister on two occasions on this subject. First, when he moved the motion for consideration of the Bill as reported by the Select Committee, and secondly, when he replied to the debate on the first reading. And on both the occasions, I am quite sure after giving his most careful consideration to the matter, he gave certain reasons why the Government do not consider it advisable or necessary, at this stage, to accept the suggestion of a judicial authority over the Board of Revenue or the Controller. The three reasons which he gave, as far as I remember—because I am speaking from memory—were, firstly, that an appeal to the Central Board of Revenue will create a certain degree of uniformity. Being persons in charge of the administration of the Act, they know precisely what they want and what kind of precedents they wish to create and what kind of policy they want to adopt in the administration of the Act. Therefore, it is best, the Finance Minister said, that in the initial stages, the appeal is made to the Central Board of Revenue. The second argument which the Finance Minister advanced was that there would be a certain degree of flexibility in the administration of the Act when it is left to executive authorities rather than to judicial authorities, and he

suggested that the judicial authorities are bound by the letter of the law whereas the executive authority will act according to the spirit of the Act and will, therefore, introduce a certain degree of flexibility in the administration of the Act to the advantage of the assessee. The last argument which the Finance Minister advanced was that the executive authority, the Central Board of Revenue, are likely to be more generous than the judicial authority. These are substantially the three arguments, as far as I recollect, which he advanced on both the occasions. While replying to the debate on the first reading, he gave certain statistics of appeals to the income-tax tribunal to show that appeals to the income-tax tribunal are gradually being reduced, that therefore there is greater confidence in the executive authority and its orders, and that the experience of the income-tax tribunal appears to show as if there is no longer any necessity for an independent judicial tribunal. I will briefly deal with each of these arguments. As I said, I have given careful consideration to each of these arguments, and I feel that both on the grounds of convenience as well as inspiring confidence in the public in the administration of the Act, it will be advisable, at this stage, to have a judicial authority. It can be done in more than one way.

Shri C. D. Deshmukh: The Board of Revenue is hearing you.

Shri C. C. Shah: The suggestion which I have made is this. I admit that there should be a first appeal on a question of fact to the Central Board of Revenue, as it is, under the Income-tax Act, to the Appellate Assistant Commissioner. That first appeal will bring to the administration that uniformity, that flexibility, that generosity—in fact everything which the Finance Minister envisages by an appeal to the Central Board of Revenue. If the assessee is satisfied with the first appeal, they need not go over it. Therefore, my amendment does not eliminate the first appeal to the Central Board of

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Revenue. But my amendment is asking for a second appeal on a question of fact, to a judicial authority. Under the Act, a second appeal is provided to the High Court only on a question of law and few questions of law can arise as such which can be taken to the High Court. Therefore, I am providing for a second appeal on a question of fact to the judicial authority. That judicial authority can be of two kinds. It can be either an appellate tribunal specially created for the purpose of this Act as is done under the Income-tax Act or under the various Sales Tax Acts, or it can be the district courts in the various districts. You need not create an independent tribunal only for the purposes of this Act. Whichever of these two suggestions is acceptable to the Government may be taken; it is immaterial as to which one of them is accepted. But I wish to submit that sales tax is one of those taxation measures which have been adopted in all the States now, and each one of these Acts has provided an appeal to a judicial authority on a question of fact. This stands almost on the same footing. There are three principal taxation measures. One is sales tax, the second is income-tax and the third is the Sea Customs Act. Out of the three, two have provided for appeals to judicial tribunals or the judicial authorities. The Sea Customs Act has not provided for an appeal to a judicial tribunal, but there is an appeal to the Central Board of Revenue, and a revision application to the Government in the nature of a second appeal both on a question of fact as well as on the question of law. Therefore, in a way, we provide also for two appeals. Thus, every important measure provides for two appeals; in the case of two of them, namely, the income tax and sales tax to a judicial authority, and in the case of the third of them, namely, the Sea Customs Act, to the Government itself. I will point out that the second appeal to the Government which means, to the Secretary of the Finance

Department dealing with the matter, has not proved satisfactory, and a situation has arisen when it may be necessary to create even a tribunal under the Sea Customs Act. But I will not deal with that at this stage.

Now, having dealt with the arguments which the hon. Finance Minister advanced for not acceding to our request for a judicial tribunal, I will put the positive case for what I consider to be the necessity for it. I do admit, and I know as a matter of experience, because in the course of my profession I come across many instances, that there is large evasion of tax, whether it be income-tax, whether it be sales tax or whether it be customs duty.

Shri S. V. Ramaswamy: It is a fine art.

Shri C. C. Shah: It is a fine art exceedingly well practised by those who are well-versed in it.

But I want to make this submission. There are also now we find—I will not call them illegal impositions—excessive penalties being levied by departmental authorities which, I am speaking from my experience again, in certain cases I find are far beyond the measure. Innocent people who probably come within the letter of the law, but by no means come within the spirit of it, have been visited with heavy penalties under the Sea Customs Act and other Acts and appeals to the Central Board of Revenue or to the Government have been of no avail. Now, it is no consolation to an innocent man to be told that many tax evaders escape duty and therefore you should atone for the sins of others. I wish people accepted vicarious liability for the sins of others; but they do not. But the executive seems to feel—well I can understand their justifiable feeling—that so many people escape duty and tax by such fine means that it does not matter that some of those who need not pay are made to pay. Now, I do not know whether it is a right

thing to do, or a wrong thing. But in any event, I submit it is better that the public should have the confidence that the matter will be reviewed by a judicial authority and not merely by an executive authority. With all the best intentions, executive authorities have an executive mind,—with the best intentions, I say. I have appeared before the Central Board of Revenue; I have appeared before other executive authorities; I have argued matters. My hon friend Mr. Nathwani has done and so many others have done. But it is rather difficult to persuade them to take, what I may call with respect, a judicial view. Yes, it will happen, it does happen, in some cases that if you take a judicial view, sometimes a person whom you consider to be guilty escapes. Sometimes, I say, it does happen. But it is better, I submit in a Bill of this nature that we are introducing for the first time that people feel that not only that justice is done, but they feel that there is an authority which will do that justice.

Now, there is a progressive tendency I find in all legislation which is now coming before the House to oust the jurisdiction of the courts—progressive tendency,—either by way of delegated legislation or by express provisions. Whether it is good or bad, I do not know. I heard the Deputy Finance Minister saying it is good. It is a debatable question. I agree if you wish to have speedy administration of Acts, sometimes delegated legislation is inevitable. But it depends upon the degree to which you shall have it and the persons to whom you will entrust it. Now, there is no doubt and we cannot mince matters on that, there is a distrust of executive authority. I do not say that it is wholly justified; but it is a problem of creating confidence.

There is no doubt that tax evasion has occurred not merely because there are tax evaders, but it has occurred partly because of the inadequacy of the administrative machinery, or

inefficiency of the administrative machinery, and partly on account of corruption. The problem of tax evasion cannot be dealt with by merely denying to the people a judicial authority to review their cases. I am not very much enamoured of courts.

Shri Gadgil: But you make your living out of them.

Shri C. C. Shah: Yes, I make my living out of them. At the proper time I will speak about it.

Shri Gadgil: I too have made my living out of them.

Shri C. C. Shah: In this connection I would like to point out that I have appended a strong note to the All India Bar Committee Report on the subject of reform of the present judicial system; but that is a different subject altogether, and I know that the delay and the cost involved in going to a court of law is sometimes disproportionate to the claim which you make. Even knowing that I have come to the conclusion, and balancing all factors I have come to the conclusion, that it is better to provide a judicial authority for a second appeal than to deny it.

The Finance Minister said: "Let us have some experience of this Act in the hands of the Central Board of Revenue, and if experience shows that we need it, we shall do it." Now the experience of the Income-tax Act has shown the necessity of it; the experience in the administration of Sales Tax Act has shown the necessity of it. If that experience is not enough to show the necessity of it in this Act, I do not know what more experience we need. And I will say this that the delays in appeals to the Central Board of Revenue are no less than the delays in courts. In several appeals to the Central Board of Revenue I have found it takes anything between twelve to eighteen months to get a decision. And I have known of cases where even after the appeal has been heard, for six months, eight months, even up to a year, no

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decision is given, no judgment is given. Also, in hearing before the Central Board of Revenue they do not generally call the party in person. The party has a satisfaction that he is heard only when he is called in person and that he gets in a court and before a judicial authority. However much you may wish to do justice by reading the papers and reading a file, it is quite a different thing when the man or his duly accredited representative appears before you and places his case. After all advocacy and argument have some meaning. It is intended to persuade you to take his view. But most of the appeals are disposed of on files. It is no satisfaction to the man that the officer has carefully read the file and taken account of every factor. Also it has been my experience that when a case comes in appeal to the Central Board of Revenue, sometimes they take into account facts which they do not even disclose to the other side. They make their own enquiry. They gather their own facts and give their judgment on enquiry made by them or facts gathered by them which the other side does not know, or have no opportunity of meeting. It may be that if he is heard in person and told what are the facts which are going to be taken into consideration, he may be able to dispel doubts.

I, therefore, submit that for all these reasons it is desirable to have a judicial tribunal. It was said that the most important question in the administration of this Act will be valuation and so far as valuation is concerned they have provided for arbitration. That takes away, we were told, 95 per cent. of the disputes which are likely to arise under this Act. I beg to submit it is not so. Very important questions and complicated questions are likely to arise under this Act apart from the question of valuation. The question may arise whether a particular property passes on death. The question may arise whether a person is liable to

pay the estate duty. The question may arise whether a gift is *bona fide*. A question may arise whether a settlement is valid. Many other complicated questions of fact and law may arise. It would be wrong to say that valuation is the only important question involved and that having been left to arbitration it serves the purpose and therefore no judicial authority is necessary.

For all these reasons I submit that the hon. the Finance Minister may consider and provide what I have submitted, namely a second appeal on a question of facts to a judicial authority, either an independent tribunal or the courts of the district.

Shri Tek Chand (Ambala-Simla):
Sir, I rise to support all that has fallen just now from the lips of my hon. friend Mr. Shah. One of the well known cardinal principles of law is—and the Bill as it stands will be violating that cardinal principle—that nobody ought to be a judge of his own cause: *Nemo debet judex in sua causa*. The executive who are issuing instructions from one side will be called upon to sit in judgment on those very instructions which they have issued. That is a very dangerous proposition.

It is said that the members of the Central Board of Revenue are likely to be more generous. I do not accept that statement. But assuming that were so, an honest assessee does not want that generosity. I want them to be just rather than generous.

The proposition that whenever there is a conflict they will follow the spirit of the law rather than the letter, that again, I submit, is a most dangerous proposition. There is no such thing as the spirit of law. There must be a letter of law, letter and letter alone. It is for the Legislature, for their advisers to see now that they should make clear, precise law, certain and ascertainable. I do not want that the law should be flexible. I do not want that the law should be stretched or contracted according to the whim, caprice or pleasure of the members of

the Central Board of Revenue or any other members of the executive. I want that the law should be precise and certain so that it may be possible for them to know exactly how it stands. The most dangerous proposition is to introduce the doctrine of *sententia legis* as against *verba legis*. There is a school of thought that it should be the spirit of the law which should prevail. The result will be that the spirit of the law becomes something flexible like rubber and instead of making those who are called upon to administer justice the servitors of law, they become the masters of law in so far as they start on the process of making law. In their process of interpreting law they start making law. They arrogate to themselves the functions of the Legislature. It has a most dangerous propensity.

On the one side there is an inroad on the part of the executive into the realm of the Legislature in so far as there are these popular provisions that the executive "may make such rules as they deem fit", with the result that the Legislature surrenders its legislative powers to the executive. And when you have got the executive tribunals the result is a second inroad on the part of the executive into the realm of the judiciary. These three functions ought to be kept apart. And whenever we have executive tribunals, justice is the first casualty.

Therefore, I would rather that they could weigh the points before them, measure them by the yardstick of interpretation of law and not import their own sentiments of generosity. The danger to the assessee will be as grave as is the danger to the Government. That should be avoided.

The great point about independent judicial tribunals is that they have in their forefront the law and they do not take liberties with the letter of the law. They consider the law as passed by the Legislature as a supreme command and they rigidly endeavour to adhere to it rather than try to give it a turn or a twist by

their own reflective mind, by their own intentions, by their own notions of what is generous, what is just and what is wrong. The greatest asset about any law is its certainty rather than its flexibility.

Then the next question that arises is this. It is of the utmost importance to the subject that not only should justice be done but justice should also appear to be done. The distinction is this. It is no satisfaction that the members of the Central Board of Revenue who are very esteemable and capable gentlemen will do justice, will read the files and will do the needful. But it is necessary that whatever point the assessee wants to raise he should be able to impress upon the tribunal; and whatever is lurking in the minds of the tribunal they should be in a position to state it and give him a fair opportunity to repel that contention or rebut the argument which is advanced. This is the judicial function.

Another thing is there is a tendency—pardon me for saying so if I stigmatize the tendency as undemocratic—to take away whatever power there is from the judiciary. Why should our High Courts, why should our judiciary be a suspect? Whether it is the Sea Customs Act or the Income-tax Act or any other similar provision passed, judicial functions are arrogated to itself by the executive who have not the same judicial experience, who do not pay the same homage to the letter of the law or the rule of the law which the judiciary does.

Talking of convenience, the Central Board of Revenue will be located in New Delhi. There will be appeals from every conceivable quarter of the country. And they will be absolutely inundated with work leaving no time for any other work unless they further delegate their powers to one particular member. The result will therefore be that the assessee will be rotting here for days and days and never getting an opportunity of a hearing.

[Shri Tek Chand]

So far as administrative expenditure is concerned it will be tremendous.

But the fear is they will endeavour to resolve the difficulty by some artificial, technical rules for guidance and apply some rule of thumb whereby they can dispose of cases—a sort of demarcation line without going into the respective individual merits of the case. Therefore it is desirable that the High Courts preferably—and we have practically a High Court for every State—ought to be left to examine the disputed matters. The language of the statute, as is admitted on all hands, is very cumbrous, very complex. Without casting any aspersions on the capacity and capability of the executive tribunals, permit me to say that the members of the highest judiciary are the persons who are best equipped for dis-entangling complicated points of law, for unravelling knotty questions and interpreting difficult language. They and they alone can best do it—sometimes even they with the best of desire cannot. Therefore when it comes to a question of interpretation of this complicated skein of legal texture, it should better be left to the highest judiciary in the land. We have paid very great homage to the United Kingdom—and I am willing to concede in most cases justly—so far as borrowing their statute law is concerned. We might as well have borrowed the English procedural law. So far as England is concerned, appeals in England lie to the High Court and, if need be after obtaining special leave, to the House of Lords. Where a dispute arises regarding an amount not exceeding £ 10,000, the first appeal lies to the County court. Why can't we have a similar provision and say that up to a limit of say Rs. 100,000 or may be Rs. 50,000, appeals will lie to the District Judges or a person having the qualifications of a District Judge, and that appeals involving property of a higher value to be disposed of by the High Court? It will be extremely necessary to do

that, because, the danger will be both to the assessee in the case of over-valuation and to the Government in the case of deliberate under-valuation, which is likely to follow. Therefore, whether you examine this matter from the point of view of administrative convenience or you look at this matter from the point of view of pure justice, or you see it from the point of view of capacity to unravel knotty and difficult points, the only conclusion will be that this matter of legal interpretation should be left to those who are best equipped for the purpose.

Lastly, my hon. friend mentioned certain points from the Sea Customs Act, as administered now. I am not now dealing with that Act; I refer to it only by way of illustration. The executive can confiscate, they can impose crippling fines relentlessly and heartlessly. They have that power and nobody can question them. There might be cases where due to the clumsiness of their own officers one type of order is sent, then that type of order is found to be wrong and the man to whom it was communicated is said to have committed breach of the law and all his imports are confiscated and he is saddled with a fine running into Rs 50,000 and according to law reports, as much as Rs. 4 lakhs have been imposed as fines. Whenever any such matter came before the courts, under articles 226 or 227 of the Constitution, they took a very serious view of the matter. Therefore, the dangers of justice being administered by those who lay down the policy become obvious. Justice has to be administered by an independent body who evenly holds the fulcrum, and holds the scales absolutely even as between the assessee and the tax gatherer. I therefore commend to the House the absolute and imperative necessity that this matter should be left to the discretion of the judiciary, preferably to the High Court and in the case of smaller amounts to the lower judiciary, like the District Judge.

Shri Raghavachari (Penukonda): Mr. Chairman, I have listened to the debate carefully. Four or five hon. friends have elaborately examined this question of the independent tribunal. This is a matter on which, in the Select Committee, I and my friends on behalf of my Party felt that there was a great need for consideration by the Government about the need to constitute an independent tribunal. This is the only point on which we have disagreed. Again I wish to state before the House and for the consideration of the Government that they should not stick to their previous decision and force that decision on the House and on the country. You know as my hon. friend Mr. Kilachand was referring, there is a very great volume of opinion in favour of an independent tribunal. The arguments advanced by the Finance Minister on both the occasions were carefully examined and controverted and answered by my friend Mr. Shah. I only wish to say this that the Bill lays down somewhere in clauses 4 or 5 that their own officers are bound by the instructions given by the Board. Clause 4 sub-clause (5) says:

"All officers and persons employed in the execution of this Act other than Valuers, (We are not concerned with Valuers now) shall observe and follow the orders, instructions and directions of the Board."

So, the appeal or dispute has to be decided by officers who are bound to follow the instructions of the Board. We know, Sir, and it is everybody's experience that when a legislature contemplates taxation and the officers are there as gatherers of the tax from one end to the other, and they follow uniform instructions, they will always have an eye on the amount that should come into the Treasury more than anything else; justice or injustice or fairplay or hardship or inconvenience. When we are enacting a new legislation of this kind to which the estates of almost every person in India must be exposed at some stage or other, provided, of course that the

estate exceeds in value the limit, these people must have the confidence and feeling that the machinery provided is a sound one, with whose decisions they will be satisfied. This argument does not require to be stressed further. As a result of long experience of the tax collecting Acts, such as the Income-tax, etc., the need for having an independent tribunal has been pressed successfully upon the Government. Similar is the experience in other countries also. My hon. friends have already referred to the provision of such an independent tribunal in other countries. In spite of all this experience, we still want to wait for new experience to be gathered so that the matter may be remedied. That is the attitude taken by the Finance Minister. During the time that you wait for new experience, there will be innumerable cases of suffering. What will be the reaction it will produce on the people in the country who have got to be guided or ruled by an imperfect system of administration. Naturally, very unpleasant. Even apart from the point of view of the need to appear to be doing justice, to prevent the growth of popular discontent, it is essential that you provide an independent tribunal which ultimately will decide these matters. I do not wish to go into the details as to how it should be done, because now it is only the principle that is under discussion. I for one feel that, from the experience that we have had of the administration of the Acts concerned with taxation, it is always essential that there should be an independent tribunal. This is an Act in which the disputes will involve very great amounts. It is a matter in which a few lakhs or even crores may be involved. As was pointed out, it is not merely questions of valuation which will come up for decision. There will be many other complicated questions. Therefore, I would with all earnestness appeal and urge that it is essential to agree to the institution of a tribunal to consider matters of this sort, particularly so when it is not a matter of any principle that is involved or committed to by the Government.

[Shri Raghavachari]

but purely an administrative convenience. Keeping in view the feeling in the country and among the various sections of the House, it would be in the interests of fair administration of law for the Government to agree for such a tribunal.

REHABILITATION FINANCE ADMINISTRATION

Mr. Chairman: Now we take up the half-an-hour discussion.

Shri V. P. Nayar (Chirayinkil): Mr. Chairman, Sir, I am raising this discussion to bring within the focus of attention of this House, certain very despicable affairs which have been happening in what we call the Rehabilitation Finance Administration. The points on which I would like to raise, as enumerated in the notice which I gave, are the following:

- (1) Lack of proper, efficient or adequate control of Government over the Rehabilitation Finance Administration.
- (2) Disregard of governmental rules in the matter of appointments in the Rehabilitation Finance Administration which is spending crores of Rupees.
- (3) The huge drain from funds of the Rehabilitation Finance Administration towards the meeting of establishment charges.
- (4) The favouritism or nepotism prevailing in the administration and
- (5) The extreme necessity of appointing a Parliamentary Commission to investigate into the affairs of the Rehabilitation Finance Administration.

This Government has absolutely no control worth the name, over this Administration which has already spent

Rs. 7 to Rs. 8 crores. They may claim to have some control. I find from the enclosure to a letter which my hon. friend Mr. A. C. Guha was kind enough to send me, that all the appointments to the higher posts are made either by Government direct or with the prior sanction of the Government. For example, the post of the Chief Administrator is an appointment to be made by Government. Then the posts of Deputy Chief Administrator and the Assistant Chief Administrator, Managers, Chief Accountants, Secretary and Internal Auditor are to be made by the Administration, subject to the prior approval of Government. So there are certain rules under which Government could have assumed some control, but what I submit is this; there has been absolutely no control over the affairs of the Rehabilitation Finance Administration, and by the negligence or acquiescence or whatever it is of this Government, the Rehabilitation Finance Administration has actually been reduced to an organisation which affords more protection to those of the retired pets of this Government than to the actual refugee who wants money for starting some business.

In answer to a question, the Government has revealed that all the three Administrators whom we have had were retired officials. We know that this is a work which calls for all the skills and tools of administration, and we know that people with unquestionable honesty and integrity should be appointed, but what we find is that certain persons are picked up from somewhere, why I do not know.

For example, I will relate the case of Mr. S. S. Rachhpal which has been given in answer to a question, that he was formerly in the Imperial Bank of India. Mr. Rachhpal is succeeded by another, Mr. Ram Gopal. Mr. Ram Gopal did not come from the same Imperial Bank of India. He was perhaps from the Finance Ministry. And then when Mr. Ram Gopal retires, when he goes away from the Administration, you find another man from the Audit

Department. I am unable to find out what was the common qualification of all these three retired officials. Except perhaps the fact that they are retired officials, they have nothing in common, no experience of the same kind. You will also realise how Government have chosen to consider the case of Mr. S. S. Rachhpal. He was for a long time—for several decades—in the Imperial Bank of India. The Imperial Bank of India never wanted to continue his services. It is not known what pay he was getting there. In appointing him, the Government have violated the Fundamental Rules also. You will find that the Fundamental Rules provide that in cases of re-employment of officers who have retired, only one interest should prevail and that is public interest. Here I would just like to quote one sentence from a letter written to me by the Home Ministry in reply to a letter which I sent to hon. Dr. Katju. This is what the Home Ministry stated:

"The general policy is that this is only done" (this meaning re-employment of retired officials) "where public interest is to be served. It is not done to the benefit of individual interests."

I suppose the Home Ministry has the authority to say this. But what we find is that contrary to the rules laid down by Government, the retired officials are not only given fabulous salaries, but are also given the pension which they were drawing. It is really very strange. We have some employees, who have been re-employed after retirement, who are not given the pension, but only the pay. But in the case of Mr. Ram Gopal, Government have chosen to give him in addition to Rs. 3,000 a month—probably the pension has not been given, because the pension amount had not been decided upon. I find in the corresponding column in the statement that the pension matter is pending consideration—a gratuity of Rs. 3,000 also per year. I have never heard of a person who is re-employed after retirement

being allowed to draw his pension, and also given a gratuity. That is certainly a personal benefit, and is against the terms of service laid down by the Home Ministry.

We know that the Rehabilitation Finance Administration has already disbursed thousands of loans. We know also that these loans are not given as doles, but for some industrial or commercial purposes, with the result that when money is difficult to get otherwise, this institution working in the way it does gives some chances to the really crafty persons with bad intentions, and gives to some at least, very great scope for corruption. I would like to point out how the affairs have been mismanaged.

You will be surprised to know that this organisation which has spent crores of rupees has never had an audit, worth its name. You have created an officer of the highest authority for audit of Government's expenses, under the Constitution, viz. the Auditor-General. Why don't you have faith on him and have the accounts examined by him? It will be said that they are arranging to have the accounts audited by him, but they do not say anything about the audit of accounts in regard to the money which has already been spent. Now they say they have appointed an internal auditor, probably in 1952. This House wants to know how the money has been spent, because we are very suspicious about it. I shall presently give out the names and the relationship of certain officers who are now in this organisation, and that will explain why we have to view the R.F.A.'s administration with suspicion.

In answer to one of my questions, Government gave a list of 24 officers in the Rehabilitation Finance Administration, drawing a pay of over Rs. 500. It is a very interesting list, and it is worth study by every hon. Member. Here is an instance of one Mr. V. P. Gupta. He was an Assistant Manager in the Court of Wards at Bara Banki somewhere in U.P. You know that the Court of Wards has been abolished, consequent on the

[**Shri V. P. Nayar**]

Zamindari Abolition Act, and perhaps if he had continued there, he would have been jobless. There he was getting only Rs. 350, and now he has been rehabilitated, by being given a pay of Rs. 1,000. It was surprising to me to find out that this V. P. Gupta is none other than Mr. Ved Prakash Gupta, who is the direct brother of Mr. Om Prakash Gupta, who was the Deputy Secretary to the Finance Ministry, dealing with the papers of the Rehabilitation Finance Administration. I put it to Mr. Guha to contradict, if he can.

There is another gentleman by name Mr. Roshan Lal. He was an inspector in charge of National Savings Bank Ltd., Bombay. He was drawing a pay of Rs. 550 there. Now he is getting a pay of Rs. 850 in the R.F.A. My information is that this Mr. Roshan Lal is the direct brother of the person who appointed him, viz Mr. S. S. Rachhpal.

I wish very much that Mr. Guha contradicts me here also. Then, Sir, there is a case.....

Shri Tek Chand (Ambala-Simla): On a matter of clarification, Sir. What is a 'direct' brother and what is an 'indirect' brother?

Shri V. P. Nayar: That is for the hon. Member himself to find out if he does not know.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): My hon. friend forgets that charity begins at home.

Kumari Annie Mascarene (Trivandrum): That is what is going on.

Shri V. P. Nayar: I am really glad that Dr. Das had put some questions on the R.F.A. and I am sure he is interested in it. There are ever so many people. For example, there is again another S. N. Ahuja. If the Finance Minister wants to have details about Mr. Ahuja and Mr. Rachhpal, I can give them. These are all in the list. Outside the list also there are some people who are very closely related. The Finance Minister will kind-

ly inquire whether there is one Mr. Nangia. He is the brother of the son-in-law of Mr. Rachhpal. There is Bhola Nath another relation of Mr. Rachhpal. I can give you many more instances, but I do not want to tire the House. What is more surprising to me is not the appointment of these gentlemen. There are certain names in the list furnished which strongly suggest—I do not say, positively or conclusively—a close relationship with some of members of the advisory body also. I do not want to discuss this matter because it will be below the dignity of the House to go into this matter. (*Interruptions*).

Mr. Chairman: May I request the hon. Member not to insinuate in a matter of this importance against the members of the advisory body. There are many Members of this House also in that body and there is insinuation against them also. Either he should be able to give definite facts about them or he should not insinuate.

Shri V. P. Nayar: I never said that and I never wanted to insinuate any Member of this House. I only said that there was a strong smell suggesting close relationship, because the surnames in some cases do suggest like that.

Lala Achint Ram (Hissar): Share that smell with others also.

The Deputy Minister of Finance (**Shri A. C. Guha**): Sir, so many allegations have been made and I think Government should get at least 15 minutes to reply.

Mr. Chairman: The hon. Minister will get full time to reply in a matter of this nature when such allegations are made.

Babu Ramnarayan Singh (Hazari-bagh West): Why not deny the allegations? It does not even take a minute.

Shri V. P. Nayar: There are also others about whose relationship with the members I do not wish to tire the House. That is why I say that no

other body than a very compact Committee of this Parliament should go into and investigate this matter. Sir, when a body is given crores of rupees and when nepotism of such a character is allowed to have its way, what will be the result? I remember on a former occasion in a confidential letter Mr. Chintaman Deshmukh himself wrote to me that "if it might happen that some relations had been appointed by mistake; what was wrong there?" and that relations could also have a place in service if they were qualified. But here it is not a case like that. Out of 24 names given, so many are known relatives of the first degree. I do not know how many unknown relatives there will be. This is the character of the administration Graft and nothing else.

One minute more, Sir—because Mr. Guha had taken some time—and I will finish.

That is why I wanted that a Committee should inquire into this. You will also find that loans have been disbursed in a very haphazard manner. Some loans from Rs. 5,000 to Rs. 10,000 have been disbursed in thousands. I know specific cases of loans having been disbursed—I do not mean now, not during the regime of the present advisory body, but in olden times when everything was said to be in confusion—to people without the guarantors ever being traceable. There are 65 cases like that as admitted by the hon. Minister. You can imagine the state of affairs when a body spends crores of rupees financing loans to persons on the guarantee of persons who impersonate as genuine guarantors. Either they impersonate or collude with the administration and personify that they are so and so and make it possible for the loanees without *bona fides* to draw the money. This has happened. In view of all this, I submit that this House be good enough to consider my suggestion that a Parliamentary Commission should be appointed. Thank you, Sir.

1 P.M.

Shri A. M. Thomas (Ernakulam): Sir, I do not want to go into the appointments to this department. Figures given in answers to questions put in this House show that the working capital of this organisation has been about Rs. 6 crores and the establishment charges come to a big amount out of all proportion to the amount advanced. I am aware of the fact that we should not adopt the ordinary standards which we adopt in the working of joint stock companies, but at the same time, I would like to know the nature and the volume of work transacted by this Corporation, the number of applications received and disposed of and so on so as to justify the big amount that has been spent towards the establishment.

Shri V. P. Nayar: I can give you.

Many Hon. Members rose—

Mr. Chairman: I cannot allow every hon. Member to take part in this discussion. Only those who have given their names already will be allowed to speak.

Shrimati Renu Chakravartty (Basirhat): May I ask one question, Sir? Why are all the officers who have been appointed in this Corporation paid a far higher salary than that at which they had previously worked? Specially because, as some speakers have said already, it is not a commercial concern and has something to do with refugees in a situation when the refugees themselves are unable to rehabilitate themselves through loans etc. I want to ask this question. The other question is, whether it is a fact that out of the 6 crores of rupees distributed, one crore of rupees has been spent on administrative charges? If that is so, why?

Shri V. P. Nayar: Rs. 98.8 lakhs!

Shrimati Sucheta Kripalani (New Delhi): Mr. Chairman, I had originally not intended to participate in this debate because I happen to be connected with the Board as are many other Members of the House. But from the very sweeping nature of the charges

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made I felt I was called upon to make a few remarks. I am the last person.....

Mr. Chairman: May I just remind the hon. Lady Member that only questions can be put.

Shrimati Sucheta Kripalani: I see. What is to be done? I thought it was a discussion.

Mr. Chairman: No discussion. Only questions are allowed.

Shrimati Sucheta Kripalani: Then I would like the hon. Minister to enlighten us in view of the fact that Mr. Nayar made a remark that loans were disbursed to "guilty" persons deliberately with a "guilty purpose" or something to that effect.

Shri A. C. Guha: Guilty persons?

Shrimati Sucheta Kripalani: Yes, what he meant to say was that these parties were dishonest, that the guarantors were dishonest and deliberately worked in collusion with the administration. I would like the hon. Minister to enlighten the House as to the method that is followed by the Administration in disbursing loans, the details of the procedure and the different hands through which the loan papers have to pass before they are finalised.

Mr. Chairman: There is no other member who has given his name.

Shri Gidwani (Thana): I had sent in my name.

Mr. Chairman: No.

Shri K. K. Basu (Diamond Harbour): I sent in my name this morning.

Mr. Chairman: No other name has been sent to me.

Shri K. K. Basu: When we get the notice, we send our names in the morning. That has been done.

Shri Gidwani: I gave my name early morning. It is there.

Shri K. K. Basu: In that case, we should have a peon book.

Mr. Chairman: All right. Mr. Basu.

Shri K. K. Basu: I would like to know from the Minister as to the exact scope of the functioning of the Advisory body, and to what extent it has a voice in the appointment of different administrators or persons connected with the administration. Secondly, when the loans are granted, has this administration or this advisory body anything to do with the manner in which the loans are utilised, whether the persons who take the loans are actually using them and so on?

Shri Gidwani: I want to know whether it is a fact that the Administrator who retired after three years was given Rs. 10,000 as gratuity and whether it is a fact that there are officers who have received 400 per cent. promotions—those who were drawing Rs. 350 are today drawing Rs. 1,200.—one officer who was drawing Rs. 200, is today drawing Rs. 800. You can enquire and let me know whether it is a fact, and if so, why it has been done. Have not many officers in the Administration been superseded and certain persons who have a pull in the higher departments or in the Ministry, or for various reasons which I cannot go into at this moment, have been given these promotions, and this has created a lot of discontent?

Shri B. K. Das (Contai): I want to have one clarification about the output of work done by the Administration. Sometime back in 1950, I think—there was a committee appointed by the Advisory Board with Dr. Gidwani and some others as members. They observed that the amount spent on establishment was rather high in comparison with the output of work. They also observed that the establishment charges were undoubtedly very high in relation to output; but perhaps, the nature of the work justified it to some extent. Since 1951, when new applications were called for, many thousand applications were submitted, and I

want to have an idea of what has been the output since then, in relation to expenditure, monthly or yearly.

Mr. Chairman: I would like to adjourn the House now, unless hon. Members think that the hon. Minister can finish his reply. If we can do that, so much the better.

Shri A. C. Guha: I may take fifteen to 20 minutes—not more than that.

Mr. Chairman: I think we might continue till the Minister's reply is over, say, for 15 minutes or so.

Shri V. P. Nayar: The Member gets 15 minutes, the Minister also gets 15 minutes.

Mr. Chairman: I am afraid I cannot entertain any complaint of this nature. And we cannot compress time in this way. If 15 minutes are taken by the mover of the debate and 15 by the hon. Minister, how time is to be found for the members who put questions in half an hour discussion? The hon. Minister.

Shri A. C. Guha: Sir, the allegations made in this discussion are of a varied nature, and I should say the allegations cover practically every aspect of the working of the Rehabilitation Finance Administration. In the beginning, I should like to say to the Members of the House that the R.F.A. is not a banking organization; nor is it a charitable organization. There have been several times criticisms against the R.F.A. in this House, but those criticisms have been mostly, or I can say solely, just from the opposite point of view. There have been allegations that there are too many restrictions, too many formalities and that things are not done expeditiously. I think several Members connected with the R.F.A. came to me ever since I took over charge of this Institution, and told me that the R.F.A. requires more accommodation, that it requires more staff. It is under-staffed. So, allegations have always been from the other point of view, not from the point of view that it is being over-staffed. I think there is some confusion about

the figure for Establishment Charges. The figure which was quoted here was Rs. 98,00,000. This includes provision for bad and doubtful debts i.e. Rs. 21,00,000. I do not think it will come under the "Establishment Charges" of the R.F.A.

There are several other items amounting to Rs. 28,00,000 which should not be included in the Establishment Charges of the R.F.A. So the total Establishment Charges of the R.F.A. would come to only Rs. 70,00,000. The R.F.A. has disbursed only Rs. 7,00,000 which would mean 10 per cent.

Then the R.F.A.'s function is not only to disburse the money; it has to investigate into a large number of applications. So far it has received 65,000 applications out of which it has sanctioned a loan only for 15,000. The following is a brief statement:

Applications received	... 65,000
Sanctioned	15,000
Rejected	... 35,000
Under consideration	... 15,000

The sanctioning of applications, I think, involves less labour than the rejection of an application. 35,000 rejected applications must have involved at least four times the labour for 15,000 sanctioned applications. When they consider the work of R.F.A. the Members simply keep their attention on the money disbursed but they do not consider what number of applications the R.F.A. has to consider. Even an application, which may be absolutely frivolous from the point of view of R.F.A. has to be investigated into and the investigation covers the entire area of the country except perhaps Travancore, Madras and Mysore. Sir, if the hon. Member does not mind, I should state here that but for the fact that he comes from the farthest corner of India where there is hardly any refugee question he would not have tabled a motion like this. Had he been conversant with the refugee problem as the Members from the other parts of India are, I think, his criticism would not have been from this point of view.

[Shri A. C. Guha]

Then I would submit that the R.F.A. is not a bank nor is it a charitable institution. It is a mixture of the two. There is a certain amount of risk and I think the Government of India was wise enough and bold enough to take that risk. The rehabilitation problem and the refugee problem are to be tackled as something on a war footing and the Government decided to take that risk. If human suffering is to be alleviated, I think anybody would rightly concede that certain amount of risk is necessary.

Shri K. K. Basu: What about officers' pay?

Shri A. C. Guha: The hon. Member need not be impatient.

The first charge made by the hon. Member in his speech is that the Government has got practically no control over this organisation. The R.F.A. is an autonomous body. A special Act has been passed by this House for the control and administration of this organisation. The House knows certain responsibilities vest with this House or with the Government in regulating and supervising the activities of this organisation. I think the House would realise that the Government cannot have more than an overall supervisory control over an autonomous body. We cannot go on interfering with the day to day activities of an autonomous body. Then the autonomous character of the organisation would have been practically neutralised. Government could have run this organisation, departmentally, as rehabilitation work is being done departmentally. But Government decided that this work should not be done departmentally, but should be carried on through an autonomous body. Naturally, Government control is limited by the provisions of the Act which set up this autonomous body.

Even then Government has taken precautions to see that this House has some control and some knowledge about the activities of this organisation.

In this connection I may give the House the composition of the Administration. The Chief Administrator is the chairman; there are four officials, one from the Finance Ministry, one from the Rehabilitation Ministry, one nominee of the Punjab Government and one nominee of the West Bengal Government. Then there are four non-officials, Mrs. Sucheta Kripalani, Mr. Chandulal Parekh, Mr. Lakshmi Kanta Maitra, and another member Mr. Santokh Singh, who is not a member of the Parliament. This House, therefore, cannot have any complaint that the working of the Rehabilitation Finance Administration is not being supervised by Government.

Besides this administration there is also an Advisory Board. The members of the Advisory Board are:

Shri Rohini Kumar Chaudhuri,

Shri Basanta Kumar Das.

Pandit Thakur Das Bhargava.

Shri Avadesh Prasad Sinha,

Shri Amolakh Chand Jain,

Shri Achint Ram, and

Dr. Chothram Gidwani.

All members are either of this House or of the other House. This Advisory Board has got control over the affairs of this body. There has never been any complaint from any members of the Board that the Board has not got any work to do or has not got any responsibility to discharge. If Dr. Gidwani had any complaint to make he would have come long ago before this House, because he has been associated with this organisation for a pretty long time. As Mr. B. K. Das referred he was one of the members of the sub-committee which went into the working expenses of this organisation. The sub-committee came to the conclusion that under the special circumstances the ratio of expenditure has to be somewhat higher than an ordinary bank or a similar institution.

Shri Gidwani: On a matter of personal explanation, I would like to point out that the records of the Rehabilitation Finance Administration would show that at every meeting I have moved a number of resolutions. This time I have sent two resolutions.

Shri A. C. Guha: As regards the pay and emoluments of the officers, I should at the very beginning say they are not Government officers.

Shri V. P. Nayar: In what sense?

Shri A. C. Guha: They are officers of that Administration: they are not Government officers. As for their pay and emoluments the first Administrator, Mr. Rachhpal, before joining the Administration was not a Government servant. He was getting his pension from the Imperial Bank which again is not a Government office. So, from the point of view of his pension, or from the point of view of his appointment in this Administration, he cannot come under the rules and regulations of Government servants or retired Government servants.

The second man was of course a retired government servant, but he was not getting his pension while he was here in the Administration.

Shri V. P. Nayar: That is not correct. In the statement it is said that his pension has not been decided. It is only after deciding the amount that the pension will be dispersed. Before that he was drawing Rs. 3,000 and when pension is settled he can have it too.

Shri A. C. Guha: The information I have in my possession is that he was not getting his pension. I shall again check it up.

Shri Gidwani: What about Rs. 10,000 gratuity.

Shri A. C. Guha: For the present incumbent we wrote to the Comptroller and Auditor-General to suggest names and he suggested two names. His was the first name. So we selected him. So it was at the suggestion of

the Comptroller and Auditor-General that he was selected. As for Mr. Rachhpal he was selected from the Imperial Bank or the Reserve Bank—may be the Reserve Bank. And before joining the Administration he was, I think, in some *ad hoc* appointment under the Bihar Government, reorganising the entire co-operative organisation of the Bihar Government.

Shri V. P. Nayar: On what pay?

Shri A. C. Guha: I think he was getting the same pay or nearabout the same pay.

Shri V. P. Nayar: In the Imperial Bank what was he getting?

Shri A. C. Guha: In the Imperial Bank, I do not know. But I think in Bihar he was getting the same pay or nearabout the same pay.

I should also add that the R.F.A. employees are not entitled to any pension. There is provident fund, but there is only the employee's contribution; there is no contribution from the Administration. So they do not get that kind of provident fund benefit also. Then there are no medical facilities also provided for them except for the Chief Administrator. Till very recently they were not getting any accommodation facilities also. They are all temporary employees—with security of their service. They were working under some difficulties. As for the pay I think I should take out one or two cases.

Shri Gidwani: As regards Mr. Ram Gopal he will get pension quite all right. Yet he got Rs. 10,000.

Shri V. P. Nayar: I submit Mr. Guha is wrong. In the statement in the case of Mr. Rachhpal it is said: "Entitled to pension and medical concessions as per Government servants or corresponding status under the Central Services (Medical Attendance) Rules". It is a statement furnished by the hon. Minister himself.

Shri A. C. Guha: But he was an employee of the Imperial Bank. And if he gets pension, it is from the Imperial Bank, not from Government.

Shri V. P. Nayar: I do not understand how an officer who is not put under Government service gets pension and medical facilities according to the terms applicable to Government servants.

Shri A. C. Guha: I shall explain. The R.F.A. has its rules and regulations for recruitment and also for the regulation of their service conditions. Under these regulations the Chief Administrator, the first and second Administrator—I am not sure about the third man—only the Chief Administrator might have been getting some medical facilities. And the rules and regulations may provide that certain of the government service facilities may be provided for them. But they are not Government servants and they are not governed by the Government Servants Conduct Rules. There are separate rules and regulations for them. And I think in my reply I have stated that under section 10 of the R.F.A. Act certain rules and regulations for recruitment and for regulating their service conditions have been framed. It is there.

Shri V. P. Nayar: On the 10th August you stated that they are getting medical facilities.

Shri A. C. Guha: I have said that except for the Chief Administrator there is no medical facility for other employees.

Prof. D. C. Sharma (Hoshiarpur): So it means they have the best of both the worlds!

Shri A. C. Guha: As regards audit it is not true that we have got only an internal audit. There is also external audit and the auditor is appointed with the sanction of the Government of India. I think the hon. Member has already mentioned it that in the Bill pending before the House it has been provided that the Comptroller and Auditor-General should in

future audit the accounts of this Administration. It has not been possible for the Comptroller and Auditor-General to audit all the accounts of these autonomous bodies. The Government is now having so many Corporations and industrial concerns. I do not think it will be possible for the Comptroller and Auditor-General to audit all the accounts. But it is not true that there has been no external audit for the R.F.A. and that there has been only internal audit. Internal audit is there. It is done by an employee of the Administration. Besides the internal audit, there has been an external audit through an established firm. With the approval of the Central Government, that Chartered Accountants firm was selected to audit the accounts. Besides that, the Administration has been frequently consulting the Comptroller and Auditor-General about any matter of audit which may come before them. Very recently, a representative of the Comptroller and Auditor General has audited the accounts of the Administration and if there is any improvement to be done, he must have made a report, or he is going to make a report. I am not sure whether any report has been submitted or not. He has inspected the accounts very recently. Besides this, there are also Regional Advisory committees at Calcutta and Bombay. Government has taken every precaution to see that the working of this Administration may have a proper check and supervision.

Then, the last request of the hon. Member was that there should be a Parliamentary Commission to enquire into the working of this Administration.

Shri V. P. Nayar: What about nepotism and favouritism?

Shri Sinhasan Singh (Gorakhpur Distt.—South): The hon. Minister has not replied to the point about the appointment of relatives.

Shrimati Sucheta Kripalani: My question has not been answered.

Shri V. P. Nayar: You do not want to discuss the obvious or what is it?

Mr. Chairman: The hon. Member has already mentioned his points to the House.

Shri A. C. Guha: The hon. Member has mentioned some names. I think in a previous discussion of a similar nature, he also referred to some names. I have not got the history roll and family history of the employees of this Corporation or of all the Government officers. There may have been some officers connected with or related to some officers of the Government departments. It is not my business to enquire into the family roll of all these officials. I can say only this much. We cannot put a ban on any candidate simply because he is connected with or related to some officials somewhere.

Shri K. K. Basu: Do not put a ban; put a premium.

Shri Gidwani: You put a 400 per cent. premium.

Shri A. C. Guha: We are not going to put any premium. If there has been any lapse we are ready to look into and remedy that. I think it is the function of the Administration to recruit these officers and responsible Members of this House are functioning in the Administration. I can safely say that the Members of this House who are functioning in the Administration must have seen to it that the proper person is recruited and in a proper manner.

As regards pay.....

Shri Namdhari (Fazilka-Sirsa): If a man who is an Indian national and has got all the qualifications that are required, happens to have the bad luck of having a relative as an officer, should he be barred? What is this justice?

Mr. Chairman: Order, order; I think the Member is arrogating to himself the function of the hon. Minister. The hon. Minister may continue.

Shri A. C. Guha: I should mention one thing here. The list that was submitted showed only the present pay. The second man in this establishment is the Deputy Chief Administrator. He is getting I think Rs. 1,750. He was appointed in this establishment only on Rs. 1,100 or 1,150. During the course of 5 or 6 years, he should have got his increments. He was appointed manager of a local branch. Then, when there was a vacancy of the Deputy Chief Administrator, this man was found quite suitable and he was brought here on a salary of Rs. 1,500 or something like that. The previous incumbent was getting Rs. 2,250. The Administration took the step to economise and the pay was reduced from 2,250 to 1,500. I think during the last two or three years, he should have got his usual promotions.

Prof. D. C. Sharma: On a point of order may I know by what law of gravitation the relations of these officers have gravitated towards this department? (laughter).

Mr. Chairman: Order, order. It is not a matter for laughter. After all, this is Parliament, and I would request the hon. Member not to put his point of order in such a sarcastic and ridiculing manner. The very question was put in different words by one of the Members, and it is being replied to. This is not a place for ridiculing any person. After all, he must be very serious.

Prof. D. C. Sharma: I think the law of gravitation.....

Mr. Chairman: There is no question of law of gravitation at all. The hon. Member should resume his seat.

Shri A. C. Guha: I should like to draw your attention to this point, that it is not possible for any Minister or anybody to go into the family history of the several lakhs of officers of the Government of India; and if somebody is related to somebody, we are not supposed to know, we cannot know, it is impossible for us to know. And if allegations are made that X is related

[Shri A. C. Guha]

to Y, or Y is related to Z, we have nothing to verify, and it is not the function of the Government to verify it.

Shri S. S. More (Sholapur): May I ask for some information?

Mr. Chairman: The hon. Minister is not giving way. After he has finished, he can seek information.

Shri A. C. Guha: I would humbly submit to the House that such allegations that somebody is related to somebody else should not be taken seriously because, that by itself is not an offence.

Several Hon. Members: Why?

Shri A. C. Guha: Why should it be? Because it is not possible for this House or for any Minister to verify if X is related to Y or that he is not related to Y.

Several Hon. Members: Why?

Mr. Chairman: I think the hon. Minister should be allowed to continue. After all, he has to make a reply. If hon. Members make such interruptions, how can he go on?

Shri V. P. Nayar rose—

Mr. Chairman: The hon. Member must be prepared to listen to the reply. If the reply is not satisfactory, he can have his own view. At the same time, the hon. Minister should be allowed to have his say.

Shri S. S. More: May I make a submission?

Mr. Chairman: There is no question of making a submission. The hon. Minister Shri Guha is yet in possession of the House.

Shri S. S. More: He is making certain statements which are contrary to the declarations of Government.

Mr. Chairman: I would just ask the hon. Member to resume his seat. This is not the time to make a speech again when the hon. Minister is continuing.

Shrimati Sucheta Kripalani: May I ask for a little more clarification? May I know what is the total number of staff appointed by the Rehabilitation Finance Administration, and how many cases have been mentioned of persons who are supposed to be relatives of other Government servants?

Shri A. C. Guha: The total staff, I think, is about 650, and he has mentioned about five or six cases. If it is the function of anybody to go into the history of the candidates, that is the function of the Selection Board and of the Administration in which several responsible Members of this House are represented. That Board is composed of several responsible Members of this House, and I can say.....

Shri V. P. Nayar: You have stated in your letter to me that the Chief Administrator can, with the prior approval of Government, appoint Inspectors, Superintendents, Accountants and Assistant Superintendents. It is such officers I refer to. The Advisory Board does not come in at all.

Shri A. C. Guha: If any power is delegated to the Administrator or any other officer, that is done by the Administration, and I shall again repeat that in that Administration and in its Advisory Board there are responsible Members of this House, and I can say they are competent enough to take care of all these things.

The House then adjourned till a Quarter Past Eight of the Clock on Thursday, the 3rd September, 1953.