

Tuesday, 28th February, 1950



PARLIAMENTARY DEBATES

(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

VOLUME I, 1950

(1st February to 13th March, 1950)

FIRST SESSION

OF

PARLIAMENT OF INDIA

1950

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CORRIGENDA

In the Parliamentary Debates (Part I—Questions and Answers), First Session, 1950—

In Volume I,—

1. No. 3, dated the 3rd February, 1950,—
 - (i) Page 55, line 8, for "*Shiromoni*" read "*Shiromani*";
 - (ii) Page 68, line 18 from bottom, for "*Seht*" read "*Seth*";
2. No. 4, dated the 6th February, 1950,—
 - (i) Page 70, line 19 from bottom, after "*Will*" insert "*the*";
 - (ii) Page 82, omit line 10;
3. No. 5, dated the 7th February, 1950,—
 - (i) Page 98, line 4 from bottom, for "*or*" read "*of*";
 - (ii) Page 112, line 9, for "*fields*" read "*oil-fields*";
4. No. 6, dated the 8th February, 1950,—
 - (i) Page 136, last line, for "*does not go*" read "*goes*";
 - (ii) Page 139, line 21 from bottom, for "*Sadar*" read "*Sardar*";
 - (iii) Page 140, line 11 from bottom, for "*peased*" read "*pleased*";
 - (iv) Page 143, line 11 from bottom, for "*delaying*" read "*defying*";
5. No. 7, dated the 9th February, 1950,—

Page 174, last line, for "*(52)*" read "*(25)*";
6. No. 8, dated the 10th February, 1950,—
 - (i) Page 195, line 11, for "*completed*" read "*complete*";
 - (ii) Page 204, line 4, for "*lakhs*" read "*lakh*";
7. No. 9, dated the 13th February, 1950,—

Page 208, line 8, after "*in*" insert "*a*";
8. No. 11, dated the 16th February, 1950,—
 - (i) Page 280, line 3, after "*apart*" insert "*from*";
 - (ii) Page 281, insert "*IMPROVEMENT OF TOBACCO CULTIVATION*" as heading to Starred Question No. 270;
9. No. 13, dated the 20th February, 1950,—
 - (i) Page 327, line 2, for "*Wil*" read "*Will*";
 - (ii) Page 335, lines 2 and 3, for "*hydrometeorologica*" read "*hydro-meteorological*";
 - (iii) Page 348, line 18, for "*No. P-65/50*" read "*No. P-64/50*";
10. No. 14, dated the 21st February, 1950,—
 - (i) Page 386, line 3 from bottom, before "*Will*" insert "*(a)*";
 - (ii) Page 388, in heading to Unstarred Question No. 49, for "*AUD*" read "*AND*";

11. No. 15, dated the 22nd February, 1950,—
Page 415, line 10 from bottom, for "Appendix I" read "Appendix III";
12. No. 16, dated the 23rd February, 1950,—
(i) Page 423, line 8, for "Railway" read "Railways";
(ii) Page 424, line 12, after "Railway" insert "survey" and line 27, for "have" read "has";
(iii) Page 444, line 9 from bottom, for "Sum" read "Sun";
13. No. 17, dated the 24th February, 1950,—
(i) Page 471, line 4 from bottom, for "catting" read "calling";
(ii) Page 472, line 19, for "Government" read "Governments";
14. No. 18, dated the 27th February, 1950,—
(i) Page 490, line 2, for "had" read "hard";
(ii) Page 500, for existing heading to Starred Question No. 580, read "EXPORT OF MICA";
15. No. 19, dated the 28th February, 1950,—
(i) Page 516, line 1, for "remissi of th" read "remission of the";
(ii) Page 522, line 1, for "lik" read "likely";
(iii) Page 526, line 8 from bottom, before "discontinue" insert "to" and for "telegram" read "telegrams";
16. No. 20, dated the 1st March, 1950,—
(i) Page 553, last line, omit "the" before "so-called";
(ii) Page 554, line 17, for "Gove nment" read "Government";
(iii) Page 560, line 16, for "re-introduction" read "re-introduced";
17. No. 21, dated the 2nd March, 1950,—
(i) Page 567, line 14 from bottom, after "put" insert "up";
(ii) Page 578, line 2 from bottom, after "that" insert "may";
(iii) Page 585, in heading to Starred Question No. 609, for "PPERSONS" read "PERSONS";
18. No. 22, dated the 6th March, 1950,—
Page 616, line 1, before "limits" insert "age";
19. No. 23, dated the 7th March, 1950,—
Page 640, lines 1 and 2, for "Infomation" read "Information";
20. No. 24, dated the 8th March, 1950,
Page 658, line 3, for "ot" read "to";
21. No. 26, dated the 10th March, 1950,—
Page 717, line 14, for "not" read "note";
22. No. 27, dated the 11th March, 1950,—
(i) Page 749, line 10, for "pudchase" read "purchase";
(ii) Page 755, line 2 from bottom, for "corruption" read "consumption";
23. No. 28, dated the 13th March, 1950,—
(i) Page 787, line 8, for "outpt" read "output";
(ii) Page 788, line 17, for "is" occurring after "There" read "are";

In Volume II,—

24. No. 1, dated the 14th March, 1950,—
 (i) Page 825, line 6 from bottom, for "February" read "February";
 (ii) Page 833, line 16 from bottom, for "Far" read "far";
25. No. 2, dated the 15th March, 1950,—
 Page 857, line 16, for "Boys" read "Boy";
26. No. 4, dated the 17th March, 1950,—
 (i) Page 899, for line 22, read "that if he was invited he would be prepared to come again, and, if so, is there";
 (ii) Page 901, omit line 9 from bottom;
 (iii) Page 918, in heading to Starred Question No. 944, for "COMMUNICATN" read "COMMUNICATION";
27. No. 5, dated the 20th March, 1950,—
 Page 927, line 11 from bottom, for "instalments" read "instalmental";
28. No. 6, dated the 21st March, 1950,—
 Page 969, for existing last two lines read "Dr. S. P. Mookerjee: I think that question will arise after the Institute comes into existence";
29. No. 8, dated the 23rd March, 1950,—
 Page 1020, line 14 from bottom, for "moring" read "morning";
30. No. 9, dated the 24th March, 1950,—
 Page 1059, line 21, for "pltased" read "pleased";
31. No. 10, dated the 27th March, 1950,—
 (i) Page 1075, line 5 from bottom, for "go" read "got";
 (ii) Page 1082, line 3 from bottom, after "of" insert "the";
 (iii) Page 1101, last line, for "strinency" read "stringency";
32. No. 11, dated the 29th March, 1950,—
 (i) Page 1125, omit line 5 from bottom and after line 3 from bottom, insert "Appendix VI, Annexure No. 5";
 (ii) Page 1131, line 1, after "block" insert "grant";
 (iii) Page 1138, line 20, for "Cindhya" read "Vindhya";
33. No. 12, dated the 30th March, 1950,—
 (i) Page 1172, omit line 16 and in line 17, for "1848" read "1948";
 (ii) Page 1177, in heading to Starred Question No. 1252, for "IMMI-GRANTS" read "INSURGENTS";
34. No. 13, dated the 31st March, 1950,—
 Page 1213, line 23, for "1:74 and 1:17" read "1·74 and 1·17";
35. No. 14, dated the 1st April, 1950,—
 Page 1242, line 13 from bottom, for "1325" read "1025";

36. No. 15, dated the 3rd April, 1950,—
- (i) Page 1254, line 1, for "**Dr. P. S. Mookerjee**" read "**Dr. S. P. Mookerjee**";
 - (ii) Page 1268, line 16 from bottom, for "*rehbiwalas*" read "*Rahriwalas*";
 - (iii) Page 1271, line 9 from bottom, for "*Ministry*" read "*Minister*";
37. No. 16, dated the 4th April, 1950,—
- (i) Page 1282, line 2 from bottom, for "*happend*" read "*happened*" and line 1 from bottom, omit "*here*";
 - (ii) Page 1291, line 5 from bottom, after "*that*" insert "*may be*";
38. No. 18, dated the 6th April, 1950,—
- (i) Page 1358, in heading to Starred Question No. 1467, for "**EXPERTS**" read "**EXPORTS**"; line 21, for "*4*" read "*41*" and line 6 from bottom, for "*spending*" read "*sending*";
 - (ii) Page 1354, line 4, for "*hunred*" read "*hundred*";
 - (iii) Page 1372, line 1, for "*(i)*" read "*(ii)*";
39. No. 19, dated the 8th April, 1950,—
- (i) Page 1379, line 16, after "*fact*" insert "*that*";
 - (ii) Page 1388, line 5, for "*ond*" read "*and*" and line 15, for "*held*" read "*help*";
40. No. 20, dated the 10th April, 1950,—
- Page 1488, last line, for "*of broadcasting is completed*" read "*devolved upon the Government of India?*";
41. No. 21, dated the 11th April, 1950,—
- Page 1460, line 11, for "*No. II*" read "*No. 11*";
42. No. 22, dated the 12th April, 1950,—
- (i) Page 1486, lines 2 and 1 from bottom, for "*intstituted*" read "*instituted*";
 - (ii) Page 1496, between lines 12 and 13 from bottom, insert "**STATEMENT BY MINISTER OF STATE FOR TRANSPORT re EXPENDITURE IN ASSAM**";
 - (iii) Page 1499, in heading to Starred Question No. 1664, for "*NDORE*" read "*INDORE*";
 - (iv) Page 1501, line 9 from bottom, for "*Telgu*" read "*Telugu*";
43. No. 23, dated the 14th April, 1950,—
- Page 1505, line 8, for "**Homes**" read "**Home**";
44. No. 25, dated the 17th April, 1950,—
- (i) Page 1572, line 8, for "*acrerage*" read "*acreage*";
 - (ii) Page 1594, line 5, for "*Project*" read "*Projects*";
 - (iii) Page 1597, line 3 from bottom, after "*to*" insert "*a*";
 - (iv) Page 1598, line 20 from bottom, for "*1773*" read "*1788*";
 - (v) Page 1608, in heading to Starred Question No. 1794, for "**SERDS**" read "**SEEDS**";

In Volume III,—

45. No. 1, dated the 18th April, 1950,—

- (i) Page 1622, line 2 from bottom, for "28,73" read "28,739";
- (ii) Page 1634, in heading to Starred Question No. 1795, for "INCUME-TAX" read "INCOME-TAX";
- (iii) Page 1636, in heading to Starred Question No. 1827, for "KAMPUR" read "KAMALPUR";

46. No. 2, dated the 19th April, 1950,—

- (i) Page 1657, line 3 from bottom, for "loging" read "losing"; and
- (ii) Page 1670, line 9, for "kutch" read "Kutch".

In Volume I,—

1. No. 9, dated the 13th February, 1950,—

- (i) पृष्ठ २१२, पंक्ति २ पर "भेज" की जगह "भेजे" पढ़ें।
- (ii) पृष्ठ २१२, पंक्ति नीचे से ऊपर को ६ पर "हे" की जगह "है" पढ़ें।
- (iii) पृष्ठ २१३, पंक्ति ५ पर "जारी" की जगह "जारी" पढ़ें।

2. No. 11, dated the 16th February, 1950.—

पृष्ठ २६७, पंक्ति ३२ पर "मंजूर" की जगह "मंजूर" पढ़ें।

3. No. 12, dated the 17th February, 1950,—

- (i) पृष्ठ २९५, पंक्ति १० पर "ह" की जगह "हर" पढ़ें।
- (ii) पृष्ठ २९५, पंक्ति ११ पर "इसक" की जगह "इसके" पढ़ें।
- (iii) पृष्ठ २९७, पंक्ति २९ पर "जवान" की जगह "जवाब" पढ़ें।
- (iv) पृष्ठ २९७, पंक्ति नीचे से ऊपर को ४ पर "पूछना" की जगह "पूछना" पढ़ें।
- (v) पृष्ठ ३०२, पंक्ति ५ पर "गोविन्द" की जगह "गोविन्द" पढ़ें।
- (vi) पृष्ठ ३०२, पंक्ति ६ पर "मै" की जगह "मैं" तथा "बज्ञानक" की जगह "वैज्ञानिक" पढ़ें।
- (vii) पृष्ठ ३०२, पंक्ति १३ पर "बिठई" की जगह "बिठाई" पढ़ें।
- (viii) पृष्ठ ३०२, पंक्ति २३ पर "।" की जगह "?" पढ़ें।
- (ix) पृष्ठ ३०३, पंक्ति २९ पर "रिफमर्सेशन्स" की जगह "रिफर्मेसेशन्स" पढ़ें।

4. No. 14, dated the 21st February, 1950,—

- (i) पृष्ठ ३६०, पंक्ति ३१ पर "कोर्टस" की जगह "कोर्ट्स" पढ़ें।
- (ii) पृष्ठ ३७१, पंक्ति २४ पर "उसस" की जगह "उससे" पढ़ें।

5. No. 16, dated the 23rd February, 1950,—

- (i) पृष्ठ ४२८, पंक्ति २ पर "पढा" की जगह "पढ़ा" पढ़ें।
- (ii) पृष्ठ ४२८, पंक्ति १० पर "भाजी" की जगह "भाजी" पढ़ें।

- (iii) पृष्ठ ४२८, पंक्ति ११ पर " वक्त " की जगह " वक्त " पढ़ें ।
 (iv) पृष्ठ ४२८, पंक्ति नीचे से ऊपर को ९ पर " राखन का " की जगह " राखन काई " पढ़ें ।
 (v) पृष्ठ ४३१, पंक्ति १४ पर " बड़ढी " की जगह " कुड्डी " पढ़ें ।

6. No. 17, dated the 24th February, 1950,—

पृष्ठ ४७१, पंक्ति नीचे से ऊपर को ११ " यूनिवर्सिटी " की जगह " यूनिवर्सिटी " पढ़ें ।

7. No. 20, dated the 1st March, 1950,—

पृष्ठ ५६०, पंक्ति १९ पर " सविसेज " की जगह " सविसेज " पढ़ें ।

8. No. 23, dated the 7th March, 1950,—

पृष्ठ ६४८, पंक्ति २३ पर " गवर्नमेंट " की जगह " गवर्नमेंट " पढ़ें ।

9. No. 26, dated the 10th March, 1950,—

पृष्ठ ७२७, पंक्ति नीचे से ऊपर को ५ पर " उन ो " की जगह " उनको " पढ़ें ।

In Volume II,—

10. No. 2, dated the 15th March, 1950,—

(i) पृष्ठ ८४०, पंक्ति नीचे से ऊपर की ओर ८ पर " गोविन्ददास " की जगह " गोविन्द दास " पढ़ें ।

(ii) पृष्ठ ८४०, पंक्ति नीचे से ऊपर की ओर ७ पर " गाइंस " की जगह " गाइंस " पढ़ें ।

(iii) पृष्ठ ८४४, पंक्ति २० पर " नहीं " की जगह " न ही " पढ़ें ।

11. No. 6, dated the 21st March, 1950,—

(i) पृष्ठ ९५०, पंक्ति नीचे से ऊपर ४ पर " ट्रेड " की जगह " ट्रेड " पढ़ें ।

(ii) पृष्ठ ९६८, पंक्ति १८ पर " रीडिंग रोड " की जगह " रीडिंग रोड " पढ़ें ।

12. No. 15, dated the 3rd April 1950,—

पृष्ठ १२६५, पंक्ति ३ पर " है " की जगह " है " पढ़ें ।

13. No. 17, dated the 5th April, 1950,—

पृष्ठ १३३२, पंक्ति २६ पर " बहुत " की जगह " बहुत " पढ़ें ।

14. No. 18, dated the 6th April, 1950,—

पृष्ठ १३५३, पंक्ति २२ पर " जितनात " की जगह " जितना " पढ़ें ।

15. No. 24, dated the 15th April, 1950,—

(i) पृष्ठ १५४३, पंक्ति नीचे से ऊपर ५ पर " ओर " की जगह " ओर " पढ़ें ।

(ii) पृष्ठ १५४७, पंक्ति १९ पर " अनुसन्धान " की जगह " अनुसंधान " पढ़ें ।

16. No. 25, dated the 17th April, 1950,—

(i) पृष्ठ १५७२, पंक्ति ४ पर " जेक " की जगह " जॉक " पढ़ें ।

(ii) पृष्ठ १५७२, पंक्ति ५ पर " याजना " की जगह " योजना " पढ़ें ।

In Volume III,—

17. No. 1, dated the 18th April, 1950,—

पृष्ठ १६१६, पंक्ति १० पर " करें " की जगह " करेंगे " पढ़ें ।

In Volume I—

1. No. 7, dated the 9th February, 1950.

صفحہ ۱۵۷ - نہچے سے سطر ۱۱ - دد مانی ۴۴ کے بجائے دد مانئید ۴۴ پڑھیں -

2. No. 9, dated the 13th February, 1950.

(۱) صفحہ ۲۱۰ - نہچے سے سطر ۴ - دد آف ۴۴ کے بجائے دد آیف ۴۴ پڑھیں -

(۲) صفحہ ۲۱۱ - سطر ۱۱ - دد آو ۴۴ کے بجائے دد اور ۴۴ پڑھیں -

3. No. 12, dated the 17th February, 1950.

صفحہ ۳۱۲ - سطر ۱۶ - دد ائہ ۴۴ کے بجائے دد الاء ۴۴ پڑھیں -

4. No. 14, dated the 21st February, 1950.

(۱) صفحہ ۳۷۷ - نہچے سے سطر ۱۶ - دد الٹھی ۴۴ کے بجائے دد اکتھی ۴۴ پڑھیں -

(۲) صفحہ ۳۷۸ - سطر ۱۱ - دد تسم ۴۴ کے بجائے دد تمام ۴۴ پڑھیں -

5. No. 17, dated the 24th February, 1950.

(۱) صفحہ ۳۶۵ - سطر ۲۰ - دد کھ ۴۴ کے بجائے دد کا ۴۴ پڑھیں -

(۲) صفحہ ۳۶۷ - نہچے سے سطر ۴ - دد مولاما ۴۴ کے بجائے دد مولانا ۴۴ پڑھیں -

(۳) صفحہ ۳۷۶ - نہچے سے سطر ۳ - دد الللا ۴۴ کے بجائے دد اللہ ۴۴ پڑھیں -

6. No. 20, dated the 1st March, 1950.

(۱) صفحہ ۵۵۳ - نہچے سے سطر ۱۷ - دد آران ۴۴ کے بجائے دد آزان ۴۴ پڑھیں -

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8. No. 23, dated the 7th March, 1950.

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(۲) صفحہ ۶۳۷ - نہچے سے سطر ۴ - دد سے ۴۴ کے بجائے دد سب ۴۴ پڑھیں -

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PARLIAMENT OF INDIA

ALPHABETICAL LIST OF MEMBERS

A

Abdul Hamid, Shri (West Bengal).
 Abdullah, Sheikh Mohammad (Jammu and Kashmir).
 Achint Ram, Lala (Punjab).
 Ahammedunni, Shri V. C. (Travancore-Cochin).
 Alagesan, Shri O. V. (Madras).
 Alexander, Shri N. (Travancore-Cochin).
 Alva, Shri Joachim (Bombay).
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 Amrit Kaur, The Honourable Rajkumari (Madhya Pradesh).
 Ansari, Shri Muhammad Ibrahim (Bihar).
 Anthony, Shri Frank (Madhya Pradesh).
 Arya, Shri Baldev Singh (Uttar Pradesh).
 Asawa, Shri Gokul Lal (Rajasthan).
 Awadesh Pratap Singh, Captain (Vindhya Pradesh).
 Ayyangar, Shri M. Ananthasayanam (Madras).
 Ayyangar, The Honourable Shri N. Gopalswami (Madras).
 Ayyar, Shri Alladi Krishnaswami (Madras).
 Azad, The Honourable Maulana Abul Kalam (Uttar Pradesh).

B

Baigra, Shri Moti Ram (Jammu and Kashmir).
 Baldev Singh, The Honourable Sardar (Punjab).
 Balmiki, Shri Kanhaiya Lal (Uttar Pradesh).
 Barman, Shri Upendranath (West Bengal).
 Beg, Mirza M. A. (Jammu and Kashmir).
 Beni Singh, Shri (Uttar Pradesh).
 Bhagat, Shri Bali Ram (Bihar).
 Bhagwant Roy, Kaka (Patiala and East Punjab States Union).
 Bhanu Pratap Singh, Thakur (Madhya Pradesh).
 Bharati, Shri L. Krishnaswami (Madras).
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 Bhargava, Pandit Thakur Das (Punjab).
 Bhatkar, Shri L. S. (Madhya Pradesh).
 Bhatt, Shri Gokulbhai Daulatram (Bombay).
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 Birua, Shri Purna Chandra (Bihar).
 Biyani, Shri Brijlal Nandlal (Madhya Pradesh).
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 Brajeshwar Prasad, Shri (Bihar).
 Brijraj Narain, Lt. Col. (Madhya Bharat).
 Buragohain, Shri Surendra Nath (Assam).

C

Chaliba, Shri Kuladhar (Assam).
 Chandrika Ram, Shri (Bihar).
 Channiah, Shri T. (Mysore).
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 Chaudhuri, Shri Rohini Kumar (Assam).
 Chettiar, Shri T. A. Ramalingam (Madras).
 Chetty, Shri R. K. Shanmukham (Madras).

D

Dalel Singh, Lt. Col. Kanwar (Rajasthan).
 Das, Dr. Mono Mohon (West Bengal).
 Das, Shri B. (Orissa).
 Das, Shri Basanta Kumar (West Bengal).
 Das, Shri Biswanath (Orissa).
 Das, Shri Jagannath (Orissa).
 Das, Shri Nandkishore (Orissa).
 Das, Shri Sarangdhar (Orissa).
 Das, Shri Shree Narayan (Bihar).
 Deo, Shri Shankarrao (Bombay).
 Deogirikar, Shri T. R. (Bombay).
 Desai, Shri Durbhar Gopaldas A. (Bombay).
 Desai, Shri Kanayalal Nanabhai (Bombay).
 Desai, Shri Khandubhai K. (Bombay).
 Deshmukh, Dr. P. S. (Madhya Pradesh).
 Dharam Prakash, Dr. (Uttar Pradesh).
 Dholakia, Shri Gulabshanker Amritlal (Kutch).
 Diwakar, The Honourable Shri R. R. (Bombay).
 D'Souza, Rev. Jerome (Madras).
 Durgabai, Shrimati G. (Madras).
 Dwivedi, Shri Mannoolal (Vindhya Pradesh).

F

Faiznur Ali, Maulvi (Assam).

G

Gadgil, The Honourable Shri N. V. (Bombay).
 Galib, Shri Shaik (Madras).
 Gandhi, Shri Feroz (Uttar Pradesh).
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 Govind Das, Seth (Madhya Pradesh).
 Guha, Shri Arun Chandra (West Bengal).
 Guha, Shri G. S. (Manipur and Tripura).
 Gupta, Shri Deshbandhu (Delhi).
 Gupta, Shri V. J. (Madras).
 Gurung, Shri, Ari Bahadur (West Bengal).

H

Haneef, Moulavi Mohammed (Orissa).
 Hanumanthaiya, Shri K. (Mysore).
 Hasan, Shri M. A. (Madhya Pradesh).
 Hathi, Shri Jai Sukh Lal (Saurashtra).
 Hazarika, Shri Jogendra Nath (Assam).
 Hazarika, Shri Mahendra (Assam).
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 Himatsinhji, Major-General Maharaj (Saurashtra).
 Himatsingka, Shri Prabhu Dayal (West Bengal).
 Hiray, Shri Bhaurao Saknaram (Bombay).
 Hossain Imam, Shri (Bihar).
 Hukam Singh, Sardar (Punjab).
 Hyder Husein Shri (Uttar Pradesh).

I

Inait Ullah, Khwaja (Bihar).
 Ismail Khan, Shri Muhammad (Uttar Pradesh).
 Iyyunni, Shri C. R. (Travancore-Cochin).

J

Jaggivan Ram, The Honourable Shri (Bihar).
 Jain, Shri Ajit Prasad (Uttar Pradesh).
 Jain, Shri Nemi Sharan (Uttar Pradesh).
 Jaipal Singh, Shri (Bihar).
 Jairamdas Doulatram, The Honourable Shri (Punjab).
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 Jajware, Shri Ramraj (Bihar).
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 Jayashri Rajji, Shrimati (Bombay).
 Jedho, Shri Keshavrao Marutirao (Bombay).
 Jhunjhunwala, Shri B. P. (Bihar).
 Jnani Ram, Shri (Bihar).
 Jogendra Singh, Sardar (Uttar Pradesh).
 Joseph, Shri Appikatla (Madras).

K

Kaliyannan, Shri T. M. (Madras).
 Kamath, Shri H. V. (Madhya Pradesh).
 Kameshwar Singh, of Darbhanga, Shri (Bihar).
 Kanaka Sabai, Shri R. (Madras).
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 Khan, Shri Rasool (Bombay).
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Kidwai, The Honourable Shri Rafi Ahmad (Uttar Pradesh).
 Kripalani, Acharya J. B. (Uttar Pradesh).
 Kripalani, Shrimati Sucheta (Uttar Pradesh).
 Krishna Singh, Thakur (Uttar Pradesh).
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 Krishnamachari, Shri V. T. (Rajasthan).
 Krishnanand Rai, Shri (Uttar Pradesh).
 Kumbhar, Shri Ratnappa Bharamappa (Bombay).
 Kunhiraman, Shri P. (Madras).
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L

Lakshmanan, Shri P. K. (Travancore-Cochin).
 Lalsingh, Thakur (Bhopal).

M

Maheeshwari, Shri Himmat Singh K. (Cooch-Behar).
 Mahata, Shri Kshudiram (Bihar).
 Mahtha, Shri Sri Narayan (Bihar).
 Maitra, Pandit Lakshmi Kanta (West Bengal).
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 Mishra, Shri Shyam Nandan Prasad (Bihar).
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 Mookerjee, The Honourable Dr. Syama Prasad (West Bengal).
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 Munshi, Shri Pranalal Thakorlal (Bombay).
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N

Naicker, Shri P. M. Audikesavalu (Madras).
 Naidu, Shri G. R. Ethirajulu (Mysore).
 Naidu, Shri S. Ramaswamy (Madras).
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 Nand Lal, Master (Punjab).
 Narayana Deo, Shri K. C. Gajapati, of
 Parlakimedi (Orissa).
 Nathwani, Shri Narindra P. (Saurashtra).
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 (Uttar Pradesh).
 Neogy, The Honourable Shri K. C. (West
 Bengal).
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O

Obaidullah, Shri V. M. (Madras).
 Oron, Shri Theble (Bihar).

P

Pandit, Shri Moti Lal (Orissa).
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 (Bombay).
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 Potai, Shri Ramprasad (Madhya Pradesh).
 Prater, Shri S. H. (Madras).

R

Raghib Ahsan, Shri (West Bengal).
 Raghu Vira, Dr. (Madhya Pradesh).
 Raj Bahadur, Shri (Rajasthan).
 Raj Kanwar, Lala (Orissa).
 Ram Dhani Das, Shri (Bihar).
 Ram Subhag Singh, Dr. (Bihar).
 Ram Ugra Singh, Dr. (Uttar Pradesh).
 Ramaiah, Shri V. (Madras).
 Ramiah, Shri P. Kodanda (Madras).
 Ramnarayan Singh, Babu (Bihar).
 Ranbir Singh, Chaudhri (Punjab).
 Ranga, Prof. N. G. (Madras).
 Ranga Rao, Shri Ravu Swetachalapathi
 Ramakrishna (Madras).
 Ranjit Singh, Sardar (Patiala and East
 Punjab States Union).
 Rao, Shri B. Shiva (Madras).
 Rao, Shri M. Tirumala (Madras).
 Rao, Shri M. V. Rama (Mysore).
 Rao, Shri V. C. Kesava (Madras).
 Rathnaswamy, Shri A. M. (Madras).
 Rau, Shri N. Madhava (Orissa).
 Raut, Shri Bhola (Bihar).
 Ray, Shrimati Renuka (West Bengal).
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 Reddi, Shri Pidathala Ranga (Madras).
 Reddi, Shri Vangallu Kodandarama (Madras).
 Rudrappa, Shri H. S. (Mysore).

S

Sadiq Ali, Shri (Uttar Pradesh).
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 Saksena, The Honourable Shri Mohan Lal
 (Uttar Pradesh).
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 Sarwate, Shri V. S. (Madhya Bharat).
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 Seth, Shri Demoder Swarup (Uttar Pradesh).
 Shah, Prof. K. T. (Bihar).
 Shah, Shri Chimanlal Chakubhai (Saura-
 shtra).
 Shah, Shri Manilal Chaturbhai (Bombay).
 Shankaraiya, Shri M. (Mysore).
 Sharma, Pandit Balkrishna (Uttar Pradesh).
 Sharma, Pandit Krishn Chandra (Uttar
 Pradesh).
 Sharma, Shri K. C. (Uttar Pradesh).
 Shastri, Shri Harihar Nath (Uttar Pradesh).
 Shiv Charan Lal, Shri (Uttar Pradesh).
 Shukla, Shri Ambika Charan (Madhya
 Pradesh).
 Shukla, Shri Shambhu Nath (Vindhya
 Pradesh).
 Sidhva, Shri R. K. (Madhya Pradesh).
 Singhania, Shri Padempat (Uttar Pradesh).
 Singhji, Shri Sardar, of Khetri (Rajasthan).
 Sinha, Shri Awadheshwar Prasad (Bihar).
 Sinha, Shri Braja Kishore Prasad (Bihar).
 Sinha, Shri Kailash Pati (Bihar).
 Sinha, Shri Satyendra Narayan (Bihar).
 Sinha, The Honourable Shri Satya Narayan
 (Bihar).
 Sitaramayya, Dr. B. Pattabhi (Madras).
 Siva, Shri M. V. Gangadhara (Madras).
 Sivaprakasam, Shri V. S. (Madras).
 Snatak, Shri Nar Deo (Uttar Pradesh).
 Sochet Singh, Sardar (Patiala and East
 Punjab States Union).
 Sohan Lal, Shri (Uttar Pradesh).
 Sonavane, Shri Tayapa Hari (Bombay).
 Sondhi, Shri B. J. (Punjab).
 Srivastava, Shri Jawala Prasad (Uttar
 Pradesh).
 Subramaniam, Dr. V. (Madras).
 Subramaniam, Shri C. (Madras).
 Subramaniam, Shri R. (Madras).
 Sunder Lal, Shri (Uttar Pradesh).
 Swaminadhan, Shrimati Annu (Madras).

T

Tajamul Hussain, Shri (Bihar).
 Tek Chand, Dr. Bakshai (Punjab).
 Tewari, Shri Ram Sahai (Vindhya Pradesh).
 Thakkar, Shri A. V. (Saurashtra).
 Thimmappa Gowda, Shri G. A. (Mysore).
 Tiwari, Shri Baboo Lal (Madhya Pradesh).
 Tribhuvan Narayan Singh, Shri (Uttar
 Pradesh).

T—Contd.

Tripathi, Shri H. V. (Uttar Pradesh).
 Tripathi, Shri Kishorimohan (Madhya Pradesh).
 Tyagi, Shri Mahavir (Uttar Pradesh).

U

Upadhyaya, Pandit Munishwar Datt (Uttar Pradesh).
 Upadhyaya, Shri Ram Chandra (Rajasthan).

V

Vaidya, Shri Vinayak Rao Balashankar (Bombay).
 Varma, Shri Bepin Behari (Bihar).
 Varma, Shri Manikyalal (Rajasthan).
 Veerabahu, Shri M. C. (Madras).

Velayudhan, Shri R. (Travancore-Cochin).
 Velayudhan, Shrimati Dakshayani (Madras).
 Venkataraman, Shri R. (Madras).
 Vidyavachaspati, Shri Indra (Uttar Pradesh).
 Vyas, Shri Jainarain (Rajasthan).

W

Wajed Ali, Maulvi (Assam).

Y

Yadav, Shri Lakshmi Shenkar (Uttar Pradesh).
 Yashwant Rai, Prof. (Punjab).

Z

Zaidi, Col. B. H. (Uttar Pradesh).
 Zakir Husain, Dr. (Uttar Pradesh).
 Zangre, Shri Reshamlal (Madhya Pradesh).

PARLIAMENT OF INDIA

The Speaker

The Honourable Shri G. V. Mavalankar.

The Deputy-Speaker

Shri M. Ananthasayanam Ayyangar.

Panel of Chairmen

Pandit Thakur Das Bhargava.

Shrimati G. Durgabai.

Shri Joachim Alva.

Shri Hossain Imam.

Secretary

Shri M. N. Kaul, Barrister-at-Law.

Assistants of the Secretary

Shri A. J. M. Atkinson.

Shri N. C. Nandi.

Shri D. N. Majumdar.

Shri C. V. Narayana Rao.

Committee on Petitions

Pandit Thakur Das Bhargava (Chairman).

Shri Chimanlal Chakubhai.

Shri Deshbandhu Gupta.

Shrimati Sucheta Kripalani.

GOVERNMENT OF INDIA

Members of the Cabinet

Prime Minister and Minister of External Affairs—The Honourable Shri Jawaharlal Nehru.

Deputy Prime Minister and Minister of Home Affairs and the States—The Honourable Sardar Vallabhbhai Patel.

Minister of Education—The Honourable Maulana Abul Kalam Azad.

Minister of Finance—The Honourable Dr. John Matthai.

Minister of Defence—The Honourable Sardar Baldev Singh.

Minister of Labour—The Honourable Shri Jagjivan Ram.

Minister of Communications—The Honourable Shri Rafi Ahmad Kidwai.

Minister of Health—The Honourable Rajkumari Amrit Kaur.

Minister of Law—The Honourable Dr. B. R. Ambedkar.

Minister of Industry and Supply—The Honourable Dr. Syama Prasad Mookerjee.

Minister of Works, Mines and Power—The Honourable Shri N. V. Gadgil.

Minister of Commerce—The Honourable Shri K. C. Neogy.

Minister of Transport and Railways—The Honourable Shri N. Gopalaswami Ayyangar.

Minister of Food and Agriculture—The Honourable Shri Jairamdas Doulatram.

Ministers not in the Cabinet

Minister of State for Rehabilitation—The Honourable Shri Mohan Lal Saksena.

Minister of State for Transport and Railways—The Honourable Shri K. Santhanam.

Minister of State for Information and Broadcasting—The Honourable Shri R. R. Diwakar.

Minister of State for Parliamentary Affairs—The Honourable Shri Satya Narayan Sinha.

Deputy Minister of Communications—Shri Khurshed Lal.

Deputy Minister of External Affairs—Dr. B. V. Keskar.

PARLIAMENTARY DEBATES
(PART I—QUESTIONS AND ANSWERS)

Tuesday, 28th February, 1950

The House met at a Quarter to Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

NON-DELIVERY OF CONSIGNMENTS OF GOODS LYING IN THE BOMBAY PORT TRUST

***549. Shri Sidhva:** (a) Will the Minister of Transport be pleased to state whether any consignments of goods are lying in the Bombay Port Trust belonging to the Government of Sind and the Government of Hyderabad?

(b) If so, what are the contents of these consignments and the total value?

(c) What is the reason for non-delivery of these goods?

(d) Have Government recovered the full customs duty and the Port Trust charges?

(e) If so, how much and what is the condition of the goods lying there at present?

The Minister of Transport and Railways (Shri Gopalaswami): (a) Yes.

(b)

Government of Sind

<i>Commodity</i>	<i>Value</i>
282 pieces of timber logs.	About Rs. 30,000

Government of Hyderabad

One case Rail Car spares.	}	Value not known.
One case Machinery.		
Four Roller Wheels.		
Six Excavating Tractor Machines earmarked for the Tungabhadra Project.	}	Rs. 2,22,599
Two Excavating Scrapers earmarked for the Tun- gabhadra Project.		

(c) Some logs of the Sind Government could not be cleared by that Government owing to (i) non-availability of shipping space (ii) want of export licence

and (iii) negotiations with the Bombay Port Trust for remission of the demurrage charges incurred on the consignment.

The reasons for non-clearance of consignments of the Government of Hyderabad are not known.

(d) and (e). The Bombay Port Trust have sanctioned, as a special case, the remission of two-thirds of the demurrage charges incurred on the consignment of Sind Government up to the date of shipment or the 31st March 1950 whichever is earlier. No recoveries have so far been made, as under the rules the Port Trust charges on Export cargo are recovered after shipment. In regard to the goods of the Government of Hyderabad a deposit against all the Port Trust charges has been lodged and there is sufficient cover.

Shri Sidhva: The answer to parts (d) and (e) of the question says that the Bombay Port Trust sanctioned the remission of two-thirds of the demurrage charges incurred by the Sind Government. May I know what is the total amount of demurrage remission thus given?

Shri Gopaldaswami: That has got to be calculated. The charges cover the period till the date of shipment or the 31st March 1950 whichever is earlier.

Shri Sidhva: Is it a fact that the demurrage charges amounted to Rs. 20,000? Has two-thirds remission been actually given? Is the Sind Government pressing for it?

Shri Gopaldaswami: No recoveries have been made from the Sind Government yet. As I have pointed out, these charges will be recovered after the shipment is made.

Shri Sidhva: May I know why exemption has been made?

Shri Gopaldaswami: No exemption has been made.

Shri Sidhva: Two-thirds remission has been given. For what reason may I know?

Shri Gopaldaswami: The Port Trust authorities, considering the circumstances of the case, thought that some sort of reduction was justified.

CARRIAGE OF FOREIGN MAILS

*550. **Shri Sidhva:** (a) Will the Minister of **Communications** be pleased to refer to the answer given to my starred question No. 668 on 16th December 1949 and state which companies carry overseas air mail to foreign countries and at what rate?

(b) How many companies applied for carrying mails and whether any applications are invited by Government?

(c) Which companies carry mail by sea and train to foreign countries and what is the rate paid to them?

(d) What is the period of contract in both the above cases?

(e) Are the rates of carrying mails by air, sea and rail paid by weight or other method?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) to (e). A statement is placed on the Table of the House. [See *Appendix III, annexure No. 17*].

Sari Sidhva: May I know the names of the companies which carry overseas mails?

Shri Khurshed Lal: There are a number of them.

Shri Sidhva: Of that number, how many are Indian and how many foreign?

Shri Khurshed Lal: We'll, we have got the Air India, Air India International, Bharat Airways, Indian National Airways, Airways (India), British Overseas Airways Corporation, Trans-World Airlines, Pan American Airlines, Air France, Philippines Airlines, China National Aviation Corporation and the Air Ceylon.

Shri Sidhva: Which of these companies carries the largest quantity of mails?

Shri Khurshed Lal: It depends on the route on which they travel.

Shri Sidhva: I wanted to know the cargo rate for carrying mails and which company carried the largest quantity of mails? A statement has been laid on the Table. I want to know who earns the largest amount.

Mr. Speaker: Is it given in the table?

Shri Khurshed Lal: We have not given the amounts in the table. We have given the rates.

Shri Sidhva: Is the rate uniform for all the companies?

Shri Khurshed Lal: Yes.

Shri Sidhva: What is the total amount for carrying mails paid to all the companies?

Shri Khurshed Lal: I do not think the question is about the total amount.

Shri B. K. Chaudhuri: Is the period of contract going to expire this year?

The Minister of Communications (Shri Kidwai): There is no contract. Wherever mail is available and Air service also available, the mail is sent by air.

SUGAR FACTORIES IN BOMBAY

*551. **Shri Sidhva:** (a) Will the Minister of Agriculture be pleased to state whether it is a fact that new sugar factories are being set up in the State of Bombay?

(b) If so, what is the total number and what is the amount likely to be invested?

(c) What is expected to be the total capacity of production?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) Yes.

(b) One. The likely investment will be Rs. 12,22,000.

(c) The cane crushing capacity of the factory is 450 tons.

Shri Sidhva: With reference to the answer to part (b) of the question, may I know whether licences have been given for the import of machinery for a factory in the province of Bombay?

Shri Jairamdas Doulatram: Licence has been given for one in Bombay and another in Baroda. We do not know whether the machinery has been imported.

Shri Sidhva: What is the total production of the existing sugar factories in the province of Bombay?

Shri Jairamdas Doulatram: I am afraid I will require notice for getting the information regarding the total production capacity.

Shri Sidhva: Is it a fact that the Provincial Agricultural Association has also made an application for the issue of a licence for machinery for a new sugar factory in Bombay, and if so, whether that application has been accepted?

Shri Jairamdas Doulatram: I am not aware of that application. But we do encourage the setting up of factories in Bombay because it is a place where the yield of cane per acre is higher.

Shri Jhunjunwala: May I know the total production of sugar in the existing factories and whether it meets the requirements of the country?

Shri Jairamdas Doulatram: It is estimated that the total capacity is about 14 lakh tons.

Shri Jhunjunwala: What is the total consumption of sugar in the country?

Shri Jairamdas Doulatram: It is very difficult to be accurate in this matter. But the estimate is between 12 and 13 lakh tons.

Shri Jhunjunwala: Do the Government propose to rationalise the sugar industry on all-India basis or provincial basis? What I mean is whether the Government consider starting of factories in areas where best results could be obtained or do they intend spreading the factories over all the provinces?

Shri Jairamdas Doulatram: This matter is under the consideration of Government.

Shri Jhunjunwala: When will the Government come to a decision on this question?

Shri Jairamdas Doulatram: I suppose in the course of the next month or two, so far as rationalisation is concerned.

Shri Sidhva: May I submit, Sir, that, in regard to the Statements laid on the Table I raised a point the other day and the Deputy-Speaker who was then in the Chair said that the Statements should be given to the Members a day in advance. You, Sir, said later that you will look into the matter. May I know whether a decision has been reached?

Mr. Speaker: I may state that I have not yet taken a decision. I think the matter will not be so easy as the hon. Member supposes. There are many implications in the proposal and I must discuss them with the Ministries concerned. Till I do so, I shall not be able to change the present arrangement. But I shall make an investigation.

Shri Tyagi: If the House wants to effect a change in the rules will you permit it?

Mr. Speaker: If the House wants it, I am entirely in the hands of the House. I am sure the House, as a whole, will take into consideration all that I am proposing to consider.

Shri Sidhva: When will the House be given an opportunity to consider the rules?

Mr. Speaker: It does not arise.

CATTLE OF THE COASTAL AREAS

*554. **Shri S. C. Samanta:** Will the Minister of Agriculture be pleased to state:

(a) whether it is a fact that the cattle of the Coastal areas of India are weak and short-statured; and

(b) if the answer to part (a) above be in the affirmative, (i) what are the causes, (ii) which of those causes can be remedied, and (iii) what are the steps the Government have already taken and what are those that Government intend to take in this matter?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) Yes.

(b) (i) The causes are mainly heavy rainfall and humidity and the consequent poor quality of natural grasses and grazing and the poor quality of cultivated fodder (mostly paddy straw).

(2) Want of green fodder—natural and cultivated—there being a brief spell of heavy rainfall and a long dry period between the two monsoon seasons.

(3) Poor quality of soil, deficient in mineral matter due to heavy rainfall, which in turn, affects the general health of the animals.

(4) Promiscuous breeding due to the indifference shown by the cattle-owners, the cow being initially uneconomical.

(5) Parasitic Infection.

(ii) and (iii). The only proved method of improving the cattle of such tracts is to grade them up through bulls of well-established breeds so as to increase the milk-yielding capacity of the local cow. This system has been extensively adopted along the Coast of Ma'abar. Satisfactory results can, however, be obtained only if the effort at grading up is accompanied by increase in grass and cultivated fodder—particularly in quality.

An investigation carried out by the Indian Council of Agricultural Research has revealed that parasitic infection and malnutrition are the main factors contributing to general deterioration of cattle. Such results have been brought to the notice of the various States in India, who have been asked to take the necessary steps to remove the causes of deterioration. Further work to study the effect of humid climate on cattle is in progress in Bengal and useful results are expected.

Shri Frank Anthony: Is it a fact that half the cattle in India are useless both for milch and draft purposes?

Shri Jairamdas Doulatram: I would not accept that percentage as correct.

Shri Frank Anthony: What approximately is the percentage?

Mr. Speaker: Let the original questioner put his supplementaries first. Mr. Samanta

Shri S. C. Samanta: How far has the scheme progressed for the study of the influence of trace elements on the health and productive capacity of livestock in India by the I. C. A. R?

Shri Jairamdas Doulatram: I require notice of that question.

Shri S. C. Samanta: May I know whether the cattle population of India is on the increase or decrease?

Shri Jairamdas Doulatram: It is on the increase.

Shri S. O. Samanta: May I know how far the Indian Cattle Show Committee, the Cattle Preservation Committee and the *Goshala* Development Board have experimented on the development of cattle in those areas?

Shri Jairamdas Doulatram: I am afraid I will require notice of that question also.

Shri Frank Anthony: The hon. Minister said that he would not accept 50 per cent. as being the percentage of the useless cattle in India. May I know what is the percentage actually?

Shri Jairamdas Doulatram: No percentage has been properly worked out. I can only say a good number.

Shri Frank Anthony: What does the hon. Minister propose to do with the useless cattle in India?

Shri Jairamdas Doulatram: The hon. Member knows the recommendations of the Cattle Preservation Committee and the action taken on them.

Dr. R. S. Singh: What is the number of cattle breeding centres in those areas and the number of bulls provided to them?

Shri Jairamdas Doulatram: I would not be able to give the number in each State. There is a good number in all the States taken together for improving the cattle breed.

Shri Iyyunni: May I know whether there is sufficient grazing land in Travancore and Cochin, so that sufficient food may be.....

Mr. Speaker: It is a question for the States concerned.

ASSAM RAIL LINK

*555. **Shri S. O. Samanta:** (a) will the Minister of Railways be pleased to state the number of passenger and goods trains running on the newly-opened direct Assam Rail link with the Indian Union?

(b) Are the goods trains now running on that line sufficient to carry goods for Government, commercial and industrial purposes?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Two passenger and, for the present, an average of four goods trains each way. A further improvement in goods trains is expected.

(b) Yes, for most of the essential goods traffic for Government, Commercial and Industrial purposes.

Shri S. O. Samanta: Do Government propose to build a bridge either at Sakrigali Ghat or Mokameh Ghat instead of plying ferry steamers at the places?

Shri Santhanam: I do not think it is possible to build a bridge there at present: we have not got the funds for it.

Shri S. O. Samanta: What are the difficulties?

Mr. Speaker: He said it is a matter of lack of funds.

Shri J. N. Hazarika: May I know whether lorry trucks are employed for carrying goods to Assam?

Shri Santhanam: On certain portions they must be employed. I would however require notice of the question.

Shri B. R. Bhagat: What is the total ton loads of goods carried over this line at present?

Shri Santhanam: I have not got the figures for ton loads but the demand placed before the Priority Committee was 170 wagons daily from Assam, 44 wagons daily from North Bengal, including D. H. section and ten wagons daily from Katihar Division for traffic across the Ganga. In the reverse direction the demands were 178 wagons per day to Assam and 94 wagons daily to North Bengal.

Shri J. N. Hazarika: May I know whether Government consider the present number of trains and lorries employed sufficient to meet the current needs?

Mr. Speaker: The hon. Member is asking for an opinion.

Shri Brajeshwar Prasad: May I know whether the question of constructing a bridge over the places suggested by my hon. friend has ever been considered by the Railway Ministry, and if so, what is the total amount required for the purpose?

Shri Santhanam: I would like notice of that question. It is connected with the Ganga Bridge scheme also. I would therefore require notice to give a precise answer.

Shri B. K. Chaudhuri: May I know if the number of passengers from Pandu to Calcutta has increased or decreased after the opening of this new link?

Shri Santhanam: I do not know if the hon. Member wants information as to whether the number has increased to more than what it was when the East Bengal route was open. I have not got the precise figures and therefore I would require notice.

Shri S. C. Samanta: In view of the recent disturbances in East Pakistan do Government propose to increase the number of passenger trains there?

Shri Santhanam: We shall increase both passenger and goods trains to the utmost capacity of the track.

Shri B. K. Chaudhuri: May I know if the trains on this new link run to the scheduled time?

Shri Santhanam: I do not think it arises from the question but if the hon. Member wants the information he may put down a question and I will answer it.

Shri Hossain Imam: What is the time taken between Katihar and Amin-gaon, the beginning and terminus of this link of 142 miles?

Shri Santhanam: The time tables are published.

Shri S. C. Samanta: May I ask the hon. Minister whether in view of the emergency he is going to supply more passenger trains on this section?

Shri Santhanam: I have already said that we shall put in as many trains, both passenger and goods, as the track can allow.

Shrimati Renuka Ray: How long will it take Government to put in these extra trains to meet the emergency?

Shri Santhanam: We are already running two passenger and four goods trains and we are trying to increase the number.

Shri Sidha: The question was when is the number likely to be increased.

Mr. Speaker: The question has been sufficiently answered.

GLIDING SCHOOLS

*557. **Shri Kamath:** Will the Minister of Communications be pleased to state:

(a) how many Gliding Schools Government propose to start in India;

(b) the number of gliders that have been imported or ordered from foreign countries; and

(c) whether Government are considering any scheme for the manufacture of gliders in India?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Government do not propose to start any Gliding Schools in India but propose to introduce gliding sections in Flying Clubs. The Indian Gliding Association, Bombay, which is the only organisation of its kind in India, is subsidised by the Government and is expected to start functioning in Poona in March 1950.

(b) (i) Four gliders and two sail planes were imported by the Indian Gliding Association from United States of America in 1940 but these were found unsuitable for instructional purposes.

(ii) The Indian Gliding Association imported recently from United Kingdom three Primaries, two Secondaries and one Sail plane. Two "two-seater Sail planes" are proposed to be imported from United Kingdom by the Association.

(c) Government of India propose to introduce very soon, at the Civil Aviation Training Centre, Allahabad, a scheme for the construction of a few gliders in India as a measure of research and experiment with a view to evolving suitable prototypes, using materials available in India. The basic idea is to pave the way for large scale manufacture of gliders at a future date when demand justifies it.

Shri Kamath: With reference to that part of the answer where the Deputy Minister said that Government propose to open gliding sections in Flying Clubs, what is the scheme at present before Government under which Flying Clubs will open gliding sections?

Shri Khurshed Lal: The idea is first of all to have the Gliding Association train instructors for the purpose and as soon as that is done the scheme will be undertaken.

Shri Kamath: With reference to the import of gliders from the United States or U.K., who placed the order for these two planes which were found unsuitable for instructional purposes?

Shri Khurshed Lal: It is a matter of ancient history; it was in 1940.

Shri Kamath: What has happened to the two gliders which were manufactured in the Baroda factory last year or the year before last by an expert technician called Antonius Raab?

Shri Khurshed Lal: I would require notice of that.

Shri Kamath: Have they been destroyed?

Mr. Speaker: He has stated that he requires notice and it includes the question of destruction also.

Pandit Kunzru: Did the Deputy Minister say in reply to part (a) of the question that the Bombay Gliding Association was going to undertake training at Poona?

Shri Khurshed Lal: Yes.

Pandit Kunzru: How long has this Association been in existence?

Shri Khurshed Lal: It has been in existence for long, but it is only recently that it has succeeded in importing suitable planes for instructional purposes.

Pandit Kunzru: What guarantee is there, in view of its inactivity for years and years, that it will now suddenly become active?

Shri Khurshed Lal: My hon. friend will remember that during these years there was a big war on and we could not import anything.

Pandit Kunzru: Did it come into existence before the war?

Shri Khurshed Lal: Yes.

Pandit Kunzru: What work did it do till the war started?

Shri Khurshed Lal: I require notice of that.

Pandit Kunzru: Have Government given this Association any assistance?

Shri Khurshed Lal: Yes, we are giving them an annual grant of Rs. 20,000, a capital grant of Rs. 60,000 during 1948-49 and Rs. 70,000 during 1949-50, plus a bonus of Rs. 250 for each glider pilot trained up to "C" certificate, subject to a maximum of Rs. 10,000 during 1949-50.

Pandit Kunzru: How many pilots have been trained up to now?

Shri Khurshed Lal: They are starting their operations in the month of March.

Pandit Kunzru: How have they accounted for the money already given by Government?

Shri Khurshed Lal: The money given to them by Government has been utilised for the purchase of gliders which have been imported.

CIVIL AERODROME FOR MANGALORE

*558. **Shri Kamath:** Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that Mangalore has been surveyed for the construction of a civil aerodrome;

(b) whether any site has been selected for the purpose; and

(c) if so, when the construction work is expected to begin?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Yes, Sir.

(b) In spite of several surveys, no suitable site could be found within reasonable distance from the town; further efforts will be made to find a suitable site.

(c) In the circumstances it is not possible to say when construction would begin.

Shri Joschim Alva: In view of the fact that Mangalore is an important dollar-earning area in the matter of copra, tiles, coffee and cashewnut will the Government take up the work of construction of the aerodrome at an early date?

Shri Khurshed Lal: But the difficulty is that we cannot create a site.

Shri Kamath: When was the party last sent to survey the site?

Shri Khurshed Lal: I think the last report we had was about two months back.

TELAIYA DAM AT BARAKAR

*559. **Shri Jnani Ram:** Will the Minister of Works, Mines and Power be pleased to state:

(a) whether the Telaiya Dam at Barakar will be completed this year and if not, the reasons for the delay;

(b) the area of cultivated lands which will be submerged under water;

(c) the area reclaimed or available otherwise for rehabilitation of the people of the area to be submerged under water; and

(d) what measures are being taken to expedite the reclamation of lands for rehabilitation?

The Minister of Works, Mines and Power (Shri Gadgil): (a) No. The dam is scheduled to be completed by August 1951 and work is proceeding according to schedule.

(b) 6,600 acres approximately.

(c) 6,600 acres will be available for the displaced persons before the dam is completed.

(d) Waste lands have been located and engineers and agricultural scientists are working with earthmoving machinery to reclaim them.

Shri Jnani Ram: May I know how many tractors and bull dozers are at work for preparation of the land for rehabilitation?

Shri Gadgil: I require notice.

Shri Jnani Ram: Is it a fact that the tractors allotted to the district by the Bihar Government have been borrowed by the Corporation for reclamation work?

Shri Gadgil: I require notice to answer that question also.

Shri B. B. Bhagat: What is the amount spent on this work so far?

Shri Gadgil: I require notice for that also.

Babu Ramnarayan Singh: May I know when the actual construction of the dam will begin?

Shri Gadgil: I think it has begun already.

RAILWAY ACCIDENTS ON O. T. RAILWAY

*561. **Shri Satish Chandra:** (a) Will the Minister of Railways be pleased to state the number of accidents to passenger and goods trains on the O.T. Railway due to derailments, collisions and other causes since 1st April, 1949?

(b) How do these figures compare with the number of accidents due to corresponding causes on other major railway systems in the country?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Two serious accidents, namely, a derailment of a passenger train and a collision between a passenger and an Express train.

(b) Out of a total of nine collisions which occurred on the Indian Government Railways since 1st April, 1949, one occurred on the O. T. Railway, three on the E. I., two on the B. N. and one each on the Assam, E. P. and the G. I. P. Railways.

Out of a total of 17 derailments, one occurred on the O. T. Railway, six on the E. I., four each on the B. N. and the G. I. P. and one each on the B.B. and C.I. and the E. P. Railways.

Shri Frank Anthony: How many of these cases, in which there was *prima facie* evidence of negligence, were handed over to the police for prosecution?

Shri Santhanam: I have not got the figures here and I would require notice of that.

Shri Sidhva: In respect of the accident that recently occurred at Sirhind railway station, about which the hon. Minister stated that an enquiry has been instituted, will the House have the benefit of the result of the enquiry?

Shri Santhanam: As soon as we get the report and it is ready we shall place it in the library of the House.

Shri Sidhva: It was stated that it will be a public enquiry. May I know whether it has now been converted into a private enquiry?

Shri Santhanam: It has been a public enquiry so far as the Chief Inspector is concerned. I think it is under the Communications Ministry.

Shri S. P. Misra: Will the result of the enquiry be properly publicised so that it might have a deterrent effect?

Shri Santhanam: The results are published when they are fit for publication.

Shri Syamnandan Sahaya: In assessing the figures of accidents on the O. T. Railway has the hon. Minister taken into account the accidents on the ferry service between Paleza Ghat and Digha Ghat on the O. T. Railway?

Shri Santhanam: The question relates to the number of accidents to "passenger and goods trains". I do not think the term "passenger and goods trains" includes ferry services.

Mr. Speaker: That is not his point. He wants to know whether those accidents also were taken into consideration.

Shri Santhanam: I have not got the facts. I would require notice.

Shri Joachim Alva: This incident occurred on the 1st April, 1949. Does the hon. Member realise the gravity of the situation? A reply was not furnished to the questioner.....

Mr. Speaker: Order, order. The hon. Member is not asking for information—he is passing criticism. He may put a question only for information.

Shri Joachim Alva: But he has not got all the information on this point.

Mr. Speaker: Order, order.

Shri A. P. Jain: What is the criterion for deciding the fitness as to whether the results of an enquiry should be publicised or not?

Shri Santhanam: If it is a serious accident, we do publish the results. The question is whether it is a serious accident or not. The criterion for a serious accident is that it involves loss of life or grievous hurt or damage to property of approximately Rs. 20,000 or over.

Shri Sidhva: Who takes the decision whether it is a serious accident—the Railway Board comprising of so many expert engineers?

Shri Santhanam: I have already stated the criterion. If there is any loss of life or grievous hurt or damage to property of approximately Rs. 20,000 or over, it is automatically taken as a serious accident and the necessary enquiry is made.

Shri A. P. Jain: May I know whether according to the definition of seriousness laid down by the hon. Minister, any enquiry is held in non-serious cases?

Shri Santhanam: The departmental enquiries are made.

SURVEY OF IRRIGATION SCHEMES

*563. **Shri V. Ramiah:** (a) Will the Minister of Works, Mines and Power be pleased to state the total amount of money spent in preliminary survey of the various irrigation schemes, undertaken by the Centre?

(b) How many of the schemes have been abandoned after preliminary survey?

The Minister of Works, Mines and Power (Shri Gadgil): (a) Rs. 70,79,472.

(b) Only investigations on the Hasdeo project in the Madhya Pradesh, under investigation by the Central Waterpower Irrigation and Navigation Commission, have been abandoned for the present at the instance of the Madhya Pradesh Government.

DISCONTINUANCE OF 'RAJ' TELEGRAMS

*565. **Lala Raj Kanwar:** Will the Minister of Communications be pleased to state whether in view of the integration of almost all the former Indian States with the neighbouring provinces now known as States it is proposed to discontinue the telegrams known as 'Raj' telegram and to include in future any such telegrams in the category of 'state' telegrams?

The Deputy Minister of Communications (Shri Khurshed Lal): The system of 'Raj' telegrams by States which have merged into provinces or are centrally administered has ceased and has been replaced by 'State' telegrams. The ex-Rulers are, however, permitted to send 'Raj' telegrams as a special privilege. As for those States which have formed into Unions or retain their identity, such as Mysore and Kashmir, the matter is under consideration.

Shri Sidhva: The hon. Minister stated that the word 'Raj' has been replaced by 'State'. May I know whether that has been done after the hon. Member sent in this question or before that?

The Minister of Communications (Shri Kidwai): As soon as the States were merged the word 'Raj' was dropped.

Shri Sidhva: The point is whether this word 'Raj' was dropped when the hon. Member sent the question.

Shri Kidwai: No, no. As soon as the States were merged, the word 'Raj' was dropped.

Shri Tyagi: At what rates are these 'Raj' telegrams charged?

Shri Khurshed Lal: At the same rates as the 'State' telegrams.

Shri A. P. Jain: May I know if any priority is given to 'Raj' telegrams?

Shri Khurshed Lal: They are given a certain priority.

Dr. Deshmukh: As 'Raj' is a better word than 'State', may I know whether the hon. Minister would consider replacing 'State' telegrams by 'Raj' telegrams?

Shri Khurshed Lal: I may state for the information of the House that these 'Raj' telegrams in the case of Unions also will be abolished from 1st April.

TRACTORS AND SUBSIDY FOR TRAVANCORE-COCHIN STATE UNION

*566. **Shri R. Velayudhan:** Will the Minister of Agriculture be pleased to state:

(a) the number of tractors given to the Travancore-Cochin Government and the subsidy given by the Centre for the purchase of tractors; and

(b) the number of acres of land reclaimed for agriculture in the Travancore-Cochin State Union?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) One tractor was supplied to the Travancore-Cochin Government in 1947 against an order placed by them with the Government of India. No subsidy or loan has been given by the Government of India to the Travancore-Cochin Government for the purchase of tractors.

(b) The information has been called for from the State Union and will be placed on the Table when received.

Shri R. Velayudhan: Has any subsidy for land reclamation been granted to the Government of Travancore-Cochin?

Shri Jairamdas Doulatram: We have given a special subsidy of about Rs. 9 lakhs for the land reclamation scheme of Travancore-Cochin.

Shri Lakshmanan: Has Government conducted any survey to see whether the cultivation by tractors will be successful in that area or not?

Shri Jairamdas Doulatram: We have asked for information on the results.

Shri Tyagi: Has the hon. Minister received information from anywhere in the country that cultivation by tractors has increased production?

Shri Jairamdas Doulatram: Yes, from C. P., recently.

Shri Tyagi: Is it more than that by an ordinary plough?

Shri Jairamdas Doulatram: That depends upon the bullock-power which pulls the ordinary plough

RICE FROM BURMA

***567. Shri R. Velayudhan:** Will the Minister of Food be pleased to state:

(a) the quantity of rice purchased from Burma in the year 1949; and

(b) the quantity of rice Burma was prepared to give to India?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) 373,000 tons.

(b) The question does not arise as export of rice from Burma was governed by allocations made by the International Emergency Food Committee which did not permit of any bilateral contracts.

Shri R. Velayudhan: May I know whether the delegation which was recently sent there by the Government has submitted any report to the Government on the purchase of rice?

Shri Jairamdas Doulatram: We have not yet received the report of that delegation.

Shri Sidhva: May I know whether the quantity landed was exactly the same as the quantity purchased or there was a shortage, and if so, how much?

Shri Jairamdas Doulatram: With regard to rice from Burma there is usually some shortage.

Shri Sidhva: What is the percentage?

Shri Jairamdas Doulatram: I am afraid I do not remember it. I will give the information to the hon. Member later on.

Shri Tirumala Rao: May I know whether the leader of the recent delegation to the Rice Conference held in Burma reported to the Government of Burma that the Government of India are prepared to finance the purchase of a good quantity of rice to be procured in Burma?

Shri Jairamdas Doulatram: There were certain informal discussions. I do not think it will be in public interest to disclose them.

Shri Sidhva: May I know whether any allowance is demanded from the Burma Government for the shortage in rice?

Shri Jairamdas Doulatram: Yes, that matter has been placed before the Government of Burma, but the trade arrangements there are very unsatisfactory so that we have not been able to get a satisfactory response

OFFICERS OF DAMODAR VALLEY CORPORATION

***569. Dr. R. S. Singh:** (a) Will the Minister of Works, Mines and Power be pleased to state the numbers of officers of the Damodar Valley Corporation who are of the ranks of Executive Engineers, Assistant Engineers, and Technical Assistants?

(b) How many of them are of foreign nationality?

(c) How many more foreign engineers are going to be employed by that Corporation?

The Minister of Works, Mines and Power (Shri Gadgil): (a) Executive Engineers and Project Officers 20, Assistant Engineers and Assistant Executive Engineers 46, Technical Assistants 32.

(b) None.

(c) At present there are only two foreign engineers in the Corporation who are both above the rank of Executive Engineers. It is not possible to say how many foreign engineers will be employed by the Corporation in future.

Shri B. Das: May I enquire if the Damodar Valley Corporation takes the permission of the Ministry before they employ foreign advisers and foreign servants?

Shri Gadgil: They are not under any obligation to consult the Ministry inasmuch as the Corporation is an autonomous body under the Act.

Dr. Deshmukh: Is there any likelihood of a reduction in the staff in view of lesser funds being available?

Shri Gadgil: That is a question which it is not possible for me to reply for the reasons I have stated, namely that the Corporation is an autonomous body and the Government is only concerned with direction with respect to the policy.

Dr. R. S. Singh: Are Indian engineers of equivalent qualifications given preference over foreigners?

Shri Gadgil: I am sure that the Damodar Valley Corporation authorities must be paying due regard to that aspect of the question.

Dr. R. S. Singh: Is it a fact that the Damodar Valley Corporation is going to appoint more foreign engineers although there are many experienced engineers available in India?

Mr. Speaker: Order, order. Is the hon. Member in possession of such facts?

Dr. R. S. Singh: Yes, Sir.

Mr. Speaker: It is a matter of inference, more or less. He may represent the question to the hon. Minister. I cannot allow the question in the present form.

Shri B. Das: Has the hon. Minister issued any directions to the Damodar Valley Corporation that, in the matter of recruitment and other general policy, they should follow the policy which the Government of India adopt?

Shri Gadgil: If matters go beyond a certain stage, that will be done.

Shri Kamath: Are Government considering a proposal whereby the Damodar Valley Corporation will be less autonomous than it is today?

Shri Gadgil: None today, so far as I know.

Shri Tirumala Rao: May I know if there is a proposal to allot one day during the present session to discuss the progress of work done by the Damodar Valley Corporation?

Shri Gadgil: I have promised not one day, but some time, for the the discussion of its Annual Report and the Annual Estimates were placed on the Table of the House a few days ago by me.

Shri Shiva Rao: Is it a fact that the Damodar Valley Corporation has signed a contract with a foreign Corporation, which gives it complete right to make appointments without reference either to the Damodar Valley Corporation or to my hon. friend?

Shri Gadgil: The question is vague. If my hon. friend can tell me which particular firm has to do any particular job, then I will be able to find out.

Shri Shiva Rao: Kuljian Corporation.

Shri Gadgil: I require notice for these particulars to be answered.

Dr. R. S. Singh: May I know whether the Chairman of the Damodar Valley Corporation recently visited the United States of America for recruiting American engineers?

Shri Gadgil: That may have been one of the objects. As far as Government are aware, it is the intention of the Damodar Valley Corporation to recruit one Chief Engineer from America.

Dr. R. S. Singh: Are not Indian engineers with equivalent qualifications available for these posts?

Shri Gadgil: They are available, but it is a matter within the discretion and authority of the Damodar Valley Corporation as to whom they should like to recruit.

Shri Shiva Rao: Is it a fact that consequent upon the very large personnel employed by the Damodar Valley Corporation, the overhead charges of this Corporation are more than double those of the Hirakud and Bhakra Dam projects?

Shri Gadgil: It is true that the overhead charges are relatively higher.

Pandit Kunzru: In view of the answers given by the hon. Minister, may I ask him whether it is the duty of the Government to go on giving money to the Damodar Valley Corporation in all circumstances, irrespective of its policy either in the matter of making appointments or effecting retrenchments?

Shri Gadgil: I share the anxiety of the hon. Member, and I should like to inform the House that the matter is under consideration and will be taken into further consideration.

Mr. Speaker: I think we better go to the next Question.

FOOD PRODUCTION IN HILLY TRACTS

*570. **Shri B. S. Arya:** Will the Minister of Agriculture be pleased to state whether Government have made any scientific research for increased food production in the hilly tracts of India?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): Yes. A note on the subject is laid on the Table of the House. [See Appendix III, annexure No. 18].

Shri Borooah: Has the indiscriminate cutting down of trees in the forests led to a gradual erosion of soil in the hilly areas of Assam?

Shri Jairamdas Doulatram: I am not aware; if any particular instance is there, I would like to know and I shall take action.

Shri B. K. Chaudhuri: May I know if Government have introduced terrace cultivation in the hilly areas?

Shri Jairamdas Doulatram: Some State Governments have done that.

Shri Shiv Charan Lal: Do Government propose to plant fruit trees in hilly areas?

Shri Jairamdas Doulatram: I am not aware of such a programme.

POTATO RESEARCH STATIONS

*571. **Shri B. S. Arya:** Will the Minister of **Agriculture** be pleased to state:

(a) the number of potato research stations established by the Government; and

(b) how many of these are situated in the hilly tracts of India?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) Four, one being the main station to which the other three sub-stations are attached.

(b) All the three sub-stations.

Shri Kesava Rao: Where are these stations located?

Shri Jairamdas Doulatram: The main station is at Patna and the sub-stations are at Kufri near Simla, Simla and Bhowali.

Shri Kesava Rao: Is there any proposal to start a station at Ootacamund?

Shri Jairamdas Doulatram: None that I am aware of.

Dr. Parmar: What is the result of the experiments carried out in regard to potato seeds imported from U.K. in Himachal Pradesh?

Shri Jairamdas Doulatram: I would like to have notice.

Shri Sidhva: May I know if potato seeds are imported from foreign countries, e.g. Italy and U.K., or are they all of local origin?

Shri Jairamdas Doulatram: We do import potatoes from Italy, U.K. and some other countries.

Shri Sidhva: My question is: are these potatoes imported for seed purposes or for consumption?

Shri Jairamdas Doulatram: Largely for consumption, and a small quantity for seeds also.

Pandit Maltra: What are the specific aspects in regard to which research is carried out?

Shri Jairamdas Doulatram: To improve the variety of the potatoes.

Shri Tyagi: Has it been improved to any extent?

Mr. Speaker: Order, order. Dr. Parmar.

Dr. Parmar: Has any liaison been established between the research stations and the growers of potatoes?

Shri Jairamdas Doulatram: I expect the State Government concerned must be doing that.

TRANSPORT OF ATTA, FLOUR AND SUGAR ALLOTTED TO ASSAM

*572. **Shri Boroah:** Will the Minister of **Food** be pleased to state:

(a) the quantity of *atta* and flour allotted to the State of Assam for the year 1949-50 and whether this quantity has reached Assam;

(b) the quantity of sugar allotted to Assam since the re-imposition of control and the quantity that has reached there so far;

(c) whether it is a fact that due to the stoppage of direct booking by rail and steamer through Eastern Pakistan, there have been great difficulties in transporting these foodstuffs to Assam and whether as a result of this there has been scarcity of wheat products and sugar in Assam;

(d) whether it is a fact that due to delay in transit, a large quantity of *atta* and flour that reached Assam was found to be unfit for consumption; and

(e) what steps Government propose to take to obviate these difficulties?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) 16,195 tons of wheat and 1,800 tons of flour were allotted to Assam in 1949. The entire quantity of flour and 14,238 tons of wheat were despatched to Assam by the end of December, 1949, and the balance by 1st February, 1950.

(b) 6,600 tons sugar has been allotted to Assam since the re-imposition of control. Out of this 2,000 tons which were allotted before January 1950, according to information available, have been received in Assam. Against January 1950, allotment of 2,800 tons, about 1,100 tons are reported to have been despatched by factories and 790 tons moved into Assam. Movement of February allotment has been rendered difficult owing to limitations of transport on Assam Rail Link. Five wagons a day have recently been allotted.

(c) No scarcity has been reported so far as wheat and flour are concerned. As regards sugar, the reply is in the affirmative.

(d) Information has been called for from the State Government.

(e) The Assam Rail Link Committee which controls traffic to Assam over the newly constructed rail link has allocated the maximum number of wagons possible to carry these commodities.

Shri Boroah: Is it a fact that the Government of Assam had to issue communiques to the effect that wheat and flour went bad during transit?

Shri Jairamdas Doulatram: I am not aware.

Shri Boroah: What is the time usually taken for these consignments of wheat products to reach the consumer in Assam from the *Mandi* here?

Shri Jairamdas Doulatram: As the hon. Member is aware, there have been special difficulties with regard to transport of goods across Pakistan territory, and that it is only recently that we have been able to expedite the transport of goods direct to Assam. I will give the latest information to the hon. Member. The sugar quota for January 1950 was communicated to the State Government on 1st December 1949 i.e. one month ahead. Supplies from the factories commenced late, as the agents of the State Government, Messrs. Shaw, Wallace and Co. had not commenced issuing instructions to the factory until the 29th December 1949. Instructions were completed only on 16th January 1950. This delayed despatches considerably. Later, despatches were delayed due to non-availability of immediate transport on the Assam Rail Link. The matter was discussed at a meeting of the Standing Committee of the Central Transport Board on the 9th, in which it was decided that the matter should be taken up by the Chairman of the Assam Rail Link which controls the traffic to Assam. A telegram was sent to him on the 10th to expedite movement of sugar to Assam. The Chairman has addressed the Assam Government to suggest what other supplies should be allotted a lesser priority, because, due to limited capacity available, movement of a particular commodity can only be expedited at the expense of other essential commodities. It now appears that the Committee has fixed five wagons for moving sugar to Assam against 20 wagons arranged by the Dy. Director, O. T. Railway.

Shri Sidhva: May I know the basis of allocation of sugar to various States— is it made on the basis of population or on some other basis?

Mr. Speaker: I think this question has been put many times. Moreover, it does not also arise out of this question.

Shri Sidhva: What I wanted to know was whether supply of sugar to Assam is made on the basis of population?

Shri Jairamdas Doulatram: As I have said, allocation is made on the basis of usual demand which we have known from the despatches from month to month before the sugar crisis occurred.

Pandit Maltra: May I enquire of the hon. the Food Minister if the Food Ministry calls for periodical reports from the Assam Government about the actual off-take of wheat and wheat products in that province?

Shri Jairamdas Doulatram: We receive periodical reports from all the State Governments, including Assam, of the off-take of food grains from ration shops.

Shri J. N. Hazarika: On account of the fact that sugar is transported by air from Calcutta to Assam, are Government aware of the fact that sugar prices in Assam are very high?

Shri Jairamdas Doulatram: Government are not aware of this, for the sugar which is being given in the ration shops.

Pandit Maltra: Is it a fact that the off-take of wheat is far less in Assam than in any other province and a lot of wheat is lying there idle?

Shri Jairamdas Doulatram: I am not aware of it. I shall enquire into the matter.

BAKHTIARPUR BIHAR LIGHT RAILWAY

*573. **Prof. S. N. Mishra:** Will the Minister of Railways be pleased to state:

- (a) whether Government propose to take over the Bakhtiarpur Bihar Light Railway running through Nalanda to Rajgir;
- (b) whether any request has been made by the Patna District Board for the grant of a loan to enable it to take over that Railway; and
- (c) if so, what Government propose to do in that regard?

The Minister of Transport and Railways (Shri Gopalaswami): (a) No, as the right of purchase vests in the District Board of Patna.

(b) No.

(c) Does not arise.

Prof. S. N. Mishra: Have Government any scheme for taking over private lines?

Shri Gopalaswami: There is no regular scheme; but whenever private lines offer sale, we consider it.

Prof. S. N. Mishra: Have any private lines been taken over very recently?

Shri Gopalaswami: The private line is still in charge of the Company.

Shri B. K. P. Sinha: Who are the men who control this railway at present?

Shri Gopalaswami: This particular railway is run by Bakhtiarpur Bihar Light Railway.

Shri Sidhva: Who are the managing agents?

Shri Gopaldaswami: I cannot remember. Some ex-Minister of Bihar had some connection with this company, I think. It is working under an agreement entered into between the company and the District Board of Patna.

Shri B. R. Bhagat: In view of the fact that three great historical places of pilgrimage are on this line and they draw a very large amount of pilgrim traffic, will Government consider the proposal of taking over the line?

Mr. Speaker: I cannot allow that question.

Prof. S. N. Mishra: May I know what are the difficulties in the way of Government taking over this particular line?

Shri Gopaldaswami: The offer has not yet come to us. The company is working the line. The Government Inspector of Railways has inspected the line and pointed out a number of defects and the company has been asked to rectify them. Their own General Manager has been reporting that everything has been rectified. We are again pressing them to rectify the defects.

Shri Syamnandan Sahaya: Is it not the general policy of Government to take over all railway transport under Government control?

Shri Gopaldaswami: Matters like charges, safety regulations, etc. are under Government control, even though the line is run by a company. We certainly favour the taking over of as many of these lines as possible. But that requires investigation of their present status and how we might be able to intervene at all.

Shri Syamnandan Sahaya: Government control of course is there, not only on this railway, but on other railways under direct Government management. Is it not the policy of Government to take over by purchase all the railway transport systems working in this country at present and managed by private agencies?

Shri Gopaldaswami: Sir, at present under the agreement that is in force in regard to this particular railway, the right of purchase vests in the District Board of Patna. That has to be cleared out of the way before we can consider the question of our taking it over and so on.

Dr. R. S. Singh: Is it not a fact that a representation signed by 25,000 persons of the Patna district was submitted to the Government for taking over this line?

Shri Gopaldaswami: A representation has been received. It is on that representation that we have been taking all these steps—of having it inspected, etc.

TELEPRINTER AND TELEGRAPHIC LINES BETWEEN CUTTACK AND CALCUTTA

*574. **Shri B. K. Pani:** Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that theft and cutting off of wires etc. in the Teleprinter and telegraphic lines between Cuttack and Calcutta have been going on; and

(b) if so, the action so far taken by the Government of India in the matter?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Yes.

(b) Government of India have sought the collaboration of State Governments, with whom local P. and T. Officers keep in touch. Preventive and punitive measures to combat the menace are taken.

Shri B. K. Pani: May I know, Sir, how many times cutting of wires took place between Cuttack and Howrah in the year 1949 and again in the month of January 1950?

Shri Khurshed Lal: I have got the figures with me of the number of thefts. In 1949 in West Bengal Circle it was 36. In Orissa it was 83. In January 1950 in West Bengal it was 9 and in Orissa 7.

Shri Sidhva: Do these figures relate only to thefts, or also include the cutting of wires?

Shri Khurshed Lal: Cutting takes place as a preliminary to thefts.

Shri Kishorimohan Tripathi: May I know, Sir, whether the crime has been progressively decreasing after the action taken by Government?

Shri Khurshed Lal: The number of thefts in 1949 was much less than in 1948.

NEW RAILWAY LINE

***575. Saikh Mohiuddin:** Will the Minister of Railways be pleased to state whether there is any scheme for opening a short Railway route to connect Maldah (West Bengal) with Jalpaiguri through Balurghat?

The Minister of Transport and Railways (Shri Gopalaswami): There is no scheme to connect Malda directly with Jalpaiguri via Balurghat; nor is such a scheme feasible on account of the peculiar configuration of the boundary between India and Pakistan in this area. Proposals are, however, under consideration for connecting Eklakhi situated on Katihar-Malda line with Balurghat and Eklakhi directly with Raiganj. The latter project will shorten the present distance by rail between Malda and Jalpaiguri by about 23 miles.

THEFT OF JEWELLERY BELONGING TO PRIME MINISTER OF BURMA

***576. Shri Kamath:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that Thakin Nu, the Prime Minister of Burma, lost through theft some jewellery while travelling by train from Calcutta to Gaya;

(b) whether the attention of Government has been drawn to a Press report in this connection which appeared in the *Hindustan Times* of 14th February, 1950;

(c) whether the allegation reported to have been made by Thakin Nu about the latches of the door of his compartment has been inquired into, if so, with what result;

(d) whether the stolen property has been recovered; and

(e) if not, what stage has the police investigation reached?

The Minister of State for Transport and Railways (Shri Santhanam): (a) No. There was, however, a report received from a member of a party travelling in the same train that there was a theft of some jewellery belonging to one of the members of the party. The party is said to have included the wife of the Prime Minister of Burma.

(b) Yes. Government's attention has also been drawn to another report appearing in the *Statesman* Mofussil Edition dated 16th February 1950 denying the reported theft of the Prime Minister of Burma's jewellery.

(c) A member of the party did complain that the latch of a window shutter was defective. Government are informed that this was the latch which holds the window in an open position. The locking catches and bolts were all in order.

(d) Police investigation is still continuing and it is not known whether the stolen property has been recovered.

(e) Police investigation is still in progress and the exact stage reached is not known.

WRITTEN ANSWERS TO QUESTIONS

IMPORT OF COCONUT

***552. Seth Govind Das:** Will the Minister of **Agriculture** be pleased to state:

(a) how much coconut is imported into India; and

(b) what steps are being taken to secure this article of diet at a cheaper rate?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) The average imports of coconuts into India in the three years ending 1947-48 amounted to 10.86 million nuts.

(b) The Indo-Ceylonese Trade Agreement provides for the supply from Ceylon of 20,000 tons of coconut oil and copra in terms of oil during 1950.

Efforts are being made to increase the supply and lower the cost of production by (a) supply of guaranteed seedlings, and (b) distribution of seeds to raise green manure in coconut gardens.

STRATO-CRUISERS FOR AIR SERVICE

***553. Dr. Deshmukh:** (a) Will the Minister of **Communications** be pleased to state whether Government are aware of the introduction of strato-cruisers for air services in England?

(b) Is it proposed to import any of these kinds of aeroplanes for service in India?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Yes, Sir, for trans-oceanic services.

(b) It is not contemplated to import, at present, any strato-cruisers for internal air services in India. The Lockheed Constellation, used by the Air India International on its Bombay-London and Bombay-Nairobi routes, is a type of strato-cruiser.

REPLACEMENT OF RAILWAY TRACK

***556. Dr. Deshmukh:** (a) Will the Minister of **Railways** be pleased to state the length of railway track where new rails have been laid since 1st September 1946?

(b) What is the quantity of rails in weight that have been removed because of this replacement?

(c) What is proposed to be done with the old rails?

- (d) What portion of them has been utilized, and if so, how?
 (e) How is the remainder proposed to be utilized?
 (f) What is the cost of replacement in respect of (i) price of new rails, (ii) transport, and (iii) labour?

The Minister of Transport and Railways (Shri Gopalaswami): (a) 1,846 miles.
 (b) 2,21,500 tons.

(c) The serviceable released rails are utilised for secondary relaying casual renewals of unserviceable rails, yard remodellings, first phases of new constructions and service lines for irrigation and other projects. Rails which are no longer fit for track are used for buildings and other structural works, electric poles, etc. Rails which are not required for further use on Railways are disposed of through the Iron and Steel Controller, for re-rolling and other purposes.

(d) About half the quantity of the released rails has so far been used for various works mentioned in (c).

(e) Of the remaining rails about 90 per cent. will be used on track, nine per cent. for structural work and the balance one per cent. will be disposed of through the Iron and Steel Controller.

(f) The cost of replacement is as follows:

Price of new rails	Rs.	758 lakhs.
Transport Charges	Rs.	36½ lakhs.
Labour Charges	Rs.	35½ lakhs.

KILLING OF WILD ANIMALS FOR PRESERVATION OF CROPS

*560. **Shri B. L. Malviya:** Will the Minister of **Agriculture** be pleased to state:

(a) whether orders have been issued by the Government of India to the Governments of the States to kill wild animals for the preservation of crops and if so, whether wild animals include monkeys, deer and peacocks;

(b) whether Government are aware that monkeys, deer and peacocks have been killed in large number in Har'iana in the East Punjab and that there is discontent among the orthodox section of the people there; and

(c) if so, whether Government propose to withdraw their orders in this matter?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): (a) No such orders have been issued. But the State Governments have been advised to take effective steps to protect crops from damage by wild animals which live and feed on food grains.

(b) Government have asked for information from the East Punjab Government and will place it on the Table of the House as soon as received.

(c) Government do not intend to withdraw their advice to the State Governments.

AGRICULTURAL ANIMALS

***562. Shri Zangre:** Will the Minister of **Agriculture** be pleased to state what steps Government propose to take to improve the cattle wealth of India?

The Minister of Food and Agriculture (Shri Jairamdas Doulatram): The following steps are proposed to be taken through the State Governments:

- (i) Increased facilities for grazing, fodder production and other measures for improving the feed of cattle.
- (ii) Improving the breed of milch and draught cattle.
- (iii) Breeding of pedigree stock.
- (iv) Prevention of slaughter of useful cattle.
- (v) Minimising cattle mortality due to contagious diseases.

RETRENCHMENT OF C. P. W. D. PERSONNEL

***564. Shri D. S. Seth:** Will the Minister of **Works, Mines and Power** be pleased to state:

- (a) whether Government have taken a decision to retrench the personnel of Central P.W.D.
- (b) the percentage of the personnel retrenched so far and the percentage proposed to be retrenched in the near future; and
- (c) the total number of clerks and labourers retrenched so far for the sake of economy and also of those whose retrenchment is under consideration?

The Minister of Works, Mines and Power (Shri Gadgil): (a) Yes.

(b) About 9 per cent and 7 per cent respectively.

(c) 252 clerks and about 1,000 labourers on the work-charged staff have been retrenched and 221 clerks and about 500 labourers are proposed to be retrenched. The retrenchment is, however, largely a consequence of the fall in the work load due to reduction of building, and repairs and maintenance, activity; and not of economy for its own sake.

DELHI CENTRAL ELECTRIC POWER AUTHORITY

64. Shri Sidhva: (a) Will the Minister of **Works, Mines and Power** be pleased to state whether Government propose to set up a Provincial Electricity Board to take over the Delhi Central Electric Power Authority?

(b) If so, what will be its composition and what will be the cost?

(c) Is such a Board to be established by an act of the Government of India?

The Minister of Works, Mines and Power (Shri Gadgil): (a) and (b). Yes. The proposed Provincial Electricity Board in Delhi, will consist of not less than three and not more than seven members. The composition is still under consideration and the cost will depend largely on how it is constituted.

(c) The Board would be constituted by the Central Government under Section 5(I) of the Electricity (Supply) Act, 1948.

AIR COMMUNICATIONS IN ASSAM

65. Shri Sidhva: (a) Will the Minister of **Communications** be pleased to state whether Government propose to develop air communications in Assam?

(b) How many war time air strips are available in the Assam valley?

(c) How far is the nearest air strip from Shillong?

(d) What will be the cost for converting these strips into regular landing places?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Yes, Sir.

(b) Nine war-time air-strips are available in the Assam area including Tripura and Manipur States. They are at Gauhati, Mohanbari, Agartala, Jorhat, Tezpur, Kumbhigram, Manipur Road, Rupsi and Shella.

(c) The air-strip nearest to Shillong is at Gauhati which is 60 miles by road from Shillong.

(d) Excepting Shella and Gauhati, the other air-strips are pucca. A new runway is under construction at Gauhati at an estimated cost of Rs. 9½ lakhs. The cost of making a concrete runway at Shella will be about Rs. 20 lakhs.

Tuesday, 28th February, 1950



PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

VOLUME II, 1950

(24th February, 1950 to 14th March, 1950)

First Session

of the

PARLIAMENT OF INDIA

1950

CORRIGENDA

to

the Parliamentary Debates (Part II—Other than Questions and Answers), 1st Session, 1950,—

In Volume II,—

1. No. 1, dated the 24th February, 1950,—

- (i) Page 809, line 19 for "cbroadly" read "broadly".
- (ii) Page 814, line 20 for "alsod" read "also a".
- (iii) Page 826, line 24 after "have" read "got".
- (iv) Page 831, line 12 for "stile" read "still" and in line 13 for "wouild" read "would".
- (v) पृष्ठ ८५४, पंक्ति ६ में "बैठेगो" के स्थान पर "बैठेंगे" पढ़ें।
- (vi) पृष्ठ ८५७, पंक्ति ४ में "डब्बो" से पहले "और" को निकाल दें।
- (vii) Page 865, last line for "15th" read "25th".

2. No. 2, dated the 25th February, 1950,—

- (i) Page 884, line 27 from bottom for "latterly" read "laterly".
- (ii) Page 898, line 11 for "fact" read "feet".
- (iii) Page 901, line 11 omit "a" after "had".
- (iv) Page 903, line 10 from bottom for "low" read "law".

3. No. 3, dated the 27th February, 1950,—

- (i) Page 950, line 5 from bottom for "alternation" read "alteration".
- (ii) पृष्ठ ९६१, नीचे से पंक्ति १३ में "श्री ए० पी० सिंह" के स्थान पर "श्री ए० पी० सिन्हा" पढ़ें।
- (iii) पृष्ठ ९६६, पंक्ति १ में "मा" के स्थान पर "या" पढ़ें।
- (iv) Page 967, line 9 for "ot" read "to".
- (v) Page 970, line 9 for "Mangers" read "Managers".

4. No. 4, dated the 28th February, 1950,—

- (i) Page 984, line 11 for "Mr. Chairman :- The question is" read "The motion was adopted".
- (ii) Page 986, for the existing last line read "The House then adjourned for lunch till half past two of the clock".
- (iii) Page 994, line 27 from bottom for "onse" read "ones".
- (iv) Page 1010, line 16 from bottom for "Mr. Gaganvinari lal" read "Mr. Gaganvihari Lal".

5. No. 5, dated the 1st March, 1950,—

- (i) Page 1021, line 22 for "has been callous" read "has been even callous".
- (ii) Page 1033, line 25 from bottom for "on" read "or".
- (iii) Page 1053, line 21 for "Shri Ethirajula Naidu" read "Shri Ethirajulu Naidu".
- (iv) Page 1054, transfer lines 29 and 30 after line 31.
- (v) Page 1064, line 4 for "cadamom" read "cardamom".

6. No. 6, dated the 2nd March, 1950,—

- (i) Page 1090, line 17 for "Hon. Members three minutes" read "Hon. Members say three minutes".
- (ii) Page 1096, first line for "section" read "selection".

7. No. 7, dated the 6th March, 1950,—

- (i) Page 1143, line 11 from bottom for "fact" read "face".
- (ii) Page 1150, line 18 for "in" read "the".

(ii)

(iii) Page 1060, line 13 from bottom *delete* "no".

(iv) Page 1164, line 4 from bottom *for* "Shri Satis Chandra" *read* "Shri Satish Chandra".

(v) Page 1165, line 26 *for* "Dr. Matthai" *read* "Dr. Mathai".

(vi) Page 1171, line 2 *for* "as" *read* "or".

(vii) Page 1174, last line *for* "Hudget" *read* "Budget".

8. No. 8, dated the 7th March, 1950,—

(i) Page 1179, line 11 *for* "question" *read* "questions".

(ii) Page 1221, line 13 *for* "by" *read* "but".

9. No. 9, dated the 8th March, 1950,—

Page 1260, line 21 from bottom *after* "so far," *read* "but no".

10. No. 10, dated the 9th March, 1950,—

(i) Page 1306, line 28 from bottom *for* "gah" *read* "Durgah".

(ii) Page 1321, line 28 *for* "has " *read* "This".

11. No. 11, dated the 10th March, 1950,—

(i) Page 1342, line 23 from bottom *for* "panel" *read* "penal".

(ii) Page 1352, line 3 from bottom *for* "Houses" *read* "House".

12. No. 12, dated the 11th March, 1950,—

Page 1385, *for* the existing line 18 from bottom *read* "another thing that I wish to submit is this. It is but fair that, when the".

13. No. 14, dated the 14th March, 1950,—

Page 1507, line 11 from bottom *for* "Shri A. P. Fain" *read* "Shri A. P. Jain".

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PARLIAMENTARY DEBATES

(PART II.—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS).

Tuesday, 28th February, 1950.

The House met at a Quarter to Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

11-45 A.M.

MOTIONS FOR ADJOURNMENT

EXTERMENT OF PROF. SHIBBAN LAL SAKSENA, M. P. FROM DELHI AND INFRINGEMENT OF PRIVILEGE OF MEMBERS OF PARLIAMENT.

Mr. Speaker: I have received two notices of adjournment motions touching the same subject namely:

"the extermment from Delhi District of an hon. Member of the Indian Parliament, Prof Shibban Lal Saksena, for three months, under Section 4 of the East Punjab Public Safety Act, 1949, as applied to the State of Delhi, by the District Magistrate of Delhi, while the Parliament is in session, thereby infringing the basic privilege of Members of Parliament."

And the other notice reads as under:

"adjourn the business for the purpose of discussing a definite matter of urgen public importance, namely, the removal of Shri Shibban Lal Saksena, a Member of Parliament from Delhi under the Provisions of East Punjab Safety Act, 1947, and his interdiction from returning to Delhi District without the permission of the District Magistrate of Delhi, in pursuance of order dated 28th February, 1950, under the said Act."

One of the motions raises the question of privileges of the Members of this House, and in that respect, I think, before I either call upon the hon. Member to say how the question of privileges arises, or call upon the hon. Home Minister to explain the facts, I may point out that, a similar question arose here, in this House, on 28th January, 1948. A question of privilege in the case of a Member who is arrested, confined or detained was raised by the hon. Member, Mr. Kamath, and then I made the following observations:

"... All I can say just at present is that every Member of this House is subject to ordinary law, and if he has done anything which deserves his arrest or necessitates it".

of course, detention included,

"I do not think that, in view of the fact of his being a Member of this Assembly we can make him free from all laws of the country and give him full licence".

So merely because there is the detention or arrest under the ordinary law of the land, of a Member of this House, it cannot be said that a question of privilege is necessarily involved. So far as the executive Government is acting

[Mr. Speaker]

under the authority vested in it by the law, no question of a privilege can arise, because he is as good as any other citizen, and the executive Government will be presumed to be acting within the authority vested in them by this very House in pursuance of a law enacted by it. These are the only general things that I can say.

Shri R. K. Chaudhuri (Assam): Has the new Constitution made any change?

Mr. Speaker: I am stating the position, and I have not yet finished, and the hon. Member need not be in a hurry to anticipate.

This is a matter which touches the important question of privileges, and I do not want to hurry up. I shall give due opportunity to the hon. Members to explain their position. I shall also request the Home Minister to state the facts of the case fully, and then I will decide. I am giving hon. Members the whole position so that they may not proceed on lines of thought on a wrong basis. I am giving my *prima facie* reaction. If this order is passed under the law of the country—any law which is enacted by this House,—that by itself will not amount to a breach of privilege. That is my view. Of course, we shall examine now what the facts of the case are and then I shall call upon the Members, if necessary, and not necessarily, to show how there is a breach of privilege. It is agreed that mere arrest is not a definite matter of urgent public importance to justify the admission of this adjournment motion.

The Minister of Home Affairs and the States (Sardar Patel): I will explain the facts to the House. As the House is aware, Shri Shibban Lal Saksena was fasting for the last ten days at Rajghat. When he started his fast he wrote a letter to the Prime Minister that he was going on a fast for a grievance which he advocated about some sugar factory labourers in Uttar Pradesh. The Prime Minister advised him not to fast at Rajghat. The House will agree that that is not a place to be exploited for political or trade union purposes. It is too sacred a place for such things. But a tent was put up there and he with some others, probably his companion, started a fast, and every day a sort of bulletin was being issued and some doctor was examining him. He wrote a letter to me also. I get many letters from people who are fasting and generally my practice is I encourage them. I never interfere because I always write to them that spiritually, and if not spiritually, at least physically, it will do them a lot of good. But so far as Prof. Shibban Lal was concerned, he was a Member of Parliament and I did not want to embarrass him, and so I did not reply at all. Two days ago he sent me a reminder. I was myself feeling embarrassment; but the Chief Commissioner, having known about it and watching the activities of people who are surrounding the place and getting other information of labourers trying to come there, he thought that there is going to be trouble here. So that ground and two other grounds also influenced his decision that Mr. Shibban Lal Saksena should be removed from this place. One ground was that it was the eleventh day of his fast, and in his own interest he should be removed and placed where his relations could look after him. Mr. Saksena is sure to die if he is determined to die in the cause. Such a determined person, if there is any risk to his life, it is better to remove to a place where his relations could look after him. So the Chief Commissioner thought that he should be removed to Gorakhpur where his relations are, and they may also be feeling anxious. The other reason was that to help him in his fast also it is necessary to remove him to U.P. for his grievance is not against the Delhi Government here, but it is about the U.P. Government in connection with some grievance of sugar factory labourers which should be dealt with by the U.P. Government.

On these considerations, last night he came to the conclusion that Mr. Shibban Lal Saksena should be shifted from here. Then he had consultations

with the Home Secretary. The Home Secretary advised him to take proper precautions and get him medically examined before he is shifted from here, to see if he is in a condition to be removed. So he sent for the Civil Surgeon in the evening and he examined both of them, and they were found to be quite fit to be removed to Gorakhpur or to any place they belonged. So both these persons were removed, one to Gorakhpur and the other to some other place in U.P. I forget which. Unfortunately the order for removal for three months from Delhi was passed by the District authorities. As soon as it was brought to the notice of the Home Secretary, the order was cancelled and he has been removed only to his place. If he wants to come back, he can come back but he can never go to Rajghat for this purpose because the House will agree that to use this place for such purposes is to insult the sacred memory of the great personality, who would certainly have advised him not to fast, because fast is not meant for political exploitation.

Pandit Maitra (West Bengal): Is there no ban on his re-entry?

Sardar Patel: No. He can come to Delhi whenever he wants to come. There is no order issued except that the Chief Commissioner thought that it is better to place him at his relations place where his relations could look after him. That is the position now and if hon. Members would like to ask me any questions, I am prepared to answer them.

Khwaja Inait Ullah (Bihar): May I ask the hon. Minister if he can come here even with the fast?

Sardar Patel: Yes. He can come here even in fast. Even after taking four meals, he can come at any time and there is no objection to that.

Shri R. K. Chaudhuri: The order which was served on him.

Mr. Speaker: Well, the hon. Member, I believe, has heard what the hon. Minister has stated. He has clearly stated that, as soon as the externment order came to the hands or to the knowledge of the Home Secretary, that order was cancelled. That is what he has already stated. I believe hon. Members have heard it and he has also stated that the hon. Member is free to come to Delhi, or to this House whenever he likes. With the other restriction placed, we are not concerned at present.

Sardar Patel: I wish to say that only that portion of the order of the Deputy Commissioner has been cancelled so that Mr. Shibban Lal Saksena is free to return to Delhi but not to reside at Rajghat area.

Shri R. K. Chaudhuri: If that is the order, Sir, my grievance is why he was taken in a police van to the railway station and put in a railway compartment?

Sardar Patel: That order has been cancelled. That is what I said. He was being removed under the order for externment to his own place at Gorakhpur. As soon as the Home Secretary knew about this order, he got the order cancelled.

Shri R. K. Chaudhuri: Then on that portion of the order, the previous order was carried out because the order of cancellation was not brought to the notice of the police. He was actually taken in a police van from Rajghat to the Railway station and sent by train.

Sardar Patel: Yes. That is so.

Shri R. K. Chaudhuri: That is not in consonance with the order which was subsequently issued.

Sardar Patel: That is why it was cancelled. The order was not proper.

Mr. Speaker: Something was done in pursuance of the first order, and after that something was done, the order was cancelled to some extent. That seems to be the point of grievance. Now really speaking, we are concerned here for the present with the admissibility of the motion. I do not propose to allow any discussion on the merits of the case.

Pandit Balkrishna Sharma (Uttar Pradesh): That is?

Mr. Speaker: That is, on the propriety of the fact or the propriety of the order. That is not at present the point at issue. We are concerned with the admissibility of the motion at this stage and only, if the motion is admissible then further discussion can come in.

Now with reference to that, as I have stated previously very clearly unless it is a question of matter other than privilege and that is made out, I do not think I shall be able to consider the admissibility of it.

The Minister of Law (Dr. Ambedkar): On the statement made by the hon. Home Minister, the matter does not survive.

Mr. Speaker: I may bring to the notice of hon. Members that under rule 50 the right to move an adjournment motion in the House for purposes of discussing a definite matter of urgent public importance is subject to the following restrictions:

"...(iv) The motion shall not raise a question of privilege."

Shri Kamath (Madhya Pradesh): Then how can a question of privilege be discussed?

Mr. Speaker: As for the procedure we shall see later on. We are at present concerned with the adjournment motion. Therefore, it is that I tried to clarify the ground in the beginning.

Shri Kamath: May I ask whether a point of privilege cannot be raised in the same way as a point of order? It has been raised so often in the House.

Mr. Speaker: As I have told hon. Members, if they want to raise any point, they should invite the attention of the Chair to the point previously. Now this is done in the form of an adjournment motion. I may appear to be too technical about it, perhaps; but then I am bound by the rules. Here one of the adjournment motions is tabled on the ground of privilege. Therefore it is that I wanted the facts to be clarified so that we can come to certain conclusions whether privilege arises at all. After those facts I wanted to know from the hon. Member, as to how the question of privilege arises. If the question of privilege does not arise, then, of course, we shall have to consider whether we shall discuss this matter on an adjournment motion. If a question of privilege arises then the motion, on the very plea of the privilege will not survive as an adjournment motion. If the hon. Member wants this to be treated as the question of privilege, he is barred by rules. This is a House of Commons practice, which we have been following in the rules of the House.

But we shall raise that point if the hon. Member so wishes later on after he has had a discussion with me, without taking the time of the House. The present matter before the House is not really a question of privilege but a question about the admissibility of the adjournment motion.

Shri Kamath: Will you kindly make this a subject for a half-hour debate tomorrow evening, Sir?

Mr. Speaker: There again the rules will come in. We have made certain rules and I cannot allow any discussion at any time. Any such discussion that the hon. Member may wish, can only arise when a question is asked and answered. It must arise out of the questions. The hon. Member may refer to those rules.

Shri Kamath: What then is the remedy?

Mr. Speaker: I cannot sit here to decide and give advice on the rules.

Shri Kamath: You are the guardian of the privileges of the House.

Mr. Speaker: Therefore, he must come and see me in chamber first and not raise the point in the House, without previous intimation to me.

Shri Tyagi (Uttar Pradesh): On a point of order, I want to understand what actually is the procedure for discussing these adjournment motions. In the past on many occasions I have seen that whenever notice of an adjournment motion was given to you, you, Sir, decided the adjournment motion on its merits. It is for you to decide whether it is in order or otherwise. There is nothing for us to say and in many cases you have not even given the House the privilege of knowing as to who is the mover of the adjournment motion and sometimes adjournment motions are read without the House knowing the name of the mover and then Treasury benches give a reply and then it is not discussed at all. As far as I understand, Sir, the hon. Member concerned must be first given the chance of having his say before the House as to on what grounds he is putting the adjournment motion and then alone the Treasury benches should reply. I think, Sir, it is not for the Chair to decide as to whether the Government is justified or not. This is a matter for the House to decide. The Chair can only enter into the question whether the motion is in order or out of order. Whether the Government is right or not right, this is the privilege of the House alone to decide.

Mr. Speaker: Let me dispose of that point, and I do not propose to carry this for a long time. The hon. Member will remember that, though the Chair has an amount of discretion in many matters, the Chair has also to go by rules, and so far as adjournment motions are concerned, there are specific rules in the matter, which have been in existence for a long time. In the new rules that have been promulgated, the old rules as regards adjournment motion have been kept almost intact. There has been no substantial change in those rules. Now, the Chair will not go into the merits of the particular thing complained about in the form of an adjournment motion; but it is not only the right but the duty of the Chair to see as to how far that adjournment motion is admissible. It must first relate to a definite matter, to a matter of public importance and that matter has to be urgent. Unless all these three things are there, the consideration cannot proceed further. Then there are the other restrictions which I read out. Rule 50 provides that:

- “(i) not more than one such motion shall be made at the same sitting;
- (ii) not more than one matter shall be discussed on the same motion;
- (iii) the motion shall be restricted to a specific matter of recent occurrence;
- (iv) the motion shall not raise a question of privilege.”

Shri Kamath: Sir, it is a new addition and it has not been circulated.

Mr. Speaker: The hon. member will see that in the adaptation of the Government of India Act last year—and I believe in the provisions of the Constitution—it has been provided that the privileges of the Members of the Dominion Legislature—I am referring to the Government of India Act—shall be such as may, from time to time, be defined by an Act of the Dominion Legislature and until so defined, shall be such as were immediately before the establishment of the Dominion enjoyed by members of the House of Commons or Parliament of the United Kingdom. That adaptation was made, I may say, at my instance. Originally this was restricted to the rights as enjoyed by members of the Indian Legislature which were very much restricted. Now this is the provision that we have. This restriction as to question of privilege is taken from the procedure of the House of Commons. When the rights and privileges are equated,

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then necessarily it follows, that the restrictions also must be borrowed here. That is how it comes in there. Then I shall proceed with the restrictions:

"(v) the motion shall not revive discussion on a matter which has been discussed in the same session;

(vi) the motion shall not anticipate a matter which has been previously appointed for consideration etc. etc. etc."

I was referring to Mr. Tyagi's point. It is the duty of the Chair to see that all these restrictions are duly observed.

Then about the practice I have been usually following,—which I believe, the Chair ought to follow—the practice is, that if, *prima facie*, the case appears to be admissible, then the facts as they are, are to be ascertained because after all any decision that the Chair gives or any conclusion which the House will come to, will not be based on what a particular hon. Member is pleased to say or any particular newspaper report says but on the facts as stated by the Minister; and it is a parliamentary convention that so far as facts are concerned the Minister's word should not be challenged on the facts. There are other remedies, if the Minister is saying something which is not a fact; but both the parliamentary convention as well as the dignity of the House require that all controversies as to facts shall be settled in the House by a statement of the Minister as regards those facts. Otherwise, there will always be a tangle between one statement made by the Minister and some Members saying that that is not true. But I am not going into that question. Therefore, whenever there is an adjournment motion, I first make it a point to have the facts ascertained and after the facts are there, if they do not disclose any *prima facie* case, it is unnecessary to consult the Member again over that. Because, the adjournment motion can come in under Rule 51 which says:

"The Speaker, if he gives consent under rule 48 and holds that the matter proposed to be discussed is in order, shall, after the questions and before the list of business is entered upon etc."

The hon. Members will remember that some time back I received notice of an adjournment motion which was obviously, on the face of it, inadmissible and I then stated, without reading the adjournment motion that I did not propose to give my consent to motion. It was so obviously out of order, that it did not relate to any subject matter for which this Government was responsible, and I stated that, in future, I would not even mention such motions in this House. My consent has to be obtained before. Hon. Members will also remember that.

Then, I do not want to attribute any motives; but the very purpose of not allowing the adjournment motion will be defeated if publicity is given to matters in a wrong manner or by wrong statements being allowed to be made on the floor of the House. I think I stated that in the last session. I was considering as to whether my consent should be obtained by the Member, inside this House, or in my Chamber, that is, I should give or refuse to give consent in the Chamber. In the Provincial Legislatures the practice has been—at least when I was in Bombay,—that the member had to take my permission in my Chamber and if I had refused permission, the motion would never come to the House and the House would not even know as to whether an adjournment motion was tabled or not. The practice here was different when I came here in 1946, and that was, to give or withhold consent in the House itself and I thought that that practice was more wholesome from this point of view that, it automatically serves as a check on me in the possible arbitrary exercise of my discretion and the House also may know what kinds of motions are consented to and from what kinds of motions consent is withheld. That is why I have continued the practice in this House, of reading to the House every

adjournment motion that comes in and then deciding and giving the decision as to whether I give consent or not. For that purpose it is not necessary for me to hear the hon. Member nor is it necessary to mention the name of the hon. Member. There is no point in mentioning the name. On the contrary, if anything, the non-mentioning of the name is perhaps a healthy thing because the name does not influence the Members in coming to a decision one way or the other.

That deals with the questions raised by the hon. Mr. Tyagi.

My attention is invited by Secretary to the proviso to Rule 51 which is an enabling proviso reading as follows:

“Provided that where the Speaker has refused his consent under rule 43 or is of opinion that the matter proposed to be discussed is not in order, he may, if he thinks it necessary, read the notice of motion and state the reasons for refusing consent or holding the motion as not being in order.”

That is the position and I believe the matter is cleared.

Shri Kamath: In view of the fact that a copy of the new rules of procedure or rather the old rules as modified by you has not been supplied to Members, may I ask whether those rules lay down the procedure to discuss a question of breach of privilege?

Mr. Speaker: No procedure for raising particularly questions of privileges has been provided in the rules. But, just as Members many times raise many points, as I have said many times, they may mention the point to me and then, of course, they are in a position to raise it, after the question hour usually. But, the point is, I might permit them to mention the points or raise the points, not without first mentioning them to me. Unless this is done, there is always the danger of any and every point, whether worthwhile taking up the time of the House or not, being raised. I may say if there is any important point likely to be raised, I would certainly allow the Member to do so. As a recent instance I might mention that, I had allowed Shri Govind Malaviya to raise a point though I was clear that there was no breach of the privilege at all. I allowed him to raise the point and the point was raised. But, I do not propose to allow the raising of points at the last minute. So there will be no difficulty. If Members want to raise any points of privileges, they can inform me and that would also give me some time to consider the matter in its proper perspective and with the proper facts; and any discussion on any point so raised will not be irrelevant or a rembling. That is the idea.

Dr. Pattabhi (Madras): May I invite your attention, Sir, and the attention of the House to a most extraordinary and serious state of things that has developed this morning? Yesterday the order of the District Magistrate must have been in contemplation. At three o'clock that was served and the person was removed. At eight o'clock this notice was circulated to us, apparently by a Government department.....

Sardar Patel: Which notice?

Hon. Members: Private thing.

Dr. Pattabhi: It is a private thing which has been circulated to us embodying the Government order. At a quarter past ten, notice of adjournment motion has been given. At 11.45 we are considering the motion and we are told that the operative portion of the clause has been cancelled. The circular only contains the state of things with the Government order. Now, Sir, the person has been removed and the order under which he has been removed has been cancelled.

Mr. Speaker: With due respect to the hon. Member, I might say whatever point of grievance he may have, and assuming for the sake of argument that his grievance is well founded, still for the present purpose of deciding upon the admissibility of the adjournment motion, what he is stating would be irrelevant. We are not concerned with that. That would be a comment upon the way in which Government have acted. That would be entirely a different matter.

Sardar Patel: What is the Government circular?

Mr. Speaker: What is the circular he is referring to?

Sardar Patel: There is no Government circular.

Dr. Pattabhi: Clause 3 of the order says: "You shall immediately remove yourself from Delhi District and shall not return to Delhi District without permission from the District Magistrate of Delhi." Is that in force now?

Mr. Speaker: That is not in force now.

Dr. Pattabhi: That has been cancelled. At what hour and minute has it been cancelled, I want to know. This question makes my statement relevant to the adjournment motion.

Mr. Speaker: Is that clause 3?

Dr. Pattabhi: Yes.

Sardar Patel: There are only two clauses not three. The following is the Chief Commissioner's order: forbidding Prof. Shibban Lal Saksena (a) from residing in the Rajghat area and (b) from staying in Delhi. It is learnt that this portion the Deputy Commissioner has now cancelled so far that Shibban Lal Saksena is free to return to Delhi, but not to reside in the Rajghat area.

Dr. Pattabhi: The order that has been served upon the party, and the order by virtue of which the party has been bodily removed from the precincts of Delhi by train—he must be by now over 120 miles away from this place—how is that going to be rectified unless that man is brought back? Therefore I say the question of adjournment motion arises because a man's bodily privilege has been transgressed. If the Home Ministry undertake to bring him back and leave him in some place in Delhi, then the reversal of the order will have had justification.

Sardar Patel: This order was served. If he wants to come back, he will be brought back. If he does not.....

Shri Kamath: Was the operative part of the order cancelled before or after his removal? That is the point.

Sardar Patel: The motion was given at 10 o'clock. I received it at 11 o'clock in fact here. This is what I have found that the order whether he wants to come back to Delhi or not, has already been cancelled. When the order has been served, at what o'clock. I cannot say at present.

Shri Kamath: That is the crux of the matter.

Mr. Speaker: It will be now a case of post-mortem about this order.

Dr. Pattabhi: Yes; we are conducting an autopsy.

Mr. Speaker: So far as the adjournment motion is concerned, the material before the House is sufficient to hold that there is no occasion for this adjournment motion now.

Shri Tyagi: I wanted it to be recorded on what grounds the discussion is ruled out either in favour or against. I do not want to go into the merits. I think the House has the privilege to discuss an adjournment motion. It is a matter of no confidence in the Government. The Government must be willing to face the no confidence. Under these circumstances, to allow the no confidence motion or not to allow is for you to decide. I want the reasons to be recorded.

Mr. Speaker: I have sufficiently explained the reasons. I have pointed out the rules. If the adjournment motion seeks to raise a question of privilege, it is barred under rule 50 or 51, whatever it may be. One of the motions does not say so. Then, factually there is no occasion for it. The order does not survive. There is no order banning the presence of Prof. Shibban Lal Saksena in this House. Hon. Members will see that the facts on which they tabled this motion do not survive.

Pandit Thakur Das Bhargava (Punjab): The removal is there; the removal survives.

Shri Kamath: If the Government bring him back to Delhi, it may be all right.

Mr. Speaker: As the order does not survive, I cannot allow the adjournment motion.

Shri Syamnandan Sahaya (Bihar): Are we to take it that he was removed without any order?

Mr. Speaker: The matters are clear. I cannot explain more than what I have done.

Pandit Balkrishna Sharma: I wanted to make a submission. As has been made very clear by the hon. Deputy Prime Minister, the objectionable part of the order when it was found to be improper has been cancelled and Prof. Shibban Lal Saksena is free to come to Delhi if he so chooses. Well and good. What this adjournment motion, that one which does not seek to raise a question of privilege of the House, wishes to bring before the House is that a certain action has been performed by the Delhi Administration for which ultimately the Central Government is responsible and that action still continues where it is and therefore the House is perfectly justified in taking cognisance of this adjournment motion and on that ground the adjournment motion cannot be ruled out. That is my submission.

Shri B. K. Chaudhuri: You have just now said that one of the adjournment motions does not relate to the point of privilege. The other motion relates to these facts that a man who was on the eleventh day of fasting has been removed in open police van to a certain destination. The House should certainly be anxious and every one of the Members would like to know where that gentleman has been sent, where he is now, how he could be brought back, and in whose custody he is. The Police took charge of him from where he was fasting. Where has he been removed? I am not making a complaint. But I very respectfully request the Deputy Prime Minister to make enquiries on this point and inform the House tomorrow where he has been removed, where he is at the present moment and what is his present condition of health. A man has been removed hundreds of miles away on the eleventh day of his fast when he cannot be in a fit condition to travel by train. The House naturally wants to know about his state of health.

Sardar Patel: The gentleman concerned was examined by the Civil Surgeon in the evening and was found to be in a physically very healthy condition to be removed. Now I am asked where is he? How can I say that till

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I make enquiries? He was taken in the regular train in a first class compartment. I do not know where he is. I shall enquire and tell you. But I can assure you that he is quite healthy as anybody else. I can assure the House that this journey would not affect him. I have seen cases where a man who has fasted for 20 days without taking even a drop of water has been able to walk ten miles. You need not be worried.

Mr. Speaker: I do not think any useful purpose will be served by any further observations. Unfortunately, there has been, I am afraid, an admixture of a little heat and some sentiment over this matter. But my function, as Speaker, will be to decide the admissibility on the basis of the facts, previous decisions and rules. As I said in the beginning I am not concerned at present with the merits of the Order.

The third point made by Pandit Balkrishna Sharma is that a certain order has been passed already and that the House would like to discuss the propriety of that order and get an explanation from the Government about the passing of that order. I could have understood the necessity of an adjournment motion for doing that, if the order were in existence.

Pandit Balkrishna Sharma: No, Sir. It was an illegal order under which...

Mr. Speaker: The hon. Member says that that order is illegal. I do not know whether it is legal or illegal. Whatever it may be, the continuance of the order would have been a ground which would have given this motion the required urgency contemplated in the rules.

Pandit Balkrishna Sharma: And the conduct of the Delhi Administration?

Mr. Speaker: The hon. Member will not go on talking to the Chair in that manner.

The point which I am trying to make the House understand is that for a motion to be admissible it must be one of public importance, it must be definite and it must be urgent. This motion may be of public importance and may also be definite. But the withdrawal of the order has taken place. It may be that perhaps there is a sense of frustration on the part of some at the move of the Government in withdrawing the order.

Pandit Balkrishna Sharma: No.

Mr. Speaker: But the fact is that the order is not in existence today. That takes the wind out of the sail, so far as the urgency of the matter is concerned. If hon. Members want to discuss this position on any motion and condemn the Government for this, I have not the slightest objection to their doing so. They may do whatever they like. They will be getting ample opportunities to discuss these things when the Budget comes up for consideration and when the Grants for the Home Ministry come up for vote. (Interruption).

I am not asking for the opinion of Members now. I am telling them what is passing in my mind and what are the grounds which rob this matter of its urgency, apart from other questions.

Dr. Pattabhi: The act continues under the illegal order.

Mr. Speaker: The act does not continue. The Government did a particular thing and the matter has ended the e.

Dr. Pattabhi rose—

Mr. Speaker: I do not propose to hear any more arguments in this matter. There is no element of urgency now, even if the order was very improper and should not have been passed on a Member of the House who was fasting at a particular place. In view of the fact that the order does not survive there is no urgency now for a discussion of the matter. Therefore, I extremely regret I cannot align myself with those hon. Members who feel that I should give them an opportunity to discuss this matter as an adjournment motion. Under the rules and the precedents it is not admissible. I believe I have made my position very clear.

Dr. Pattabhi: Not convincing.

Mr. Speaker: It is impossible to convince every one of the Members. Some Members may not be convinced. That is another matter. I am not concerned with that. All I can say is that this is a motion which I cannot permit as an adjournment motion under the rules of procedure of the House.

Syed Nausherahli (West Bengal): May I make a submission on a matter of privilege.....

Mr. Speaker: No submission now.

Syed Nausherahli: I bow to your decision as regards the main motion. But I am seeking to make a submission with regard to a point of privilege. I want a clarification of your ruling.....

Mr. Speaker: He will make an attempt to understand me by reading the proceedings. I have already stated that if the hon. Member wants to refer to the question of privilege, on his own showing, the adjournment motion becomes out of order.

Syed Nausherahli rose---

Mr. Speaker: Order, order. The matter of privilege may be raised later on.

Syed Nausherahli: According to your ruling, I am entitled.....

Mr. Speaker: The hon. Member is arguing. He is not entitled to do that.

SPECIAL CRIMINAL COURTS (JURISDICTION) BILL.

The Minister of Home Affairs and the States (Sardar Patel): I beg to move:

"That the Bill to confer upon special criminal courts, constituted by or under certain State laws, jurisdiction to try offences against laws with respect to any of the matters enumerated in the Union List, be taken into consideration."

As the House is aware, certain States, namely, Bombay, Madhya Pradesh and West Bengal have enacted measures authorising them to set up Special Criminal Courts to try a prescribed category of offences. The main idea underlying the establishment of these Special Criminal Courts is to seek speedy trial without sacrificing any of the essential principles of natural justice. Having regard to the special category of offences which these Criminal Courts try and also to the fact that in such cases, the sooner the accused knows his fate the better, these Criminal Courts are performing a useful function, both from the legal and the humanitarian point of view. It has some times happened that in the same transaction in which the accused have committed certain offences in respect of which State Legislatures have power to legislate, they have also committed offences for which only the Union Legislature can legislate. The Special Courts would not be competent to try the latter class of cases without any authority from the Union Legislature. Even where there may be two opinions about the Special Courts, I

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make bold to say that there can be none on the point that offences committed in the course of the same transaction should be tried by the same Court. "An emergency arose in that in West Bengal in the course of the same transaction some accused were alleged to have committed offences both under the Provincial and Central laws. To cover this case we had to pass an Ordinance authorising jurisdiction for the Special Courts to try offences with respect to matters under the Federal Legislative List. The Ordinance will expire in July. At the same time, the machinery of the special courts will continue to function. We must therefore have a permanent measure on the Statute Book. The Bill is to serve this limited purpose and I therefore move that the Bill be taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill to confer upon special criminal courts, constituted by or under certain State laws, jurisdiction to try offences against laws with respect to any of the matters enumerated in the Union List, be taken into consideration."

Shri Sivan Pillay (Tavancore-Cochin): I support the Bill but I want an explanation from the hon. Minister as to why the scope of the Bill is limited to Part A States only. Sub-clause 2 of clause 1 of the Bill reads:

"It extends to the whole of India except Part B States".

This Bill confers jurisdiction to special criminal courts of the States to try offences relating to matters enumerated in the Federal Legislative List under the Seventh Schedule, that is, the Union List. My submission is that that jurisdiction is given to courts in Part A States. Special courts in Part B States are expected from having that jurisdiction. That may be correct before the 25th January but after the 26th January these States also have come into line with the Part A States, in so far as many States have also legislated that they accept the Constitution of India as far as it affects them. Therefore there is no valid reason why the special courts in these States should be excluded and I request the hon. Minister to include the special courts of these States also within the purview of this Bill.

The Minister of Law (Dr. Ambedkar): There are no such courts in Part B States.

Shri Sivan Pillay: Clause 4 of the Bill says:

"The Central Government may, by notification in the Official Gazette, add to the Schedule any other State....."

Dr. Ambedkar: When special courts are brought into existence in those States the provisions of the Schedule would be extended to them. But today no such courts exist and no such law exists.

Shri Sivan Pillay: Under sub-clause (2) of clause 1 "It extends to the whole of India except Part B States." The Schedule will have therefore to be limited. The Schedule cannot be extended to include Part B States unless the scope of the Bill is also extended to include them.

Mr. Speaker: The question is:

"That the Bill to confer upon special criminal courts, constituted by or under certain State laws, jurisdiction to try offences against laws with respect to any of the matters enumerated in the Union List, be taken into consideration."

The motion was adopted.

Mr. Speaker: There are no amendments to the clauses. I shall therefore put all the clauses together.

The question is:

"That Clauses 1 to 5 stand part of the Bill."

The motion was adopted.

Clauses 1 to 5 were added to the Bill.

The Schedule was added to the Bill.

The Title and Enacting Formula were added to the Bill.

Sardar Patel: I beg to move:

"That the Bill be passed."

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

CRIMINAL LAW AMENDMENT BILL.

The Minister of Law (Dr. Ambedkar): I beg to move:

"That the Bill further to amend the Criminal Law Amendment Ordinance, 1944, be taken into consideration."

[SHRIMATI DURGABAI *in the Chair.*]

The object of this measure is to replace Ordinance No. III of 1950, which is called the Criminal Law Amendment Ordinance, 1950. This Ordinance No. III of 1950 was passed in order to add a new section 9A to the original Ordinance XXXVIII of 1944. The history of this Ordinance No. XXXVIII of 1944 may be helpful to hon. Members in order to understand why exactly the Ordinance III of 1950 was enacted.

During the war the Government of India as well as the Government of the various Provinces had entrusted public property and public funds into the hands of certain persons such as contractors and officers of Government. It was found that some of these persons who were entrusted with Government property and funds had committed certain defalcations and consequently in order to try the delinquents Ordinance XXXVIII of 1944 was passed, which constituted special tribunals for trying these offenders. These tribunals were spread all over India in the different Provinces of United India before the Partition. These tribunals were given power to freeze the property of the delinquent by passing attachment orders and the courts so empowered were courts within whose jurisdiction the delinquents stayed or carried on business.

After the Partition a peculiar situation arose, namely that the tribunals which passed the orders of attachment against the properties of the delinquents became part of Pakistan, whereas the property of the delinquents remained in India proper. This difficulty has to a large extent held up the work of carrying on these trials. It is therefore now proposed that the power of passing further orders with respect to property which has already been attached by courts (which unfortunately happen to be now in Pakistan) should be transferred to courts operating within the Indian Republic. Consequently it is thought desirable to add this section 9A which permits the courts within whose jurisdiction the offences are now being tried to exercise the power of passing orders regarding the property which is held by these delinquents.

The Ordinance was promulgated because the matter was regarded as very urgent. As the power of continuing the Ordinance is of a limited duration it is necessary to revise the Ordinance before the expiry of time by this measure.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Criminal Law Amendment Ordinance, 1944, be taken into consideration."

Shri Himatsingka (West Bengal): On a point of information, may I know if the property that has been attached by an order of the court is now in Pakistan. If the property continues there.....

Dr. Ambedkar: The property is here.

Mr. Chairman: The question is:

"That the Bill further to amend the Criminal Law Amendment Ordinance, 1944, be taken into consideration."

Mr. Chairman: The question is:

Mr. Chairman: There are no amendments. I will put the clauses.

The question is:

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Dr. Ambedkar: I beg to move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

INDIAN TARIFF (SECOND AMENDMENT) BILL

The Minister of Commerce (Shri Neogy): I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

This is one of a series of measures that this House has been called upon to consider from time to time and I know the keen interest which the House takes in all measures relating to tariff protection. There are certain considerations, however, which to my mind, have not so far sufficiently weighed with the hon. Members in the consideration of these measures. It is therefore my desire to make a few preliminary observations so as to supply the background to the policy which the Government have been following for the last few years in regard to protection measures of this kind.

I made an attempt as early as September 1948 to tell the House quite briefly about the policy that prevailed before the war in regard to protection of industry and how that policy differs from the policy that was adopted with reference to industries that came to be established during the pendency of the war. Since then the Tariff Board has published a review of its own work ever since its constitution in 1945. This review was published about six months ago and it is available in the library of the House. In this review the Tariff Board have taken considerable pains for the purpose of bringing out the distinction between the policy in regard to protection of industries as followed by Government in the past and the policy that has been in operation ever since the new Tariff Board was appointed in November 1945. The Tariff

Board in that review have given a quotation from a statement of Government's Industrial Policy which was published in April 1945 where the Government state that the formulation of its tariff policy appropriate to the post-war needs and conditions of the country is under active consideration. "The subject, however," the statement proceeds, "is one of great complexity and will require a little further time for the Government of India to determine its policy and devise the machinery for implementing it." Referring to war-time industries, Government on that occasion mentioned an announcement which was made in 1940 in regard to the grant of an assurance of post-war protection to essential war-time industries. I need not recall to the mind of hon. Members the impelling circumstances during the war that necessitated the adoption of a short-term policy in order that certain essential industries which had been set up under the fostering care of Government could be sure of some measure of continued existence after the war had come to an end. But it was not exactly the war-time industries in the sense of strategic industries that were comprised within the purview of that policy. As a matter of fact, any industry that had been set up during the war period and which was essential, or rather important, in the national economy qualified for that protection which was assured to the war-time industries in 1940.

The object with which I have made these observations is to emphasize the fact that the policy that is now in operation is essentially a transitional policy, a tentative policy, an interim policy if you like; it is not a policy which has been considered for a long-term operation in this country as yet. In the very nature of things therefore the period of protection cannot be very long. Then again, the conditions which an industry has to fulfil in order to qualify for this kind of protection are not of that rigid kind that were laid down at the instance of the Fiscal Commission which reported a quarter of a century ago. If the House will remember, the Fiscal Commission which reported in 1923, as far as I recollect, recommended the adoption of a discriminatory policy of protection. It was somewhat rigid and did not satisfy the country as a whole in its operation. In regard to the war-time industries Government deliberately adopted a more liberal policy, having regard to the valuable services which these industries—at least many of them—rendered in the matter of the war effort of the country particularly. So the conditions that were expected to be fulfilled by industries of this description were of a more liberal character than the conditions that would be expected to be fulfilled under the policy recommended by the Fiscal Commission and later adopted by Government about twentyfive years ago. In the past the Tariff Board was an *ad hoc* body appointed to consider the case of any particular industry whose case for protection Government thought fit to refer to it. In the present instance the Tariff Board which came into existence in 1945 has been functioning continuously with reference to a large number of industries whose cases have been referred to them for consideration. The Tariff Board is not yet a permanent body, but the fact remains that for the time being it is functioning as a standing body to which reference can be made of any individual industry which may come up for protection. And here there is a difference between the policy followed before the war and the policy that has been in operation of recent years.

As I have already stated, the Government announced in 1945 that the post-war policy with regard to protection of industries was "under active consideration." But I do not know what "active consideration" was given by the government of the day. It was only when the new Government came into being that this question engaged our attention and the House knows that about a year ago Government appointed another Fiscal Commission to advise it as regards the future policy to be adopted by Government in the matter of

[Shri Neogy]

protection of industries. That Fiscal Commission has been working continuously for the last one year or so and its report is expected in the course of the next few weeks.

Now, Madam, the Fiscal Commission, apart from being engaged in a study of the problems directly relating to protection of industry, is also considering one or two ancillary matters of some importance in which the House takes a special interest. For instance, there is the preference enjoyed by the United Kingdom under an agreement which has been in operation for some years. The question whether that agreement should be continued has also been referred to the Commission for consideration. It is not that the Commission will have the right to advise Government as regards the policy to be followed in this matter, but we have asked it to help the Government in making a factual assessment of the pros and cons of the problem. The political aspect of it, in which I know many of my hon. friends are deeply interested and in which I personally used to be interested some time ago, should no longer weigh with us simply because we are in a position today, if we like, to put an end to this agreement and put a stop to the preference that the United Kingdom enjoys under it and India also in a reciprocal manner enjoys at the hands of the United Kingdom. What we have asked the Commission to do is to give us an idea from an objective point of view as regards the value of the reciprocal concessions that are provided for under that agreement: apart from the question of politics, would it be to our interest to put an end to that agreement? That is the issue which Government and Parliament will have to consider when we receive the report of the Fiscal Commission.

The other ancillary subject which is being considered by the Fiscal Commission is as regards the desirability or otherwise of India continuing to be a party to the General Agreement on Trade and Tariff which we signed some time ago and from which it is possible for us to get out on six month's notice. Connected with that is the other question of India's adherence or otherwise to the I.T.O. Charter, the Havana Charter as it is popularly known. On these questions also the Commission will give us the benefit of its opinion. This question is a subject in which I know certainly some Members of this House are keenly interested.

I would repeat again that the policy that we are following at the moment is of a tentative character and the time is not yet to consider what policy should be adopted by us for any number of years hereafter—I would not say a *permanent* policy because there is no permanence in these things. From that point of view, I would beg of the House not to make heavy weather of this motion.

Now, I would give briefly.....

Mr. Chairman: May I know what time the hon. Minister is likely to take?

Shri Neogy: I am likely to take quite a few minutes. I have not yet come to the merits of the proposal.

Mr. Chairman: Then he may continue his speech after Lunch.

The House re-assembled after Lunch at Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock:

[MR. SPEAKER *in the Chair.*]

MEMBER SWORN.

Shri Krishna Chandra Gajapati Narayana Deo (Orissa).

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.—*Contd.*

Shri Neogy: Before the House adjourned, I was emphasising the fact that the policy that we have been following of late in regard to protection of industries has been admittedly a tentative and transitional one. The Fiscal Commission has been charged with the duty of advising Government as regards the long-term policy which Government should adopt in this regard. The Report of the Fiscal Commission, I understand, would be available some time in May, and thereafter Government as well as Parliament will have an opportunity of considering all the various relevant issues in this connection and then adopting a policy suited to the requirements of the situation. Meanwhile, the war-time industries which were given a sort of assurance during the pendency of the war that their interests would be safeguarded pending the adoption of a final policy have to be maintained.

In this particular Bill, there are twenty-two industries dealt with. Of these twenty-two, in the case of two, the protection is being withdrawn on the recommendation of the Tariff Board. That leaves us with twenty.

Out of these twenty, again, in the case of fourteen, the protection amounts merely to conversion of the revenue duty into a protective duty, the rate of duty continuing to be the same. There is merely a change in the description to give a psychological assurance to the industries concerned. Moreover, in the event of an emergency, this change of description would enable Government to succour an industry under Section 4(1) of the Tariff Act, but occasion for this kind of executive action has arisen very seldom. So, I submit that, in the case of these fourteen industries, where there is no change in the rate of duty, the House might as well agree to the continuance of the protection, which consists merely in maintaining the present rates but changing the character from "revenue" to "protective".

As regards the remaining six, one, I might tell the House, is the steel baling hoops industry. This has been an industry in regard to which the Tariff Board recommended protection on condition that the main concern engaged in this industry, (which is, I understand, a very important one), complies with two principal conditions. One is that the concern should be turned from a private firm into a public limited company. The second is that its location should be changed from Kanpur to the neighbourhood of Calcutta, because, in the opinion of the Tariff Board, there are certain natural advantages to be derived by locating it in the neighbourhood of Calcutta. This industry has not succeeded in complying with these conditions. It has been trying to secure a site in the neighbourhood of Calcutta, and if it succeeds, it will not merely remove the factory there but also convert itself into a public limited company. Therefore, in this particular instance, the protection recommended has not been enjoyed by the company engaged in this industry.

[Shri Neogy]

That leaves us, with five other industries. As regards these, I may say that the proposal is only continuation of protection at the old rates, that is to say, the old protected rates, which are not exactly the same as the revenue duty rates in force prior to protection. But these are not new cases. Here, the recommendation is that protection should be continued on the same basis. Excepting in two small cases, there is a slight increase.

I do not know if the House expects me to give details of all these cases. The Ministry of Commerce have circulated two papers containing explanatory notes, which seem, to me at least, to be quite full.

Now, there is one other point to which I would like to draw the attention of the House. Almost invariably, the period of protection, whatever the actual period may be, expires at the end of a financial year, which makes it obligatory on the part of the Government to trouble this House for a reconsideration of a proposal, if need arises, during the Budget Session, which is the busiest session of the Parliament. At the moment, we have only one House to count with; hereafter, there will have to be two Houses, which will be expected to consider these measures. It has, therefore, been thought advisable that, instead of making the period of protection co-terminous with a financial year, we may fix it in such a way that it will expire at the end of a calendar year, so that the House may have greater opportunity of considering and examining these proposals in detail when they may be, comparatively, more free, that is to say, when there would not be this pressure of work that we experience during the Budget Session.

Shri Sondhi (Punjab): In the Autumn Session, you mean?

Shri Neogy: Well, whatever session is available. It does not mean that the industries will be given this automatic extension.

As a matter of fact, calculations have been made to indicate that in four cases this system will amount to a slight reduction in the period that has been recommended by the tariff Board. In the case of the others too, if the Tariff Board reports are received well in time and if after reconsideration of the reports, Government are convinced about any modification in protection, or even if withdrawal is justified, Government would not hesitate to take action at the earliest possible moment. It is really for the convenience of Parliament that this change in the dates has been decided upon. Hon. Members will find in the Statement of Objects and Reasons the various dates up to which protection would be operative in the case of all these various industries.

Sir, I do not think I need say anything more at this stage, but I do hope that the House is convinced that the Bill is not of such a formidable character as its appearance might have indicated.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

Shri Shiv Oharan Lal (Uttar Pradesh): What are the other five industries?

Shri Neogy: Does the hon. Member wish to know the names? I shall repeat them. They are: Coated abrasives, Alloy tools and special steels, Batteries for motor vehicles, Calcium chloride, Sodium sulphite, etc. These are the five.

Shri B. Das (Orissa): The House is very grateful to the hon. the Commerce Minister for reviewing the whole policy of protection that is the underlying principle of the present Bill. The Bill seeks to give extension for a year or two in the case of certain items of industries.

I am very glad that the practice which my friend followed today was also followed recently by the Railway Minister who showed in action that the Railway Minister is a friend of the Parliament and he means to take the House into confidence and not attempt the old old tactics of waiting till a question is asked for giving the necessary elucidation to the House.

I am glad our Commerce Minister is thinking loudly. Of course, he cannot take any decision about the fiscal policy, about the protection to be given to various industries, until my hon. friends Mr. V. T. Krishnamachari and Mr. Ananthasayanam Ayyangar have produced the report of the Fiscal Commission over which they are toiling day and night. My hon. friend the Commerce Minister is right in his analysis that most of us have not been enamoured of the protective tariff policy of the former Government of India. It still continues and my hon. friend rightly referred to the question of 'Imperial Preference'. We had tried in 1924 to develop Indian industries but we had to pay heavy price for it. U. K. sucked our blood. Although the Commonwealth stage is still continuing, the Dominion stage is over. Although we fancy we are a Republic we are still paying that price by being in the Commonwealth. We are bled, we are still bled, and the sooner my friends Mr. V. T. Krishnamachari and Ananthasayanam Ayyangar submit their comprehensive report on the fiscal policy of India, the better it would be for the interests of the country and our national economy. We can then heave a sigh of relief for we would no more be tied to the chariot wheels of U. K. simply because somehow, some people have willed that India should remain in the Commonwealth.

Shri Kamath (Madhya Pradesh): Parliament willed it.

Shri B. Das: I am no party to it!

Shri Kamath: Did you vote against the Resolution in the Constituent Assembly?

Shri B. Das: I think my hon. Friend who knows me intimately knows that I have my own idea of the Commonwealth and the House knows too.

If in 1923 the Fiscal Commission had any independence, if it had not been working under abject conditions of slavery, it would have made different recommendations. The policy of discriminating protection was utilised to its maximum by the foreign interests that were ruling India. If we had been a sovereign State then, we would not have given protection, discriminating protection and protection in the shape of raising the tariffs, which helped the then Government to meet its budgetary requirements. These things became so very evident during the 1931 depression. We found that these protective tariffs gave the Government of India certain definite sources of revenue. For the last two or three years we are passing through a period of depression in our finances. I am sure the Finance Minister must be heaving a sigh of relief that he has so many protective duties which relieve him of his anxiety to make both ends meet. Although we would know what is our fate only at five o'clock this evening when the Budget speech will be delivered, I am sure the Finance Minister would not have been relieved of the unpleasantness of imposing additional taxes if we had adopted other methods of protection.

There are two ways of granting protection; one course is to enhance duties, that is raising heavy tariff walls; the other is by giving subsidies to an industry, or bounties to an industry. Our rulers in the past were hard put and they

[Shri B. Das]

wanted our money and therefore though in a particular industry India produced only ten per cent. of the requirements in that particular article, still we never adopted the method of granting bounties. That was due to the financial hardship of Government and lack of appreciation of the requirements. At present though we are hard pressed for money,—the Government of India is heavily overcrowded, it is top-heavy in every direction, and they cannot cut their coat according to the cloth available: they cannot reduce the staff for fear of Communists, those Communists who have gone underground. If some of the employees of the Government show Communistic tendencies and threaten to go on strike it is something that this House and the country at large should ponder over. However, the Fiscal Commission must be expressing its feelings and its views, and this House will also have to consider whether protection to industries can be given only by enhancing or creating protective tariff walls or whether smaller industries cannot be encouraged, by means of granting bounties.

When I listened to my hon. friend the Commerce Minister I felt he is not in the Government. He himself admitted he was one of the strongest critics of the tariff policy of the former Government. And then he referred to political aspects! That political aspect is my *bete noire*. I do not want an answer to this to-day because we will be discussing the report of the Fiscal Commission in November or October and then we will be going fully into this subject. Whether in their report also the Fiscal Commission have gone into this political aspect, the relation of India with the Commonwealth, and whether the legacy of imperial preference—I do not know how to call it by any other name, though my friend there does not agree that it is imperial preference still—as Havana Charter has stepped in, whether it is continuing now under any other form. It is, I say imperial preference under the disguise of the Havana Charter. I do not think my friend the Commerce Minister liked very much the Havana Charter; anyway, I do not like it. At that time those who represented me and my country abroad they were suffering from the handicap of an inferiority complex and somehow they felt that they are part of the British agency and there were numerous such agencies in India and abroad controlling our attitude in those trade negotiations of Havana. But as I said, I am not interested in the Havana Charter. I am glad the Fiscal Commission was appointed and though it was appointed under Independence traditions, its report will be Republican and that the report will breathe the air of the new Republic, and that it will be free from the traditions and legacies of the bondage of U.K. economy, and that its report will be designed for the development of Indian national economy without and considerations or assurances being given by the Government of India, by the people of India to any outsiders.

What I am concerned with, more than with anything else is this, whether the Commerce Minister has given a mandate to the Fiscal Commission to report on foreign investments here. Some days ago I was reading somewhere that from 1924 and onwards whenever the subject of protection to Indian industries was under discussion, we were always baulked by the vested interests of the people of U.K. who had so much investments here. Even now they have, and sometimes I feel this is a sort of insurance for me against our sterling balance which England has almost frozen in the Bank of England. Still it is small consolation to me, though one feels that we have got eight hundred crores of rupees of property here and if at any time Churchillian ideas should prevail in England that no payment should be made to India out of the sterling balances, then we can say that all the U.K. owned tea plantations, all the other European concerns in Calcutta, Madras and Bombay with so much investments shall become Indian property and we recover our sterling balances.

I read in some of the papers and also in the extracts from American journals that Americans also want some sort of protection for their capital if invested in this country. We do not want, after getting the Englishman to quit, any American vested interests to be created here. People nowadays talk a lot about China, but we know how China was helped by President Roosevelt and President Truman. Look at what happens in Japan. Japan is completely under the control of that General there—Gen. MacArthur. He is in complete authority there and is a greater dictator there than Hitler ever was. That is a thing which I want my hon. friends in this House to think about. They should think of all these till the Fiscal Commission's report is out and we deliberate on it on the floor of this house. We have to see that in the name of foreign capital needed for the development of our industries, we are not again subordinated to the U.K. or U.S.A. economy which would mean Commonwealth subordination magnified a hundred times.

We have to think of the future. Are we going to be a free country? Are we going to be a free Republic, or are we going to patronise a few capitalists who have always been ungrateful? Industrialists in India have never come to the succour of the country. The Finance Minister finds that his loans are not subscribed. That is one guilt which I will place against the industrial community in India. I do not want to allude to the sugar industry and show how at the cost of the public these sugar industrialists have gained by means of black-markets. By bamboozling the Minister of Food—yes, they bamboozle everybody—they have made a lot of money. I hope the Commerce Minister has received the report of the Tariff Board and I hope the newspaper forecast will come true and that we will have sufficient import of sugar from abroad so that these capitalists may not continue to exploit us by means of black-markets and high prices.

Further I do hope the House will from today take notice of all implications and not blindly grant protection for many years. Therefore, I have no objection to protection being given for a period of one or two years and I 3 P. M. entirely subscribe to the ideas of the hon. Minister of Commerce that protection should be given to end of 31st December every year, so that when we meet during the Autumn session we will have an opportunity of discussing them and coming to decisions.

I again appeal to the House that the House must now think whether it is to be tied down in the ideas of Commonwealth and making the United Kingdom and U.S.A. masters of Indian economy or whether our protective tariff policy should be so regulated as to be independent of any kind of foreign domination. With these remarks, I support the Bill.

Mr. Speaker: Before I ask Mr. Sidhva to speak, I must mention to the House that in view of the fact that we are assembling today for the purpose of the Budget at 5 P.M. we shall be sitting up to 4 o'clock, so that we may have one hour in the interval. Is that convenient to hon. Members?

Hon. Members: Yes, Sir. Very necessary.

Shri Sidhva (Madhya Pradesh): Within a period of ten days the hon. Minister has again come before this House for the protection of certain industries. Last time there were two items but this time there are 20 industries for which the hon. Minister wants protection and I am sure there are still more. I was reading in the newspapers that hair belting and the leather belting will also come for protection and as regards the big protection for sugar, we do not know—we are so anxious to know—when we will be informed about it. The hon. Minister sang the same song which he did on the last occasion and not only did he repeat what he said last year, but every time we are told that these

[*Shri Sidhva*]

industries should be protected in the interests of national requirements, and in the hour of difficulty these industries should be made self-sufficient. I am very anxious myself to see that the industries are made self-sufficient. Nobody in this House would deny that the industries should be made self-sufficient and that we should stop all our imports from foreign countries. But unfortunately that is not the point. The Tariff Board or the Government do not grant protection to industries on this basis. Even though the industry may have been started years ago, they consider whether it could stand on its own legs or whether it could stand with the aid of the taxpayer's money. It is immaterial for the Government or the Tariff Board whether the consumers are taxed more. That again is a different matter but the investor, we are told, should be protected because this is our national industry and we must see that it must get protection. That is the line of argument. I have been hearing all the time from Government benches whenever protection is demanded to these industries from this House.

I said the other day, and I would repeat the same thing, that unless an industry is able to produce the raw material, it should not be granted protection. After all most of these industries have to depend for the raw materials from foreign countries. In difficult times such as when a war is on if the industries are there and they are told to carry on what would happen to them? For raw materials these industries depend on foreign countries. That is the main point that the Tariff Board or Government forget while granting protection to these industries. In certain matters, of course, the raw material is available, but then the Government are not in a position to supply. For instance, for giving protection to lanterns, which are one of the items in the iron & steel industry, the Ministry do not supply the iron block which the trade has been demanding from time to time. The Tariff Board has made a grievance of it and have made a suggestion to the Government that this block iron should be supplied to the people concerned. Neither the Government nor the Tariff Board consider all these points and they merely go on protecting year after year knowing very well that the industry cannot stand on its legs. My hon. friend, Mr. Das stated that protective duties bring in larger revenue. In my opinion it is the reverse. The protective duty on the other hand restricts our revenue because while we give protection we do increase the percentage of duty and to that extent we restrict the import of those articles and naturally the import of those articles will be smaller and to that extent the general revenue of the exchequer will be reduced. It may be that we give protection from 15 to 20 per cent, but that makes very little difference when we consider the volume of business, when it has decreased by way of protection, that is to say, to give protection to an indigenous industry our revenue from industry to that extent is reduced.

Sir, a point that the hon. Minister put forward was that we should wait till the Fiscal Commission's report is presented to him. I do not know whether, when the report is ready, Government is going to bring it before the House before they can take any decision. It should be made clear. While the hon. Minister has frequently told us that we should not make any remarks until the Fiscal Commission's report is received, I would like to know from him whether the Government are going to give an opportunity to this House to discuss it. This will be a very important document which affects our industry and not only our industry but our economy, our imports and exports and whether we should give preference to a particular country in the matter of duties. This will be a subject for serious consideration of the House. I do not desire that the Government should take a decision on the report which will be presented to them and then place it on the table and give a day for this House to discuss it. I would, therefore, make a suggestion here that while he desires us to reserve

our remarks as to the giving of protection to the industry, he would kindly make an announcement that full opportunity will be given to the House to consider the report. I am told by one of the members of this Fiscal Commission that they are expediting this report and probably by the end of May the report will be presented to Government. I agree that the Commission has been doing its work very quickly and I am told it will be a document well worth consideration. I am very anxiously awaiting this report because our future economy and the industrial policy will largely depend on the recommendation of the Fiscal Commission. I therefore desire that before Government takes any decision in this matter, I wish the House should be given the fullest opportunity to discuss it and afterwards the Government can take its decision, whatever it may be.

Shri B. Das: A special session.

Shri Sidhva: I have no special objection. I reciprocate the views of my hon. friend Mr. Das and I suggest that it should not be hustled through by allotting one or two days for its discussion but at least a week should be given to the Members to discuss this important matter.

I was therefore stating that while some of the industries are on their last legs, we do not want to stand in the way of Government coming to their rescue from time to time and burdening the consumers.

Mr. Das suggested that instead of giving protection give them subsidy. This is not a new point and this point has also been raised in this House from time to time and Government have failed to give us any reply as to what they have thought over this proposal. It came before the Tariff Board also in one of the discussions last year and I would like to know to what extent Government want this House to commit and to protect this industry at the cost of the general tax-payer and consumer. If a certain subsidy is to be paid let them have it and be done with it rather than every year make this performance and repeat that very song that is being sung by the hon. Minister and then ask this House to contribute certain amount to this industry which could not stand on its own legs. That is a point on which I would like the hon. Minister in his answer to give us an indication as to whether the Government have considered such a proposal.

Shri Neogy: When there has been a proposal by the Tariff Board.

Shri Sidhva: I agree that the Tariff Board has not made the recommendation but during the evidence some industries have made the suggestion and Government should not discard the evidence also. While considering the report they must go through the matter. Why go on the recommendation of the Tariff Board? Otherwise you are not doing justice to both the sides.

Shri Neogy: We do not go through the evidence. We go through recommendations.

Shri Sidhva: I am surprised to hear that. I thought when Government take a decision, the officers concerned and the Minister in charge go through the matter impartially, the evidence and other material placed before them, and then come to a decision but I understand that that is not the case. I know they have gone against the recommendations of the Tariff Board also. Last year somebody wanted to continue a particular protection and Government have turned it down. The question is the policy of giving protection to this industry. There are 20 items. I will only deal with four items, *viz.*, sewing machines, electric motors, hurricane lanterns and chocolates.

There are a few industries of importance out of the list and I do not attach much importance to the other industries. However, if these industries for certain reasons, should get protection from Government, I do not mind it; I

[Shri Sidhva]

mean Cocoa and Chocolate. I know this industry—chocolate—was first started in Poona. It has to be started in a place where climatic conditions are favourable, as we all know chocolate will melt very soon in summer and therefore climatic condition for this industry is the first concern. Bearing that in mind one was started in Karachi and I had the honour of giving the land from the Municipality at a concessional rate to show that we wanted to protect the industry. Unfortunately, that has now gone to Pakistan but what I wanted to contend is that wherever occasion has arisen, those who believe in it have done their best, not only by speeches and propaganda but also by action. Whenever an opportunity arose from time to time we had assisted the industries by various ways, e.g., by giving free lands, free water, exemption from local taxes etc. and in all such matters I can claim myself of having done something when I had something to do with the Karachi Municipal Corporation.

Coming to the question of hurricane lamps and sewing machines, there are two units for sewing machines, one with a total production of 28,000 sewing machines. The other is of M/S Malik & Sons, the capacity of which is 1500 machines. Fortunately this industry is progressing well. In 1946 they produced 19,027, in 1947 27,913 and in 1949 40,816.

The first unit which I referred to has indented for new machinery and from the Tariff Board report I find that they are going to increase the number of machines and production by 25 per cent. during the current year. I was very pleased to find also that their rates are very competitive. While the Singer sewing machine rate is Rs. 300 for hand and Rs. 350 for treadle, the indigenous one cost Rs. 200 for hand and Rs. 240 for treadle. I should complement this industry. This is the first industry with a protection, that I have seen, which has been able to meet competition from foreign countries. We shall be prepared to protect such industries at all times and I shall say that the industry which can really see that they can produce articles at a competitive prices will certainly deserve all kind of support at the hands of this House. Therefore I do not grudge any protection.

Shri Neogy: Does the hon. Member realize that nothing new has been mentioned by him and revenue duty has merely been turned into protective duty. What is the worth of hon. Member's support to this industry?

Shri Sidhva: Because you have come to the House for protection. They wanted Rs. 50 additional and Tariff Board did not agree, and said 'your prices are reasonable and therefore there is no justification for giving Rs. 50 allowance'. My friend has unfortunately not read the evidence and hence is not conversant with the details. The industry demanded something more which was turned down very reasonably by the Tariff Board on the ground that the protection given was sufficient and it did not deserve any more protection. There is one factor that the Tariff Board has made out in this viz., that the quality of these machineries is below standard and they have stated that they must improve the quality. I have personally seen these sewing machines. While I do not want to discourage them, I definitely feel that compared with the Singer Sewing machines these are definitely of a little inferior standard and unfortunately this is the case with several of our industries. The quality is not maintained and that is the reason why our indigenous articles do not find favour with everyone, either in India or for export purposes. I therefore feel that while we are prepared to lend our support to this industry, the industry must see that the quality is improved.

Then comes the lantern industry. There also the prices are identical with the import prices. To this industry also I feel support is necessary. The demand in the country is for thirty lakhs of lanterns whereas the eight units produce 17.52 lakhs and therefore you can see that yet we have to meet 50 per cent. of the requirements of our country. It is stated in the report that four or five new units are going to be installed and the total production is likely to rise to 25 lakhs. This is very encouraging. We know that these lanterns play a prominent part in the villages. Dietz lanterns imported from Germany were familiar and popularly known throughout India and lanterns from other countries even Japan, although the price was low, were not able to compete in quality and price with the Dietz lanterns. I am very glad that this industry is in a position to manufacture lanterns satisfactory to the people. Here also, unfortunately, the Tariff Board has stated that the finish is not good, that the joints are not perfected and that the burners are also defective. While the Government give protection to this industry, I hope they will also bear in mind to bring it to their notice when they come for protection next time that they must improve their quality. I would like the Government to tell this industry which deserves support at our hands that they must improve their quality. I can say even if something more is required and quality is improved, personally, I would not grudge that. I would certainly give them more and I am sure the House would give more provided the quality is identical with the quality of the foreign articles. Quality is an important factor, for, quality means longer life of that article and if the quality is poor, to that extent the life of the article is reduced. It is unfortunate that in this industry also the Tariff Board has remarked that an adequate quantity of block tin was not made available by the I & S Ministry, although it was recommended by the Tariff Board. I want to know from the hon. Minister what steps he has taken in this direction to see that this industry gets the raw material when it is available in this country.

Shri Neogy: Yes, of course; when it is available.

Shri Sidhva: I mean it must be made available. What is your policy, I want to know. When you want them to work, you must make it available at the cost of giving it to other people for the purpose of fabricating other articles. What is the meaning of stating, "when it is available"? My point is that the Government must make this material available to this industry when they are out to protect them and when the Tariff Board recommends it.

The Tariff Board also suggested that proper statistics should be maintained of these industries and a report should, from time to time, be made available to the Tariff Board so as to know what improvement they make when they next come for protection. I want to know from the Government whether they have taken that point into consideration. The Tariff Board has made a remark that the Government have no statistics and that they do not supply the reports. I do not know why the Government statistics always come in for criticism in this House. Their statistics are most unreliable. Ministers after Ministers have blamed one another. I have got it in writing, one Ministry blaming another that its own statistics are correct and the other's wrong. The Finance Ministry stated in one respect that their statistics were correct as far as the acreage under tobacco was concerned while the Ministry of Agriculture stated that their figures were correct. This is a typical instance that I can quote. It is now universally known that the statistics of this Government are absolutely unreliable. The whole machinery of administration depends upon proper statistics. Without proper statistics, how can they progress in the emancipation of this industry or any other matter. That is my main point. Yesterday, in reply to a question from what country a particular article was imported,

[Shri Sidhva]

the hon. Minister said, "I have no statistics; I do not know from what country it is imported; I can only give the Member the number and value." My hon. friend does not know.....

Shri Neogy: Who?

Shri Sidhva: You. You deal with commerce and customs. My hon. friend does not know that before an article is imported, there is a Bill of entry to be presented to the Customs House where there is a column—country from which the article is imported, country of origin, that is the proper term. I want to know why an incorrect information was given that no statistics could be had whereas the Customs have got that information and only they had not collected that information for the benefit of the House and the country.

Shri Neogy: This is a very serious charge. Is the hon. Member by any chance referring to the question relating to our trade with Tibet, Sikkhim, Bhutan, Nepal? I may tell my friend that there are no land customs between the Indian frontiers and those countries. For purposes of trade, they are treated exactly like any State of India. Therefore there are no statistics kept; that is not foreign trade.

Shri Sidhva: I am not referring to Nepal and Bhutan. Probably, he may have in mind some other thing.

Shri Neogy: However, this has nothing to do with the present Bill.

Shri Sidhva: It has got to do with the present Bill from the statistical point of view. The Tariff Board has stated that statistics are not available.

Shri Hossain Imam (Bihar): For what?

Shri Sidhva: For these industries which are coming for protection. They have stated that every year these statistics and the reports should be made available to the Tariff Board to see whether the improvements which they might have suggested have been carried out by the industry. That was the main object. The Tariff Board says that there is no machinery available for this purpose with them and therefore they are not in a position to get this information. I am not making any suggestion of my own; this is the Tariff Board's suggestion. The Tariff Board says again that they have no machinery and this has to be looked after by Government. Therefore, I want to know what action Government is taking in this important aspect of the matter.

These are some of the points that I wanted to bring to the notice of the House. As far as electric motors are concerned, I am also in favour of the recommendation. I have selected only those items which I have been able to understand and criticise and for which I feel protection is necessary. I do not want to touch on the other items because I have not got any knowledge about them, nor am I in a position to say whether they deserve support or not. I take it that the hon. Minister has thoroughly gone into this matter. I hope he has given full consideration to the report and therefore I do not give my views as far as the other industries are concerned. As I stated, electric motors also deserve support although there are many defects as seen from the evidence and the report of the Tariff Board. After going into the matter, I do feel that electric motors are going to play an important part in our national industry and they do deserve our support.

With these few words, I support the motion so far as the industries that I have dealt with are concerned and as for the rest. I leave them to the hon. Minister.

An Hon. Member: What about chocolate?

Shri Sidhva: I have already dealt with that.

Shri D. D. Pant (Uttar Pradesh): I would not have taken the time of the House today if the hon. Minister Shri Neogy had been present on the day when Shri Gadgil moved the Tariff Bill. As hon. Ministers are very busy and cannot afford to waste time reading the newspapers, I would now repeat the views expressed on that occasion. But, before I do so, I wish to say that, so far as the principle of protection is concerned, I entirely agree with the hon. Minister. There are certain things that have to be protected. I would even agree to the imposition of a protective duty on speeches of Members like Shri Sidhva who take most of the time of the House. As I said the other day,.....

Shri Sidhva: You may take as much time as you want. Why do you envy me?

Shri D. D. Pant: I am not angry.

Shri Tyagi: He is jealous.

Shri D. D. Pant: No, no, I am not jealous also. As a matter of fact everybody will revolt against the idea of protection, because it increases the price of the article and the article protected also deteriorates in quality. The only ground on which protection can be supported is that national industries have to be protected so as to make them face foreign competition successfully. But in that case the hon. Minister has got to see that the industries are really national industries. What I mean is that the protection granted should benefit the nationals of India collectively and not a handful of people.

[MR. DEPUTY-SPEAKER in the Chair].

This principle should be kept in mind by the hon. Minister when he proposes to grant protective duty to any industry. He should see to it that in future individual capitalists do not take advantage of these protective duties. That is what I said the other day also, though Mr. Gadgil said in the course of his reply that it is not easy to nationalise industries. How have other countries like Russia nationalised their industries? China is very soon going to nationalise its industries. So is U.K. I am therefore surprised when I am told that in India such nationalisation of industries is not possible. Shri Neogy is going about this business at a very fast rate. We may lose the election, but we work here in order to carry out our ideals. We must be truthful and honest. That is my point. My submission is that before protection is given to any industry, a Committee of the House should examine the case thoroughly. The principle of granting protection should be that the people of India and not a few capitalists should gain thereby. So far as the principle of the Bill goes I support it. But so far as it gives advantage to individual capitalists, I think every Member of the House will agree with me that the Commerce Minister should very carefully consider the matter before he grants protection.

Shri B. R. Bhagat (Bihar): It is with great hesitation that I take courage to participate in the debate in which veterans like the hon. Minister for Commerce and other hon. Members have been taking part. But, Sir, I look at the policy of protection from a particular angle and I think it my duty to place before the House my views also for its serious consideration.

The hon. Minister in a very able speech delineated the whole story of protection since the commencement of this policy. During the period before the second War when India was not independent and after the war when India got the political freedom to decide her economic policy certain changes were made in our economic policy but the policy of protection remained in its old form.

[Shri B. R. Bhagat]

Now this Bill seeks to provide protection to some of the industries here and to discontinue in others. In most of the industries that are under consideration the Bill only just changes the nature of the protection—from revenue duty to protective duty. But to me it appears that it may not make any change in the material basis of the thing or in the financial aspect of it but it will effect a psychological change, *i.e.*, from revenue to protective duty the change will bring about a psychological effect. Of course it cannot be said that by this change there will be no effect produced on the industry as a whole. On the other hand psychological factors count for far more effective repercussions in industrial or Commercial sectors.

From the report of the Fiscal Commission it appears that before granting protection to any industry the following considerations are borne in mind: the cost of production of the industry—affecting the whole sale, retail and other prices. They then take into consideration the position of an industry which is faced with very unfair competition from outside when foreign goods are being dumped into the country which may have a very unwholesome effect on it. The other considerations are: what effect the protection will have on the internal economy of the industry, what is the nature of the protection—whether it is *ad valorem* or specific, whether there has been any monopolistic tendency at work counteracting the benefits of protection which the industry receives. In addition to these considerations, the Board should also take into account the need for keeping a close watch on the progress of production made during the period of protection. In regard to the 22 industries with which we are concerned just now, it may be remembered that they have all grown during the war boom when the position was such that there were ideal conditions for their development. The war had shut out imports and the industries grew up like mushrooms. The second thing to be remembered is that these industries have enjoyed protection for periods ranging from two years to three years. If you see the internal economy of these industries you will find that it is not satisfactory.

The other common point in regard to these industries is that in most of them the raw materials are difficult to obtain or are of very inferior quality. Just as in the case of the glucose industry which is dependent on the starch industry for which maize is not available at all in spite of protection, the other industries also are languishing for want of raw materials. In the case of sewing machines, steel belt lacing and non-ferrous metals, they have not been getting steel or other raw materials, whatever materials that were available demanded higher prices which raised the cost of production. These have led to the prices of the indigenous goods being higher than imported goods. These are common points in these industries. The hon. Minister has classified these industries in three groups (1) industries that have not been granted protection (2) a larger group consisting of industries which have been granted Protective Protection only (3) the last group consisting of certain industries, which have received increased rate of Protection. In the case of phosphates and steel belt lacing protection has been discontinued on the ground that the progress of the industries has not been quite satisfactory. In regard to the other classification consisting of a good number of industries the nature of the duty has been changed from revenue to protective; whereas in certain industries the rate of protection has been increased. To me it appears that this classification conceals behind it a very great lacuna. If you see the reasons for not granting protection to certain industries such as steel belt lacing or the phosphates, you will find that the indigenous price of those goods is much higher and also that the progress made by the industries is very unsatisfactory. The cost of production and other considerations which weighed with the Tariff Board were taken into account while considering the cases of those industries, whereas in the case of the other industries these principles were not fully applied.

Let me take the examples of the three industries, cocoa powder and chocolate, glucose, phosphates and phosphoric acid industries. We find that the progress made by these industries has been quite unsatisfactory, although they have been receiving protection for three years. If the House has a little patience I will quote a few figures. The total domestic demand of cocoa powder is 15,000 cwt, whereas the rated capacity of the industry is a little over 9,000 cwt per annum. In the case of the glucose industry which has been receiving protection for two years the domestic demand is about 2,500 tons, whereas the production has been only a little over 250 tons. As regards phosphates and phosphoric acids, in which case protection has been discontinued sufficient ground has been given, namely that in spite of the fact that these chemicals had been given protection they had not even produced 20 per cent of their capacity, and that there was no reasonable or feasible chance of these industries making up the deficit. The conditions in the factories are unsatisfactory. In these cases protection, either in the form of revenue or protective duties, has been given in a liberal manner, whereas there are other industries which are of great importance to the national economy and yet they are not granted protection. Take the cases of the sewing machine industry, electric motor industry and the hurricane lantern industry. Though these industries are very important from the point of view of the national economy they are treated on the same level as other industries, the reference of which has been made above. My contention is that they should be treated on a different level. The conditions in these industries are such that they are likely to develop and make progress with the grant of protection. India has been producing electric motors between 1 h.p. and 15 h.p. and their prices too compare favourably with the imported ones. In the case of the sewing machines the total demand was 85,000 machines in 1950-51 and only during nine months of the same year the industry has produced 31,500 sewing machines. The quality of the indigenous sewing machines has been satisfactory and the prices are such that with the grant of protection they will make good progress. These are facts which we have to take into account before we draw any conclusion.

Finally, I want to refer to certain matters which must be taken into consideration before we adopt any policy of protection. From the history of protection we see that discriminating protection has been the handmaid of politics. The whole political atmosphere has changed and we must also change the character of protection. We are at a critical juncture in the economic life of the country. Protection is not an end in itself: it merely helps the industry in an indirect manner by checking imports. The need of our national economy is such that we must have a positive aspect of a State policy, a positive aspect of economic policy and a positive aspect of industrialisation. In a planned economy the emphasis should be on the creative and productive utilisation of our resources. The country has been going ahead towards a planned economy though slowly and gradually. We are talking of setting up a Planning Commission. In this state of things we must have a Resources' Budget for this country and in that we have not only to calculate the total resources available in the country but we have also to see to the rate of allocation, the type of allocation we will make available and also the policy of protection, finance, trade, commerce, nay the entire state economic policy should be such as to serve the need of our national economy or the objective that we set up. I appeal to the hon. Minister, while placing a policy of protection before the country, he must take into account the changed conditions in which we are today. I mean the changed condition of our country's economy.

There is one point of importance which I want to mention. Protection has already been reduced to a subsidiary role. Foreign exchange conditions are such that we need to have a direct control over import and export. What we need today is a planned economy, in which the entire import, export and commercial policy of the country should be regulated through a State Trading Corporation

[Shri B. B. Bhagat]

over which private enterprise will have no hold. I want a complete picture of our national economy to emerge. At present we are giving some protection here, taking off elsewhere and are doing things in a haphazard manner.

I do not want to take more time of the House, I want to make an appeal to the hon. Minister. We are citizens of a great country. To our Government many great credits are due. It has a satisfactory record of achievements. It has given us a geographical and national unity based on an integrated foundation. In spite of the various difficulties facing the country, our country remains today the best administered country in the whole of Asia and South East Asia. What is more important is that over its destiny preside personalities like Pandit Nehru and Sardar Patel who are not only great in this country but their reputation is very high in the international world. In spite of the fact that we have achieved political stability we are standing on the brink of an economic crisis. We must bear this consideration in mind before starting on a policy of protection. The seriousness of the economic situation is so overwhelming that an urgent solution has got to be found out. We are on the eve of the Planning Commission being set up. The Fiscal Commission of which you, Sir, are a member is going to make its report.

In this background I will appeal to the hon. Minister that he should not proceed with this manner of the policy of protection, because this will make our economic problem still worse. We have been lacking in formulating a coherent economic policy and it is time that we should mend matters. Otherwise all our achievements in the political and international field will be wiped off. We should not therefore decide things in a hurried or ill-digested manner. Protection or no protection, the amount or quality of protection, protection as an instrument of State policy are all things that have to be decided not in an isolated manner but in relation to the whole national economy that is to be evolved hereafter and against its integrated picture. Our whole economic policy, of which commercial policy is a part, must be switched over to the need of national progress.

I am perhaps the youngest Member in the House, young both in experience as well as in age. I confess that I do not command a mastery over facts and my conclusion may be wrong. But nobody can deny that the facts as I have stated—facts of the economic muddle and of the precipice—are there. It does not matter how the conclusion is derived. What I want is that the remedy must be found out. It little matters who finds out the remedy and who executes it? Sir, I have taken much of the time of the House and I am very grateful for the time given to me.

Shri Neogy: Sir, I do not think the House will expect me to take up more than two minutes in replying to the debate. Much of what has been said by my hon. friends would be quite relevant to a discussion that we might have a few months hence when the report of the Fiscal Commission is before us and when we consider a long-term economic policy, particularly a policy of protection of industries. In so far as my hon. friends have not been irrelevant they have supported my Bill. I therefore have nothing more to say.

Shri Sidhva: I only want an answer from him. In the case of hurricane lanterns the Tariff Board Report says:

"For this purpose, it is necessary that the Board should be in possession of relevant statistics and facts regarding the development of the industry. All units in the industry should therefore be required by Government to submit annual progress reports to the Tariff Board by 31st January every year, giving information regarding production, sales, stocks, cost of production and selling prices for the previous calendar year."

May I know whether Government intend to this? This is rather important.

Shri Neogy: Yes, Sir, that has been done.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

Clauses 1 and 2 were added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri Neogy: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

The House then adjourned till Five of the Clock in the Afternoon.

The House re-assembled at Five of the Clock in the Afternoon.

[MR. SPEAKER in the Chair]

THE BUDGET FOR 1950-51.

Shri Sidhva (Madhya Pradesh): (Sir, may I make a submission? If you will kindly allow the hon. Minister's speech to be distributed while he is reading it, it will enable us to make notes.

Mr. Speaker: There is no written speech to be distributed at present. He is making an *ex tempore* speech.

The Minister of Finance (Dr. Matthai): I rise to present the estimated Receipts and Expenditure of the Government of India for the year 1950-51. This is the first Budget of the Republic of India and I consider it a great honour that it has fallen to me to present it to the House.

There is one matter, Sir, which I would like to mention before I proceed any further. I have arranged for distribution to hon. Members at the end of today's sitting, not merely the Explanatory Memorandum which is usually circulated with the Budget but also a White Paper on the Budget which contains practically all the material set out in the Budget speech, in more or less the same form and somewhat amplified. For this reason, I propose to allow myself today the freedom of speaking somewhat informally on the matters covered by the Budget, instead of delivering a set address as is usually done on occasions of this kind. The House will find that the material set out in the White Paper would give hon. Members all the data which they would require for the consideration and discussion of the Budget later in the session. All that I propose to do at this stage is to give hon. Members a broad outline of the Budgetary position and the general economic background of the Budget.

This Budget is being presented under the new Constitution. From that fact there are two matters that arise to which I would like to invite the attention of the House. The first is this, that the Constitution lays down a somewhat elaborate procedure for the consideration and discussion of the Budget. We are not following this year the procedure prescribed by the Constitution, largely for the reason that this procedure has implications which it would take the House and the Government a little time to consider, and the arrangements required for carrying out this procedure would also take a little time. But there is one rather important change which we propose to make this year. As you, Sir, announced earlier in the session, we propose to ask the House to set up an Estimates Committee to scrutinise the expenditure of each Department of Government and of the Government as a whole. Personally, I am looking forward to the work of the Estimates Committee when it is set up because I think in two directions it is going to exert a healthy influence upon the course of public expenditure. In the first place, the suggestions and criticisms which may be made by the Estimates Committee would, in my judgment, give a useful direction and guidance to the Government in the matter of regulating expenditure. Secondly, I think the knowledge that the expenditure of Government and of the various Departments of Government would be examined in detail by an independent authority set up by the House would act as a deterrent to extravagance in public expenditure.

Although it is a matter which, ultimately, has to be decided by the House, I would like to say, at this stage, that, as far as I am concerned, I would like

the Standing Finance Committee to continue at the same time. There is a real distinction between the work of the Standing Finance Committee and the work of the proposed Estimates Committee. The Standing Finance Committee is concerned with specific proposals of expenditure by each Department of Government, but the Estimates Committee's business would be to make a comprehensive examination of expenditure in relation to the resources available to Government. The real business of the Estimates Committee would, therefore, be, taking the policy and the objectives of Government (with which they are not concerned), to suggest how this policy and these objectives could be carried out with the least expenditure of public resources. That, Sir, is the first matter to which I would like to refer as arising from the introduction of the Constitution.

The second matter is this. The Constitution of India envisages not merely the India of the Provinces, but also the India of the States. The estimates for the year 1950-51 which I am going to present to the House would, therefore, cover not merely the finances of the old Provinces, but would cover also the federal expenditure and the federal revenues of the integrated States. The result of that is that the estimates of 1950-51 would not be strictly comparable with the figures of 1949-50 or the preceding years. The House will realise that that is going to mean a break in the continuity of our budgetary figures. The year 1947 which saw the partition meant a break in the continuity of our statistics, and the integration of the States in 1950 is going to mean a further break. Therefore, this period of 1947 to 1950, from the point of view of comparison of economic and financial trends over a continuous period of years, will be an awkward period of transition, and call for laborious work before the Budgetary figures of future years could be compared with those of past years.

That is looking at the question from the point of view of those interested in statistical comparisons. But there is, as will be obvious to the House, another way of looking at this period of transition, because this period of 1947 to 1950 will, I have not the slightest doubt, appear to the future historian of India as a dividing line between one segment of our history, of the storied past of India, from another segment of our history which is just opening out and which as it widens and moves forward will have witnessed the fulfilment of the aspirations of the generation that strove to build the New India of our dreams.

I want at this stage to take the House back to the main economic events that occurred during the year 1949. What I want to do is to ask the House to survey the principal economic trends which were in evidence since the last Budget was presented. It has been a year of great difficulty and of great anxiety. It has been a period of almost unprecedented difficulties. There were times during the year 1949 when some of us more immediately concerned with the economic activities of Government felt a sense of almost overwhelming crisis. But on an objective examination of the facts as they stand today, I feel I am in a position to tell the House that the stage of crisis at any rate is now definitely past. I do not want to hide from the House or hide from myself that there are still difficult problems ahead of us. But I think I am justified in saying that we have now been able to take the measure of these problems and if there are problems in front of us they are problems which would not be beyond the ability of Government to meet and to solve in due course.

The first main economic problem to which I would like to refer is the problem which is compendiously referred to as 'inflation'. Inflation has many aspects to it. I want today to confine myself to that aspect of it which is reflected in the level of prices. The first thing I want the House to realise in regard to inflation is that it is a problem which is not by any means confined to this country. It is a world problem which has come to us as a legacy principally of the war. It is interesting to trace the difference between inflation

[Dr. Matthai]

as it was created by the First War and the inflation that has been generated by the Second World War. In the first war, the position was that the war ended in 1918 and the inflationary trends created by the war continued until 1920. In 1921 a marked downward trend began. In the case of the second war, the war ended in 1945. To-day we are in the fifth year after the termination of the war; but the inflationary process set going by the war still continues in many countries. Not merely does it continue, but in several countries it is actually on the increase. India, therefore, is finding itself entangled in a world situation many aspects of which are beyond the control of this country. What exactly are the causes that distinguish inflation as it emerged from the first war and as it has emerged from the recent war? The House will appreciate there was much larger destruction of national assets and productive capacity in the second war. There was a much larger expenditure in pursuance of the war which resulted in a larger increase in purchasing power. There was also a large redistribution of purchasing power with the result that the less well-to-do sections of the population in many countries found themselves in a position to spend more upon consumable goods than they did before and a large degree of potential inflation thereby came into existence.

Another factor which is also important, is that the end of the first war was followed by a relatively long period of lull, people feeling they have been through a war of vast proportions and another war of that kind was not likely to come again in the near future. But the end of the second war has coincided almost immediately with talks and thought of another war. Re-armament is already in the air. Stock piling has already started and increasing demand has already come into existence for basic and strategic materials. Therefore, to-day we are in a position much more difficult than the position created by the first war.

Taking our own country, we are necessarily affected by all these international forces. India to-day has far more points of contact with the outside world than she had at the end of the first war. We are therefore exposed to those influences that are active in the world to-day. On top of it, we have had difficult problems created by partition. We have also problems created by the fact that a large part of our expenditure during the war was met by fiduciary currency backed by foreign assets, instead of by loans and by taxes as a large part of war expenditure in other countries was met. We are therefore in a specially difficult position, and I ask the House to take that fact into account in judging the inflationary position in India to-day.

Now, I would like to briefly examine the movement of prices in 1949. As hon. Members will remember, the Government adopted certain anti-inflationary measures towards the end of the year 1948—to be precise, in October, 1948. As the result of these anti-inflationary measures, prices slowly began to come down from October, 1948, and that steady downward trend continued until March, 1949. It was a steady downward movement. I was one of those who, having observed this steady downward movement during a period of six months, thought, and I think I said so in the House, that that movement would continue. But my expectations in that matter did not materialize. On the other hand what happened was that from April 1949 for several months thereafter the trend of prices was upward and that upward trend continued until, I think, October 1949, a few weeks after de-valuation. Then we took certain special measures for countering the possible effects of de-valuation. The result of those measures has been that although we have not been able to bring down prices, we have, at any rate, been able substantially to hold the level of prices. From October right until the end of January the level of prices remained stationary. The result, therefore is briefly this: We have considerable cause for what I may call negative satisfaction. I frankly confess we have not very

much cause for positive satisfaction. Although that is the real position, I want the House to observe certain redeeming features in the situation. Although it is perfectly true that there has been no fall in prices generally, there has been, judged by the Economic Adviser's index number, a steady fall in prices of food grains from October 1948 till now. As far as the whole group of food articles is concerned, there has also been a fall, though not to the same extent. The fall in the general group of foodstuffs might have been greater but for the fact that certain articles included in the food category behaved in an erratic fashion as the result of certain special circumstances. I am referring particularly to sugar and gur. But for that, the whole group of foodstuffs would have shown a more marked decline. That is one factor which I would like the House to consider as a factor that to some extent redeems the situation. The other is this. I believe India is one of the few countries in the world which attempted de-valuation in September in which there has been no rise in the general level of prices as a result of de-valuation. If you take for example, the movement of prices since September in a country like the U.K. you find that there has been a perceptible rise in prices. We, at any rate, have been able to keep our prices steady. To my mind, it is a circumstance which offers some room for satisfaction. I have brought the story right up to the end of January. Since the end of January or since the beginning of February, I regret to say there have been signs of a slow upward trend and the situation, therefore, needs very careful watching. We have not by any means reached the stage where in this matter we can afford to stand still. In connection with the rise which has started in our level of prices since the beginning of this month, I would like to bring a particular circumstance to the notice of the House. If, Sir, you observe the trend of movements of prices in the various categories covered by our Index Number, you will find principally the recent rise in prices has been in regard to industrial raw materials.

I consider that a factor of some importance. I could probably make the point clear to the House by explaining the difference between the movement of world prices after the devaluation of sterling in 1931 and the movement of world prices after the devaluation of sterling in 1949. In 1931 when sterling was devalued, it was followed by a decline in dollar prices, the result being that prices of commodities of dollar origin in terms of sterling did not rise to the whole extent of the devaluation. What is apparently happening to-day is that the devaluation of sterling has, as far as America is concerned, resulted in the maintenance of the original level of the prices. Dollar prices have remained steady since September 1949 on the whole. The result is that sterling prices of industrial commodities have gone up almost to the extent of the devaluation. That has happened as regards not merely the commodities of dollar origin but by psychological reaction and directly, also in the case of industrial materials of non-dollar origin. Therefore the movement that we are witnessing to-day, the upward movement in the prices of industrial raw materials in our index number is really a symptom of a world movement and the controlling of that therefore is not entirely in our hands.

Next, I come to the question of production. I place production second because the crux of the problem of inflation in our country is increased production. I do not believe that the monetary factor of inflation is nearly as important in this country as it is in others. And if we want to find a solution for this problem of inflation, we could do so effectively only by increasing the quantity of goods and services available in the country. Now if you take production in 1949, I think there has been a substantial increase in various important industries—steel, cement, coal, heavy chemicals, paper and generation of electricity. There are two industries and very important industries in our country of which that particular proposition cannot be made. The first is cotton textiles and the other is jute manufactures. In both these cases the limiting factor in the matter of production is the supply of raw material, particularly as the

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result of the deadlock that has arisen in the trade between us and Pakistan. As regards raw cotton, I want to tell the House quite briefly what Government are doing. We have, as the House knows, definitely arranged for the import of 10 lakhs of bales of cotton. If the situation needs it, we are also prepared and we are in a position to arrange for the importation of further raw cotton; I think also active steps with promising results have been taken in the matter of increasing the indigenous production of raw cotton. The results so far I think have been promising.

With regard to raw jute, the position is that the production of raw jute in the Indian Union has, during the past 2 years, definitely shown signs of improvement. The estimated production of jute in 1949 is 30 lakhs of bales against 20 in 1948, and we expect as the result of special efforts which are being made by double cropping, by bringing fallow land under cultivation, by the extension of cultivable lands we are expecting that the production would go up to somewhere about 50 lakhs in 1950. In the meantime, I believe there are sufficient stocks of raw jute to maintain our jute mills in production until the end of the current jute season.

With regard to production of food grains, I think the indications are also encouraging. The estimated production in 1949 is 43 million tons against 41 in 1948 and we have every expectation that in 1950, there would be an increase of 2.8 million tons over 1949. With regard to the availability of foodgrains, procurement is quite as important a factor as production. I think the recent figures of procurement have been satisfactory. The procurement for the eleven months of 1949 ending November is 4.2 million tons against a target of 4.6 for the whole year of twelve months. The procurement target for 1950 is a million tons above the target of 1949. The conclusion that I would come to is that although production still leaves a great deal of room for improvement, there is no cause for anxiety.

There are two important factors which have assisted this increase in production. The first is the marked improvement that has taken place in railway transport. The figures that my hon. colleague the Minister for Railways placed before the House in the Railway Budget are ample proof of the improvement that has taken place. The other factor which has helped is the improvement in the labour situation. All the figures indicate that there has been a perceptible improvement in the relations between labour and management. There have been fewer labour disputes. There has been quite a marked reduction in the number of man days lost as the result of industrial disputes. I think that is a fact that ought to give us encouragement and I want, in this connection, to pay a tribute to the great labour organisations of this country. They have grown in stature; they have gathered strength. They have developed a greater consciousness of their legitimate rights; they have developed a greater sense of self respect. Along with that, it seems to me that they have developed also a spirit of patriotism and a sense of responsibility and of their duty to the other sections of the community, which, to my mind, justify us in looking forward with confidence to the future of India industry.

The third problem that I want to refer to is the situation in the money market. The conditions in the money market have a direct importance for production. The position of the short term money market has a direct reaction on current production; the position in the long term or investment market has a direct reaction upon the development and expansion of production. Practically all through the first half of 1949 the conditions in the money market, I regret to say, showed very little improvement. The position in the short term market was one of acute stringency. The position in

the long term market was one of continued stagnation. It is usual to explain the stagnation in the investment market by the allegation that capital today is on strike.

I have looked into this matter with some care, and I have come to the conclusion that there is no foundation for this allegation. The position of the investment market can be fully and intelligibly explained with reference to such factors as increased costs, reduced margin of profits and unstable economic and psychological conditions which, if they had prevailed in any other country, would have resulted in exactly the same situation in the investment market. It is unnecessary to resort to the somewhat far-fetched hypothesis that capital for tactical reasons is deliberately declining to utilise avenues of safe and gainful employment. It is quite unnecessary to resort to this thesis. I have made this statement with regard to capital because, having given some thought to the whole question of industrial relations in the spirit, may I say, of a detached student, I have come to the conclusion that in spite of everything that we hear about us, the relations between labour and capital in this country today are fundamentally sound. The predominant sentiment in this country today is nationalism and we are not so far removed from the successful completion of the national struggle for freedom that the country's interests could be submerged in people's minds by sectarian interests. If only Government and Parliament and the Press would avoid mishandling and misjudging one section or the other, I have not the slightest doubt in my mind that both sectors of production will continue to play the game.

I said that in the first half of 1949 conditions in the money market were unsatisfactory. There was a marked fall in bank deposits. There was also an increase in bank advances. The result was that during the first six months of 1949, the ratio of deposits to advances which is the test by which we can judge the stringency of the market,—the ratio was higher than in the preceding years. If you take a normal year in our country, in the slack season, the ratio is somewhere about 45 per cent. and in the busy season about 50; it varies between 45 and 50. In the first half of 1949 it rose above 55, an unhealthy situation. I am glad to say that since July 1949 the position has improved but it is not improvement of the kind that one would accept as wholly satisfactory, because part of the improvement is due to the fact not that the deposits have gone up but that advances have come down, because banks are more cautious and because also of the deadlock in our trade with Pakistan, but judged by the ratio test, the position is more satisfactory. That is as far as the short-term market is concerned. So far as the investment market or the long-term market is concerned, as the House knows, right from August 1946 when the great communal disturbances started in Calcutta, there was a continuous fall in industrial investments which, with occasional ups and downs, continued almost until July 1949. Since July 1949 there have been signs of revival of confidence and a restoration of what might be called normal conditions, and I cannot remember a period since August 1946 when there has been a similar period of six months when the movement of revival was kept going. I regard the situation with some confidence. It is still too early to predict a permanent recovery in the investment market. As far as I am able to judge the activity in the investment market—I am particularly thinking of the Stock Exchanges—it is still confined largely to professional operators. I am not for a moment suggesting that professional operations are unhealthy; but unless the activity of the professional operator is supplemented and corrected by the activity of the genuine investor, the investment market will not be sufficiently broad-based, will not be restored to really healthy conditions, and there is the big problem that is facing us today: what exactly we can do to bring the genuine investor back into the investment market. One of the reasons why the genuine

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investor is holding aloof is that he has not got the measure of confidence which would justify his putting what little he has into investment. Here again, India is by no means in a peculiar position. The result of the wider distribution of current national income which has occurred since the war in many countries of the world is having this effect that large numbers of people now are having a small margin of savings in their hands. When the amount of saving that you have is small, you want a much larger degree of security than you would if you had large amounts to save and invest. Therefore, since the large number of potential investors in this country belong to exactly the same class as you and me, it is necessary that the spirit of confidence should be fostered by every means in our power.

There is just one point in connection with investment to which I would like to refer before I turn on to other topics, and that is the question of foreign capital. I consider that foreign capital is necessary in this country, not merely for the purpose of supplementing our own resources, but for the purpose of instilling a spirit of confidence among our own investors. I would like to make just this brief proposition that any considerable assistance in the way of capital from foreign countries must hereafter be looked for not in the shape of fixed interest-bearing loans and bonds, but in the shape of equity capital on the basis of joint participation on strict business considerations without any political strings attached to it. I consider that kind of assistance desirable from our point of view, and feasible from the point of view of the foreign investor.

The House will appreciate the change that has come over the investment market in foreign countries. The difference between the position to-day and the position in the 19th century is this: In the 19th century when foreign capital went out from advanced countries to undeveloped countries, they had the security born of political control. In other words, colonialism provided the necessary sense of security to the foreign investor. Today, since colonialism has disappeared, the only way in which the same sense of security could be imparted is by friendly agreement. Therefore it is necessary that we should consider providing reasonable conditions of security and fair treatment for those who are willing to take the risk of investing their money in this country. The statement that the Prime Minister made last year still represents our policy in this matter and I believe that the terms and conditions outlined in that statement ought to provide reasonable security for foreign investors.

May I in this connection also refer to the question of the Dividend Limitation Act. The House will remember that originally the Bill as it was placed before the House was intended to extend the operation of the Act until December 1950. The Select Committee of the House on a thorough examination of the position decided to advance it from December 1950 to March 1951. The question now arises whether this Act should be renewed. When I spoke on the Bill last year in this House I said that the whole position would be fully examined and unless the situation was such that the continuance of the Act was necessary Government would not extend it. We have now decided not to extend the Act for the following reasons. On account of the general fall in the level of profits the limit fixed in the Act is practically inoperative. Secondly, as an anti-inflationary measure the effect of the Act has been negligible. Thirdly it has had a disproportionately depressing effect on the investment market. For these various reasons we have decided not to extend the Act.

The next problem I want to deal with is the balance of payments. The House is fairly familiar with the problem of balance of payments, because we have discussed it on the floor of the House several times in recent months. The main fact is that for the period July 1948 to June 1949 we had to draw from our sterling balances to the extent of £81 million, in addition to the amount provided in the agreement of 1948. The position since then has shown improvement.

In connection with this question of balance of payments there has been a great deal of criticism regarding the Open General Licence and the articles which were admitted into the country under the O.G.L., the main charge against Government being that under the Open General Licence a large quantity of goods of a purely luxury character was admitted into the country. On a careful examination of the figures I am satisfied that what can be called luxury goods amounted to not more than 1.5 to 2 per cent. of the total imports. My hon. colleague the Commerce Minister has more than once explained to the House that the reason why it has become necessary to import articles of this kind is that in the bilateral agreements that we make with other countries, these countries generally insist upon a certain proportion of their non-essential goods being imported into India. They do that for this obvious reason. We as one of the parties in an agreement have no right to say "We will export all the commodities that we want to send to your country and in return we will accept only such articles as we specify." That is not business like: in actual practice it is not workable. That is the attitude of the Commerce Ministry and it is perfectly valid. But I want to bring to the notice of the House a consideration which has some importance for the Finance Ministry. If we decided to confine our imports completely to essential articles, I can assure the House that the Budget of this country would become unmanageable. Because from the revenue point of view these essential articles are not particularly profitable. If, for example, you confine your imports to foodgrains and plant and machinery, foodgrains bear no duty at all, agricultural machinery bears no duty at all, industrial machinery bears a duty of 5 per cent, industrial raw materials bear relatively low rates of duty. If, therefore, I confined imports to these articles, the customs revenue would be exactly half of what it is today. We would be faced with a huge deficit which would create inflation in its turn. It is a fact which is recognized in other countries that for the sake of maintaining a reasonable level of customs revenue it is justifiable to allot a certain portion of your exchange resources for articles which bring revenue to the exchequer.

I said there has been improvement since July 1949. At the end of June 1949 our Sterling Balances stood at 820 crores. In the first week of September they declined to 776, a drop of 44 crores. Since September they continued to rise, and the latest figure that I have is 846 crores. In other words, in the course of seven and a half months there has been not merely no decline, there has been a surplus of 26 crores. During this period our dollar receipts also exceeded our dollar payments. As the House is aware, this situation is due to a number of temporary causes—the suspension of dollar licences, the late issue of import licences, and partly the loan that we have had from the International Bank. But I think the figures of exports are sufficiently encouraging for us to hope that there has been a definite turn for the better as regards our balance of payments. As, Mr. Neogy told the House the other day, the figures of exports for November and December were practically record figures.

There is one aspect of the matter, however, which the House ought to realize. The figures undoubtedly show an improvement for the time being. But there is no room for complacency. It is much too soon for us to think

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in this matter of resting on our oars. A balance of external payments which is based upon a drastic reduction of imports and by continued releases of our accumulated balances abroad is an unhealthy balance. A healthy balance is the sort of balance that you attain at the highest possible level of imports as well as exports. If you look at the present size of our Sterling Balances, making allowance for an adequate reserve against our currency in foreign assets, and assuming for the time being that the releases would be more or less at the average rate of the past two years, our Sterling Balances are not likely to last us more than six or seven years. Therefore, it seems to me a matter of the highest importance that we should begin to plan for an external economy which would be self-balancing. And that can be done only by a stimulation of exports. I am glad to say that the steps that have been taken recently by the Ministry of Commerce in respect of their export drive have already produced results which justify our looking forward with confidence to the future.

When you come to the question of exports again, the crux of the problem is production, more production and still more production. Whichever way you look at the economic difficulties of this country, over and over again at every turn you come up against the problem of increased production. Government naturally, therefore, attach the very highest importance to this question of increasing the level of production.

The House will remember that early in this session the President announced to the House that a Planning Commission would be set up. It is necessary to undertake a review of our existing programme of development and our existing schemes of production. The geographical and economic facts on which the present programme is based no longer hold good, the estimate of financial resources on which the existing programme is based is no longer valid, and public opinion rightly demands a different kind of approach to the whole problem of development. In view of these facts, Government have decided to set up a Planning Commission as announced by the President. The composition of the Commission has been settled. The Commission will consist of the following:—

Chairman.—Pandit Jawaharlal Nehru.

Deputy Chairman.—Mr. Gulzarilal Nanda, Labour Minister in the Bombay Government.

Members.—Mr. Chintaman Deshmukh, formerly Governor of the Reserve Bank and now our representative in matters of external finance.

Mr. Gaganvinari Lal Mehta, President of the Indian Tariff Board.

Mr. R. K. Patil, Food Commissioner of the Government of India.

A fourth Member whose name would be announced later.

Mr. N. R. Pillai, the Secretary of the Cabinet, will function as the Secretary of the Commission and will be assisted, as Deputy Secretary, by Sardar Tarlok Singh, Deputy Secretary in the Finance Ministry. The terms of reference and other matters relating to the Commission will be announced in due course.

Before I leave this question of balance of payments, I want to make a brief reference to our position *vis-a-vis* Pakistan. Unfortunately, the deadlock with Pakistan over the exchange issue still continues. We have expressed our agreement to the proposal that there should be a joint discussion between the two countries. Our proposal is that that discussion should cover all matters which are relevant to the economic relations between the two countries, but so far the Pakistan Government have not seen their way to extending the scope of the conference as we have suggested. They are definitely

opposed to the question of prices and the exchange ratio being brought within the purview of the discussion. As far as we are concerned, we do not think that a conference which is not able to discuss prices and the exchange ratio would serve any useful purpose. That is how the matter stands at present.

As the House knows, the admission of Pakistan as a member of the International Monetary Fund has been agreed to although the admission has not become effective yet. I presume, therefore, in the near future the International Monetary Fund will examine the question of the exchange value of the Pakistan currency. I do not want to anticipate the opinion of the International Monetary Fund, but I think I must make a few relevant facts clear. Firstly, that if Pakistan has an overall favourable balance, which from the figures I have seen I doubt, that favourable balance is due entirely to her favourable balance with India.

Secondly, this favourable balance with India is due to a very large extent to the open door policy in trade matters which we had adopted towards Pakistan and the restrictive policy adopted by Pakistan towards India. Thirdly, from such facts as have come to my notice, Pakistan has recently been running a deficit both on her sterling and on her dollar accounts. In view of this, it seems to me an anomaly that Pakistan could remain in the sterling area and yet decline to de-value her currency as a means of rectifying her adverse balance like every other member of the sterling area. Lastly, whatever rate may be agreed to by the International Monetary Fund for the Pakistan currency, it will not, in practice, result in a normal restoration of trade between India and Pakistan unless that rate fits the facts of the economic situation. (*Hear, hear.*)

Now, generally to sum up the economic position, let me repeat that although the position is still replete with dangers and calls for the utmost care and watchfulness, there is, in my opinion, no cause whatever for pessimism. Government have been strongly and widely criticised for the way in which they have handled the economic situation. I do not, for a moment, complain of this criticism. On the other hand, I welcome it and I welcome it for two reasons. First of all, I think it has had a very stimulating effect on members of Government. All of us are the better for this criticism. Secondly, I think it has done a great deal of good to the people who make the criticism. My own observation of democratic Governments is that it is the great advantage of a political democracy that, under it, the Government provides a target for all the criticism and fire going in the country; it provides a very useful and essential outlet for the suppressed emotions of people which, but for this outlet, might some day burst and break up society—Mr. Speaker, even they serve whose business is just to get shot.

I now turn to the revenue and expenditure of Government. As regards the current year, 1949-50, Members will remember that last year I estimated a total revenue of about Rs. 323 crores and a total expenditure of Rs. 322½ crores, leaving a small surplus of about Rs. 49 lakhs. The revised estimates now show a total revenue of a little over Rs. 332 crores and a total expenditure of a little over Rs. 336 crores, thus converting the token surplus of Rs. 49 lakhs into a deficit of Rs. 3.74 crores. May I say, in passing, that there was a time, in the course of the year, when I expected to be faced with a deficit of much bigger dimensions? Therefore, this small deficit of Rs. 3.74 crores, I regard with a sense of relief.

Shri Hossain Imam: We all do.

Dr. Matthal: There are various minor changes both on the side of receipts and on the side of expenditure which cancel out. The outstanding fact is this: defence expenditure during the current year went up from the estimated figure of over Rs. 157 crores to about Rs. 170 crores—an increase of about Rs. 12 2/3

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crores. Against that customs revenue went up by about Rs. 9 crores. The difference between the increase in the defence expenditure and the increase in customs revenue gives exactly the measure of the deficit. The increase in defence expenditure, the House will appreciate, was due to inevitable circumstances. When I put my estimates before the House last year I made it clear that my estimates were based on the assumption that the 'Cease Fire Agreement' would lead to a peaceful solution of the Kashmir problem. That anticipation did not materialise and we did not think it right or safe in the interests of the country not to make the necessary provision.

As regards the customs revenue, the increase is largely due to the fact that we had a very liberal import policy working over the greater part of the year and also we have had some extra receipts from export duties levied since devaluation.

I will now come to the estimates for 1950-51. I want the House again to appreciate that the figures for 1950-51 are not strictly comparable with the figures of 1949-50, because the finances of the States come into the picture. The position regarding financial arrangements between the Union and the States is this. We appointed a Committee to go into the whole question of the financial arrangements necessary on account of the integration of the States. Mr. V. T. Krishnamachari presided over that Committee which did very valuable work. Government have, with slight modifications, accepted the recommendations of this Committee.

I will briefly summarise the recommendations. They boil down to this that the integrated States, would be placed on exactly the same footing as the old provinces, the Centre having responsibility for Federal Subjects and Services and the Centre also taking over the Federal assets and liabilities. In several cases where what was once a single composite Government is broken up in this way on a functional basis, serious financial dislocation results. In such cases what we have agreed to do is that the whole difference between the Federal revenues which the States have surrendered and the Federal expenditure which the States have been saved, would be reimbursed to the States. This arrangement is to last for a transitional period of ten years. During the first five years of this ten-year period the reimbursement will be made in full—the whole of the difference between Federal revenue and Federal expenditure. During the next five years reimbursement would be on a diminishing scale. At the end of this ten-year period the whole matter would be subject to further review. But it is our expectation that the States would be able so to adjust their financial resources that there would be little demand on the Centre.

With regard to States which are not likely to suffer any financial dislocation, that is States which are able under the financial integration programme to make a surplus, will be allowed to retain the surplus. The Privy Purse of the original Rulers would come out of this surplus. Those States would however be allowed to retain their share of the divisible pool of the income-tax. Now this is with regard to the integrating States—both the continuing States and the Unions. With regard to States which have been merged into the Provinces, the Krishnamachari Committee did not go specifically into that question; but they had dealt with the individual case of Baroda. What they said with regard to Baroda was that the principle which they had proposed in regard to acceding States should be adopted also in regard to Baroda merged in the Bombay Province, the reimbursement being made to the Province into which the States is merged. That suggestion they made with regard to Baroda and we have accepted that and we have extended it to all Provinces into which States have been merged.

As regards States which have been constituted into Chief Commissionerships, the House realises, the problem does not arise because we are responsible for federal and for provincial expenditure.

At the existing level of taxation, the total revenue for 1950-51 is estimated at Rs. 347.5 crores, and the total expenditure at Rs. 337.88 crores, leaving a surplus of 9.62 crores. On the revenue side the principal changes are: Customs show a drop of very nearly 14 crores, due to our present policy of strict limitation of imports. Income-tax shows an increase of nearly 35 crores which is due to three factors. First of all it allows for the income-tax derived from the integrated States. Then there is the larger receipts that we expect by a prompter collection on current assessments and by better recoveries of arrears. Lastly a considerable part of it represents the advanced payments made under section 18A of the Income Tax Act which have been taken to revenue instead of deposit, maintaining the accounting change which was made two years ago and which we expect to complete in 1951-52.

On the expenditure side, in 1949-50 the revised figures of defence expenditure show an expenditure of Rs. 170 crores. We are providing for 1950-51 an expenditure of 168 crores for Defence. This sum of Rs. 168 crores includes Rs. 8 crores for the pay, allowances and maintenance of the Indian State Forces which were taken over under the integration scheme. The intention is to bring up the training, equipment and establishment of the State Forces to the same standard as the rest of the Indian Army, and my hon. colleague the Defence Minister expects that these forces will, after the training be indistinguishable from the regular Indian Army in efficiency and in fighting spirit. Defence represents 50 per cent. of the expenditure which is a high ratio; but in view of the present circumstances I want to make a qualification to these estimates similar to the qualification I made with regard to the estimates of last year. These estimates are based on the assumption that no abnormal developments will occur.

Our policy, as the Prime Minister has declared more than once, is to contribute in every way we can to the maintenance of peace and to the employment of peaceful methods in the settlement of international disputes. As anybody who knows the Prime Minister will appreciate that declaration has been made from the highest of motives and with the completest sincerity of purpose. If, however, contrary to our expectation events so develop that the peace and security of this country are endangered, Government will have no hesitation in raising whatever finance may be required for meeting the situation. Government will not hesitate to call upon the people to make whatever sacrifices may be necessary for safeguarding the vital interests of the country.

Now I come to the estimates of Civil expenditure. The Civil expenditure estimate for 1950-51 is 169.87 crores against 166.04 the revised estimate of 1949-50, showing an increase of 3.83 crores. Hon. Members will straightaway ask: "Is this what your much boosted economy campaign has led to?" May I stop for a moment and offer a word of explanation, because, I think, it is important that the House must know the real position?

This figure of 169.87 includes expenditure under the following items: Administration of States taken over as Chief Commissionerships; Administration of Central subjects in States and Unions, under the integration scheme; Privy purses of Indian Rulers with whom we have made solemn agreements; and grants by the Centre under the financial integration scheme. These four items of expenditure aggregate to 26.18 crores. Deducting that you get a figure of 143.69 which is the comparable figure with 166.04 in 1949-50, a reduction of 22.35 crores. I would like to give the House another breakdown of this total

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of 169 crores. It includes such special items as these: Relief of displaced persons; Food subsidies and bonuses on production of food; Expenses of the coming elections; Pre-partition payments due to our own people. These amount to 30.34 crores which would leave a balance of 139.53. Now taking this balance of 139.53 it includes expenditure on tax collection. My experience is the more you spend on tax collection, the more you get in return, a good deal more. Therefore it is a good investment. Another item is interest charges, pensions, and debt redemption charges amounting to very nearly 14 crores. You cannot touch a pie of it. Then there are the grants in aid both to the States and Provinces. Then there is expenditure on various nation-building activities, scientific services, agriculture, medical, health and so on.

After allowing for these various items of expenditure we are left ultimately with a balance of 26.59 crores and I suggest very respectfully to the House that the field of expenditure to which economy cuts are properly applicable is denoted by this figure. I am not for a moment suggesting that economy even to this extent is to be despised. It is my intention to watch the course of public expenditure in the coming year with the closest possible care. A Finance Minister who does not do it is not worth his salt and I trust I shall have the fullest confidence of the House and of the Estimates Committee which the House will appoint in this essential but somewhat thankless job.

The estimated surplus is, as I told the House, 9.62 crores. I will explain later how I propose to deal with it.

Now I come to the capital budget. The figures for capital expenditure, meaning thereby development expenditure by the Centre, loans to States for long-term expenditure, expenditure from depreciation and Reserve Funds, stand like this.

For 1949/50 the budget estimate was	203 crores.
Revised figure for 1949/50 is	... 155 crores.
Budget figure for 1950/51 is	... 133 crores.

I will now take the capital receipts, meaning by that revenue taken to reserve, borrowing in the market, small savings and foreign loans (foreign loans in this case are loans from the International Bank). The figures are—

Budget for 1949/50	... 140 crores.
Revised figure for 1949/50	101 crores.
Budget figure for 1950/51	... 148 crores.

As regards the more important of these receipts viz., loans from the market, the House will remember that we were able to raise only 40 crores in 1949/50 against our estimate of 85 crores. From Small savings I expected 37½ crores while it yielded only 26. But in view of the signs of improvement that are visible I am estimating 75 crores for 1950/51 from market borrowings and 28 crores from small savings.

Apart from capital expenditure, we have other non-recurring expenditure to meet. There is the redemption of our permanent debt like the 2½ per cent. loans of 1950 we are going to pay. Also the outstandings on the 4½ per cent. loan of 1950-55. We have also to pay the first instalment of our dues to the World Bank this year and there are certain Railway Annuities falling due. Altogether the discharge of permanent debt would mean about Rs. 48 crores. Taking all our non-recurring receipts and expenditure i.e., those outside the revenue budget, the deficit figures stand as follows.

In 1949/50 budget we estimated a deficit on capital amount of 134 crores. The revised estimate shows a deficit of Rs. 120 crores. For 1950-51 I estimate a deficit of Rs. 24 crores. Taking all Government transactions and allowing for them, our Cash Balances position would be as follows:—

At the end of 1949-50 I expect our cash balances will stand approximately at Rs. 95 against a figure of Rs. 58 which I estimated in my budget last year. At the end of 1950-51 I expect the balances would stand at Rs. 78 crores.

Now Sir I turn to the taxation proposals. I have no proposals to make for any increase in the taxes either indirect or direct. As regards indirect taxation a few weeks ago by executive order we reduced the excise duty on cotton piece-goods on superfine from 25 per cent. to 20 per cent. and on fine from $6\frac{1}{2}$ to 5 per cent. These reductions have been taken into account into the budget and I propose to incorporate them in the Finance Bill. Although it is not really a taxation measure, I want to invite the attention of the House to the fact that the Budget estimates provide for an expenditure of Rs. $1\frac{1}{2}$ crores for subsidising imported cotton used for the manufacture of yarn for the benefit of the handloom weavers.

With regard to postal and telegraph charges, our proposals are these. In accordance with the practice in other countries, it is proposed to introduce concessional rates in respect of local deliveries. For letters, for the first tola, it is proposed to reduce the rate from two annas to one anna. For every subsequent tola, the existing rate of one anna will remain unchanged. For local deliveries, the rate for post-cards would be reduced from nine pies to six pies. May I say in passing that Government intend that these concessions should not by any means be confined to urban areas, but by a liberal interpretation of the rules relating to local deliveries and by extension of sorting offices, this would be extended as much as possible to rural areas. With regard to telegrams, the proposals are that the basic minimum charge for an ordinary telegram should be reduced from nine annas to eight annas. The basic minimum charge for express telegrams will be reduced from Rs. 1-2-0 to Re. 1/-. With regard to telephone rates, the maximum trunk call rate for a three-minute call will be reduced from Rs. 16/- to Rs. 12/-; for a six-minute call from Rs. 32/- to Rs. 24/-. It is proposed also to extend slightly the periods for which calls can be made at concessional rates. My hon. colleague the Minister for Communications expects, and rightly, that with these concessional rates traffic will more than correspondingly increase. May I say we can trust my hon. colleague the Minister for Communications to see that the traffic increases according to schedule.

With regard to direct taxation, our proposals are the following. First, the Business Profits Tax to be abolished. This was introduced three years ago as a temporary measure of taxation to replace the Excess Profits Tax. With the present greatly reduced levels of profit, this tax is bearing hardly upon industrial concerns. It bears more directly upon equity capital, capital which bears the risk rather than the fixed interest bearing capital. The receipts from the Business Profits Tax have been steadily falling. We are today three years after it was imposed and there is no justification for maintaining this Tax. Secondly, with regard to Income-tax, I have three proposals to make. The maximum rate of Income-tax to be reduced from five annas to four annas. The rate applicable to the slab 10,000 to 15,000 to be reduced from three and a half annas to three annas. As regards the slabs below this, last year, I made some changes, the result of which in conjunction with the relief on earned income applicable to Income-tax, slabs below Rs. 10,000 today bear a percentage rate which is lower than the rates in force in 1939-1940. My third proposal in regard to Income-tax is that the exemption limit for an undivided family, which was raised from Rs. 3,000 to Rs. 5,000 last year, should be

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raised to Rs. 6,000. With regard to the Corporation Tax, I propose that the Corporation Tax should be increased from two annas to two and a half annas. But, the net result is that in conjunction with the reduction in the maximum Income-tax rate, the total company rate of taxation will be reduced from seven to six and a half annas. As regards Super Tax, there are two proposals. It is proposed to abolish the distinction between earned and un-earned income and to levy a uniform rate on both. This distinction in the matter of Super Tax is not recognised in any other country as far as I know and the administrative difficulties in applying it have been enormous.

The second proposal is that the maximum super-tax rate will be reduced from nine annas in the case of earned income and ten annas in the case of unearned income to a uniform rate of eight and a half annas for both earned and unearned income and will be applicable to incomes above 1½ lakhs of rupees. The super-tax rates applicable to slabs below the highest will in the descending order be eight annas, seven and a half annas, seven annas, six annas, four annas and three annas. The maximum rate of personal taxation in the country will therefore be twelve and a half annas or about 78 per cent. The total amount of revenue involved in this tax reduction is about Rs. 15 crores, of which the Centre will bear about 8 crores and the States about 7 crores bearing a final surplus of Rs. 1.31 crores for 1950-51. The share of the States in the visible pool will not, however, be affected as compared with the budget estimates of 1949-50. In the budget estimates of 1949-50 the provinces' share of the divisible pool of incometax was 40.65 crores. On the revised figures for 1949-50 their share will be 45.74 crores. Allowing for all these tax reliefs, the budget for 1950-51 provides a share of a little over 48 crores for the States. I may point out that with regard to the integrated States, in many cases where the difference between Federal revenue and Federal expenditure is reimbursed to the States, their share of the divisible pool of income-tax will be set off against this grant so that practically the whole of this will be available to the other provinces. The Deshmukh Award will apply from the 1st April until the Finance Commission has reported, and it is the intention of Government to set up the Finance Commission at the earliest possible date.

There are two general considerations which I wish to mention with regard to these taxation proposals. I have for some time held the view that the present level of taxation in this country is uneconomic in the sense that the economy of the country cannot bear it. I know there is a considerable body of academic economic opinion in the country which holds a different view, but I am perfectly clear in my own mind that the effect of the present level of taxation is not disinflationary but positively inflationary, because, if you take the line that the solution to the problem of inflation is production, then a very high level of taxation which reduces the margin of saving and the amount available for investment is a potential inflationary force.

There is another general consideration that I want to mention. It is a matter of regret to me that I have had to make these adjustments in taxation within the existing framework of our tax structure. I should have preferred to make these adjustments on the basis of a more fundamental revision of our tax structure, but I have refrained from doing so because we are still in the middle of a very difficult period of transition and our receipts and our expenditure are still in such a very fluid state that no responsible person could undertake a drastic revision of the tax structure at this stage. Also we do not have sufficient data on which we could make a scientific revision of the present position. It is for that purpose that Government have set up a Committee to inquire into the whole question of national income and its distribution. That Committee which is

composed of three of the most distinguished economists and statisticians of this country together with three foreign advisers equally distinguished, I expect, will be able to give us a report by the end of 1950 on the basis of which, I hope, Government would be able to make some satisfactory proposals regarding our taxation system.

This is all that I have to say in regard to budgetary matters. I must apologise for having detained the House so long. In so drawing on their time and patience my excuse is that this is a budget presented at a very important time in India's history. I may be pardoned for dealing at some length with some aspects of our general economic and financial position.

Sir, I must apologise also for the unconventional character of my speech. There my excuse is that I have always held that a Government Budget in the last analysis is a human document in the sense that it involves and has reactions upon the experiences and the emotions of multitudes of men and women all over the country. I think therefore it is appropriate that its presentation to the people's representatives in Parliament should be somewhat less impersonal than has been customary with us hitherto.

Mr. Speaker, in conclusion may I thank you again and the House for the indulgence you have shown me tonight.

Mr. Speaker: The Budget sets are being distributed to hon. Members. Thereafter the hon. the Finance Minister will ask for leave to introduce the Bill to give effect to the financial proposals of the Central Government.

FINANCE BILL.

The Minister of Finance (Dr. Matthai): I beg to move for leave to introduce a Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1950.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1950."

The motion was adopted.

Dr. Matthai: I introduce the Bill.

The House then adjourned till a Quarter to Eleven of the Clock on Wednesday the 1st March, 1950.