

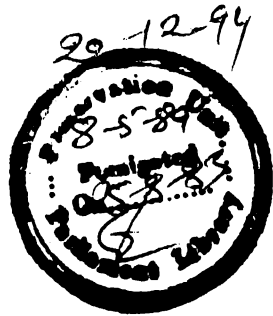


# PARLIAMENTARY DEBATES

(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

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VOLUME II, 1950

*(14th March to 17th April, 1950)*

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FIRST SESSION  
OF  
PARLIAMENT OF INDIA

1950

## CONTENTS

*Volume II.—14th March to 17th April, 1950.*

	<b>PAGES</b>
<i>Tuesday, 14th March, 1950.—</i>	
Oral Answers to Questions . . . . .	807—830
Written Answers to Questions . . . . .	830—836
<i>Wednesday, 15th March, 1950.—</i>	
Member Sworn . . . . .	837
Oral Answers to Questions . . . . .	837—862
Written Answers to Questions . . . . .	862—865
<i>Thursday, 16th March, 1950.—</i>	
Oral Answers to Questions . . . . .	867—889
Disallowed Questions . . . . .	889—890
Written Answers to Questions . . . . .	890—893
<i>Friday, 17th March, 1950.—</i>	
Oral Answers to Questions . . . . .	895—916
Written Answers to Questions . . . . .	917—921
<i>Monday, 20th March, 1950.—</i>	
Member Sworn . . . . .	923
Oral Answers to Questions . . . . .	923—944
Written Answers to Questions . . . . .	945—948
<i>Tuesday, 21st March, 1950.—</i>	
Oral Answers to Questions . . . . .	949—978
Written Answers to Questions . . . . .	979—982
<i>Wednesday, 22nd March, 1950.—</i>	
Oral Answers to Questions . . . . .	983—1005
Written Answers to Questions . . . . .	1005—1010
<i>Thursday, 23rd March, 1950.—</i>	
Oral Answers to Questions . . . . .	1011—1035
Written Answers to Questions . . . . .	1035—1038
<i>Friday, 24th March, 1950.—</i>	
Oral Answers to Questions . . . . .	1039—1061
Written Answers to Questions . . . . .	1061—1071
<i>Monday, 27th March, 1950.—</i>	
Oral Answers to Questions . . . . .	1073—1096
Written Answers to Questions . . . . .	1096—1105
<i>Wednesday, 29th March, 1950.—</i>	
Oral Answers to Questions . . . . .	1107—1138
Written Answers to Questions . . . . .	1138—1143
<i>Thursday, 30th March, 1950.—</i>	
Oral Answers to Questions . . . . .	1145—1170
Written Answers to Questions . . . . .	1170—1184
<i>Friday, 31st March, 1950.—</i>	
Oral Answers to Questions . . . . .	1185—1208
Written Answers to Questions . . . . .	1209—1221

PARLIAMENTARY DEBATES  
(PART I—QUESTIONS AND ANSWERS)

Thursday, 23rd March, 1950

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

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

REGISTER FOR ALL-INDIA ARCHIVES

\*1048. **Shri Sidhva:** (a) Will the Minister of **Education** be pleased to state whether any register has been maintained for All-India archives?

(b) If so, where is such a register available?

(c) If the reply to part (a) above is in the negative, do Government intend to review the development plan of the National Archives?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) and (b). So far as is known, there is no consolidated register of the Country's Archives.

(c) The proposal for the preparation of a National Register of Records is already under the consideration of the Government of India and a start is proposed to be made from the next financial year.

**Shri Sidhva:** May I know whether any proposal was made for the development of a Library and especially a Map Room and if so, what progress has been made in that direction?

**Shri Khurshed Lal:** So far as the preparation of this register is concerned, it was recommended by the Research and Publication Committee in 1948 and we are providing funds for it in this year's Budget.

**Shri Sidhva:** I am talking about the development of the Library and the Map Room.

**Shri Khurshed Lal:** I believe the question relates only to the register of archives.

**Shri Sidhva:** It relates to the Library and Map Room also in this way: the hon. Minister said that this is in pursuance of the Research Committee's recommendations and that Committee has recommended the development of the Library and Map Room also. So, I want to know.

**Mr. Speaker:** The hon. Member's question is not so wide as that.

**Shri Sidhva:** It arises from the recommendations of the Committee to which the hon. Minister referred.

**Mr. Speaker:** Order, order.

**Shri Sidhva:** May I know whether it has been recommended to include any records in the custody of the Tanjore Maharaja and if so, what has happened to them?

**Shri Khurshed Lal:** The intention is to make a register of all archives, whether they are in possession of official bodies or non-official bodies. If they are in possession of non-official bodies, they will be approached.

**Shri Sidhva:** May I know whether any representative is going to Paris to attend the International Archives Conference next month, and if so, who is he?

**Shri Khurshed Lal:** I require notice.

#### AMOUNTS DRAWN FROM INTERNATIONAL MONETARY FUND

\*1049. **Shri Sidhva:** (a) Will the Minister of Finance be pleased to state what is the amount so far drawn by the Reserve Bank of India from the International Monetary Fund towards the loans sanctioned?

(b) Will any fresh application for a fresh loan be made to the Fund besides those sanctioned before October 1949?

**The Minister of Finance (Dr. Matthal):** (a) So far, India has purchased dollars 100 million from the International Monetary Fund.

(b) None is at present contemplated.

**Shri B. K. Das:** May I know what loans are in process of negotiation?

**Dr. Matthal:** This question is with reference to the International Monetary Fund. Loans arising in connection with the International Bank are a different matter.

#### LOAN TO PUNJAB GOVERNMENT FOR CONSTRUCTION OF CAPITAL

\*1050. **Shri Sidhva:** (a) Will the Minister of Finance be pleased to state whether the Government of India have agreed to give a loan to the Government of Punjab for constructing a new capital?

(b) If so, how much amount do Government intend to give as loan?

(c) What is the approximate total cost of constructing the capital?

(d) How much is the Government of Punjab going to invest on the capital costs?

(e) What will be the rate of interest and within what period is it repayable?

**The Minister of Finance (Dr. Matthal):** This question will be replied to by my hon. colleague the Minister of State for Rehabilitation on the 30th March, 1950.

**Shri Sidhva:** My question is in relation to grant of loans. May I know whether they will come up before the Finance Ministry or whether the Minister of State will decide?



**Dr. Matthal:** Our main interest in this matter is that the loan serves as an important measure of rehabilitation, and the Ministry of Rehabilitation is primarily concerned with this question.

**Shri Sidhva:** Has any application been made by the Rehabilitation Ministry to the Finance Ministry in this matter?

**Dr. Matthal:** May I suggest that the hon. Member wait till the answer is given by my hon. colleague?

**Mr. Speaker:** Let him wait till he gets the answer.

#### ARCHAEOLOGICAL EXCAVATIONS

\*1051. **Seth Govind Das:** Will the Minister of Education be pleased to state: (a) the important places where further excavations have been carried out in 1949-50; and

(b) what articles of archaeological importance have been found during the year?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) During 1949-50 the Department of Archaeology has restarted the excavations at Sisupalgarh near Bhubaneswar, Orissa. The neighbouring site of Dhauli which contains an Edict of Emperor Asoka of the 3rd Century B.C. is also being excavated. The work is in progress, and it will be sometime before any definite results can be known.

A few typical megaliths in the Chingleput District are also being excavated. This work is also in progress.

The University of Allahabad has been carrying on with the help and advice of Director General of Archaeology excavations at the important site of Kausambi near Allahabad. Already two hoards of coins and a hoard of terracotta objects showing Parthian influence have been found.

(b) Apart from the articles found in the excavations mentioned above, a noteworthy find has been a stone statue of a female figure of Sunga age (2nd Century B.C.) at Patna. A few important sculptures, some of them inscribed, have also been found near about Nalanda in District Patna.

**सेठ गोविन्द दास :** क्या दिल्ली में जहाँ पहले हस्तिनापुर था और अयोध्या और मथुरा में , जहाँ राम और कृष्ण हुए थे कोई खुदाई का काम करने का विचार किया जा रहा है ?

**Seth Govind Das:** Is there any proposal to carry out excavations at the ancient site of Hastinapore near Delhi and at Ayudhia and Mathura, places associated with Lords Rama and Krishna?

**श्री खुरशद लाल :** अभी तक तो कोई विचार नहीं किया जा रहा है ।

**Shri Khurshed Lal:** No such thing is under consideration at present.

**सेठ गोविन्द दास :** क्या इसकी कोई योजना सरकार के सामने आई है और उस पर कोई विचार हुआ है ?

**Seth Govind Das:** Has any such scheme been brought before the Government and, if so, has it been considered?

**श्री खुर्शीद लाल :** अभी तक तो मेरे इल्म में कोई आई नहीं ।

**Shri Khurshed Lal:** I am not aware of any such thing so far.

**Shri S. N. Sinha:** Is it proposed to carry out excavations in Rajghat in Benares?

**Shri Khurshed Lal:** I will pass on the suggestion of the hon. Member to the Ministry.

**Shri Goenka:** What about Jubbulpore?

**Shri Alagesan:** In my district, many sites extending to several acres have been reserved and bounds have been put up and private bodies are prevented from entering them. Is it the idea of Government to excavate all those sites?

**Shri Khurshed Lal:** Which place is it?

**Shri Alagesan:** Chingleput district.

**Shri Khurshed Lal:** I require notice.

**Shri Joachim Alva:** In regard to the excavations in Mohenjo-daro and the records that we already possess in connection therewith, did the Pakistan Government require and enquire for any past records?

**Shri Khurshed Lal:** Does this question arise out of this, Sir?

**Mr. Speaker:** No. Next question.

#### CADETS IN I.M.A.

\*1052. **Shri A. B. Gurung:** Will the Minister of Defence be pleased to state the number of cadets who have been in the Indian Military Academy since the inception of the Post-war Regular Commission course, i.e., the Second, Third, Fourth, Fifth, Sixth and the Seventh courses respectively?

**The Minister of Defence (Sardar Baldev Singh):** With your permission, Sir, I would read the statement which I place on the Table:

2nd Course	247 cadets admitted
3rd "	274 "
4th "	202 "
5th "	182 "
6th "	147 "
7th "	156 "

#### THE MAHAR REGIMENT

\*1053. **Dr. M. M. Das:** Will the Minister of Defence be pleased to state whether the Mahar Regiment still exists in the Indian Army?

**The Minister of Defence (Sardar Baldev Singh):** Yes.

**Dr. M. M. Das:** May I know whether the soldiers of this Regiment all hail from the Mahar community?

**Sardar Baldev Singh:** From the name itself it is clear that it was so, though I cannot say that it is so now.

**Dr. M. M. Das:** Is there any other Regiment or Unit under the Defence Services the soldiers of which are selected exclusively from Mahars?

**Sardar Baldev Singh:** I require notice.

**Prof. Ranga:** Is it not the policy of Government, as announced some time ago by the Commander-in-Chief and other high officials, that such special denominational or territorial Regiments should no longer be continued?

**Sardar Baldev Singh:** Yes, Sir. That is the policy, but at present the difficulty is that we do not want to change these names all of a sudden. We will have to have some time before we can make a change.

**Prof. Ranga:** Am I also to understand that even if such denominational Regiments are abolished the people who have up till now been encouraged to join these Regiments will continue to be encouraged to join the Army and take their proper place?

**Sardar Baldev Singh:** Yes, Sir. There is no restriction as regards recruitment. The restriction is only as regards change of name, which as I have said will take some time.

**Sardar B. S. Man:** Is it not a fact that in addition to Mahars there are members of other communities also in this Regiment?

**Sardar Baldev Singh:** It may be so, but the Regiment consists mostly of members of the Mahar community.

**Sardar B. S. Man:** Is it not a fact that in all denominational Regiments we are having soldiers hailing from all the communities?

**Sardar Baldev Singh:** Yes, it is quite true. I have stated very clearly, that it does not necessarily follow that only members from this particular community are in this Regiment. There are members of other communities also, but the name of the Regiment is Mahar Regiment.

**Dr. M. M. Das:** In view of the fact that some Regiments have got very brilliant career and past traditions and services, may I know whether it will not be proper for Government to change the name.....

**Mr. Speaker:** Order, order. He may ask for information. He is making a suggestion for action.

**Babu Ramnarayan Singh:** May I know what is standing in the way of changing the name?

**Mr. Speaker:** The hon. Minister stated that it will take some time.

**Sardar Baldev Singh:** The difficult time we are passing through.

**Babu Ramnarayan Singh:** What is that?

**Mr. Speaker:** The difficulties we are passing through in the present circumstances.

#### AUDIT OF EMBASSY AND LEGATION ACCOUNTS

\*1054. **Dr. M. M. Das:** Will the Minister of Finance be pleased to state whether the expenses incurred by our Embassies and Legations abroad undergo any examination and audit and if so, by whom?

**The Minister of Finance (Dr. Matthai):** Yes, Sir; by the Auditor, Indian Accounts in London in respect of expenses incurred in the United Kingdom and by the Accountant General, Central Revenues in respect of expenses incurred elsewhere.

**Dr. M. M. Das:** Am I understand that the audit is done by foreign auditing firms?

**Dr. Matthai:** There is no question of any firms auditing the accounts.

**Dr. M. M. Das:** May I know, Sir, whether these accounts are sent to India for examination, or there are some persons of Indian Audit Department who travel from one country to another, examining the accounts of the Embassies?

**Dr. Matthai:** As far as accounts in London are concerned, they are audited by the Audit Officer, who is working there, under the direction of our Comptroller.

As far as accounts in other Embassies are concerned, they are audited by the Accountant-General, Central Revenues.

**Dr. M. M. Das:** May I know whether with the appointment of the Comptroller and Auditor-General of India under the New Constitution any change has been effected in the usual procedure of auditing the accounts of these Embassies and Legations?

**Dr. Matthai:** Not to my knowledge. But as I told the House once before, it is the intention of the Comptroller and Auditor-General to make a personal visit to the more important Embassies and make better arrangements for audit of their accounts.

**Shri Alagesan:** As far as our High Commissioner's Office in U.K. is concerned, are Government in a position to keep a control on the establishment, additions to staff and increase in pay scales? Are these done with the sanction of the Government?

**Dr. Matthai:** Yes, definitely.

**Sardar B. S. Man:** Did the Economy Committee appointed by the Government want to examine the accounts and expenses of the High Commissioner's Office in London? If so, were they provided facilities? If not, why not?

**Dr. Matthai:** As a matter of fact we sent a responsible officer of the Finance Ministry to London to examine this matter on the spot.

**Shri Bishwanath Das:** In view of the fact that the expenditure of this Ministry in the Embassies has gone up very high, and in view of the fact that the Standing Finance Committee has also discussed this matter, could the hon. the Finance Minister be pleased to state when he would request the Auditor-General to make a detailed audit of the various Embassies and their accounts?

**Dr. Matthai:** I am afraid my hon. friend is mixing up the functions of the Auditor-General with the functions of the Ministry. What the hon. Member wants is more control, which is really in the hands of the Ministry. When it comes to the question of increased expenditure in Embassies, the House will have an opportunity of examining it when I move a supplementary demand on Monday.

But the most important cause of increase in expenditure is devaluation, as far as the External Affairs Ministry is concerned.

**Shri Tyagi:** May I know if the Audit Officer in London is our own national or an Englishman?

**Dr. Matthal:** He is a Britisher who has done valuable work and he still continues in that office.

**Shri Kamath:** Does the Finance Minister exercise any control, at least by way of sage counsel and advice?

**Dr. Matthal:** Very much more than advice.

**Shri Brajeshwar Prasad:** What action has been taken by the Government of India on the report of Mr. Dutt to reorganise the High Commissioner's Office in London?

**Dr. Matthal:** It was duly taken into account—full consideration was given to it.

**Shri Tyagi:** When our accounts are audited in London by an Englishman, are our secret expenses or files kept away from him, or he goes through those files also?

**Dr. Matthal:** This officer has done valuable and faithful work and it is unfair to cast aspersions on him.

**Shri Bishwanath Das:** Just now the hon. the Finance Minister said that in the case of the London High Commissioner's Office the Secretary of the Finance Ministry was deputed to examine whether due control was exercised over expenditure. May I know in the case of how many Embassies this sort of an examination was carried out?

**Dr. Matthal:** This officer whom we sent to London also went to Washington and inspected the accounts there.

#### BARS AND WINE SHOPS IN DELHI

\*1055. **Dr. M. M. Das:** Will the Minister of Finance be pleased to state:

- (a) the total number of bars or wine shops in Delhi Province;
- (b) the annual income of Government as license fees from these bars; and
- (c) the date of issue of licence for the last new bar or wine shop in Delhi?

**The Minister of Finance (Dr. Matthal):** (a) The total number of bars and wine shops in Delhi Province on the 1st January, 1950, was 82.

(b) The income derived as licence fees from bars and wine shops during the year 1948-49 was Rs. 5,15,068.

(c) The latest licence issued was on 7th February, 1950, and it was for wholesale and retail vend of foreign liquor to the trade.

**Dr. M. M. Das:** May I know whether there are any toddy shops in the Delhi province, and, whether their number has been taken into this account?

**Dr. Matthal:** I am sorry, I do not know, Sir.

**Dr. M. M. Das:** May I know what is the present policy of Government regarding the issue of new licences for bars and wine shops and the withdrawal of some of the old licenses?

**Dr. Matthal:** That is really a question which should be addressed to my hon. colleague, the Home Minister. But as far as I can speak for him the policy is to introduce complete prohibition within a reasonably short period.

**Seth Govind Das:** Is there any proposal to introduce prohibition in this area?

**Mr. Speaker:** That is what he said. The policy is to introduce complete prohibition within as short a time as possible.

**Shri Deshbandhu Gupta:** May I know whether any directive has gone from the Government of India to the local Government that the number of liquor licences in New Delhi should not be reduced and that when one restaurant closes that licence should be transferred to another restaurant?

**Dr. Matthal:** I must confess that no directive has issued from me.

**Shri Deshbandhu Gupta:** Is it the policy that in New Delhi the number of licences will not be reduced?

**Dr. Matthal:** I cannot answer this question, as it pertains to the Home Minister's portfolio.

**Shri Tyagi:** Who deals with liquors?

**Mr. Speaker:** Whatever that may be, the question does not arise.

#### GRANTS TO PROVINCES FROM POST WAR RECONSTRUCTION FUND

\*1056. **Shri A. B. Gurung:** Will the Minister of Defence be pleased to state the amount of money which has been given to the various States from the post-war Reconstruction Fund as their respective shares?

**The Minister of Defence (Sardar Baldev Singh):** A statement showing allotments and disbursements from the Services Post War Reconstruction Fund to the Provinces/States etc. has been placed on the Table of the House. [See Appendix V, annexure No. 47.]

**Sardar B. S. Man:** Out of the Post-War Reconstruction Fund is any share given to Nepal also?

**Sardar Baldev Singh:** Yes, Sir.

**Sardar B. S. Man:** What is the amount that is annually given to Nepal out of this Reconstruction Fund?

**Sardar Baldev Singh:** The amount that has been given to Nepal is based on their recruitment. I believe it is about Rs. 50 lakhs.

**Sardar B. S. Man:** Out of this Rs. 50 lakhs given to Nepal what share goes for Indian Gurkhas, who are recruited from India, serve for India and remain in India?

**Sardar Baldev Singh:** As far as Indian Gurkhas are concerned, they are nationals of this country and no money is set apart for them. But there are a certain number of Gurkhas who since the last war became nationals of India. They are residing in India and negotiations are going on to set apart a certain amount for the benefit of those Gurkhas.

**Shri A. B. Gurung:** Is it not a fact that 90 per cent. of the Gurkhas come from Nepal and not from India?

**Sardar Baldev Singh:** Yes, most of the Gurkhas come from Nepal.

#### SCHOOL FOR MENTALLY AND PHYSICALLY HANDICAPPED CHILDREN

**\*1058. Shri S. C. Samanta:** Will the Minister of Education be pleased to state:

(a) whether the recommendation of the Central Advisory Board of Education regarding establishing at least one properly staffed school for the mentally and physically handicapped children in each State, has been given effect to; and

(b) the names of such schools in States (i) existing before 1947; and (ii) started after 1947?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) The education of the handicapped is on List II—Article 246—Seventh Schedule, and is the concern of State Governments. The Government of India have, however, requested all State Governments to open at least one up-to-date school for the Blind and one for the Deaf in their areas. From the replies received, it appears that some of the State Governments are taking steps to implement the above recommendations. Government of India have also taken over the Lady Noyce Deaf and Dumb School in Delhi from April 1948 and hope to take over the Blind School in Ajmer-Merwara in the next financial year.

(b) A statement is laid on the Table of the House. [See *Appendix V, annexure No. 48.*]

**Shri S. C. Samanta:** Are Government aware that sub-normal children are now being taught in ordinary schools, and the education they get there is completely lost in them?

**Shri Khurshed Lal:** That handicap will be there till sufficient schools are opened.

**Shri S. C. Samanta:** What are the recommendations of the University Commission towards the admission of the sub-normal children in schools?

**Shri Khurshed Lal:** I want notice of the question.

**Shri S. C. Samanta:** What is the special course of study prescribed in those schools?

**Shri Khurshed Lal:** I require notice of that.

**Shri S. C. Samanta:** Does this education there give a definite industrial bias?

**Shri Khurshed Lal:** As far as possible, it gives.

**Shri S. C. Samanta:** Is training in carpentry, etc.....

**Mr. Speaker:** We need not go into such details.

**Shrimati Durgabai:** Is it not desirable to ask the State Governments to open more such schools as far as possible?

**Shri Khurshed Lal:** I would certainly bear that suggestion in mind.

**Shrimati Renuka Ray:** In view of the drastic cut in expenditure which practically makes it impossible for the State Governments to start new schools, is it not desirable to ask them not to close down at least the existing schools?

**Shri Khurshed Lal:** With all respect to the hon. Member, it is an expression of opinion.

**Shri Alagesan:** Does the Central Government propose to make any grant for the maintenance of these schools?

**Shri Khurshed Lal:** That suggestion will be considered subject to availability of finance.

#### PURCHASE OF STREPTOMYCIN BY DOCTORS

\*1059. **Shri Kamath:** Will the Minister of Health be pleased to state:

(a) the basis and system for the issue of permits to doctors for the purchase of Streptomycin;

(b) whether any reports or complaints have been received about the working of the present method; and

(c) whether any revision or change is contemplated therein?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) The distribution of Streptomycin which is wholly imported from abroad is regulated under a system known as "Assessors Scheme". Under this scheme no part of the imported consignment can be sold for use to any party other than (i) the Director General of Health Services, (ii) Provincial Administrative Medical Officers and (iii) private medical practitioners and non-Government institutions against certificates signed by medical officers or private medical practitioners of high professional standing called "Assessors" who are specifically designated for this purpose. Such certificates should be to the effect that the case or cases in which Streptomycin is required is or are suitable for treatment with the drug and that the quantity recommended for the supply is actually required.

(b) Yes.

(c) The question of replacing the present method of distribution is under the consideration of the Government of India.

**Shri Kamath:** Is it a fact that a change in the licensing system so far as the sale and stocking of Streptomycin by dealers and chemists are concerned has been notified only this morning in the papers?

**Rajkumari Amrit Kaur:** No, Sir. During the course of last year, as soon as the supply of Streptomycin became plentiful, the Director-General of Health Services allowed it to go into the hands of a certain number of retail shops. But the regulations regarding its distribution are still there, because Streptomycin is a very dangerous drug and unless it is properly controlled it should not be administered.

**Shri Kamath:** Is the Minister aware that in big cities, even in a city like Jubbulpore there is only one assessor in the person of the Civil Surgeon who is very busy during most part of the day and that if no private practitioner is authorised to issue certificates under the scheme, great difficulty will be felt by the people?

**Rajkumari Amrit Kaur:** I have already said that the question of replacing the method of distribution is under the consideration of the Government.



**सेठ गोविन्द दास :** क्या स्ट्रेप्टोमाइसिन को हिन्दुस्तान में भी तैयार कराये जाने का कोई प्रबन्ध हो रहा है ?

**Seth Govind Das:** Are any arrangements being made for the manufacture of Streptomycin in India?

**राजकुमारी अमृत कौर :** अभी तक तो इस के बारे में कोई प्रबन्ध नहीं है । यह दवाई बाहर से ही आती है ।

**Rajkumari Amrit Kaur:** No such arrangements have been made as yet in this respect. This medicine is imported from abroad.

**सेठ गोविन्द दास :** क्या गवर्नमेंट को यह बात माज़ूम है कि स्ट्रेप्टोमाइसिन बड़ी कीमती दवा है और उसके लिये बहुत सा हमारा पैसा बाहर को जा रहा है ? ऐसी हालत में क्या इस पर कोई योजना बनायी जा रही है कि वह यहां पर ही तैयार हो सके ?

**Seth Govind Das:** Are Government aware that Streptomycin is a very expensive medicine and a lot of our money is being drained out on that account? Have Government any scheme to manufacture the drug here?

**Mr. Speaker:** I do not think it is necessary to answer that question.

**Shri Kamath:** Have reports reached the Minister that the Civil Surgeon as the only assessor insists upon an X-ray examination of the patients even though they are poor?

**Mr. Speaker:** Order, order. That is going into details.

**Dr. M. M. Das:** Is it a fact that the T.B. hospitals other than those managed by Government have to take the permission of the assessors for Streptomycin?

**Rajkumari Amrit Kaur:** Yes, Sir, it is so. All other institutions have to get the permit of the assessor. In the case of recognised institutions there is no difficulty in obtaining permits.

**Dr. M. M. Das:** So far as this procedure is concerned, before promulgating the scheme, was any discussion held with the Delhi Medical Association?

**Rajkumari Amrit Kaur:** No, Sir.

#### REPRESENTATION OF STATES IN PARLIAMENT

\*1060. **Shri Kamath:** Will the Minister of States be pleased to state:

(a) the names of Part B States which are still unrepresented in Parliament; and

(b) what steps have been taken, so far, to secure the representation of such States in Parliament, and what measure of progress has been achieved?

**The Minister of Home Affairs and the States (Sardar Patel):** (a) Hyderabad.

(b) The attention of the hon. Member is invited to my reply to Starred Question No. 675 by Shri M. L. Dwivedi on the 7th March, 1950.

**Shri Kamath:** Is it a fact that Part B States such as Madhya Bharat and Rajasthan are not still fully represented in Parliament?

**Sardar Patel:** I think that there are four seats to be filled by Madhya Bharat and that in Rajasthan there are one or two vacancies to be filled.

**Shri Kamath:** Is the hon. Minister aware that, for a long time, four seats assigned to the Punjab have remained unfilled?

**Sardar Patel:** I am not aware of that.

**Shri Kamath:** The list shows that.....

**Mr. Speaker:** Whatever it may, I cannot allow that.

**Shrimati Durgabai:** May I know whether any steps have been taken by the Government to secure the early representation of Hyderabad in this Parliament and, if so, what are the reasons for the failure to secure early representation?

**Sardar Patel:** No obstacles. At present there are no rules under which representation can be secured, nor is there any machinery for election there. The Government are therefore considering the question of an appropriate method for securing representation.

**Shri Deshbandhu Gupta:** May I ask whether Government propose to fill up all the four vacancies in the Punjab, in view of the fact that they were Muslim seats?

**Sardar Patel:** I am not aware of four vacancies in the Punjab. What vacancies does the hon. Member refer to?

**Mr. Speaker:** The hon. Member says that four seats in Parliament reserved for Muslims have been vacant for the last two years.

**Sardar Patel:** In Punjab?

**Sardar B. S. Man:** Those four vacancies were filled by four refugee legislators who came from West Punjab to East Punjab.

**Mr. Speaker:** Let us discuss it somewhere else. This question does not refer to it. I am proceeding to the next question.

#### EXPENDITURE ON BASIC EDUCATION CENTRES IN BIHAR

**\*1063. Shri K. P. Sinha:** (a) Will the Minister of Education be pleased to state separately the establishment charges year to year incurred by the Government in respect of Brindaban and Bikram (Bihar) Basic Education Centre and the income derived from the same since the date of their start till 1949?

(b) Do Government propose to consider the advisability of running such centres in all the districts of all the States immediately and if not, why not?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) The statement giving the information is laid on the Table of the House. [See Appendix V, annexure No. 49].

(b) The economic advantage of an 8-year Basic School as established in Bihar was considered at the last meeting of the Central Advisory Board of Education held in January, 1950. The Board recommended that experiments in Bihar should be carefully watched and similar experiments may be made in other States, wherever possible. Government are considering this recommendation as applicable to Centrally Administered Areas.

**Shri K. P. Sinha:** May I know whether these schools are self-supporting or whether they depend on help?

**Shri Khurshed Lal:** The present schools are not self-sufficient at all.

**Shri K. P. Sinha:** May I know when they are going to become self-sufficient?

**Shri Khurshed Lal:** I think it will take a considerable time.

**Prof. Ranga:** What percentage of the expenditure is now recovered from their income?

**Shri Khurshed Lal:** If the hon. Member will see the Statement furnished, he will get the information.

**श्री जांगरे :** क्या माननीय मंत्री यह बतलाने की कृपा करेंगे कि वृन्दावन और विक्रम बुनियादी शिक्षण केन्द्र में कितने लड़के अभी पढ़ रहे हैं ?

**Shri Zangre:** Will the hon. Minister be pleased to state the number of students at present receiving education at Brindaban and Bikram Basic Education Centre?

**Shri Khurshed Lal:** Sir, I should like to have notice.

**श्री जांगरे :** क्या माननीय मंत्री यह बतलाने की कृपा करेंगे कि बुनियादी शिक्षा देने वाले केन्द्र भारतवर्ष में कहां कहां पर हैं ?

**Shri Zangre:** Will the hon. Minister please state which are the places in India where Basic Education Centres exist?

**श्री खुर्शीद लाल :** यह सारी लिस्ट मैं नहीं दे सकूंगा ।

**Shri Khurshed Lal:** I shall not be able to furnish the entire list.

#### GOVERNMENT INSTITUTES FOR STENOGRAPHERS

\*1064. **Pandit M. B. Bhargava:** (a) Will the Minister of Education be pleased to state whether there are any educational institutions, Governmental or Government-aided, in the Indian Union imparting education and training in stenography in Hindi or in the Indian States languages?

(b) Are there any institutions carrying research in the development of stenography in Hindi and other States languages and if so, are they recognised?

(c) Was any Committee appointed by the Government of India to enquire into and submit a report on the development of stenography in India and if so, did that Committee submit its report?

(d) What were the recommendations made by that Committee and how far have those recommendations been implemented?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) Yes, there are four training centres run by the Central Government, which provide facilities for training in shorthand in Hindi. Information regarding institutions run by the State Governments or aided by them is not available.

(b) A comprehensive survey of such institutions has not been carried out by Government. Government has not recognised any institute.

(c) A committee was appointed by the President of the Constituent Assembly to find out and recommend to the Government the most efficient system of shorthand. The report of the Committee was forwarded by the President of the Assembly to Government for consideration.

(d) The Committee recommended:

(i) that four systems of shorthand, viz., (a) Ashu Lipi, (b) Wardha Pranali, (c) Nishkam Pranali, and (d) Rishi Pranali,

which have potentialities for growth and achievement should be allowed to grow in an atmosphere of emulation;

(ii) that a Board consisting of Scholars of the Phonetics and grammar of Federal Language and other Indian Languages as also a few experts in Shorthand should be set up by the Government to examine exhaustively the nature of all Indian Languages from the view point of the needs of a Shorthand system and to evolve a system of shorthand best suited to the federal language and also with required modifications to several regional languages;

(iii) that this Board should conduct examinations on an All-India basis for testing students of Federal Language Shorthand and for awarding certificates to the successful candidates.

The recommendations of the Committee are under the consideration of the Government of India. These have also been circulated to the Governments of the States to elicit their views.

**Shri Dwivedi:** Have Government prescribed any key-board for Hindi typewriters for transcribing from Hindi shorthand notes?

**Shri Khurshed Lal:** Government have not prescribed any key-board.

#### CHARGING OF FEES BY GOVERNMENT MEDICAL OFFICERS FROM GOVERNMENT SERVANTS

\*1065. **Lala Raj Kanwar:** (a) Will the Minister of Health be pleased to lay on the Table of the House a copy of the rules under which Government Medical officers are allowed to charge fees for attending on Government servants and members of their families?

(b) In what cases are Government Medical officers required to attend on Government servants and their families without charging any fee?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) and (b). Medical Officers serving under the Government of India are not entitled to charge fees for attending on Central Government servants. They are entitled to charge fees at the prescribed rates for attending on members of the families of Government servants. Government Medical Officers serving under the Governments of Part 'A' States are, however, entitled to charge fees for medical attendance and treatment in the case of both the Central Government servants and their families stationed in or passing through the respective States. Copies of these orders are placed on the Table of the House. [*Copy placed in the Library. See No. P.69/50*].

As regards States in Part 'B' the question of making similar arrangements is under consideration.

**Lala Raj Kanwar:** Sir, into how many categories have Government servants been divided for the purpose of medical attendance?

**Shri T. T. Krishnamachari:** Sir.....

**Mr. Speaker:** Order, order.

**Shri T. T. Krishnamachari:** Sir, I am raising a query. When an hon. Member has asked for a statement to be placed on the Table of the House, can he ask for details of that statement?

**Mr. Speaker:** I have many times expressed myself that it is better to study the statement and then put in any questions that Members like.

**Shri T. T. Krishnamachari:** The hon. Member asked for a statement and the question now is for details of.....

**Mr. Speaker:** Yes, but that is of a different kind. Here is information tabulated, and that is what is meant by "statement" here, not a general statement of policy or a statement about certain incidents or events. Certainly the word "statement" refers to many things.

**Shri Sidha:** Sir, may I know whether you have taken a decision about the point raised, that where a statement is to be placed, the Members should be given an advance.....

**Mr. Speaker:** Yes, when I take a decision, I will communicate it to the House. So long as I have not communicated a decision, it means that I have not taken it.

**Lala Raj Kanwar:** Sir, into how many categories have Government servants been divided for the purpose of medical attendance?

**Rajkumari Amrit Kaur:** They are divided into two categories, those drawing Rs. 500 and over, and those below†

**Lala Raj Kanwar:** Are Government servants drawing Rs. 500 and less entitled to the services of higher medical officers, in case of serious illness of the Government servant or the members of his family?

**Rajkumari Amrit Kaur:** All persons who attend Government hospitals are entitled to the services of the highest officer in charge of that institution.

**Lala Raj Kanwar:** What is the maximum fee which a government medical officer can charge from a Government servant?

**Mr. Speaker:** Is it not a matter of rules laid on the Table of the House?

**Rajkumari Amrit Kaur:** Yes.

**Lala Raj Kanwar:** Sir, another question. Do the rules regarding medical attendance vary from State to State or are they on a uniform basis?

**Rajkumari Amrit Kaur:** Sir, I have already replied that question. I have said that for States in Part B, the question is under consideration for making similar arrangements.

#### FAMILY PENSION TO ADOPTED SONS

\*1066. **Babu Ramnarayan Singh:** Will the Minister of Defence be pleased to state whether family pension is given to adopted sons of soldiers and if so, in what circumstances?

†See correction to this answer in part I of debates, dated the 1st April, 1950 - Ed. of p.p.

**The Minister of Defence (Sardar Baldev Singh):** A family pension is ordinarily admissible only to the widow, the parents, or the children as the case may be, of the deceased soldier, but Government deal sympathetically with claims from adopted children who have been left destitute by the death of a soldier. Each case is judged on its merits and the criterion for the grant of a family pension to an adopted child is the extent to which such child was dependent on the person whose death created the claim.

**Babu Ramnarayan Singh:** Sir, may I then take it that family pension to an adopted son may be granted only if the adopted son is poor?

**Mr. Speaker:** The hon. Minister has stated that. That is his reply, if the child is a destitute, he said. Is there any further question?

**Babu Ramnarayan Singh:** I want to know whether the family pension in that case is only a conditional one.

**Sardar Baldev Singh:** Yes.

**Shri Tyagi:** Are the names of the heirs of the soldiers not registered at the time of their recruitment, and if they are registered, are adopted sons also permitted to be registered?

**Sardar Baldev Singh:** I don't think the names of the heirs of soldiers are registered. In case of death of a soldier, the pension is normally given to the widow, father, mother, son and daughter. The question which my hon. friend asked was about adopted children. Adopted children's cases are considered on merits.

**Shri Syamnandar Sahaya:** Are Government aware that Hindu Law makes no distinction between an adopted son and a natural son and if so, will Government consider why there should be this distinction in the matter of granting pension?

**Sardar Baldev Singh:** I couldn't follow the question, please.

**Mr. Speaker:** He asked, the Hindu Law does not make a distinction between a natural son and an adopted one, then why this distinction in the matter of granting the pension?

**Sardar Baldev Singh:** Normally pensions are granted to the persons whom I have mentioned here. As regards an adopted son, according to the rules, he is not automatically entitled to a pension. That is considered to be quite different.

#### DEPARTMENTAL EXAMINATION FOR S.D.Os.

**\*1067. Shri Munavalli:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a qualifying departmental examination is held by the Department for appointment of candidates as permanent S.D.Os.; and

(b) whether it is a fact that this examination was only held for selection of permanent S.D.Os. and not for Assistant Engineers for which an Engineering degree is a pre-requisite?

**The Minister of Defence (Sardar Baldev Singh):** (a) and (b). Yes.

**Shri Munavalli:** May I know if it is a fact that S.D.Os. are appointed to the posts of Assistant Engineers although the examination held is considered not to be on par with the Engineering Degree in the opinion of the F.P.S.C.?

**Mr. Speaker:** I believe he is unnecessarily going into administrative details.

**Shri Munavalli:** May I know whether it is a fact that S.D.Os. are appointed to the posts of Assistant Engineers though not approved by the F.P.S.C.?

**Sardar Baldev Singh:** Ordinarily where the Union Public Service Commission's permission is necessary, it is always obtained and no appointments are made against the wishes of the Union Public Service Commission.

**Shri Munavalli:** Have there been any appointments of S.D.Os. to the posts of Assistant Engineers where there was no approval by the F.P.S.C.?

**Mr. Speaker:** The reply was that wherever under the rules such consent is necessary, that is taken. It is only in other cases that such reference is not made.

#### RETRENCHMENT OF MANIPUR STATE STAFF

\*1069. **Shri J. N. Hazarika:** (a) Will the Minister of States be pleased to state whether it is a fact that many of the Manipuri officers/clerks of the Manipur State offices have been retrenched and their posts filled up by the non-Manipuri Staff, as a result of which, a great resentment has been felt in Manipur?

(b) If the reply to part (a) above be in the affirmative, what are the reasons for doing so?

**The Minister of Home Affairs and the States (Sardar Patel):** (a) and (b). On the abolition of certain posts as a result of re-organisation some officers/clerks have been retrenched. Government are not aware of any resentment on this account. Since the posts have been abolished the question of filling them up with non-Manipuris does not arise.

**Shri J. N. Hazarika:** Is it not a fact that some of them have been Communists and therefore, they have been retrenched?

**Sardar Patel:** It is not so but if they are Communists, they will certainly go out.

#### ENTRY OF PAKISTAN OFFICIAL IN KASHMIR

\*1070. **Shri K. P. Sinha:** (a) Will the Minister of Defence be pleased to state whether it is a fact that the Government allowed one Mr. Nadir, an official of the Pakistan Foreign department to enter Srinagar and if so, for how long did he stay in Kashmir?

(b) Did the Government take steps to enquire into the accuracy of the reasons on the basis of which he was granted permission to enter Kashmir?

(c) Are Government aware that Mr. Nadir was or is the private secretary of Sardar Aurangzeb Khan, Pakistan Ambassador to Burma?

**The Minister of Defence (Sardar Baldev Singh):** (a) to (c). It is presumed that the hon. Member is referring to one Mr. Nadvi and not Mr. Nadir. Mr. Nadvi who is stated to be an employee of the Pakistan Embassy in Burma applied for a permit on the ground of serious illness of his father at Srinagar and other domestic reasons. A permit was issued for one week's stay. The period of stay was later extended at the instance of the Jammu and Kashmir Government.

**Shri Kamath:** Was it ascertained by Government at the time of issuing the permit that his father or any other member of his family was actually in Srinagar?

**Sardar Baldev Singh:** I believe generally enquiries are made and then permit is issued but I cannot say definitely whether enquiries were made in this case or not. Generally we do it.

**Shri K. P. Sinha:** May I know whether any watch was kept upon his activities while he was in Srinagar?

**Sardar Baldev Singh:** It is very difficult for me to say. It is the concern of the Jammu and Kashmir Government. Even if it is possible, it will not be in the public interest to disclose it.

**Sardar B. S. Man:** Is it a fact that on the Pakistan side no such permit was ever allowed to Indian nationals to visit the areas which are bordering on Kashmir?

**Sardar Baldev Singh:** It is difficult for me to answer. The question must be addressed to the Pakistan Government.

#### COMMUNITY CENTRES OF A.I.R. FOR RURAL AREAS

\*1071. **Shri Rathnaswamy:** (a) Will the Minister of Information and Broadcasting be pleased to state how many Community Centres for hearing A.I.R. Programmes were opened in the rural parts of Madras in the year 1949 and how many are proposed to be opened in the year 1950?

(b) What steps do Government propose to take to popularise the broadcasting programme in the rural parts?

**The Minister of State for Information and Broadcasting (Shri Diwakar):** (a) Community Receiving sets in rural areas are installed by State Governments.

(b) A.I.R.'s broadcasts addressed to rural audiences have generally been regarded as a popular programme. Rural programmes can be further popularised by installing more community receivers and this question is engaging the attention of State Governments.

**Shri Rathnaswamy:** May I know if any special programme for the benefit of the people in the rural parts is being broadcast?

**Shri Diwakar:** Very recently farm forum programmes in addition to rural broadcasts have been introduced in about six stations.

**Shrimati Durgabai:** May I ask whether apart from giving talks to the rural folks, is it also the practice of the All India Radio to invite the rural people to give talks on the basis of their actual experience with regard to certain matters?

**Shri Diwakar:** That is what is done in some of the farm forum programmes.

**Shri Rathnaswamy:** May I know if any effort has been made by the Government of India to ascertain the actual opinion of the people of rural parts as to the kind of programme that would suit them?

**Shri Diwakar:** Often we have consultations and there are also special Advisory Committees for this purpose.



**Prof. Ranga:** What progress has been made so far by the Government in developing cheap Community Receiving sets?

**Shri Diwakar:** We are examining those sets which are on the market and we are trying to encourage cheaper sets.

**Prof. Ranga:** Is it true that in the last seven years this, I think, is in progress and till now nothing has been done?

**Shri Diwakar:** It depends upon the manufacturers.

**Prof. Ranga:** Has any encouragement been given to the Indian concern which has been manufacturing these cheap radio sets from Bombay?

**Shri Diwakar:** As to which particular set is good enough for our purposes, that is being examined.

**Shri R. C. Upadhyaya:** Have any other States got such Centres?

**Shri Diwakar:** All States.

**Shrimati Durgabai:** Which is the State in Part B that has introduced the largest number of Community sets?

**Shri Diwakar:** I cannot say that exactly but I believe Bombay, Madras and U.P. have taken more interest in the matter.

#### STATE LOTTERIES

\*1073. **Lala Raj Kanwar:** (a) Will the Minister of Home Affairs be pleased to state the policy of Government in regard to State lotteries?

(b) Have any State lotteries been organised for raising funds for any public purpose during the past few years and if so, what are their details?

**The Minister of Home Affairs and the States (Sardar Patel):** (a) Government's policy is not to encourage State lotteries.

(b) No, Sir.

**Lala Raj Kanwar:** May I know what is the practice in this regard in the U.K., the U.S.A., Canada, Australia and other countries?

**Mr. Speaker:** Order, order. He wants worldwide information.

#### HARIJAN SCHOOLS IN BHOPAL

\*1074. **Thakur Lalsingh:** Will the Minister of Education be pleased to state:

(a) the number of schools for Harijans in Bhopal; and

(b) the number of Harijan students in each of them?

**The Deputy Minister of Communications (Shri Khurshed Lal):** The information is being collected and will be laid on the Table of the House in due course.

### HINDI AND URDU PRIMARY SCHOOLS FOR GIRLS IN BHOPAL

**\*1075. Thakur Lalsingh:** Will the Minister of Education be pleased to state:

(a) the number of Hindi and Urdu Primary Schools for girls in the villages of the State of Bhopal having population of less than 1,000 persons; and

(b) the number of girls studying in these schools and how many of them are of Scheduled Castes?

**The Deputy Minister of Communications (Shri Khurshed Lal):** The information is being collected and will be laid on the Table of the House in due course.

### PERSONNEL IN MADRAS CUSTOMS

**\*1076. Shri Rathnaswamy:** (a) Will the Minister of Finance be pleased to state how many preventive officers are working in Madras Customs Department?

(b) What are the qualifications prescribed for these posts?

(c) What is the representation given to Scheduled Castes in these posts?

**The Minister of Finance (Dr. Matthai):** (a) 23.

(b) Graduate of a recognised University.

(c) Out of every thirty vacancies in the posts of Preventive Officers in the Madras Custom House filled by direct recruitment, three are reserved for Scheduled Castes subject to availability of suitable qualified candidates belonging to these castes.

**Shri Rathnaswamy:** May I know how many members of Scheduled Caste have been appointed in the Madras Customs Department?

**Dr. Matthai:** I understand that at present there is just one officer belonging to the Scheduled Caste.

**Shri Rathnaswamy:** What efforts have the Government of India taken for getting adequate representation for the Scheduled Caste members in those posts?

**Dr. Matthai:** Last year we recruited three officers and one of them belonged to the Scheduled Caste.

### MEDICAL TRAINING FOR MEN IN LADY HARDINGE MEDICAL COLLEGE

**\*1077. Shri Sanjivayya:** (a) Will the Minister of Health be pleased to state whether it is a fact that a proposal for starting a second shift in the Lady Hardinge Medical College for the benefit of men students, has been made in view of the fact that there is no medical college for men?

(b) Was there any protest against such a proposal either from the women students or from the staff?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) There has been, among others, a proposal made for introducing a second shift system in the Lady Hardinge Medical College. There was considerable criticism of this system at

the last meeting of the Medical Council of India. The Government being about to take over the management of this Institution the whole question of its reorganisation is under active consideration.

(b) No.

**Shri Kamath:** Have reports or representations reached the Minister that girl students of the Lady Hardinge Medical College which is the only Girls' Medical College in Asia are hoping for no change particularly in view of the fact that the Minister belongs to their own sex?

**Mr. Speaker:** Order, order.

**Shri Deshbandhu Gupta:** May I know whether it is a fact that when this question was considered by the Governing Body, the majority of members was opposed to it?

**Mr. Speaker:** The hon. Member need not bring in those proceedings. The question is under the consideration of Government.

**Shri Deshbandhu Gupta:** May I know whether it is a fact that hon. Minister has expressed an opinion favouring co-education and introduction of the second shift in the Lady Hardinge College?

**Rajkumari Amrit Kaur:** If the hon. Member is referring to a speech that I delivered at the Lady Hardinge College the other day, I advised the girls not to be frightened of co-education but I did also say that the entire matter was still under consideration and no definite decision had yet been taken.

**Shrimati Durgabai:** Is it one of the recommendations of the University Commission in their report that co-education should be encouraged at the college stage?

**Rajkumari Amrit Kaur:** It is.

**Shri Kamath:** Is it a fact that over 95 per cent. of the staff and students have protested against the conversion of this College into a co-education institution?

**Mr. Speaker:** There is no use asking questions about reports appearing in the Press. Members are expected to ask questions relating only to matters within the special cognisance of Ministers.

**Shri Hossain Inam:** May I know whether it is a fact that in other Medical Colleges in India co-education is being given?

**Rajkumari Amrit Kaur:** It is being given.

**Shri Tyagi:** Before forcing men students into this college, may I know whether the susceptibilities of the girl students will be taken into consideration?

**Mr. Speaker:** Order, order.

#### I.A.S. AND I.C.S. OFFICERS

\*1078. **Shri Deogirikar:** (a) Will the Minister of Home Affairs be pleased to state the number of I.C.S. officers and I.A.S. officers in India?

(b) Is there any distinction in the salaries and other privileges between the two? If so, what?

**The Minister of Home Affairs and the States (Sardar Patel):** A statement giving the information asked for is laid on the Table of the House. [See *Appendix V, annexure No. 50.*]

**Maulvi Wajed Ali:** What is the position of the former I.C.S. Officers now holding judicial posts like District Judges and Additional Judges, under the new scheme?

**Sardar Patel:** There is no change in their position.

#### AYURVEDIC COLLEGES

\*1079. **Shri N. Snatak:** (a) Will the Minister of Health be pleased to state which are the places where Government Ayurvedic colleges are situated?

(b) Do Government grant any financial assistance to the privately managed Ayurvedic colleges?

(c) If so, what are the names of those institutions and the amount paid to each?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) State Government Ayurvedic colleges are situated at Gauhati, Patna, Baroda, Madras, Trivandrum, Hyderabad (Dn.), Lucknow, Gwalior, Jaipur, Udaipur, Mysore, Worli (Bombay) and Sira Sikandrabad (Dn.).

(b) and (c). The Central Government do not grant any financial assistance to privately managed Ayurvedic colleges. A statement showing the names of the privately managed Ayurvedic colleges and the amount of financial assistance paid by State Governments is laid on the Table of the House. [See *Appendix V, annexure No. 51.*]

**सेठ गोविन्द दास :** क्या सरकार, जहाँ तक दिल्ली का सम्बन्ध है, यहाँ कोई सरकारी आयुर्वेदिक कालिज बनाने की बात सोच रही है ?

**Seth Govind Das:** Do Government contemplate to set up a State Ayurvedic College in Delhi?

**राजकुमारी अमृत कौर :** दिल्ली के बारे में अभी तक तो कोई योजना हमारे सामने नहीं है, लेकिन जो आयुर्वेदिक रिसर्च इंस्टीट्यूट हम चाहते हैं अगर वह यहाँ बन सके तो मुझे खुशी होगी।

**Rajkumari Amrit Kaur:** There is no such proposal for Delhi at present under the consideration of the Government, but I shall be glad if the proposed Ayurvedic Research Institute could be set up here.

**सेठ गोविन्द दास :** क्या जो दिल्ली में अखिल भारतीय आयुर्वेदिक सम्मेलन हुआ था उसने दिल्ली में एक आयुर्वेदिक कालिज बनाने की सरकार के पास कोई योजना भेजी है ?

**Seth Govind Das:** Has the All-India Ayurvedic Conference which was held in Delhi sent any proposal to the Government for the establishment of an Ayurvedic College here?

**राजकुमारी अमृत कौर :** जी हां, एक योजना उन्होंने भेजी थी ।

**Rajkumari Amrit Kaur:** Yes, Sir. They had submitted one plan.

**ठाकुर लालसिंह :** जो सरकारी सहायता गैर सरकारी कालिजों को दी जाती है क्या उस के बारे में यह जांच कर ली जाती है कि उनका स्टैंडर्ड काफी ऊंचा है यानी उतना ऊंचा है जितना कि सरकारी आयुर्वेदिक कालिज का ?

**Thakur Lalsingh:** While giving financial assistance to the privately managed Colleges, is it looked into that their standard is sufficiently high, that is, it is at par with that of the Government Ayurvedic Colleges?

**राजकुमारी अमृत कौर :** यह स्टेट गवर्नमेंट्स के हाथ में है ।

**Rajkumari Amrit Kaur:** This rests with the State Governments.

**Shri Dwivedi:** Do Government propose to place the graduates of these Colleges on a par with the graduates of other Medical Colleges?

**Rajkumari Amrit Kaur:** When they have the requisite qualifications, yes..

**Shri Deshbandhu Gupta:** May I know whether the attention of the hon. Minister has been drawn to the existence of an Ayurvedic College, *viz.*, the Ayurvedic Unani Tibbia College, in Delhi, which was founded by the late Hakim Ajmal Khar, and whether it is a fact that that institution is almost going to dogs and the Government has not done anything so far to save the institution?

**Mr. Speaker:** I would not allow any expressions of opinions like that.

**सेठ गोविन्द दास :** जो योजना अखिल भारतीय आयुर्वेदिक सम्मेलन ने सरकार के सामने भेजी है उस पर सरकार का निर्णय कब तक हो सकेगा ?

**Seth Govind Das:** How long will it take the Government to arrive at a decision on the scheme submitted to them by the All-India Ayurvedic Conference?

**राजकुमारी अमृत कौर :** मैं ने आप से पहले भी कह दिया है कि उस के बारे में गवर्नमेंट सोच विचार कर रही है ।

**Rajkumari Amrit Kaur:** I have already informed, that the Government are considering this matter.

**Shri Deshbandhu Gupta:** May I ask, Sir, whether Government have received any representation from the staff or the students or the trustees of this institution requesting that Government should take over the management of that institution?

**Rajkumari Amrit Kaur:** I have received representations from the staff and students but not from the trustees, and it is difficult, in fact impossible, for Government to move in the matter of taking over a private trust.

**Shri Joachim Alva:** Is the expression 'going to dogs' parliamentary?

**Mr. Speaker:** Order, order. It is, when used with reference to matters other than concerning Members.

## ALCRETE HOUSE

\*1061. **Shri Kamath** (on behalf of **Dr. Deshmukh**): (a) Will the Minister of Health be pleased to state whether it is a fact that the Alcrete house involving aluminium components is proposed to be redesigned?

(b) Is it a fact that more experts will be invited from the consulting firm in England for this purpose and if so, how many?

(c) What will be the probable duration of their stay in India?

(d) What will be their salaries and allowances, if any?

**The Minister of Health (Rajkumari Amrit Kaur)**: (a) The roof only is being redesigned to eliminate the use of aluminium components.

(b) Two experts have been invited to train Indian Draftsmen and junior Engineers in design work.

(c) Probably about six months.

(d) Government have no precise information, but the salaries and allowances of the experts will continue to be paid by their firm in the United Kingdom. The entire cost of their visit to India will, however, be reimbursed to the firm by Government in accordance with the agreement with the firm.

**Shri Kamath**: Is it a fact that the Managing Director of the Housing Factory has agreed to pay the Consulting Firm for the aluminium components required for the first one thousand houses, twice the normal cost, contrary to the agreement made by the Government of India with the Consulting Firm?

**Rajkumari Amrit Kaur**: Aluminium has got to be used for the first one thousand houses, and after that no more aluminium will be used. The cost of aluminium has gone up because of the devaluation of the sterling and there were other circumstances also which could not have been foreseen. For the rest, nothing has been done by the Manager; everything is done according to the agreement with the firm.

**Shri Kamath**: May I know whether there is an agreement that the salaries and allowances of these experts will be reimbursed by Government? Is it not a fact that under the agreement these experts would be paid at the rates prevailing for first class Government officers and not more?

**Rajkumari Amrit Kaur**: No, there is no such agreement. They are paid according to the salaries that the firm gives them.

**Shri Kamath**: Is it not possible to secure the services of Indian engineers to redesign at least the roof portion?

**Rajkumari Amrit Kaur**: We have not got the experts who can do the work.

**Shri Kamath**: Has any attempt been made to secure the services of Indian engineers?

**Rajkumari Amrit Kaur**: It is not possible to get experts in India for work which has never been carried out in India.

## CHARGES BY CONSULTING FIRM FOR PREFABRICATED HOUSES

\*1062. **Shri Kamath** (on behalf of **Dr. Deshmukh**): (a) Will the Minister of Health be pleased to state whether it is a fact that a sum of £10,000 is provided in the original estimate submitted by the consulting firm for their fees

and service charges in connection with the erection of the Government Housing Factory?

(b) Is it a fact that the consulting firm has now presented a bill of over forty-seven thousand pounds (£47,000) for services so far rendered?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) Yes. It was, however, also pointed out by the Consultants that this was only an estimated figure based on past experience and that they would charge a sum based on the actual cost of the services provided plus an amount of overheads based on the figure for similar work in the United Kingdom for the British Government.

(b) No. In January this year the Indian High Commissioner's Office in London estimated that the sum to be paid to the Consultants during the year on account of their technical services would be £24,000. Particulars regarding the amounts claimed and paid are being ascertained from the High Commissioner's Office.

**Shri Kamath:** Is it a fact that the Consulting Firm sends the bills here first before presenting them to the High Commissioner for payment and getting them passed there?

**Rajkumari Amrit Kaur:** No, Sir. That is not so.

**Shri Tyagi:** Will Government institute an enquiry into the whole scandal of prefabricated houses?

**Mr. Speaker:** Order, order.

**Shri Tyagi:** In view of the repeated statements made in this House, will Government consider the feasibility of appointing a Committee to inquire into the manner in which this factory is being run and administered?

**Rajkumari Amrit Kaur:** No, Sir. Government does not feel that there is any necessity for an inquiry of this nature.

**Shri Kamath:** What are the grounds for Government's belief?

**Mr. Speaker:** Order, order. Question Hour is over.

## WRITTEN ANSWERS TO QUESTIONS

### LANDING GROUNDS IN RAJASTHAN

\*1057. **Shri Raj Bahadur:** Will the Minister of Defence be pleased to state:  
(a) the number of "landing grounds" constructed during the war time in Rajasthan;

(b) the number of such landing-grounds which are out of use now; and

(c) whether Government propose to reclaim these landing grounds for use?

**The Minister of Defence (Sardar Baldev Singh):** (a) 88.

(b) 80.

(c) Not at present.

### MATERNITY AND CHILD HEALTH SERVICES

\*1068. **Shrimati Jayashri:** Will the Minister of Health be pleased to state whether Government have taken, or intend to take any steps with regard to the following recommendations made by the World Health Organisation Symposium

on Maternal and Child Health, held in Delhi from December 30th 1949 to 2nd January 1950, namely:—

- “(i) that closest cooperation and integration, of projects should be maintained at every level between Health, Education, Agriculture, Social Welfare, Labour and other Departments of Government and voluntary organisations;
- (ii) that the highest priority in Government requests for assistance from the UNICEF should be given to requests for developing and strengthening basic maternal and Child Health Services; and
- (iii) that the appointment of a woman Adviser at the Centre and a Deputy Director, Maternal and Child Health in the states, would lead to increased efficiency drive and despatch in the activities of the MCH service”?

**The Minister of Health (Rajkumari Amrit Kaur):** (i) This recommendation will be kept in view in connection with the implementation of health projects for the care of mothers and children.

(ii) The schemes to be taken up in 1950 with assistance from the U.N.I.C.E.F. will be finalised as soon as definite information becomes available regarding the grant to be made to this country; this information is expected shortly. In finalising India's request to the U.N.I.C.E.F. due consideration will be given to this resolution. The most important project under active consideration is that of establishing a Training Centre at Calcutta in association with the All-India Institute of Hygiene and Public Health in order to train workers for maternal and child health services for Asian countries as a whole. Of the total number to be trained each year India will be able to secure admission for 50 per cent.

(iii) A temporary post of Adviser, Maternity and Child Welfare, has been created in the Directorate General of Health Services with effect from July 1948. In Madras and Uttar Pradesh posts of Deputy Director, Maternal and Child Health, exist and medical women are holding these posts. In other States, namely, Orissa, Bengal, Madhya Pradesh and Punjab posts have been created to assist local Boards with health projects for mothers and children and medical women have been appointed to these posts but the status of these officers is not that of Deputy Director Health Services. The attention of the State Governments will be drawn to this recommendation.

#### RURAL UNIVERSITIES

**\*1072. Shri Satish Chandra:** (a) Will the Minister of Education be pleased to state whether the University Commission has recommended the establishment of rural universities in the country?

(b) Has any scheme for starting such an university been worked out?

(c) When is the first university of this kind likely to be started?

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

(b) and (c). The recommendations of the Commission will be considered after the views of the States, the Central Advisory Board of Education and the Inter-University Board have become available. The attention of the hon. Member is invited to the reply given to Starred Question No. 75 on 24th February, 1950.



## TAXATION ON INCOME FROM TEA

\*1080. **Shri Barman:** Will the Minister of **Finance** be pleased to state:

(a) whether a certain percentage of income from tea was formerly exempted from Income Tax on the consideration that such percentage was income from Agriculture;

(b) whether recently by executive orders the rule has been changed and the whole income from tea is being taxed now; and

(c) whether it is a fact that by such changes, a certain percentage of income is being taxed both by Centre and by States?

**The Minister of Finance (Dr. Matthal):** (a) to (c). The hon. Member is presumably referring to dividends received by share-holders of tea companies. The Central Board of Revenue, in 1939, gave an executive interpretation that 60 per cent. of the dividend received by a shareholder of a tea company should be treated as agricultural income and exempted in the shareholder's hands. The Government of India were advised in 1948 that the interpretation was incorrect in law. Accordingly, the Income-tax Department have been instructed to follow the correct law, according to the legal advice. The Government of India are not aware of any Part A or Part C State which taxes any portion of a dividend as agricultural income.

## SCHEDULED CASTES IN MINISTRY OF HOME AFFAIRS

121. **Prof. Yashwant Rai:** Will the Minister of **Home Affairs** be pleased to state:

(a) the number of Gazetted Officers in his Ministry;

(b) the number of Assistants and Superintendents;

(c) the number of senior-grade and junior-grade clerks and stenographers;

(d) the number of scheduled caste in each of the above categories;

(e) whether the number is not as reserved for scheduled castes; and

(f) what special steps Government propose to take to fill in the reserved quota under the spirit of article No. 335 of the New Constitution?

**The Minister of Home Affairs and the States (Sardar Patel):** (a) to (d). A statement is laid on the Table of the House.

(e) The hon. Member seems to be under some misapprehension. No quota or proportion of the total number of posts in any grade is reserved for Scheduled Castes or for any other community. Reservation only applies to vacancies as they arise. A proportion of vacancies is reserved for Scheduled Castes provided sufficient number of suitable candidates of that category is available. This reservation is being strictly adhered to.

(f) No special steps are necessary as the existing orders and practice are in accord with the spirit of the Constitution.

## STATEMENT

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|---|--|--|
| (a) The number of Gazetted Officers in this Ministry (i. e. Ministry of Home Affairs) ; | (a) 22   |  |
| (b) The number of Assistants and Superintendents ;                                      | (b) 116 and 15 respectively.   |  |
| (c) The number of senior-grade and junior-grade clerks and stenographers ;              | (c) 4 senior-grade and 151 junior-grade clerks ; and 20 stenographers.   |  |
| (d) The number of scheduled caste in each of the above categories.                      | (d) Gazetted Officers. Nil<br>Superintendents. Nil<br>Assistants One.<br>Senior-grade clerks. Nil.<br>Junior-grade clerks. Three<br>Stenographer. One. |  |

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 CONSUMPTION OF FILMS BY GOVERNMENT DEPARTMENTS

**122. Dr. M. M. Das:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the total consumption of films by the different Government departments during the years 1948-49 and 1949-50; and

(b) whether the films required by the different Government departments, are brought from the local market or are they imported?

**The Minister of State for Information and Broadcasting (Shri Diwakar):** (a) The hon. Member is presumably referring to the consumption of unexposed cinematograph film. In 1948-49 the total consumption amounted to 25,88,041 linear feet and in 1949-50 up to the end of January 1,15,63,188 linear feet.

(b) From the local market, except for a small quantity imported direct by Defence Ministry.

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Thursday, 23rd March, 1950



# PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

VOLUME I, 1950

First Session  
of the

PARLIAMENT OF INDIA

1950



## CONTENTS

*Volume III—From 15th March, 1950 to 31st March, 1950*

	Pages
<b>WEDNESDAY, 15TH MARCH, 1950—</b>	
Papers laid on the Table—	
Declarations of Exemption under Registration of Foreigners Act, 1939 . . . . .	1569
White Paper on Indian States . . . . .	1569
General Budget—List of Demands— <i>contd.</i> . . . . .	1569—1640
Demand No. 16—Ministry of Health . . . . .	1570—1591
Demand No. 49—Medical Services . . . . .	1570—1591
Demand No. 50—Public Health . . . . .	1570—1591
Demand No. 14—Ministry of Education . . . . .	1591—1631
Demand No. 44—Archaeology . . . . .	1592—1631
Demand No. 47—Other Scientific Deptts. . . . .	1592—1631
Demand No. 48—Education . . . . .	1592—1631
Demand No. 23.—Ministry of Transport . . . . .	1631—1640
Demand No. 56—Delhi Transport Service . . . . .	1631—1640
Demand No. 67—Central Road Fund . . . . .	1631—1640
Demand No. 68—Communications (including National Highways) . . . . .	1631—1640
<b>THURSDAY, 16TH MARCH, 1950—</b>	
General Budget—List of Demands— <i>contd.</i> . . . . .	
Demand No. 27—Ministry of Industry and Supply . . . . .	1641—1692
Demand No. 53—Industries and Supplies . . . . .	1641—1692
Demand No. 54—Salt . . . . .	1641—1692
<b>FRIDAY, 17TH MARCH, 1950—</b>	
Leave of Absence from the House . . . . .	1693
Papers laid on the Table—	
Report of Indian Delegation to Technical Meeting on Co-operatives in Asia . . . . .	1693
General Budget—List of Demands— <i>contd.</i> . . . . .	
Demand No. 17—Ministry of External Affairs . . . . .	1693—1747
Demand No. 37—Tribal Areas . . . . .	1693—1747
Demand No. 38—External Affairs . . . . .	1694—1747
<b>SATURDAY, 18TH MARCH, 1950—</b>	
Point of Order . . . . .	1749
General Budget—List of Demands— <i>contd.</i> . . . . .	
Demand No. 17—Ministry of External Affairs . . . . .	1749—1764
Demand No. 37—Tribal Areas . . . . .	1749—1764
Demand No. 38—External Affairs . . . . .	1749—1764
Demand No. 28—Ministry of Rehabilitation . . . . .	1765—1808
Demand No. 74—Expenditure on Displaced Persons . . . . .	1765—1808
Demand No. 12—Ministry of Information and Broadcasting . . . . .	1808—1832
Demand No. 59—Broadcasting . . . . .	1809—1832
Demand No. 100—Capital Outlay on Broadcasting . . . . .	1809—1832
<b>MONDAY, 20TH MARCH, 1950—</b>	
Papers laid on the Table—	
Report of the Rehabilitation Finance Administration . . . . .	1833

MONDAY, 20TH MARCH, 1950—*contd.*

General Budget—List of Demands— <i>concl.</i>	1833—1888
Demand No. 19—Ministry of Commerce	1833—1862
Demand No. 34—Ports and Pilotage	1833—1862
Demand No. 35—Lighthouses and Lightships	1833—1863
Demand No. 60—Commercial Intelligence and Statistics	1833—1863
Demand No. 62—Joint Stock Companies	1834—1863
Demand No. 1—Customs	1863—1885
Internal Customs Duties Levied by States Unions	1866—1885
Demand No. 2—Union Excise Duties	1863—1885
Demand No. 3—Taxes on Income including Corporation Tax	1863—1886
Demand No. 4—Opium	1863—1886
Demand No. 5—Stamps	1863—1886
Demand No. 18—Ministry of Finance	1863—1886
Demand No. 29—Payments to other Governments, Departments, etc., on account of the administration of Agency Subjects and management of Treasuries	1864—1886
Demand No. 30—Audit	1864—1886
Demand No. 64—Miscellaneous Departments	1864—1886
Demand No. 65—Currency	1864—1886
Demand No. 66—Mint	1864—1886
Demand No. 70—Territorial and Political Pensions	1864—1886
Demand No. 71—Superannuation Allowances and Pensions	1864—1887
Demand No. 73—Miscellaneous	1864—1887
Demand No. 79—Grants-in-Aid to States	1864—1887
Demand No. 80—Miscellaneous Adjustments between the Union and the State Governments	1864—1887
Demand No. 81—Resettlement and Development	1865—1887
Demand No. 83—Pre-Partition Payments	1865—1887
Demand No. 95—Capital Outlay on the India Security Press	1865—1887
Demand No. 98—Capital Outlay on Industrial Development	1865—1887
Demand No. 101—Capital Outlay on Currency	1865—1887
Demand No. 102—Capital Outlay on Mints	1865—1887
Demand No. 105—Commuted Value of Pensions	1865—1888
Demand No. 106—Payments to Retrenched Personnel	1865—1888
Demand No. 108—Capital Outlay on Schemes of State Trading	1865—1888
Demand No. 110—Interest-free and Interest-bearing Advances	1865—1888

TUESDAY, 21ST MARCH, 1950—

Suspension of Rule 133(2) and Extension of time for voting on and disposal of Demands for Grants	1889
Resignation of Dr. Raghu Vira	1889
Motion for Adjournment re—	
Escape of Mir Laik Ali of Hyderabad from custody	1889—1895
Army Bill—Presentation of Report of Select Committee	1895
Air Force Bill—Presentation of Report of Select Committee	1895
General Budget—List of Demands— <i>concl.</i>	1895—1966
Demand No. 25—Ministry of States	1896—1941
Election in the former Indian States	1899—1940
Vivisection of former Sirahi State and merger of Mount Abu and Abu Tehsil with Bombay	1899—1940

TUESDAY, 21ST MARCH, 1950—*contd.*General Budget—List of Demand—*contd.*

Demand No. 86—Kutch . . . . .	1896—1941
Demand No. 87—Himachal Pradesh . . . . .	1897—1941
Demand No. 88—Bilaspur . . . . .	1897—1941
Demand No. 89—Bhopal . . . . .	1897—1941
Demand No. 90—Manipur . . . . .	1897—1942
Demand No. 91—Tripura . . . . .	1897—1942
Demand No. 93—Relations with States . . . . .	1897—1942
Demand No. 9—Cabinet . . . . .	1897—1940
Demand No. 11—Ministry of Home Affairs . . . . .	1897—1940
General Policy . . . . .	1898—1940
Confirmation of displaced Lawyers and Teachers selected for absorption . . . . .	1899—1940
Demand No. 32—Jails and Convict Settlements . . . . .	1897—1940
Demand No. 33—Police . . . . .	1897—1940
Demand No. 61—Census . . . . .	1898—1941
Demand No. 82—Civil Defence . . . . .	1898—1941
Demand No. 84—Delhi . . . . .	1898—1941
Demand No. 85—Ajmer . . . . .	1898—1941
Demand No. 92—Andaman and Nicobar Islands . . . . .	1898—1941
Demand No. 8—Indian Posts and Telegraphs Department (including Working Expenses) . . . . .	1942—1965
Demand No. 22—Ministry of Communications . . . . .	1942—1965
General Policy . . . . .	1943—1965
Demand No. 45—Meteorology . . . . .	1942—1965
Demand No. 55—Overseas Communication Service . . . . .	1942—1965
Demand No. 57—Telephone Factory . . . . .	1942—1965
Demand No. 58—Aviation . . . . .	1942—1965
Demand No. 96—Capital Outlay on Indian Posts and Telegraphs (Not met from Revenue) . . . . .	1943—1965
Demand No. 97—Capital Outlay on Indian Posts and Telegraphs—Stores Suspense (Not met from Revenue) . . . . .	1943—1965
Demand No. 99—Capital Outlay on Civil Aviation . . . . .	1943—1966
Demand No. 10—Parliament . . . . .	1966
Demand No. 13—Ministry of Law . . . . .	1966
Demand No. 31—Administration of Justice . . . . .	1966
Demand No. 46—Department of Scientific Research . . . . .	1966

## WEDNESDAY, 22ND MARCH, 1950—

## Papers Laid on the Table—

Annual Report of the Coal Mines Stowing Board for 1948-49 . . . . .	1967
Appropriation (Railways) Bill—Introduced . . . . .	1967
Appropriation Bill—Introduced . . . . .	1967
Sholapur Spinning and Weaving Company (Emergency Provisions)—Bill—Introduced . . . . .	1968
Finance Bill—Discussion on motion to refer to Select Committee—Not concluded . . . . .	1968—2014
Loan to Exchange Bank of India and Africa by Reserve Bank of India . . . . .	2014—2020

## THURSDAY, 23RD MARCH, 1950—

## Papers Laid on the Table—

Amendments to General Regulations of Industrial Finance Corporation of India . . . . .	2021
Amendments to Public Debt (Central Government) Rules, 1946 . . . . .	2021
Administration Report of Income-tax Investigation Commission . . . . .	2021
Finance Bill—Referred to Select Committee . . . . .	2021—2059

## FRIDAY, 24TH MARCH, 1950—

Insurance (Amendment) Bill—Presentation of Report of Select Committee . . . . .	2061
Scope of Discussion on Appropriation Bills . . . . .	2061—2063
Appropriation (Railways) Bill—Passed . . . . .	2063—2077
Business of the House . . . . .	2078
Appropriation Bill—Passed . . . . .	2078—2106
Import of Prefabricated Timber Stalls from Sweden . . . . .	2106—2113

## SATURDAY, 25TH MARCH, 1950—

Meeting of Inter-Parliamentary Group . . . . .	2115
Societies Registration (Amendment) Bill—Motion to consider—not moved . . . . .	2115—2116
Punishment of Tax Evaders and Blackmarketeers Bill—Withdrawn . . . . .	2116—2166
Prohibition of Manufacture and Import of Hydrogenated Vegetable oils Bill— Motion to consider—not concluded . . . . .	2166—2185

## MONDAY, 27TH MARCH, 1950—

Indian Patents and Designs (Amendment) Bill—Introduced . . . . .	2187
Finance Bill—Presentation of Report of Select Committee . . . . .	2187—2188
Demands for Supplementary Grants for 1949-50 —Railways . . . . .	2188—2194
Demand No. 3—Miscellaneous Expenditure . . . . .	2188—2193
Demand No. 5—Ordinary Working Expenses—Repairs and Maintenance . . . . .	2188—2193
Demand No. 7—Ordinary Working Expenses—Operation (Fuel) . . . . .	2188—2193
Demand No. 8—Ordinary Working Expenses—Operation other than Staff and Fuel . . . . .	2189—2194
Demand No. 10—Payments to Indian States and Companies . . . . .	2189—2194
Demand No. 15—Construction of New Lines . . . . .	2189—2194
Demand No. 18—Open Line Works—Betterment Fund (Passenger Amenities) . . . . .	2189—2194
Demands for Supplementary Grants for 1949-50 . . . . .	2194—2204,
. . . . .	2204—2239
Demand No. 13—Ministry of Home Affairs . . . . .	2194—2196
Demand No. 73—Stationery and Printing . . . . .	2197—2203
Demand No. 4—Opium . . . . .	2204—2205
Demand No. 9—Indian Posts and Telegraphs Department . . . . .	2205—2206
Demand No. 21—Ministry of Commerce . . . . .	2206—2210
Demand No. 53—Agriculture . . . . .	2210—2230
Demand No. 55—Industries and Supplies . . . . .	2230—2236
Demand No. 94—Capital Outlay on Industrial Development . . . . .	2231—2236
Demand No. 104—Capital Outlay on Schemes of State Trading . . . . .	2231—2236
Demand No. 1—Customs . . . . .	2236
Demand No. 2—Central Excise Duties . . . . .	2236
Demand No. 3—Taxes on Income including Corporation Tax . . . . .	2237
Demand No. 6—Stamps . . . . .	2237
Demand No. 10—Cabinet . . . . .	2237
Demand No. 11—Constituent Assembly . . . . .	2237
Demand No. 15—Ministry of Law . . . . .	2237
Demand No. 19—Ministry of External Affairs . . . . .	2237
Demand No. 27—Ministry of States . . . . .	2237
Demand No. 28—Ministry of Defence . . . . .	2237
Demand No. 31—Payments to other Governments, Departments, etc., on account of the administration of Agency Subjects and management of Treasuries . . . . .	2237

MONDAY, 27th MARCH 1950—*contd.*

**Demands for Supplementary Grants for 1949-50—*contd.***

Demand No. 33—Administration of Justice . . . . .	2237
Demand No. 35—Police . . . . .	2237
Demand No. 37—Lighthouses and Lightships . . . . .	2237
Demand No. 38—Ecclesiastical . . . . .	2238
Demand No. 39—Tribal Areas . . . . .	2238
Demand No. 40—External Affairs . . . . .	2238
Demand No. 66—Miscellaneous Departments . . . . .	2238
Demand No. 67—Currency . . . . .	2238
Demand No. 69—Civil Works . . . . .	2238
Demand No. 74—Miscellaneous . . . . .	2238
Demand No. 75—Expenditure on Refugees . . . . .	2238
Demand No. 76—Defence Services—Effective—Army . . . . .	2238
Demand No. 79—Defence Services, Non-effective charges . . . . .	2238
Demand No. 81—Miscellaneous Adjustments between the Central and Provincial Governments . . . . .	2238
Demand No. 82—Resettlement and Development . . . . .	2238
Demand No. 85—Delhi . . . . .	2239
Demand No. 86—Ajmer-Merwara . . . . .	2239
Demand No. 87—Panth Piploda . . . . .	2239
Demand No. 92—Capital Outlay on Indian Posts and Telegraphs . . . . .	2239
Demand No. 101—Commuted Value of Pensions . . . . .	2239
Demand No. 102—Payments to Retrenched Personnel . . . . .	2239
Demand No. 107—Interest-free and Interest-bearing Advances . . . . .	2239
Resignation of Shri V. T. Krishnamachari . . . . .	2204

WEDNESDAY, 29th MARCH, 1950—

Statement on situation in East and West Bengal . . . . .	2241—2242
Papers laid on the Table—	
Report of Indian Delegation to Second World Health Assembly . . . . .	2242
Industrial Finance Corporation (Issue of Bonds) Regulations . . . . .	2242
Statement <i>re</i> meetings of Standing Committees . . . . .	2242—2243
Finance Bill—Discussion on motion to consider as reported by Select committee—not concluded . . . . .	2243—2301

THURSDAY, 30th MARCH, 1950—

Finance Bill—Passed as amended . . . . .	2303—2346
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FRIDAY, 31st MARCH, 1950—

Resignation of Shri R. K. Shanmukham Chetty . . . . .	2347
Papers laid on the Table—	
Annual Report of Indian School of Mines and Applied Geology, Dhanbad . . . . .	2347
Nawab Salar Jung Bhadur (Administration of Assets) Bill—Introduced . . . . .	2356
Repealing and Amending Bill—Introduced . . . . .	2357
Indian Tariff (Third Amendment) Bill—[Amendment of items 28(4), 60(8), etc. to First Schedule]—Introduced . . . . .	2357
Transfer of Prisoners Bill—Passed as amended . . . . .	2357—2358
Drugs (Control) Bill—Passed as amended . . . . .	2358—2363, 2364—2372
Extension of Session of Parliament . . . . .	2364
Sholapur Spinning and Weaving Company (Emergency Provisions)—Bill—Passed as amended . . . . .	2372—2400



# PARLIAMENTARY DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Thursday, 23rd March, 1950.

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

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[MR. SPEAKER in the Chair]

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## QUESTIONS AND ANSWERS

(See Part I)

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11-45 A.M.

### PAPERS LAID ON THE TABLE

#### AMENDMENTS TO GENERAL REGULATIONS OF INDUSTRIAL FINANCE CORPORATION OF INDIA

**The Minister of Finance (Dr. Matthai):** I beg to lay on the Table a copy of certain amendments to the General Regulations of the Industrial Finance Corporation of India, in accordance with sub-section (3) of section 43 of the Industrial Finance Corporation Act, 1948. [*Placed in the Library. See No. P-75/50*]

#### AMENDMENTS TO PUBLIC DEBT (CENTRAL GOVERNMENT) RULES, 1946

**The Minister of Finance (Dr. Matthai):** I beg to lay on the Table a copy of certain amendments to the Public Debt (Central Government) Rules, 1946, in accordance with sub-section (3) of Section 28 of the Public Debt (Central Government) Act, 1944. [*Placed in the Library. See No. P-76/50.*]

#### ADMINISTRATION REPORT OF INCOME-TAX INVESTIGATION COMMISSION

**The Minister of Finance (Dr. Matthai):** I beg to lay on the Table a copy of the Administration Report of the Income-tax Investigation Commission for the year ended the 31st December, 1949. [*See Appendix VI, Annexure No. 50.*]

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#### FINANCE BILL—*conold.*

**Mr. Speaker:** The House will now proceed with the further consideration of the motion moved by the hon. Dr. Matthai yesterday that the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1950 be referred to a Select Committee.

**Shri B. Das (Orissa):** The House has voted Rs. 837-88 crores to the hon. Minister for Finance so that he and the other Ministers can spend that amount as they like. Now, the Finance Bill is before us for consideration and we have to vote that supply.

[Shri B. Das]

The Finance Bill, as it is drafted, will entitle the hon. Minister for Finance to collect Rs. 847 crores; but he has been generous enough to give certain reliefs to the industrialists and upper middle classes and he has reduced the surplus to 131 crores. I see an under-estimate of revenue everywhere. I feel he will get more from Customs, more from the Union Excise Duties and more from the Income-tax. As could be seen from his Budget of 1949-1950, there was a surplus of 18 crores over his original estimates, and I do predict, and we can verify this next year, that his Budget of 1950-1951 will bring him a surplus of 15 crores.

My hon. friend the Minister for Finance has been very unkind to the provinces. He has become charitable at the cost of the provinces. He has sought to bring capital for industrial development; but out of the 15 crores that he is going to give by way of relief to the upper middle classes and the industrial classes, 7-15 crores, according to his own estimates, comes from the provinces as that amount would be reduced from the share of Income-tax due to the provinces. Poor as I am, poor as Orissa is, I lose 21 lakhs by this one stroke of pen of my hon. friend the Finance Minister. As I estimate the Income-tax revenue to go up, my province will be losing something like 80 lakhs as its share from Income-tax. This is a very big sum.

I would like the Select Committee to examine if the relief in taxation as proposed by the hon. Finance Minister is fair and whether there are any other methods by which we could give relief to a larger number of people. It has been suggested that some relief should be given at the lower level of Income-tax. Though I belong to the lower middle classes of this country, I am more concerned with the masses, with the teeming millions of people. What have we devised to give relief in this first Republican era to the common man? I would suggest that the Finance Minister may by subsidy or by other means reduce the excise duty or the customs duty on kerosene so that the poor man living in hamlets and hills could have a little light for ten or fifteen minutes in the evenings. That would show that the Congress Government is out to do good to the common multitudes, and not to the upper middle classes or the industrialists. In the Select Committee, I find people who are more concerned with the welfare of the masses than of the classes and I do hope that they will examine and do something to give relief to the multitudes.

I was very happy to hear the other evening the pronouncement of my hon. friend Dr. John Matthai on mixed economy, on foreign capital investment and other things. It was a very solemn speech. I tried to read it three times; but I have not been able to see light through it. I am only very glad that my hon. friend Dr. Matthai is thinking of mixed economy and thinking of doing good to the vast number of people in the rural areas as my hon. friend Mr. Tyagi suggested yesterday, than thinking only of heavy industrialisation which benefits the few. I was also very pleased to read an article in *The Statesman's* editorial, —a very well written one—on balanced economy and I would commend it for perusal by every hon. Member. Unfortunately, when articles and editorials are written or fine speeches made on balanced economy, we are all of us groping in darkness and we cannot visualise what will be the real thing. I endorse the conclusion of *The Statesman* that public opinion is likely to record more confidence in politicians than in industrialists. I venture to suggest to my hon. friend Dr. Matthai to place more confidence in our suggestions than in those of the Federation of Indian Chambers of Commerce made in the gilded hall of the Imperial Hotel, where even an astute businessman like my old friend Sjt. Ghanshyam Das Birla said that the Government must create the necessary situation for the national prosperity, as if the guilty party in the country is the

Government and the industrialists have no patriotic and national duty to cooperate with the Government so that the necessary situation may be created.

The other day criticisms were made with regard to the duties of the Planning Commission. One is surprised to see that it will be an advisory body. We have got too many advisory bodies. Even the Standing Committees advise hon. Ministers and we are called Advisers. On the 20th, *The Statesman*—I am not in love with *The Statesman*; I am glad when I find something good and I always appreciate it—advised the Government of India that at least one of the duties of the Planning Commission should be to control waste. It suggests that there should be a Ministry of Waste or otherwise, the Planning Commission should look to economy in the Government of India. If the Planning Commission is not given executive powers but is given only advisory powers, it will not be able to do anything and we know how powerful Secretaries are in the various Ministries and to get sanction for a particular scheme of economy or development in the Secretariat will be a tiresome job.

Even after hearing the speech of my learned friend the Finance Minister I am not sure that the Planning Commission will be able to look into the priorities of projects or attend immediately to certain items of national economy. However, I was very grateful when he said that there will be mixed economy, but the economy of the multitudes should be dissociated from the economy of the few the urban industrialists, and I may state that even a great industrialist like my hon. friend Sardar Baldev Singh did never visualise what should be the pattern of rural development. We do not need any foreign capital for our national economy. It must come from our own millions and through our own efforts. In that respect the Government of India is guilty, for it has never created an atmosphere for the development of cottage industries in the country.

When the Industrial Policy Resolution was moved by the hon. Minister of Industries two years ago, some of us suggested that twenty five per cent. of the capital budget during a particular year for industrial development should go towards the development of our rural economy and the development of cottage industries. Prof. Ranga may smile at my suggestion, because he has got Rs. 10 lakhs for the development of the handloom industries whereas nothing has been done to develop any other form of rural industries. Unless we do that this year and the next year, our national economy is threatened, as we are almost nearing the danger point.

The other day I suggested that there should be a Minister for cottage industries and rural economy. Let him be a Deputy Minister, I do not mind. I have found that they are as hard-working as our Cabinet Ministers. But to entrust cottage industries and rural economy to the Minister of Industry, who is absorbed in development of aircraft and heavy industries, is simply killing the economy of our multitudes. The hon. Minister of Industries, however sympathetic he may be towards cottage industry, is more or less engaged in meeting the inordinate and unholy demands of the industrial people of this country.

I suggested the other day, and I think indirectly my hon. friend the Finance Minister confirmed it, that we need not have money from America and the Finance Minister has also said that there was little chance of money coming from the U. S. A. He also suggested that there was a possibility of money coming from the U. K. I am not very much interested in what the U. K. will invest in India, when the U. K. is already holding 800 crores of our money that was left with the Bank of England. Besides the U. K. was responsible for the secession of Pakistan from India and creating all our troubles in the political and economic spheres.

[Shri B. Das]

whenever and wherever Free India has tried to act independently. I do not like that investments from the U. K. should come here nor do I like my Government to purchase every thing from either the U. K. or the U. S. A. for the sake of dollars, because there is always an underlying dominating and dictatorial spirit in them towards India. If my hon. friend paid more attention to the development of our cottage industries and our rural economy in the interests of national prosperity, we do not need to bother that there is a country known as the U. K. or another known as the U.S.A. from which we are to

12 NOON expect capital investment. You must multiply what you have got in Arab-ki-Sarai hundredfold all over the country. The hon. Minister of Industries has started a Central Cottage Industry Institute at Aligarh, as if the whole of India will have a television eye to see what we are doing there. If you want to spend five crores let us have in every Province two or three such institutions like the ones you have in Arab-ki-Sarai and Aligarh. This foreigners' idea of concentrating everything in Delhi or nearabout does not benefit the countryside and will never benefit the masses.

As regards your capital goods do not be too jubilant with the thought that the International Monetary Fund will give you loans at 4 or 4½ per cent. or that we must be wedded to American plants and machinery. There are other countries who have not got such a domineering or hectoring attitude towards India as the U.S.A. has or the U. K. imitates. Why does the Minister for Works, Mines and Power always think of buying his machinery from the U. S. A. or even the U. K.? There are on the Continent countries where better-manufactured machinery and plants are available. Switzerland will supply you better electrical machinery and they have a nice and compact economy which the U.S.A. can never dream of or the U. K., on account of past failures, will never concede. Somehow my Government has not thought of the problem as a whole—what will suit our security, our national development or our political development. Why do we tag ourselves on to the U. K. or the U.S.A. I can never understand, nor ever shall. I would rather purchase machinery from the U. S. S. R., by means of a trade pact or a treaty with them in the near future. A human approach must be made to this problem. Somehow at times I feel that my Government has a partiality for the U. K. and is getting more and more in love with the U.S.A.

I looked into our debt position. I found the same figures repeated, that Pakistan owes us 300 crores of rupees and Burma owes us Rs. 48 crores. Are they not going to pay us back with interest? I cannot understand why interest is not added up year after year. I respectfully submit that from the day Burma was forcibly separated with the dagger at our throat on the floor of this House, I have maintained that the debt which Burma owes us of Rs. 48 crores together with interest should be a charge on the U. K. Government. We were subordinates then. Did my hon. friend in the various conferences in London put forward that proposition? I do hope that we will have better and more cordial relations with Pakistan in the near future. I visualise that things are so moving that we are thinking more of a peaceful neighbour than of a turbulent neighbour. Yet the hon. Finance Minister's Budget statement should show us somewhere how much interest is due from them and that should be added up every year. He must show that so many crores of debt plus interest charges are not being paid by the Government of Burma or the Pakistan Government. I do not find any mention of any money we promised to give to the Indonesian Government or of the money our Prime Minister promised at the Ceylon Conference to help the Burmese Government. But these are our national assets and the House has a right to know what are our real assets. If for political reasons certain items have to be excluded, if expediency requires that,

I can understand. But what I find is that there is a hesitation on the part of ~~Government~~ to supply the House with proper information. We are always here to guide the Government how to proceed in such matters.

**Shri Damodra Manon** (Travancore-Cochin): Many of the economic principles involved in and arising out of the financial proposals have been discussed at length and therefore I shall confine my remarks to one or two points only. In spite of the severe criticism to which it was subjected, I think the financial policy underlying the budget proposals is eminently realistic and it is well worth a trial. The hon. the Finance Minister admitted very frankly that he derives only a negative satisfaction from his policy and that it has been dictated by the exigencies of the economic situation in which the country finds itself today. Nobody can say for certain that the tax relief contemplated in the budget proposals will help and induce capital formation and investment in the direction we want. We can only hope that the desired result will follow. If it does not—and that is very important—the Finance Minister has stated that he will have to think in terms of a more radical policy. I welcome that attitude, for I think in the long run our economic salvation lies only through the way of compulsion and regimentation. The Finance Minister himself feels it. I am sure, because in his reply to the debate on the Grants for the Finance Ministry he gave us a warning that there is no half-way house between economic democracy and economic dictatorship. That gives us a challenge that is involved in the present economic situation. I would like to express it in a different way because I do not like the totalitarian sting of the word 'dictatorship'. I would say that we have all of us to contemplate at present as to how far our ideas of economic democracy and economic planning will go together. If we want rapid economic progress in this country of ours, with its appalling poverty and all the rest of it, we will have to submit ourselves—every section of our economic life and structure will have to submit itself—to a kind of regimentation and also compulsion. Planning involves submission to a pattern, and both capital and labour will have to submit to the plan that our Planning Commission will be placing before the country. Therefore, I welcome the Finance Minister's statement that he will, when the time comes, think in terms of a revolutionary policy and also, if necessary, of compulsion and regimentation.

I go now to another point. The tax relief contemplated in the budget proposals is intended to induce capital formation in the highest income groups. As I stated earlier, it is well so far as it goes. Even as an experiment we can try it, because if it fails we can profit by our experience in that direction. But there is a still larger field, namely, of the middle class and the lower middle class income group whose potential capacity for capital formation has not yet been properly tapped. In this respect my suggestion is that we have to think in terms of altering radically our land policy. I know that land policy is a matter that concerns the State Governments. But the Centre can give a direction in this behalf and a lead too. Let me explain this point a little further. Most of our middle class people have a tendency—I would even call it a habit—of investing their capital, whatever earnings they have, on land. They do so not with a view to become agriculturists themselves. They want adequate returns for the capital they invest on land. If we can by some method divert this capital to industrial channels, I am sure our industrial development will be rapid. And that can be achieved, I venture to say, by reforming our land tenure in such a way that it will prevent absentee landlordism. I am sure that our Planning Commission will give a high priority to land reform and that it will lead the way to the proper investment by this class of our income group.

I want only to touch on another point which has been dealt with at length by my friend Mr. B. Das,—I mean cottage industries. The Finance Minister has

[Shri Damodra Menon]

stated that he believes in decentralisation of industry, that it is by a balancing of large-scale industries and small-scale industries that our national economy can be planned and developed on healthy lines. Now, we are all talking in terms of cottage industries: everyone does it. But I have my doubt whether the Central Government and the State Governments are really serious about this matter. We have to tackle the problem of decentralisation of industry and development of cottage industries on the basis more of internal self-sufficiency than of external marketing. I know several of our Members here have been asking questions and also pressing the point that we must try to push the products of our cottage industries outside and have a market outside. It is well and good to have a market outside for our cottage industries. But essentially and mainly we have to think in terms of self-sufficiency and also of producing things for our own home market.

In this connection we have also to consider—and that is a fundamental question—as to how far the products of cottage industries can satisfy our basic needs. Mahatma Gandhi thought of *khadi* as a basic industry. His idea was that the entire cloth need of the country must be met through this industry. Now I ask the Government how far they have been able to carry this policy through.

The other day my hon. friend Mr. Khandubhai Desai made a suggestion about reducing the duty on mill cloth and the hon. the Finance Minister gave him a right retort. Now, I am going to make a suggestion in the contrary direction. I would suggest that the excise duty on mill cloth must be increased gradually—I do not say all of a sudden,—but from year to year it must be increased and the money realised from this source must be distributed to provinces, so that they may finance, encourage and develop schemes of *khadi* production. This may seem rather drastic, but I would say that during a period of years we may fix, the excise duty on mill cloth must be so enhanced that it will not be possible for anybody except the very few rich people to buy mill cloth in the home market. What about our textile industry, you may ask me. My reply is that the textile industry may cater to foreign markets. We may even reduce all duties on mill cloth that is being sent out, but if we are serious about *khadi* we must see that there is no competition between mill cloth and *khadi* in the home market.

Now, if we do not think in terms of such compulsion, it is better for us to give up entirely the idea of *khadi*. It is no use talking in season and out of season that we believe in *khadi*. It further involves an essential principle. That is why I am referring to it. It means that if we are serious about decentralisation of industry and also development of cottage industries, we must have such plans for the development of our cottage industries as will work well and satisfy the needs of the country—I mean the basic needs. We have to take this problem in right earnest and not take it easy. Therefore, I hope the hon. the Finance Minister will think in terms of increasing the excise duty on mill cloth for home consumption.

**Shri H. V. Tripathi** (Uttar Pradesh): Let me express my gratitude to you, Sir, for giving me an opportunity to place my views before this House. The preparation and presentation of the Budget is a technical task. The nature of the financial proposals differs according to the social and economic structure of every country. The Budget of every country can give you a peep into the geo-politics of that country and also the social and economic urges and emotions that prevail at that particular period in that country. In order to understand these objective urges, we have to go into the background of how the present political order has been evolved and the social and economic commitments that we have made to the masses.

India has passed through many vicissitudes. The feudal structure, long liquidated in European and American countries, was maintained by the artificial respiration given to it by our old British masters. The Princely Order, the Zamindari system and the Jagirdars represented this feudal order. This has now been liquidated to a great extent and whatever remains is in the process of liquidation on the overthrow of our British masters.

Who was responsible for this overthrow of the British yoke? It is admitted that it was the Congress which raised the banner of revolt and large masses of people—men and women—flocked under its banner. A socio-political content was given to the revolutionary movement which generated, or was responsible for generating, and upheaval culminating in the exit of the foreign rulers. The political content of the slogan was complete with the establishment of a Sovereign Democratic Republic. Not only the political but the social and economic aspects of the revolutionary slogans got their recognition in the Declaration of Fundamental Rights and the Directive Principles of the Constitution. These revolutionary masses are today standing at your door to look to the specific performance of the undertakings so solemnly given by those representing them. We have to test our financial proposals in the light of the pledges given and expectations created in the minds of these revolutionary masses. We have assured these people a society based on the principle of justice, liberty, equality and fraternity in the form of a Preamble to the Constitution. We have besides other things assured them of adequate means of livelihood in the Directive Principles.

Viewed from this angle, we find that there is large-scale unemployment in the country. Nearly one-third of the people are still living under conditions which can be compared to slum conditions. They are living in a semi-starved condition. Who are these people? They are the producing section.

As regards the hope for the future, our tests are manifold. We know, having derived bad legacies from the past, that we cannot immediately give our masses something for the present, but we are hoping to give them something in the future. We have to test the Budget before us in the light of what is in store for the masses and what relief they should get. For the present, we have to test the relief proposals contained in the Budget presented by the hon. the Finance Minister.

The first fundamental difference in approach arises from a consideration of who is the producer—whether it is the financier who simply collects the money of the people and gets it invested in industry, or whether it is the actual investor, i.e., the middle classes, or whether it is the worker, i.e., the labour. An industrialist is actually a financial *entrepreneur* or manager of industry. I submit that it is the other classes that matter. That should be our approach and that is the approach which I consider to be the right one to solve our problems. We find from the financial proposals that the relief has been mostly given to the industrialists while the other two sections of the society have been absolutely left out. It may be stated that it was by this section of the society that the revolutionary struggle for emancipation from foreign yoke was raised and in order to protect whose interests the Fundamental Rights and Directive Principles were embodied in the Constitution. More than 85 per cent. of the national income is derived from land, about 10 per cent from the cottage industries and only 5 per cent from the large scale industries. While an incentive is given to these financial *entrepreneurs* or managers of industry as I prefer to call them the basic producer has been completely overlooked and absolutely ignored. A manager of an industry has a very subtle way of extracting these concessions. He threatens; he cajoles; he humours; he flatters. I

[Shri H. V. Tripathi]

have no hesitation in saying that we have become frightened and have surrendered. The other two sections of the society cannot have recourse to these tactics. They grumble. And if the leadership has no foresight, they, ultimately, resort to the only weapon, that is, revolt. I am afraid we are leading them to that road.

The other angle from which we view this Budget is whether it has the capacity to organise our economy in such a way as to create or bring into existence a state when capital formation or investments are available. So far as that point is concerned, we find that we are not in a position even to provide employment for those who exist today, let alone those coming hereafter. The population of this country is increasing by 50 lakhs every year. Even if we take 2 lakhs as the population which can be provided for by the industry, the big industry which has been given so much incentive, even then we need at least 100 crores a year. According to the *Eastern Economist* we have been able within ten years (1939-40 to 1949-50) to create capital formation of 26 to 27 crores only per annum. We need four to five times the capital amount to resolve our problems. That means that our economy which is pegged on to big industries has to be reconsidered. We have to think as to what is that fundamental principle on which we can go ahead. After all there are cottage industries. For twenty years past the country has rallied round the cottage industries. Japan is the instance of a country which has been able to solve her problems on the basis of cottage industries.

**श्री भटकर :** सर (Sir), मझे पहले तो एक बात अपने नाम के बारे में कहनी है। मुझे भाटकर के नाम से पुकारा गया है। लेकिन मेरा नाम भाटकर नहीं है, मेरा तो नाम भटकर है। भाटकर के नाम से ऐसा लगता है कि पहले जो राजा रजबाड़े होते थे तो जो लोग उनकी तारीफ़ किया करते थे उनको भाट कहते थे और भाटकर का अर्थ यह हुआ कि भाट को पैदा करने वाला।

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**Mr. Speaker :** The hon. Member may now come to the Budget.

**श्री भटकर :** तो इस बजह से जो यह अपभ्रंश नाम का हो जाता है वह नहीं होना चाहिये।

**Mr. Speaker :** Let him proceed further on the Budget.

**श्री भटकर :** अभी जो हाल में फाइनेंस बिल रखा गया है इस बारे में मुझे यह कहना है कि जो देहात के लोग हैं और जो देहातों में रहते हैं उनके लिये जो कुछ करना चाहिये वह नहीं किया गया है। आज सारे हिन्दुस्तान में अनाज कितना जरूरी है और मोर फूड (Grow More Food) के लिये और अनाज अधिक पैदा करने के लिये बहुत सी कोशिशें जारी हैं। लेकिन जो खेती का काम करते हैं, जो खेती से अनाज पैदा करते हैं उनकी हालत आज अच्छी नहीं है। उनके लिये गवर्नमेंट की तरफ़ से जितनी सहाय्यतें मिलनी चाहियें वह नहीं मिलती हैं। उनके लिये हल के लिये और बीज के लिये जो कुछ पैसा चाहिये, जो कुछ मदद चाहिये वह गवर्नमेंट से नहीं मिल रही है। और इसकी वजह से जितना अनाज पैदा होना चाहिये उतना नहीं हो रहा है। इस वजह से बहुत सी कठिनाइयाँ पैदा होती हैं जिससे वह अपना काम अच्छी तरह से नहीं कर सकते और अधिक अनाज उत्पन्न नहीं कर सकते।

(SHRIMATI DURGABAI in the Chair)

जो अनाज आज पैदा होता है और उसका जो भाव मिलता है उसको गवर्नमेंट देले। आज जो भाव है वह उनको बहुत कम मिलता है इस पर तो गवर्नमेंट को ख्याल करना चाहिये कि जो माल पैदा

\* Portion being offensive and defamatory expunged by order of the Speaker.



हो वह माल बाजार में गवर्नमेंट की तरफ से खरीदा जाना चाहिये। क्योंकि जब अनाज पैदा होता है और बाजार में बिकने के लिये निकलता है उस वक्त जो अनाज खरीदा जाता है और काश्तकार लोगों को उस अनाज का जो पैसा मिलता है वह बहुत कम होता है। तो यह नहीं होना चाहिये। जब काश्तकार अपनी खेती का माल निकाले उस वक्त जो उसका माल आवे उस माल का उसको भरपूर पैसा मिलना चाहिये।

दूसरे, आज खेतों में काम करने के लिये काश्तकारों से जो मजदूर लोग हैं वह भी पैसा ज्यादा मांगते हैं और उनकी मजदूरी दे कर जो सब खर्च हो जाता है उसके बाद काश्तकार लोगों के पास जो बचता है उसको देखें तो वह कुछ नहीं रहता है। तो इस तरह भी आप देखें तो काश्तकार लोगों के लिये जो सहुलियतें चाहियें वह सहुलियतें कम मिलती हैं। इतना ही नहीं, हर एक चीज में उनके लिये अड़चनें हैं। आप देखेंगे कि उनके ऊपर टैक्स बहुत बढ़ गये हैं। आज तक जितने टैक्स हैं वह जो लोग बेचारे देहात में रहते हैं उन्हीं पर ज्यादा आते हैं। आप पोस्ट को ही लीजिये। जो कुछ आपने पोस्ट पर कर बढ़ाया है वह काश्तकार लोगों पर ही ज्यादा बढ़ा है। आपने एक सहुलियत यह दी है कि शहरों में लोकल पोस्टेज कम कर दिया है। लेकिन देहातों में जो लोग रहते हैं उन पर आपने जो पाब आना कार्ड पर बढ़ाया है या डेढ़ आने का दो आना किया है यह सब काश्तकार लोगों के लिये बहुत कठिन है। आपको यह बहुत कम दिखता होगा और इससे यह मालूम होता है कि एक पैसा या आठ आना देहात के लोगों पर बढ़ा तो कुछ हरजा नहीं। लेकिन जहां देहातों की हालत इतनी बुरी है कि वह अपने घरों के लिये मिट्टी का तेल जलाने के लिये भी खर्च नहीं कर सकते और वह लकड़ी जला कर उससे ही उजाला करते हैं, जब ऐसी उनकी हालत है तो यह जो टैक्स बढ़ा है वह कम होना चाहिये।

आप अब देखेंगे कि इसमें जो छोटे छोटे ब्योपारी हैं उनका टैक्स आपने कम कर दिया है। मगर जो देहात में और छोड़े बाड़े में लोग रहते हैं उन पर आप टैक्स बढ़ाने की कोशिश में हैं। तो उनका यह टैक्स जरूर कम होना चाहिये। जो देहात के लोग हैं, जिनके पास कुछ भी नहीं है, जो कंगाल हैं, उनका टैक्स बढ़ा कर और बड़े कारखाने वालों का टैक्स कम करने की जो आपने कोशिश की है यह अन्याय है और यह अन्याय दूर होना चाहिये। यही नहीं। देहात में आप देखेंगे कि पढ़ने के लिये वहां के लोगों को कुछ भी सहुलियतें नहीं हैं। देहातों में कितने ऐसे गांव हैं, कितने ऐसे खेड़े हैं, कि जहां एजुकेशन का कुछ भी प्रबन्ध नहीं है। वहां उनके लिये कोई इन्तजाम नहीं है। तो यह इस तरह की बातें हैं। जो देहात के लोग हैं उनसे आप सब तरह की मदद चाहते हैं। तो पहले उनकी अच्छी तरह से हिफाजत करना भी गवर्नमेंट का कर्तव्य है और उसके लिये आपको जितना जरूरी काम है वह सब करना चाहिये।

इसके अलावा और भी बहुत सी बातें हैं। शिड्यूलड कास्ट (Scheduled Castes) के लिये आपने यह किया है कि १० लाख रुपया रखा है जहां छः करोड़ लोग हैं, डिप्रेसड क्लासेज (depressed classes) के। उनके लिये आप देखिये कि आपने १० लाख रखा है तो इतनी बड़ी तादाद के लिये जो कुछ सहुलियतें चाहियें वह कुछ भी नहीं रखी हैं और उन पर जितना पैसा खर्च करना चाहिये वह उनकी तादाद के मान से बहुत कम है। इस वजह से मैं गवर्नमेंट से प्रार्थना करना चाहता हूँ कि आपने काश्तकार लोगों पर जो कार्ड का टैक्स बढ़ाया है वह कम करना चाहिये और उनको काश्तकार लोगों को जितनी सहुलियतें दी जानी चाहियें उतनी ही जार्ये।

(English translation of the above speech).

**Shri Bhatkar** (Madhya Pradesh): At the very outset, I have to say something about my name. I have been called by the name of "Bhaatkar", but my name is not "Bhaatkar". My name is "Bhatkar". In the olden days of Rajas and Chieftains, a sect of people who recited songs in their praise were called "Bhaats" (ministrrels). "Bhaatkar" means "Progenitor of Bhaats".

**Mr. Speaker:** He may now come to the Budget.

**Shri Bhatkar:** So I would request that such a distortion of name should not occur.

**Mr. Speaker:** Let him proceed further on the Budget.

**Shri Bhatkar:** With regard to the Finance Bill which has now been presented, I have to say this much that nothing has been done to benefit the people living in the rural areas. Today food is the primary necessity of the whole of India and strenuous endeavours are being made to grow more food. But those who till the land—who grow food—are not in a better condition today. They do not get all the facilities which the Government should grant them. They are not getting the requisite financial assistance from the Government for purchasing their ploughs and seeds, and for this reason that much quantity of foodgrains which was expected is not being produced. Consequently, it has given rise to many difficulties and on account of which they cannot properly look after their work and are unable to grow more food.

[SHEENATI DURGABAI in the Chair]

The Government should look to the foodgrains that are produced and their procurement price. To-day they are paid very low prices. The Government should at least consider this aspect that the commodity which is produced should be purchased in the market on their behalf. Because when the foodgrains are produced and sent to the market for sale, the price at which these are procured is very low and, consequently, the cultivators get less money. But this should not be the case. When the cultivator sends his produce for sale in the market, he should be handsomely paid for the commodities brought by him.

Secondly, the agricultural labour too who work in the field demand more wages from the cultivators. And after paying their wages and taking into account all the incidental expenditure that is incurred, it would be found that ultimately nothing is saved by the cultivator. So, even if you see this from this perspective, you will find that the cultivators do not get all the facilities which they should. Not only this much, there are obstacles for them everywhere. You will see that the incidence of taxation has been considerably increased in their case. Today it is the poor people living in the rural areas only who have to bear the brunt of heavy taxation. You may take the Postal side. Whatever increase you have made in the rate of postage that primarily affects the agriculturist community only. The only concession which you have given is that the rate of local letters and post-cards has been reduced. But it is the agriculturists only who are hit hard by the increase in the rate of post-card by one quarter of an anna or in that of letter from one anna and six pies to two annas. You may not feel it much and obviously it so appears that it does not matter if the rural people have been made to pay one or two pice more. But in view of the fact that the people in rural areas are placed in such a bad condition that they cannot even afford to buy kerosene oil and they produce light by burning firewood, I would urge that some relief should be given in this tax which has been raised.

You will now see that you have reduced the taxation in respect of small businessmen. But you are trying to increase the taxation in the case of

\* Portion being offensive and defamatory expunged by order of the Speaker.

people living in the villages and small hamlets. Thus, some relief in taxation should be granted to them. You have tried to do an injustice by increasing the taxation in respect of the people living in the rural areas—those who do not own anything and are quite penniless—and by giving a corresponding relief to the big factory owners. You will see that the people in the villages have not been provided with any educational facilities. There are many such villages—there are many such hamlets—where no educational arrangements exist. No arrangements have been made there for their benefit. So these are the various aspects. You expect every sort of help from the villagers. But it is the primary duty of the Government to make necessary arrangements for their protection and you should take all possible steps in that direction.

Apart from this, there are many other things. You have provided a sum of Rs. 10 lakhs for the Scheduled Castes while there are six crores of depressed classes living here. You may just see that you have allocated a sum of Rs. 10 lakhs only for their benefit. So, no facilities have been provided for such a large number of people and the money which should be spent over them is far below the proportion of their number. Thus, I would like to request the Government that they should reduce the rate of post-card which has been raised in the case of agriculturists and they should be given the maximum possible facilities.

**Shri Rathnaswamy (Madras):** I feel that I should congratulate the hon. Dr. Matthai for having presented a Budget which would take us out of the woods. It is a Budget which has to undo the machinations and the mischief of the Liaquat Ali Budget of 1947. In this Budget I see a silver lining in the dark clouds of crises and calamities. Indeed it is a Budget which has got many finer points in it. But I am constrained to say it is only a businessman's Budget. Though there are some seeming concessions made in it to the poor classes, a close reading of the various proposals made therein would show that the poorer classes are doomed to disappointment. The concessions shown in respect of post cards and covers would not help the poor people in any way. They will only help the business community. The learned Doctor seems to repose too much confidence and trust in the mercantile community. I am afraid he will soon be disillusioned and disappointed. He does not realise that it is the mercantile community that is largely responsible for the economic deterioration in the country. The war has certainly demoralised the mercantile community and I may tell you that there is no social conscience or social outlook on the part of this community. Therefore the hon. the Finance Minister who expects a certain amount of co-operation from the mercantile classes is doomed to disappointment in the very near future. As we used to play in our childhood by asking others to catch the nose in a roundabout way, instead of directly, the learned Doctor thinks that by giving this incentive to the mercantile classes there will be greater production, that the capital which is now hidden and shy will come out for investment and that on account of increased production the poorer classes will be benefited. I am afraid it is not going to be so.

The learned Doctor has not taken into consideration the potentiality of man-power. Instead he seems to have put too much faith in money-power. The fact is that it is man-power that has helped the economic advancement of countries like Russia. Russia has played a dominant role in these affairs. If the Finance Minister ignores the potentiality and the power of the masses I am afraid he is going to face serious disappointment. The relief given to the industrialists and the capitalists of our country could have been diverted towards the reorganisation of the industries that are almost dead. If this had been done it would have gone a long way towards improving the village industries and creating more employment in the countryside. It would have alleviated the economic suffering of the people also.

[Shri Rathnaswamy]

As I said the other day, the State cannot afford to be merely a police State and give protection alone to the people. Modern conditions have become so complex and complicated that the State has to assume a certain amount of social service outlook. It must become a welfare State so to say. If it refuses to assume that social service outlook, it will only make the masses go out of the way and become pawns in the games played by the reactionary forces in the country. There are very powerful reactionary forces at work in our country, and if sufficient attention is not paid by the State towards alleviating the troubles and the sufferings of the people caused by centuries of British domination and also by partition of the country, it would only spell disaster to the Government. There are various reactionary forces at work in our country and the masses will only play into their hands if enough efforts are not made to redeem them from the shackles of economic slavery. In these circumstances it seems to me that the only solution for our economic ills lies in nationalising the key industries of the country. Even the Karachi Resolution has very clearly laid down certain principles with regard to the nationalisation of the key industries in our country. I am afraid the progress made in the direction of carrying out these principles has been very slow and tortoise-like. Therefore great efforts remain to be made by the Government to improve the economic condition of the people.

There are lot of problems confronting the country today. We have for instance the problem of the agricultural labourers. You know how the poor agricultural worker is struggling hard to make both ends meet. He does not get enough wages. Moreover there is still what is called slave-labour prevalent in some part of Tamilnad. I refer to what is called the "Paunai" system which is based on slave labour. I do not know whether the Government would institute an enquiry into the condition of the agricultural workers in those parts of the country.

This state of affairs as prevails in our country today is something that is derogatory to the very concept of a State of the type we have.

I only want to say a word about the pathetic condition of Harijans. I am afraid not even a token allotment has been made for the amelioration of their condition. It may be imagined by some leaders in our country that temple entry for Harijans has gone a long way towards giving status to this community. But I may tell you that without economic status, temple entry will be mere bunkum, and it will certainly not help the Scheduled Castes to keep pace with the advancing communities of our country. Government are going to be completely disillusioned if they think that temple entry by itself has given status to the community of Harijans. Therefore, I say much has to be done, much remains to be done, in respect of improving the economic condition of the poor Harijans in the various villages of our country. Even Pandit Nehru has said in his autobiography that abstract ideas of freedom and democracy have absolutely no meaning for the man in the street, that they should be assured their elementary necessities, and that the State must give this to every citizen. This is particularly so in the case of a Republic like ours which should guarantee social security and social justice to every one of its citizens.

One minute more, and I will finish.

In conclusion I will refer to the planning which is going to be taken up by our Government. I would only refer the hon. Minister of Finance to the brilliant methods adopted by Soviet Russia in respect of planning. I would also request him not to forget the human aspect of planning. Planning covers so many aspects, and I say that we should include the human aspect also. There is a lot of suffering going on in the land. In the villages the death roll

is very high. So much has to be done to improve the general health of the people there, and also their economic condition. Another thing I would like to.....

**Mr. Chairman:** The hon. Member has already taken fifteen minutes.

**Shri Rathnaswamy:** I only want to submit in conclusion that even democracy will be a mockery if the people are not sufficiently educated. Literacy in our land is bordering on 10 per cent while the percentage of literacy in a country like Russia is about 90. Therefore, it is clear that much has to be done if we are to banish illiteracy from the land. Unless that is done, democracy in our land will be a mockery and for the successful functioning of democracy the people must be literate; otherwise adult franchise will prove to be a great failure in our country.

**Shri M. O. Shah (Bombay):** Madam, I thank you very much for giving me an opportunity of speaking on the motion to refer the Finance Bill to a Select Committee. I am a new Member of this House and I am afraid I will not be able to contribute to the debate in the way in which seasoned parliamentarians have done. However, having had some little experience in framing budgets, of course on a very very small scale, I may venture to offer certain remarks and make certain suggestions.

As the hon. the Speaker stated the other day, it is very difficult to speak on the Budget generally in the short time placed at our disposal. I want to speak on many items, but as the time at my disposal is very short, I will be very brief.

At the outset, I will congratulate the Finance Minister on presenting to us a surplus Budget though the anticipations were that there would be a huge deficit. I congratulate him also on the lucid and able manner in which he presented the Budget, and thereby contributed to restoring confidence in the economic structure of the country. The economic situation of the country was deteriorating, is deteriorating, but I feel that the lucid way in which he has presented the Budget has prevented further deterioration.

Notwithstanding all this, may I be permitted to say that it will not be presumptuous on my part if I utter a word of caution. I feel and I am inclined to believe that the surplus that he has shown may be absolutely illusory. It appears to me, that the income side has been inflated and the expenditure side on certain items has been deflated, and that is the way in which the surplus has been shown. If we take the income side, there are three main items of the sources of revenue to the Centre—Customs, Excise and Income-Tax. From Customs, he has estimated an income of Rs. 106 and odd crores. I am afraid his anticipations may not come true here, due to our control on the imports and because of foreign exchange difficulties. There was a windfall in the current year because there was the Open General Licence and the liberalising of imports, but because of the difficulties in the matter of foreign exchange, I am afraid the anticipated income from Customs may not turn out to be true. About income-tax also, the hon. Finance Minister has estimated Rs. 182.62 crores. In the current year he has been able to get Rs. 149 crores. But as we all know, there has been already a depression in the business world and the main source of income is from business, and as the hon. Minister himself admitted the other day, the Income-Tax Investigation Commission had found that the evaded income would be about 4 crores and odd and the assessment would be about 8 crores, and yet only Rs. 20 lakhs were realised and that was because mainly there is depreciation in the capital values and the capital assets. It appears to me, therefore, that his anticipations of getting Rs. 182 and odd crores may not come true.

[Shri M. C. Shah]

I am tempted to put a question to the Finance Minister as to whether he expects that the revenues will be maintained at the present high level. I am sure that his reply will be perhaps in the affirmative as he has placed his estimates before the House but I am inclined to say that the present high level of revenues may not be maintained and in that case how are we to meet the expenditure on the other side? He has been able to obtain surplus by cutting down the expenditure on the displaced persons from 13·7 crores to 6 crores and thus a surplus has been shown of about 7·7 crores. A surplus of 8·6 crores has been shown by cutting down the subsidies on foodgrains and bonuses. In this way I believe that the surplus has been shown. If the high level of revenues cannot be maintained, then we have to see that there is an orderly, slow and steady readjustment on the side of expenditure.

Then the Defence Expenditure cannot be touched because the security of the State must have top priority and under the circumstances in which we are placed today, we cannot expect any reduction in the military expenditure. We may request the Defence Minister to eliminate the waste if there is any. But on the civil side, I feel that the expenditure has been very heavy for the last few years. In 1938-39 it stood at 7·5 crores. In 1948-49 it was to the tune of 35 crores, and in 1949-50 it has gone to 40 crores and in the next year it is going to be about 50 crores. Even if you take into account the four-fold increase in the cost of commodities, it cannot go beyond 35 or 40 crores. I know the Finance Minister stated that about 9 crores and odd have been added because of taking over Central subjects of certain States, Unions and Centrally Administered Areas. I still feel that there is enough scope for reductions. We find there is a huge expenditure of 8,89,99,000 on External Affairs. If the Finance Minister scrutinizes closely the expenditure on this, he will be in a position to effect a good deal of saving. We are told about the Economy Committee.

**Mr. Chairman:** Two minutes more.

**Shri M. C. Shah:** Now I will say something about the taxation reliefs. Now I do not grudge the reliefs to the higher income groups because the Finance Minister anticipates capital formation from those groups but I am very doubtful about that. But I submit that the lower income group may be given some relief and if it is possible, the exemption limit may be raised to Rs. 4,000 and if it is not possible, at least up to Rs. 3,500.

About the decrease in Excise duties he said that if the duty on coarse and medium cloth is reduced, the reduction will go to the middlemen. I say that it is not so. The excise duties have always been stamped on the cloth and the reduction, if any, will go to consumers. Moreover the medium and coarse cloth is used by the poorer classes in this country. You have already reduced the excise duty on super-fine from 25 to 20 per cent. and on the fine from 6½ to 5 per cent. to facilitate exports. The income derived as duty on the coarse and medium cloth to the extent of 13 crores is an indirect taxation on the poor people. If he will give some relief in this matter, it will be highly appreciated.

Then there is a good deal of expenditure on certain controls which can be very easily eliminated. If you can import one lakh of tons of sugar, there will be plenty of sugar and the control on sugar can be immediately lifted. There is ample production of cement and the control on it can be lifted. There is more production of coal and the control measures can be lifted. The same is the position in respect of Iron and Steel also. If you lift these controls, you will be saving so much on the expenditure side. Many of your officers who are

busy now with these controls, can be released for other important work if these controls are lifted and thereby the expenditure can also be reduced considerably.

So with all earnestness I say that without touching the food controls and possibly the cloth control, Government should take courage in both hands and lift all controls and thereby effect savings on expenditure and give relief to the poor people.

*The House then adjourned for Lunch till Forty Minutes Past Two of the Clock.*

*The House re-assembled after Lunch at Forty Minutes Past Two of the Clock.*

[MR. SPEAKER in the Chair]

**Shri Hossain Imam (Bihar):** India is such a huge country and its problems are so varied and so numerous that it would be impossible for any Government to tackle them in a short period. Therefore we cannot blame the Government if all the problems have not been solved, but what we want is that there should be conscious planning and direction according to our means, whereby we may within a measurable time solve some of our problems. It is not enough that we dabble in everything, but what is required is that first thing should come first. Not only priority is required but grading within that priority is also necessary. Personally, I feel that the whole burden of our future planning is dependent on bringing down costs. Today costs account for more than 75 per cent. of the trouble that we are in. Inflation has brought in an aftermath from which we are suffering. In the Prices Committee of the Agricultural Post-War Development Plan under Mr. V. T. Krishnamachari, we had come to the conclusion that food prices would have to be slashed first, but we cannot do it, because if we do that, there will be a revolt on the part of the producers. We have to face that situation. Not only that, our circumstances have forced us to produce not only foodgrains but also our industrial raw materials. That problem must be tackled with wisdom. It is not enough to be contented with what we have done in the past. I am very glad that the plan of self-sufficiency in food is proceeding according to plan, but there is bound to be a lag in that if we are to produce our raw materials which are so necessary, for instance cotton and jute. I would rather produce cotton and jute than concentrate on food production, because food is after all cheaper to buy than these raw materials which are so necessary for our industrial development.

**Prof. Ranga (Madras):** And to be always dependent on other countries.

**Shri Hossain Imam:** It is not a case of always being dependent. What is required is priority and grading within that priority. I would remind the House of the fact that last year from July 1948 to June 1949 according to the figures given by the hon. the Finance Minister in his White Paper, Part A, page 8, we imported food articles to the value of Rs. 187 crores, cotton to the value of Rs. 71 crores, and jute to the value of Rs. 80 crores which I have taken from the report of the Reserve Bank. So, in all we have imported Rs. 298 crores worth of raw material, and according to the figures given by the hon. the Fin. Minister, we had to draw from our balances to the tune of Rs. 253 crores last year to balance our trade. So we find that our unfavourable balance was particularly due to the raw materials which we have had to import. This year the burden of these imports of raw materials would be much less by force of circumstances and by conscious planning. We have had to import less jute by force of circumstances but we find that it is more than countered by an increase in the import figure for cotton. I believe that probably next year these three items will total upto

[Shri Hossain Imam]

Rs. 150 crores. We can produce all these things in the country provided there is a planned development and provided also some inducement is given to the cultivator to grow these things. As far as inducement goes, we in the Prices Committee had come to the conclusion that the best inducement would be to guarantee a minimum price. The hon. the Finance Minister is aware of the fact that the price policy of the U.S.A. has resulted in an over-production of wheat in that country, so that they are now going to restrict production. We too can use that method and before sowing time we should state that we would be prepared to buy stocks from the growers at a minimum price. This will induce them to grow the items which we are so anxious that we should grow, raw cotton and raw jute.

I have spoken often about the mechanisation of agriculture, and therefore I do not wish to stress the point, but I do wish to stress one factor which is lost sight of that in all the countries where agricultural production is large and costs low, that has been brought about by mechanised methods and mechanised methods alone. Take the U.S.S.R., take the U.S.A. Everywhere we find that costs have been brought down by mechanised methods of agriculture. In this connection I was reminded by a friend of mine of how we are neglecting our resources, and of how everything is suffering because there is no conscious planning of production. Himachal is near to us, within less than 200 miles from Delhi. It is an undeveloped area which may rival Chota Nagpur in mineral wealth. Gypsum is available there. Rock salt is available there, and other essentials like iron ore are also available there, but because it is a hilly country, which was part of an Indian State, it has been neglected. Even dried fruit which we are importing from Afghanistan at very high cost is being produced extensively there, but it is not saleable because there are no road communications. I should like to urge on the Planning Commission that this should receive their first attention, what are our resources and how they are being neglected.

Much has been said in this House about Income-tax. The hon. Minister for Finance has been kind to the capitalists and unkind to the people with the lower group of income. Special reference has been made by my old friend Mr. B. Das, to the fact that as a result of the reduction in Income-tax, the States in Part A of the First Schedule are going to suffer. Coming from Bihar, I also feel that we can ill afford to lose half of the Income-tax which would be lost to us on account of the generosity of the hon. Finance Minister. I do not want him to be ungenerous and stingy; but I want him to be a little more vigilant and collect more money out of the huge outstandings in Income-tax both from people whose assessment has not been made and in the Income-tax Tribunal. If the Income-tax Tribunal could, by increasing its staff or by adding a few more helpers, expedite the disposal of that work, we would be able to collect the full amount this year without having to impose any new taxation. I think that is the best balance that you can have between the demands of the capitalists and the demands of the States.

So far as the middle classes are concerned, I think either of two methods should be adopted: one is that the Income-tax free amount should be raised from Rs. 3,000 to Rs. 3,600. This is a very minor concession. The whole income from the group up to Rs. 5,000 is barely one and a half crores—I can not vouch for this figure, because I have not seen the report myself. Although the number of assesseees will be very large, the loss will not be great; but it will be considered by the middle classes as a great relief. In this, connection, I would like to state that labour will never be contended and you will never have peace as long as you have the prices of foodgrains standing so high. In



spite of the fact that facts and figures have been quoted by the hon. Minister for Finance that prices have fallen down by 6 or 7 per cent., we in the countryside do not feel the effect of this fall.

The country is also apprehensive of the action of the Industry Ministry in taking over the Sholapur Mills without any guarantee to the share-holders that they will not be saddled with losses. This is a point on which industrial investors will feel very much. It is an innovation that you are taking over private property into your management without guaranteeing even this much. Even if you do not give them any profits, at least you should not saddle them with losses. This is a point which the hon. Finance Minister will do well to remember.

Living as we do in Delhi, we feel something must be done to introduce reforms. The people of Delhi rightly feel that they are still living in the pre-Morley-Minto-Reforms days. If the laws of Punjab could be made applicable to Delhi, in the making of which they have no voice, how do you feel that the people will think about it? What is the blessing of *Swaraj* that they have got? Nothing. In Delhi, there is also the question of the Lady Hardinge Medical College which is looming large. People feel that while there are so many Colleges open to the boys, this is the only institution which caters to the needs of women only, and therefore it is meet and proper that it should remain reserved for women. The boys from Delhi should be sent either to Aligarh or Lucknow or to the future Punjab University which is going to have Medical Colleges.

I do not want to take more time of the House. I would only like to say that the policy in the Commerce Ministry is very vacillating. I entirely agree with the hon. Minister for Commerce that we cannot have planning for five years. But, there is no reason why we should have so much vacillation. I will give some instances from the Explanatory Memorandum given by the hon. Minister for Finance. The revised budgeted income from the tax on tobacco is Rs. 4.98 crores. In the next year, we have budgeted for Rs. 10.50 crores. This means that we are going to have a very free import of tobacco as compared with the very restricted import last year. Is it proper, I ask, that there should be so much variation? Taking artificial silk, from Rs. 4.58 crores, it has been reduced to Rs. 75 lakhs so far as artificial silk yarn and thread are concerned and as far as silk fabrics are concerned, it has been reduced from Rs. 1.76 crores to Rs. 5 lakhs. There is to be an artificial stringency created if the figures are correct. If the figures are not correct, then I do not blame. I think the figures are given in order to be believed and taken as correct. The receipts from motor cars have been increased from Rs. 4.5 crores to Rs. 7.5 crores. Is this an essential article that we should increase imports by 50 per cent? The case of machinery is the worst of all. It will be admitted on all hands that machinery is a fundamental necessity for the industrial development of the country. The customs duty on textile machinery has been increased from 5 per cent. to 10 per cent. It has been doubled. In spite of that the hon. Minister predicts that next year, in the place of a duty of six crores, which is the revised figure of import duty on machinery, it is going to be brought down to Rs. 3.5 crores. This, is a very bad indication.

Lastly, I say that it is self-deception to think that we are increasing our export balances. Our export balances measured in terms of dollars are less today than in 1949. It is only when our dollar equivalent is more than that in 1948 that we could congratulate the hon. Finance Minister on having a sound import policy.

**Shri Endrappa (Mysore):** My analysis of the Budget is a little bit different. We have to pay for our wants and we have to adjust our capacity to pay in order

[Shri Rudrappa]

to satisfy our minimum wants. I feel although taxes are levied on capitalists and people who are able to pay, these are ultimately and indirectly paid by the consumer. Therefore my analysis is that the consumer ultimately pays all the taxes and we have to see how far we are able to satisfy the wants of the people. Judged from this point of view, this Budget is a Budget for the few and not a Budget for all, for the simple reason that it provides facilities to the urban population and does not provide any facility to the rural population. I consider this more a Budget for the satisfaction of the people in the towns. I would strongly urge that the rural population which is now in the grip of poverty and financial crisis should be given immediate facilities by the establishment of rural banks or similar institutions. This political freedom is nothing but a mockery if you do not secure economic freedom to the people and this hard won freedom is likely to be engulfed by poverty which is spreading among the masses. You should take a lesson from the neighbouring country China where though the Nationalist Government functioned for a long time, it was not able to contact the masses and satisfy their needs. What happened was that the whole population became discontented and it almost became subservient to foreign rule, obeyed the command of foreign rule and ultimately the Nationalist Government was thrown out. This should be borne in mind by our National Government which has at present the backing of the whole country.

3 P.M.

I should also like to invite the attention of the House to another fact. We have conferred by a solemn declaration the Fundamental Rights to the population of India. What do Fundamental Rights mean to the man in the village or the man in the street, if you do not provide for his economic independence. I would quote the analogy given by a great man who once said that conferring of political or fundamental rights in such circumstances is no more than conferring conjugal rights to eunuchs.

**Shri Tyagi (Uttar Pradesh):** Not even that.

**Shri Rudrappa:** Therefore my suggestion to our National Government is that you must immediately go to the rescue of the rural parts which are in the grip of poverty, which are almost controlled and exploited by a few persons in the localities. Unless the National Government comes to the aid of the rural population by creating for them banking facilities, you would see that the poverty of the rural parts may spread to the urban parts and it may flood the whole country so that ultimately you may be thrown out. Therefore my sincere submission to the Government is that they should deal with this important problem at a very early date. The hon. Finance Minister has admitted that we have passed the stage of financial crisis and now we could devise suitable methods to help even the rural population and I hope that the provision of banking facilities for the rural population will be a possibility under the circumstances.

This Budget aims at becoming self-sufficient but even from the point of view of the State it is not enough if we become self-sufficient. Take Delhi. Supposing Delhi grows everything for the self-sufficiency of the whole of India. Is it that self-sufficiency that we want? Self-sufficiency must be given to each home and family. Only then you will have a contented India and a very strong State. Therefore I would urge upon the Government to take immediate steps to see that facilities are provided so that each family or home becomes self-sufficient and produces more and thus enhances the national income. It is not enough if a few urban areas are given opportunities to produce more to make the country self-sufficient.

It is no more a controversial fact now, because half a dozen experts have made it clear beyond doubt that ultimately it is the consumer that pays the

taxes. The taxes that are paid are paid on the population basis, and yet 60 per cent. of the population, who are living in the rural parts, are not deriving any benefit from this Budget. It is from that point of view that you should create as much facilities for the rural population as possible.

I want to bring home to the Finance Minister another important thing. India is a land of villages, as Mahatmaji put it and we have to improve the villages. I do admit that in the present circumstances it is a legacy of the past. The rural population is now coming in greater numbers and settling down in the towns and urban areas. This should be immediately stopped for the simple reason that there will be no proper facilities for them to produce more and thus become economically independent. So this movement of the rural population to the towns and cities must be immediately arrested, and facilities should be provided in rural parts for the people to have their wants satisfied.

Another naughty and controversial problem relates to food rationing. This was introduced on account of the war and it should be discontinued.

**Shri Tyagi:** It is all for urban classes.

**Shri Rudrappa:** I am now in possession of facts and I want to acquaint the House with them. I ask Government whether under the present circumstances it is not possible to decontrol at least the food articles. Before the war we were not producing enough because the Government of the day did not bestow any attention. They wanted that the people should always hang on the Government and obey the Government. They imported food for the simple reason that they never wanted that this country should be self-sufficient. We have to overcome that legacy of the past. With the introduction of the Grow More Food Campaign we have definitely overcome this food crisis. For the last three years our Government has been making sincere efforts to grow more food and they are spending a lot of money on the campaign. As a result of this I honestly feel that every year we are able to produce two million tons of food more than in the previous year. Last year we imported only 3.7 million tons of food. Out of that we were able to consume only 2 million tons and the remaining 1.7 million tons were kept as a reserve. The hon. Finance Minister definitely stated that in 1949-50 we were able to grow two million tons more than in the previous year. On a close consideration of all the facts in 1950-51 also we will be able to grow two million tons more than in the previous year. I am taking an overall picture. When we feel that we are able to satisfy the demands of the country we should remove the control.

There is another important aspect of control. That is the continuous harassment under which we are suffering. History will reveal that the country was never so overwhelmed, as now under the controls, with demoralisation, insincerity and black-marketing for the last two thousand years. Therefore this land of saints has now become a land of dishonesty and demoralisation. Hence the removal of controls is the only remedy. Mahatmaji tried his best to remove controls and he persuaded our Government to remove them. Very soon after our Government was not able to resist the black-marketing and therefore they had to resort to control methods. Now we have definitely passed the crisis and we are in a position to decontrol food articles as also procurement. I strongly feel that most of the growers are harassed day and night and they are under the clutches of the officials who arbitrarily assess the foodgrains and by force take them away without giving an opportunity to the grower to state what they require for the year for themselves. They are thus under the continuous strain of the control for the last decade. The removal of the control is necessary and urgent. Then all the amount that we are now wasting—about a hundred and odd crore of rupees—can very well be utilised for the extension of cultivation under the Grow More Food campaign. Therefore I submit that it is quite necessary and urgent in the interest both of the consumer and the grower that the control must be removed.

**Shri Kahudiram Mahata** (Bihar): In rising on this occasion to speak something on the Finance Bill I might draw your attention to the fact that our first Republican Budget is not what we wanted it to have been. We find nothing in this Budget which goes to the promotion of the better living of the rural population. For a long time we have been given the hope that our rural population will have a good standard of living under our democratic Government. That was symbolized in our *panchayat raj*, and it is nothing but the self-sufficiency in economic activities of the village life. But we find to our great disappointment that nothing has yet been done for the development of the economic activities of the rural population which is in distress. I am glad to note that our Government have formed a National Planning Commission for the development of the country as a whole. But I am doubtful whether this National Planning Commission will take into account, and give higher priority to the rural upliftment as far as the economic activities of the rural population are concerned. If the economic independence and self-sufficiency of the village folk is not taken into account I will say that our National Planning Commission will be failing in their duty for which they are meant. In this Budget we find that nothing has been done to lessen the burden and hardship of the rural population. Whatever has been given, in the shape of relief as we find in this Finance Bill, has been given only to the wealthy and the middle class people. It is a matter of fact that we cannot get much from our Finance Minister who is at present in such an environment and atmosphere as prevailed in the British days. Many of my honourable friends have said that he cannot think of the man in the street. Certainly so. At the present moment he cannot think of them because he cannot think low: he can only think of the higher strata and is not worried whether any relief given by him goes only to a very few people in the country and not to the large number of the masses of this country.

Our Finance Minister thinks that unless some relief is given to the wealthy and the middle classes there will be no formation of capital. How he comes to think like that I cannot understand. We always seem to think that if there is capital accumulated in the hands of a few it will give rise to the springing up of a number of factories and industries which in consequence will give shelter to our sons and their children in the future. But we do not seem to think that these factories and industries will give that protection, in the shape of giving employment, only to a very small number of people. On the other hand, if we develop our small scale industries and our cottage industries in our villages, that will give shelter and scope for employment to so many unemployed people living in the villages. In these days we find that almost all the villagers remain idle for about eight months in the year. But we are only trying to provide employment for a very few educated persons by bringing into existence a few factories and industries on the subsidies of Government. If we look to the fact that we can bring into being and develop many cottage industries with the help of small machines, which are now available either in our own country or outside, and thereby give some job to the villagers who are sitting idle for almost eight months in the year, we will find that not only our national wealth will increase but also that our human wealth which is remaining idle will be employed.

Again, Sir, when we think of any labour problem we confine ourselves only to a few persons who are either intimately or indirectly connected with us—the top-ranking people, because the sons of most of these top-ranking people are in the factories and in the industries. That is why we make hasty legislation with a view to ameliorating their position in the industries, factories, etc. But do we think of any *hazan* or any *bhangi* who is residing in the village, living in a most dirty condition, almost with torn clothes and in a half-starved condition? They are also labourers. They also want to earn their livelihood.

their food and clothing, by their labour. It is your prime national duty to give food and clothing to every citizen of this country whether you can provide him with labour or not.

So also as regards taxation I find that no relief has been given to the poor classes. Nothing has been done. In the matter of educational facilities I might say a few words. Government is following a very slow policy in the matter of the educational development of the backward people. Government should take effective steps in their educational plans to see that the backward classes come up to the requisite standard within a very short time. The present slow progress will only result in their being kept all along in a backward condition in spite of the Government trying to ameliorate their condition.

As regards postal services, some concessions have been given to businessmen and others who can afford to pay. But what about the rural postal service? The people in rural areas send letters to their relatives at distant places, which never reach them. Government have not made arrangements to see that their letters do reach their destination. There is a rule that the postal peon should go to the village and take the signature of the addressee. But that is merely in words, not in practice.

**Shri V. J. Gupta** (Madras): I have all praise for the skill with which the honourable the Minister of Finance has presented the Budget for 1950-51, the first year of our Republican Government, showing a surplus. One great feature of the Budget is that no further taxations are contemplated during the year; on the other hand, some relief is given to the already over-burdened tax-payer. The total receipts amount to something like Rs. 340 crores and the whole of this amount is utilised for the welfare of the people and the nation. Besides this, money has been borrowed from other countries for agricultural undertakings. Great agricultural schemes are being taken up. Especially in Bhopal, thousands of acres of land are already under the tractor plough. If these schemes yield satisfactory results, then our country will not merely be self-sufficient, but we shall also be in a position to help other countries which may be in need. In addition to these efforts, there are big hydro-electric projects, such as, Damodar Valley, Kosi, Bhakra, Kistna-Pennar, Ramapadasagar, Tungabhadra, etc. If these projects are completed, the food problem will be completely solved and I am sure our country will become a surplus country in foodgrains. Along with tremendous irrigation facilities to be afforded by these projects, a huge amount of electric power will be generated, which should be utilised for industrial purposes. So, a simultaneous development of industries is also necessary. It does not matter whether these industries are started by Government or by private enterprise. In any case, industries are essential for the advancement of the country and they must be started. Government can and must undertake such of them as private enterprise cannot undertake or hesitates to undertake. But all these are long-range schemes and we shall have to wait for a pretty long time to see their fruition. In the meanwhile, the people are growing impatient day by day. They do not find any salvation from the hardships they are undergoing at present.

[SHRIMATI G. DURGABAI in the Chair]

Prices are rapidly rising and inflation is developing. Distress and dissatisfaction prevail everywhere. The controls and rationing of food, clothing and other essential articles of life have completely alienated the sympathies of the people towards the Government and the Congress, who are losing their love and regard. People are denied the freedom of buying what they require and eating what they like. Though commodities are available everywhere, people are forced to buy things—even their dire necessities—in the black-market. Corruption and coercion reign supreme in the control and ration Departments. These

[Shri V. J. Gupta]

evils must be stopped. To win over the people, to win over the common man, to win over the middle and lower middle classes, these controls should go. They should be abolished forthwith.

In the matter of civil aviation, I must point out that civil aviation is in an advanced stage in all the other industrially advanced and civilised countries. In India too, there is some progress from year to year, but it is not altogether satisfactory. Civil aviation must improve considerably in order to come on the same level with other big countries. Air communications must be developed, and that too quickly. Though the war impoverished our country economically, yet it has left behind some things which can be utilised for the benefit of our country. During the war, many air ports were constructed at huge expense. Most of these have, after the war, been either closed down or dismantled and all the money spent on them has become a waste. In my opinion, they should not be neglected in this way. They should be utilised for civil aviation purposes.

Civil aviation in our country has been handed over to private enterprise. They are not able to advance civil aviation, because they are not having sufficient money with them for the huge investments that are necessary. True, civil aviation may be a costly enterprise, but Government must come to the aid of private enterprise. I am sure Government is already helping them financially but it must also see that regular service is kept up on all the lines. In this matter of civil aviation, Vizagapatam is hard hit. Vizagapatam is centrally situated between Calcutta and Madras. But so far there is only an intermittent service and not a regular service. Some of the air companies have given up their service completely; some others are only maintaining an irregular service. It is the duty of Government to see that a regular service is maintained to induce more traffic and to make people more air-minded.

There is another point of vital importance and that is the development of the Vizagapatam port. The House may be aware that recently a French Ship-building Mission toured the country and examined the ports of Calcutta, Cochin, Madras, Vizagapatam and Bombay, and they have finally selected Vizagapatam as best suited for development into a first-rate naval base. The Mission says:

"The geological and geographical conditions at Vizagapatam are favourable for construction of a modern unit, the like of which is not even existing in the United Kingdom and the United States of America . . . . An agreement between the Scindia Ship Yard, the port and the Royal Indian Navy will permit the realisation of this scheme of developing a perfectly equipped unit. The target can be attained by 1952 on the condition that no delay is tolerated in the realisation of the project and any delay under the present conditions may worsen the situation and may even render it irremediable."

In the end I want to say a few words about small scale industries. Production of jaggery is a well-established village industry. It flourishes in an extensive scale in Anakapalli. In fact, it is the second biggest jaggery producing centre in the whole of the country. Every day thousands of tons of jaggery are produced in the adjacent villages and brought to the Anakapalli market. For want of transport facilities there are now 6,000 tons of jaggery awaiting clearance. But suddenly the Provincial Government has imposed a ban on the export of jaggery. You can imagine the plight of these villagers—petty cultivators. The Government has laid down that the jaggery can be moved only on permits. You can imagine who will be able to secure these permits.

**Shri C. Subramaniam** (Madras): Can you discuss a ban imposed by a Provincial Government in this Assembly?

**Shri V. J. Gupta**: I know it is a Provincial Subject, but if the Provincial Government fails to understand the situation, is it not the duty of the Central Government to intervene and help the people? Or, are they to see the people ruined

utterly, if the Provincial Government is not helping them. When we see an injustice done in some corner of the country, if the Provincial Governments are not able to tackle the situation, it is the duty of the Central Government to come to their aid and help them.

श्री बी० के० पाणि : बजट पेश होने पर और फिर उसके बाद हर विभाग पर कट मोशन्स (Cut Motions) के रूप में काफी इश्चर थोड़े दिनों से आलोचना हुई है। मैंने बहैसियत एक नये मेम्बर के यहां यही महसूस किया कि हर किसी ने इसमें असन्तोष भाव ही प्रकट किया और मझे तो यह पता नहीं चला कि उनमें से किसी ने भी उसके प्रति सन्तोष प्रकट किया हो और इन असन्तोष प्रकट करने वालों में से मैं भी एक हूँ। मैं यह महसूस करता हूँ कि यह बजट उन सात लाख गांवों के, अविभाजित भारत के, जिनकी उन्नति करने का हमने संकल्प किया था, उनका ख्याल रख कर नहीं बनाया गया है। अभी हमारे देश के गांवों की तादाद करीब ५ लाख है और मैं यह महसूस करने की तैयार नहीं हूँ कि आज भारत के गणराज्य प्रजातन्त्र होने के बाद उनकी हालत में कोई परिवर्तन आया है।

आप इंग्लैण्ड की हालत पर भी थोड़ी नज़र डालिये। वहां की जो प्राबलम है, आजके अखबार से पता चलता है कि वह उसे इतनी दूर तक हल करने में समर्थ है कि गेहूँ, चावल, चीनी वगैरह चीजों में उन्होंने अभी छः महीने के लिये संचय कर रक्खा है। चीज, मीट (meat), वगैरह उन्होंने करीब दो-तीन महीने के लिये संचय कर लिया है। फिर उनको हफ्तेवारी चार औंस मक्खन मिलता है और मीट हफ्ते में करीब ग्यारह रुपये का मिलता है। उनका स्टैंडर्ड आफ लिविंग (Standard of living), रहन सहन, तो यह मानी हुई बात है कि हम लोगों के रहन सहन से लाखों प्रकार से अच्छा है। देखना यह है कि जो देश युद्ध में प्रत्यक्ष भाग ले और जो देश कृषि प्रधान देश नहीं है और जो भारत की मदद पर या दूसरे देश से आमदनी पर निर्भर करता हो, उसकी हालत तो आज यह हो, और हमारा देश जो एग्रीकल्चरल कन्ट्री (Agricultural Country) के नाम से मशहूर है वह देश इस हालत पर पहुंचे जिसको कि हम आज देख रहे हैं।

अपने देश की फूड पालिसी (Food Policy) के सवाल पर मैं थोड़ा चर्चा करना चाहता हूँ। हमारा स्टैंडर्ड आफ लिविंग दिन पर दिन गिरता जा रहा है। हमारे जैसे साधारण ग्रामवासियों का यह ख्याल है कि जीवन रक्षा के लिये जो तीन चार मुख्य मुख्य चीजें हैं, रोटी या चावल, तेल, नमक और कपड़ा, इनकी हमारे देश में क्या हालत है और हर चीज और हर आइटम (Item) की आलोचना करने की जरूरत नहीं है। करीब करीब हर मेम्बर की आलोचना से हमारे आनरेबल जान मथाई साहब को अच्छी तरह से ज्ञात हो गया होगा कि देश की हालत, अन्न की परिस्थिति या दूसरे दूसरे जो आवश्यक पदार्थ हैं, उनकी हमारे यहां कितनी दिक्कत है। इसके बाद एक तरफ तो हम सलोगन देते हैं, हमारे माननीय मन्त्री यह बतला देते हैं कि हम मोर फूड (Grow More Food) के लिये फलानी स्कीम बनाने जा रहे हैं, फलानी इरीगेशन स्कीम (Irrigation Scheme) बनाने जा रहे हैं और फलाना बांध तैयार करने जा रहे हैं। लेकिन हम यह महसूस कर रहे हैं कि एक तरफ तो यह लोग ये नारे देते हैं लेकिन दूसरी तरफ हम बजट की ओर देखते हैं तो हमें यह मालूम करने का अवसर नहीं मिलता कि उन्होंने गांवों के डेवलपमेण्ट वर्क (development work) के लिये काफी रुपया खर्च करने का प्रस्ताव किया हो जिससे कि हमारे देश की कृषि बढ़े, हमारे देश की उपज बढ़े और हमारे देश का प्रोडक्शन (production) बढ़े।

[श्री बी० के० पाणि]

अब डिफेन्स (Defence) के बारे में हम दो चार बातें और कहना चाहते हैं। हमारा टाइम (Time) बहुत लिमिटेड (limited) है और इसी के भीतर हम अपना वक्तव्य शेष करना चाहते हैं। अब देखिये कि हमारे देश की करीब ४ हजार मील की कोस्ट लाइन (Coast line) है। पहले जब बरमा हिन्दुस्तान में शरीक था या जब कि बरतानिया सल्तनत की हुकूमत थी तब चिटगांग के पोर्ट (Port) को हम युटीलाइज (utilize) करते थे। आज तो चिटगांग पोर्ट पाकिस्तान में है। आज अक्याब हमारे पास नहीं है। सैकंड वर्ल्ड वार (Second World War) में यह देखा गया कि उड़ीसा कोस्ट और बंगाल कोस्ट पर हमलों की उम्मीद हर वक्त की जा सकती थी और आखिर उड़ीसा कोस्ट लाइन पर जापानीज बम्बार्डमेण्ट (Japanese Bombardment) हुआ भी था। आज देश अपने डिफेन्स के लिये काफी रुपया खर्च कर रहा है और हम भी महसूस करते हैं कि देश की स्वाधीनता के लिये अगर देश के सारे कोष के खर्च करने की जरूरत पड़े तो भी हमको कोई हिचक नहीं होगी। लेकिन हम यह जरूर महसूस करते हैं कि एंटायर (entire) कोस्ट लाइन की सुरक्षा की व्यवस्था हो। हम खास तौर से यह नजर में लाना चाहते हैं कि डायमण्ड हारबर को बताया जा सकता है लेकिन वह तो एक इनलैण्ड (Inland) पोर्ट है। बंगाल और उड़ीसा प्रांत, जिनके ऊपर देश की सुरक्षा निर्भर करती है, उनकी रक्षा के लिये भगवत दत्त जो रिसोर्सेज (Resources) हैं जो नैचरल रिसोर्सेज (Natural Resources) हैं उनको तो हम डेवलप कर सकते हैं जिससे कि हम चिल्का झील (Chilka Lake) चांदबाली पोर्ट आदि को अच्छी तरह से इस्तेमाल कर सकें। आप यह कहेंगे कि रुपया नहीं है। लेकिन कम से कम सरकार यह तो महसूस करे कि इसका प्रीलिमिनैरी (preliminary) सर्वे (Survey) तो जारी किया जाय। आज पाकिस्तान से हमारा जो रिश्ता है वह सब को मालूम है। ब्रिटिश नेवी हमारी मदद करने वाली नहीं है। आज तो बी० बी० सी० (B. B. C.) हमारे देश के खिलाफ, हमारे खिलाफ, दुनिया भर में जो अपप्रचार कर रही है उसको हमारे एक्सटर्नल अफेयर्स (External Affairs) के डिप्टी मिनिस्टर ने भी इस हाउस में क्रबूल किया है। तो इस हालत में मैं मन्त्री महोदय की दृष्टि आकृष्ट करना चाहता हूँ कि वह इसको डेवलप (develop) करें जिससे कि उसको वह नेवल डिफेन्स (Naval Defence) के लिये इस्तेमाल कर सकें।

अब फण्डामेंटल राइट्स (Fundamental Rights) में जो डायरेक्टिवज (directives) हैं उनमें तो हम कहते हैं कि दस साल के भीतर शिक्षा में, स्वास्थ्य में, सब चीजों में सुविधा देंगे। लेकिन शिक्षा की बात आप लीजिये, तो माननीय मन्त्री जी कहते हैं कि अगर वह असेम्बली हमको और रुपया दे तो हम शिक्षा के लिये काफी रुपया खर्च करने को तैयार हैं। लेकिन मन्त्री महोदय यह बताने की कृपा करें कि हमने इस हाऊस में उनकी कौन सी डिमाण्ड को (demand) नामंजूर किया या कौन सी डिमाण्ड को काट कर फेंक दिया।

बाबू रामनारायण सिंह (बिहार): बहुत ठीक।

श्री बी० के० पाणि: इसलिये हमको तो मालूम होता है कि शायद There is no proper co-ordination within the Cabinet. अगर अब वह कैबिनेट में अपने डिपार्टमेण्ट के लिये काफी रुपया नहीं ले सकते हैं, और यह कहें कि असेम्बली रुपया दे तो हम खर्च कर सकते हैं, यह बात ठीक नहीं है।



अब आप दूसरी बात लीजिये, स्वास्थ्य की। डाक्टरों की शिक्षा के लिये आपके देश में २१ मीडिकल कॉलेज हैं। मान लीजिये कि ४० लड़के हर साल उनमें भरती होंगे और ४० के ४० ही हर साल पास हो जायें तो इस प्रकार से ८४० डाक्टर सालाना हमारे देश में होंगे। लेकिन इनमें से कुछ हमें रिप्लेसमेंट भी करना है उन लोगों को जो रिटायर (retire) होते हैं। फिर दिल्ली और कलकत्ता जैसे बड़े बड़े शहरों में डाक्टर बहुत तादाद में रखना है। तो ऐसी हालत में जो हमारे लाखों गांव हैं उन गांव वालों के लिये कौन सी ऐसी व्यवस्था होने जा रही है कि जिससे सन्तोष हो कि दस साल में हमारा स्वास्थ्य बिल्कुल बदल जायगा। इसका मुख्य कारण यह है कि यह देश एलोपैथिक के ऊपर कभी निर्भर नहीं करता। यह व्यवस्था ब्रिटिश सरकार की तरफ से की गयी। उसकी ओर से इस देश की सभ्यता, शिक्षा और संस्कृति सबको बरबाद किया गया। अगर अब आप ध्यान दें और आयुर्वेदिक चिकित्सा को एनकरेज करें तो यह बात नहीं हो। लेकिन ऐसी कोई योजना नहीं है जिससे हम उम्मीद करें कि दस साल में हिन्दुस्तान के गांव वाले चिकित्सा का लाभ उठा सकें। आपका प्रो मोर फंड कैसे होगा जब कि देश की गो सम्पत्ति नष्ट हो रही है। गो चिकित्सा के बगैर आज हर प्रान्त में गो सम्पत्ति नष्ट हो रही है। जो भवेशी पहले होते थे तो पुराने गोपाल उनकी चिकित्सा करते थे। अब कहा जाता है कि अंग्रेजी पढ़ने वाले अच्छी चिकित्सा करते हैं। लेकिन कहाँ? आपके गांव वाले वैटैरिनरी (veterinary) चिकित्सा से कितना लाभ उठाते हैं यह आप सब लोगों को मालूम है। आप स्वयं इसको खुद महसूस कर सकते हैं।

अब मैं दो एक मिनट और लूंगा और थोड़ा सा मैं जिस प्रान्त से आया हूँ उसके बारे में बोलना चाहता हूँ। अब इस देश में आटोनीमेयर अवार्ड (Otto Niemeyer award) बरीरह की चीजें तो बहुत कुछ डिक्टेटोरशिप (dictatorship) बरीरह के स्थाल की सी हैं। क्या हम इसको महसूस नहीं करते हैं? आप आसाम की चाय को लीजिये। कलकत्ते के बाजार में इसकी बिक्री होगी। कलकत्ते का महाजन इनकमटैक्स देगा इसलिये आसाम उससे फायदा नहीं पावेगा। उड़ीसा का किसान जट पैदा करेगा लेकिन वहां जट मिल तो नहीं है। कलकत्ते की जूट मिल में वह तैयार होगा और अमेरिका से डालर आवेगा, आमबनी होगी, वह बंगाल को आवेगी। उड़ीसा उसे पाने वाला नहीं है। इसलिये फेडरल फ़ाइनेंस इन्क्वायरी कमीशन (Federal Finance Inquiry Commission) की रिपोर्ट थी कि यह पापुलेशन बेसिस (population basis) पर दिया जाय और जो प्रान्त बहुत गिरे हुये हैं उनको अगर आप ऊपर लाना चाहते हैं, अगर आप उनके स्टैंडर्ड (standard) को बढ़ाना चाहते हैं तो इस पुराने स्थाल को लेकर कि आटोनीमेयर अवार्ड होगी, देशमुख अवार्ड होगी या और कोई डाक्टर की अवार्ड होगी उससे यह काम नहीं हो सकता। इसलिये कम से कम हम तो यह दावा करेंगे कि जन संख्या के अनपात से रुपया दिया जाय जिससे कि जो प्राविंस बैकवर्ड (backward) हैं और गिरे हुये हैं उनकी तरफकी हो। मन्नास, बंगाल, बम्बई जो प्रेसीडेन्सी प्रान्त हैं उनकी उन्नति के लिये तो ब्रिटिश गवर्नमेंट लक्ष्य करती थी क्योंकि वहां उनका शास स्वार्थ था और दूसरे प्रान्तों से वह सब मैटीरियल (material) छीनती थी। इस तरह उड़ीसा बैकवर्ड रह गया जिसमें आधा से ज्यादा Partially Excluded परिषद था और कुछ रियासतें थीं जो कि अब प्रान्त में शामिल हो गयी हैं और जिन रियासतों की शासन व्यवस्था इतनी (Backward) थी कि उसे प्रजा साधारण हमारी उड़िया "अन्धारी शासन" कहते थे। जो आज वह हालत हमारे देश की है इस तरह एक एक अवार्ड देकर

[श्री बी० के० पाणि]

अब जो प्रान्त या रियासत पीछे गिरा हुआ है इसको बदलना चाहेंगे तो यह बदलने वाली नहीं है। इस लिये यह सब अवाई को अब फेंक दीजिये।

इसके बाद मुझे और कुछ दूसरी बातें कहनी थीं। लेकिन इधर सभानेत्री जी घंटी बजा रही हैं। अगर दो चार मिनट और मिलते तो मैं कुछ और बोलता।

*(English translation of the above speech)*

**Shri B. K. Pani (Orissa):** On and after the presentation of the Budget a good deal of criticism has gone on for some days against all the departments in the form of out motions. As a new Member I felt that almost every speaker expressed his dissatisfaction with it and I doubt if anyone of them gave expression to a feeling of satisfaction. I too happen to belong to this disgruntled section. I have a feeling that in the preparation of this Budget the seven lakh villages (according to the figures of undivided Bharat), to whose amelioration we dedicated ourselves, have not been kept in view. The number of villages in our country at present is about five lakhs and I do not feel any change has come in their condition since Bharat became a democratic republic.

Let us just look at England. They have been successful in solving their problem to such an extent that they have already collected stocks of wheat, rice, sugar and such other commodities for a period of six months, and cheese, meat etc. for about two or three months. They get four ounces of butter per week and meat worth about eleven rupees per week. Their standard of living is admittedly a thousand times superior to ours. What is noteworthy is that fact that while such is, today, the condition of a country which directly participated in the War, which is not a predominantly agricultural country and which depends on help and income from India and other countries, our own country, which is reputedly an agricultural land, has been reduced to the pitiable state in which we find it today.

I wish also to discuss our country's food policy. Our standard of living is falling day by day. To ordinary countrymen like me it is only a few principal commodities, such as bread or rice, oil, salt and cloth which matter. They are interested in knowing the position about just these items and any others do not seem to call for criticism. The criticism by almost all the speakers must have brought it fully home to the hon. John Matthai how hard pressed we are in the matter of food and other essential commodities. Moreover, while on the one hand, we hear our hon. Ministers pronouncing slogans and announcing now a scheme for the grow-more-food drive, again a scheme for irrigation and yet again for the construction of a dam, we fail, on the other hand, to find any proposal for the investment of any considerable amount for rural development, directed at the improvement of our country's agriculture and the increasing of our production.

I wish now to say a few things about defence. I have to conclude my speech within the limited time at my disposal. Our country has a coast-line extending to four thousand miles. Formerly, during the British regime when Burma formed a part of India, we utilized the port of Chittagong. At present Chittagong is a port of Pakistan. Today, Akyab is no longer available to us. It was noticed during the Second World War that an invasion could any time be expected on the coast of Orissa and Bengal and a bombardment by the Japanese did occur ultimately on the coast-line of Orissa. Today, the country is spending a good deal of money on defence and we too feel that even if we have to exhaust the entire treasury of the country in guarding her freedom we

should have no hesitation about it. But, we do feel that the entire coast-line needs to be safeguarded. I wish in particular to point out that fact. You may say Diamond Harbour is there, but, then, that is an inland port. In the case of Bengal and Orissa Provinces which are key provinces from the point of view of defence we can at least develop the natural resources so that we might properly utilize Chilka Lake, Chandbali Port, *etc.* You will say there are no funds. But the Government should at least realize the urgency of the matter and start a preliminary survey. Our present relations with Pakistan are known to everybody. The British navy is not going to help us. The fact that the B.B.C. is carrying on evil propaganda against us and our country throughout the world has been admitted in this House by our Deputy Minister for External Affairs. Under the circumstances I would ask the hon. Minister to see that these resources are developed and utilized for purposes of naval defence.

In the directive principles under the fundamental rights we have laid down that general facilities should be afforded within the next ten years in the matter of education, health and other amenities. But, let us take the case of education. The hon. Minister says that he is prepared to spend a considerable amount on education provided the Parliament gives him more money. But, then, let the hon. Minister be pleased to state which demand of his was refused or rejected by this House.

**Babu Ramnarayan Singh (Bihar):** That is right.

**Shri B. K. Pani:** Hence, what I feel is that probably there is no proper co-ordination within the Cabinet. Now if he cannot secure enough money for his department from the Cabinet it is not good for him to say that he can spend only if he is given funds by the Parliament.

Now, take the question of health. There are 21 colleges in our country for medical education. Let us suppose each one of them recruits 40 students every year and that a similar number passes out. In that case our country will have 840 doctors every year. But, some of them would just replace those who retire. Then, large numbers of doctors are required in big cities like Delhi and Calcutta. Under the circumstances what arrangements are proposed to be made for our countrymen inhabiting the lakhs of our villages which might ensure that our health would be entirely changed in ten years' time? The real position is that this country has never depended entirely on the allopathic system of treatment. This system was imposed upon us by the British Government who undermined this country's civilization, education and culture. Matters could be set right still if you were to encourage the Ayurvedic system of medicine. But, there is no such proposal as might inspire in us the hope that facilities for medical treatment will be available to the rural population of India within the next ten years. How can your grow-more-food campaign succeed when the cattle-wealth of the country is being ruined? Today, we are losing our cattle-wealth in every Province for want of any arrangements for veterinary service. Formerly cattle were treated by old *Gopals*. Now they say the English-knowing are better at that kind of thing. But, where are they? You all know how much benefit of veterinary treatment people in your villages have ever received. This is realized by everybody.

I will take just a few minutes more and say something about the Province I come from. The provisions of the Otto Niemeyer Award smack of a dictatorial mentality. Do we not feel it? Let us take the case of Assam tea. It finds its market in Calcutta. Since, however, the income-tax is to be paid by the *Mahajan* of Calcutta, Assam will derive no benefit from that source. The Orissa peasant will produce jute but since there is no jute mill there it will go to Calcutta for conversion into manufactured goods. It would then attract dollars from America but the income thus earned shall belong to Bengal. Orissa is not to have it. Hence, the Federal Finance Inquiry Commission made the

[Shri B. K. Pani]

report that this allocation should be done on population basis. If you want to improve the conditions of life in backward provinces, if you want to raise their standard of living you cannot do so on the old basis of the Otto Niemeyer Award or the Deshmukh Award or any other award. Hence, I for one am of the firm opinion that funds should be allocated in proportion to the population so that backward provinces might also be uplifted thereby. The British Government spent liberally for the progress of the Presidency Provinces of Madras, Bengal and Bombay because they had a special interest in them and hence they snatched all material from the other provinces. In this way Orissa remained backward. More than half of it constituted the partially excluded area and also included States which have now merged in the Province. The administration in this Province was so backward that the common people in Orissa used to call it the 'dark administration'. Such, today, is the condition of our country. If you think you can pull up backward provinces by means of these various awards you are not likely to succeed. Hence, let all these awards be discarded now.

I had to say certain other things but as the bell insists that I close, I do so.

**Shri Kishorimohan Tripathi (Madhya Pradesh):** At the very outset, I have to say that I have not been able to convince myself to accept the principle of mixed economy as propounded by the hon. Finance Minister and the Government. This policy of mixed economy as pursued has led us into channels of a vacillating nature, making us drift from place to place and bringing us untold miseries. We must, therefore, clearly accept either an out and out capitalist economy and pursue it with determination, or we must accept a socialist economy and lead the country according to its principles. Although I have not been able to accept for myself the principle of mixed economy, when viewing the financial proposals, I must examine them, taking it for granted that the Government have accepted this principle of mixed economy.

An examination of the Budget proposals reveals it clearly that the whole centre of emphasis of the hon. Finance Minister is on industrial production. It is believed by him and by many others that unless production in the field of industry, in the field of agriculture and in every other field goes up, the economic crisis in which we are, cannot be got over. Therefore, ever since we came into power, we have directed our economic policy in a way intended to remove the barriers that have hitherto been there against capital formation. We remember, we removed the capital gains tax. We gave certain incentives to newly established enterprises—industrial enterprises. We have now removed or rather abolished the business profits tax, we have also given income-tax reliefs; and all this has been done so as to bring about capital formation to make capital flow and step up industrial production. Two years of experience, however, shows that our friends running Indian industries and controlling the capital here, have not responded to the friendly call of the Government. Government's borrowing programmes, both short-term and long-term have failed. The hon. Finance Minister still hopes that once confidence is restored, the capitalists will rally round the Government and help its policy. But I for myself, from what I have observed of the character of Indian industrialists and Indian capitalists, feel as my friend Mr. Rathnaswamy also felt, that soon the hon. Finance Minister will be disillusioned, and he will have to divert his economic policy in a different way.

Now, if we examine the reliefs given, we will see that the reliefs given to industry have not been wisely given. I mean to say that the richer the income, the greater has been relief granted. And also the relief is greater on unearned

incomes than on earned incomes. I will quote a few instances. On earned income, the tax for 1948-49 for the Rs. 20,000 slab was Rs. 2,250. It was reduced to Rs. 2,117 in 1949-50 and to Rs. 1,898 in 1950-51. Then, coming to the slab of Rs. 1 lakh of income, the tax was Rs. 48,344 in 1948-49. It was reduced to Rs. 48,211 in 1949-50 and then to Rs. 47,680 in 1950-51. Then take the corresponding figures for un-earned incomes. The tax on the Rs. 20,000 slab for 1948-49 was Rs. 3,500. In 1949-50 it was Rs. 3,367 and in the year 1950-51 it would be Rs. 2,898. Taking the slab of Rs. 1 lakh income, the tax on un-earned income for 1948-49 was Rs. 55,219. For 1949-50 it was Rs. 55,087 and for 1950-51 it is Rs. 48,680. Thus it will be seen that the hon. Finance Minister has given greater relief to the richer classes and more so to un-earned incomes. This he has done pinning his hope on the belief that these savings coming as a result of the reliefs would flow into capital formation channel. But supposing it does not do so then . . .

**Shri A. P. Jain (Uttar Pradesh):** It would not I am sure.

**Shri Kishorimohan Tripathi:** Yes; I too believe so. Supposing it does not, then how is it going to react on our economy? Naturally if this amount of relief does not flow into capital formation, it undoubtedly increases the purchasing capacity of the people and this tends to increase inflation in the land, and I am definitely sure that this is going to be the result. A further step has thus been taken which will ensure that inflation hereafter will be on the upward march.

It will be remembered that among the various measures that Government took to bring down inflation, one was the imposition of limitation on dividends.

The inflation has hardly even stabilised at a satisfactory point when the 4 P.M. Finance Minister now comes and lifts the limitation on dividend. Even when the Act was brought into force the difficulty about capital formation was there. How does he find the necessity of lifting this limitation now? His own views regarding capital formation and inflation, viewed together, are self-contradictory. If the Finance Minister had been pleased to do so, it was possible for him to equally distribute the relief out of the surplus that he had with him. He could have given certain relief in exise, to the labourers and to the lower middle-class people and the rest to the upper middle-class people. These are in fact the genuine investors. The speculators even after having all the savings out of reliefs, will never bring the money for stepping up the production. My belief is that Capital has definitely struck and it is to-day the most anti-social element in the country. It has not only struck inside this country but it has been carrying on a regular propaganda outside India so that foreign capital may not come into India.

It is not only my belief but a majority of the population in the country believe that the present economic policy of the Government is not the right one. It has to look for strength to the masses and as has rightly been observed by Dr. Trome at a meeting at Jaipur that if India wants to step up production and raise the standard of living of her people, capital goods and capital cannot pave the way but it must pin its faith in the people of the country and in the will of the people. It must enthuse the people by putting before them a proper objective. It is by so doing that Russia won the last war, by the efforts of her people and it is by not doing so that Chiang lost the war in China.

**Mr. Chairman:** May I know how long the hon. the Finance Minister will take to reply?

**The Minister of Finance (Dr. Mathai):** I will not take more than half-an-hour.

**Shri Jhunjunwala (Bihar):** The hon. the Finance Minister has given a very vivid description as to what the prospects are for our industrial development and how far we can depend on a particular sort of capital. He has clearly stated that it is difficult to expect foreign capital from U.S.A. He thinks that there is a chance of getting it from U.K. My friend Mr. Jain says they are not even in a position to pay their debts and it is difficult to expect anything from them. The Finance Minister has built up hopes on capital in our own country from the capitalists here. It has to be seen whether this will be realized. Unless some definite policy is pursued by Government with a strong hand without caring as to what a particular 'ism' says, I am of definite opinion that there is very little hope of any sort of economy developing in this country. Even if our capitalists are prepared—and one eminent capitalist said in the Indian Federation of Chambers that the Government has done the best they could and under the circumstances, they should not be panicky—even then, I would ask the Finance Minister whether we shall get all the necessary machinery and other things required for building up our industry. I, for one, do not believe that we can build up our industry by looking outside.

**Shri Kamath (Uttar Pradesh):** You can fabricate.

**Shri Jhunjunwala:** Mr. Kamath says you can simply fabricate them here. We have been looking for every kind of help from outside. The Father of the Nation who secured us Independence saw 80 years back that we would have to stand on our own legs and try our own methods of production, be they primitive or modern, and though they might not be liked by us. We would have to take to them and then alone could we build up our economy and after we had built up our economy, foreign people themselves would come to co-operate with us. From what has been it is plain that their self-interest alone would make them co-operate with us. It is disgraceful that India has to import agricultural products. When we complain about it it is said that we have been importing food for a very long time. I should like to ask, since when? Since the beginning of the foreign rule and that too only recently! We have always been supplying food to other countries, but we have now been compelled to import foodgrains because the whole of our agricultural economy has been ruined by foreigners. All our manures in the form of bones and other materials are taken away as raw materials and then they are exported to our country in the form of what are called chemical manure, fertilisers, etc., and these are not very useful to us. We say that we should place agricultural production on a war footing, and when we ask the Agricultural Minister as to what improvement has been made, what tangible results have been achieved, his reply is that we have imported so many tractors and reclaimed so much of land. From the estimate it was made out that only about 20 to 25 per cent. of our additional food we shall get by reclamation of new land rest by intensive cultivation of land already under plough *i.e.* by giving all sorts of help to the villagers in their so-called primitive methods *i.e.* by easily making available to them their requirements and also good seeds, etc. I have some interest in agriculture and I go to the villages and see what improvements have been effected as a result of Government war time measure. There I find that the poor cultivators' ploughs are idle, because they have not got wood, bolts, iron etc. because of control to put the ploughs aright. Leave aside the question of supplying good seeds, manures, etc.

**Shri Tyagi:** The State Governments will look after that.

**Shri Jhunjunwala:** When we raise this question, we are told that the State Governments will look after that.

Speaking about reclamation of land, in the Damodar Valley, much land has been reclaimed by tractors, but these tractors have only broken up the land. They have no follow-up machinery. What is the result? The result will be

that after 15 days, all the moisture will go and all our expenses will go for nothing. This is the result of reclamation. This is the way we are proceeding.

When the discussion was going on about the Commerce Ministry, when we said that the tea question was being bungled in a very bad way, and I made my remarks on that, the hon. the Commerce Minister was pleased to remark that it was an indifferent echo of my hon. friend, Mr. Goenka. But that an indifferent echo or a different echo that is immaterial. But the hard fact is that our tea is being sold at Rs. 1/8, while it can be marketed at Rs. 2/4 thereby bringing to our country Rs. 21 crores more. When Mr. Chaliha was speaking, the hon. the Commerce Minister asked him, "Come to tea, please" and Mr. Chaliha replied, "I shall come to tea, but it is not yet four o'clock" and then he defended him. I had a talk with him and he said that after he had discussed it with me, he was inclined to change his opinion. The supervision of our tea control is very peculiar. I want to give you some facts about this. Our Tea Controller here is paid by His Majesty's Government and they are the buyers. This gentleman invites tenders and disposes of those tenders. The Commerce Ministry does not know at what rate tea has been sold and to whom it has been sold. This is the supervision that we exercise; we are working under such unrealities and as this concerns the returns of the hon. the Finance Minister, I want him to look into this question and find out as to what is behind this tea control and supervision and see whether any improvement can be brought about.

**Shri Satyanarayana (Madras):** One of the main contributions of the last War, along with a number of evils, seems to be a good deal of inflow of currency into the hands of the masses of this country. This would have created a very baffling situation to be met by the British Government, but they were lucky. They escaped from the ordeal of solving this situation, and handed the situation over to us, and this is now being solved by our very well experienced and astute financier, the Finance Minister, Dr. John Matthai.

**An Hon. Member:** Is he a financier also?

**Shri Satyanarayana:** India which used to be a debtor country before, was converted, all of a sudden, into a creditor country. We built up large sterling balances to the extent of Rs. 1,773 crores during war which includes the previous debts that we had. All this cheap money, cheap currency issued during war, worked wonders, and it has also caused a lot of chaos in our economic set up. Firstly, this money flowed into the hands of villagers because the villagers had to be cajoled into parting with their produce. Their products were to be given a rise in price, and afterwards the tiller of the soil and the toiler in the mills were to be cajoled and therefore they were to be given more and more money, and prices went up on account of that. And we have now got inflation, and to fight this inflation, we sought to increase production and improve our national wealth during the last three or four years, but it seems that we have not been able to do much. If we compare the figures for 1939 and 1949 of our national income, we will find that our national income figure in 1939 stood somewhere about Rs. 1,900 crores whereas in 1949 the figure was Rs. 4,600 crores. That is to say, we have raised our national income by three times. We have also raised inflation by more than three times. Therefore, we are exactly at the same place where we started in 1939, in spite of all cheap money, in spite of all our activities. In order to increase the wealth, we have tried to encourage the capitalist, to encourage industrialist and to encourage all sorts of people who have got money and also the traders. There seems to be a conspiracy; of course this is an old conspiracy and this conspiracy has been going on between the trader, the capitalist and the industrialist on the one side and the Government on the other. It is like this, we get Rs. 800 and

[Shri Satyanarayan]

odd crores as our Central revenue. Where do we get this money from? If we look at the figures, we will find that we are getting Rs. 100 and odd crores from Customs, Rs. 140 or 150 crores from Income-tax and corporation-tax and Rs. 75 crores from Excise duties. These Excise duties, Customs and Income-tax are collected from certain sections of people who are capitalists, traders and industrialists. The Central Government as such feels that it has nothing to do with any of those people from whom all this money is being fleeced. Every pie of this money is in fact paid by the consumer or the producer; but how is it that we are finding it possible to help them? As I said, in regard to national income, we are at the same place where we had started in 1939. The national income worked out to be two annas per day *per capita*; today it is six annas per day *per capita*. The income has not at all increased; it is only inflated currency. It may be said that we also pay a higher tax; but the tax is also inflated money. This point has to be looked into and borne in mind in trying to solve this problem. We find we are in a whirlpool and we are not able to get out of it. We have tried to create larger capital formation; we have given all kinds of concessions; for this we are still trying to give concessions. We are giving more and more concessions to groups of industrial nature, which have an urban bias, and which work among a certain section of people whose population is not even 20 per cent. What will happen is, there will be more and more capital outlay. The increased capital outlay will demand more dividends. With the removal of the restriction on dividends, capital outlay will demand more and more money and finally we will come to grief and we will have to revise our policy. I am afraid it would be too late to revise our policy to increase the wealth of the country. Let us try to understand our problems and solve them in another way. Capital formation is good. It has now caught the imagination of the people. It is being uttered here on the floor of this House several times. Let us have capital formation, not urban but rural capital formation. If we have rural capital formation, it is quite possible that all the money that is now being used in the cities will find its way to the villages. If we could devise a method by which the rural people will have some kind of incentive to save and to utilise their savings in something that would benefit them, this would help the Government and also increase the national wealth more and more and to realise more taxes. We have tried the all known methods for taxation. We have come to the last point. It is impossible for us to tax our people any more. We are paying Rs. 20 *per capita*, as I said last time, out of which Rs. 5 *per capita* for our defence, Rs. 10 for the purpose of administration and Rs. 5 for developing and over amenities. I say this tax is too much. Out of an income of Rs. 100, every rural man is paying Rs. 20 and out of every Rs. 200 the city man is paying Rs. 20. It is impossible to tax any more. We have also tried the second method, that is the loan policy—borrowing. We have miserably failed in this. Last year, we did not get any money; this year, we are not likely to get any more for the purpose of financing our projects. It has been said many times on the floor of this House; I am not striking any pessimistic note. This is also what I have inferred from the speech of the hon. the Minister for Finance. What are we to do? Every method that we have been trying to adopt, to tax more, and to borrow more, having failed, the only other method that is available is to encourage the private man to fleece the ordinary man, to get more and more income and form the same into capital and produce more wealth and then afterwards raise money for ourselves by way of Income-tax, Super-tax, Excise duty and Customs duty. This is a very unfair method. Therefore, the only solution is to try to start as many regional self-sufficient centres as possible and ask people to pay for the expenses directly.



We have now got the Planning Commission, which has been announced a few days ago. Have we not been planning all these thirty years? What was our constructive programme? Where is our programme for village industries and basic education? There is our programme of cow protection. Were not all these items in our programme of planning? Our constructive programme organisation will have to be converted into the real Planning Committee and that Committee will look after the planning in this country. It may be said that these things will not produce money. It will not produce money; quite true but it will certainly produce wealth. We do not want money; we want wealth and this wealth will certainly be able to take care of the defence of the country, the welfare of the country and education of the country. I want to place one suggestion before the hon. Minister for Finance, and also before the Select Committee. As a token of our respect to the Father of the Nation, as a token of our loyalty to the Father of the Nation let us set apart one crore of Rupees this year for basic education. This is the central point of the whole constructive programme (through which alone you can change the psychology of the people, you can change the educational outlook and outlook on life of the people, and you can increase the national wealth of the country. Within ten years, you will find well laid roads for capital formation in the rural areas.

There are many other points; for want of time, I am not able to touch on them. They could better be imagined, for they have been before the country for the last 80 years and they do not suffer for want of repetition but are suffering for want of action. Let action be taken now. Just as a gesture to our constructive programme, let one crore of Rupees be set apart this year for its implementation,—a programme which was an integral part of the Great Man's life mission who secured us this freedom.

With these few words, I would again repeat that capital formation with the rural people may be tried and the conception of capital of the Government may be changed from money to wealth.

**Dr. Matthal:** I want to be as brief as possible in my reply to the various important points which have been raised.

My hon. friend Mr. Karmarkar who commenced the debate, made, what I thought was an important point, namely, that in the present inflationary situation, the monetary factor mattered a good deal more than I was prepared to allow. I was rather interested in that statement of his; but unfortunately he did not stop to develop this point. I was not, therefore, really in a position to know exactly what was the consideration which weighed with him in laying down that proposition. It is a matter to which I have given a good deal of thought and as far as I am able to judge the matter at present, I still think that it is on the goods side that you have to concentrate if you are to find a solution for the problem of inflation. But it occurred to me that probably Mr. Karmarkar was thinking of a development which has occurred quite recently. Perhaps hon. Members may have noticed that there has been a rather sudden increase in the amount of note issue in the country. I have often been asked by people recently how exactly I account for this increase in our note currency. The position is not nearly so alarming as some people would make out, because during the busy season as a rule there is always an increase in the note circulation. I have taken the figures for November to March. Last year I believe there was an increase during that period of somewhere between 80 and 85 crores. This year apparently there has been an increase of about 65 to 70 crores. The difference between the usual increase in consequence of the busy season is almost entirely accounted for by the fact that our exports have increased, while our imports have not

[Dr. Matthai]

increased and there is consequently a larger balance of trade, which necessarily results in an increase in the note currency. That is the position at present.

As hon. Members know our imports have been curtailed, partly because of the suspension of licences over a short period and partly because of the delay in the issue of licences and it is to be expected that in the next few months there will be a considerable increase in the imports, subject of course to the limits that we have placed on foreign exchange. When that position arises there would be a reverse process set in motion and therefore, within a relatively short period the position will more or less right itself.

Then I come to my hon. friend Mr. Tyagi's criticisms. He again raised the point that he raised last year with regard to the question of reducing public expenditure. He asked me to set before myself a target of 100 crores to be saved in public expenditure and I thought he gave me also a time limit, namely, that it should be done within a year. I did not take very much notice of the suggestion last year when Mr. Tyagi made it. I thought it was a suggestion that he made rather out of enthusiasm than out of conviction. But since he repeated the suggestion this time I have been at some pains to understand what the implications of a formula of this kind would be.

If you take the total number of gazetted officers employed in the Government of India in all our various departments and you not merely reduce their salaries or their numbers but abolish the whole lot of them, you would get a saving of about ten crores. If my hon. friend is really keen on his proposal, I have worked out the result of the application of his formula somewhat on these lines.....

**Shri Tyagi:** Why not include the military also?

**Dr. Matthai:** Military, Railways, everything included, the gazetted officers account for Rs. 10 crores. So if Mr. Tyagi wants the whole lot of them to be eliminated he will get Rs. 10 crores.

**Shri Tyagi:** Then take the help of the non-gazetted staff.

**Dr. Matthai:** If, therefore, Mr. Tyagi wants his suggestion to be seriously considered by me and my colleagues, what I have to do would be, between now and next March to discharge from Government employment at least six lakhs of men. If Mr. Tyagi is prepared to face that position I think he is a pretty brave man and if between now and next March I put through proposals which had the effect of discharging from Government service as many as six hundred thousand men, I have not the slightest doubt as to what Mr. Tyagi's reaction would be as an acknowledged public leader of wide popular sympathies.

Then Mr. Tyagi went on to the question of family allowance and I was rather touched by his little reference to my wife.....

**Shri Tyagi:** Everybody's weakness.

**Dr. Matthai:** I am glad to be able to assure Mr. Tyagi that my wife is taking this blow extremely well. In fact if she did not do so, my lot as Finance Minister would be unendurable: because if I had to listen to parliamentary criticisms by day and curtain lectures by night, my life would not be worth a day's purchase.

Mr. Tyagi produced a lot of statistics and a lot of economics in the course of his speeches. I must confess I was not able to follow either his statistics or his economics. As I listened to him it was quite obvious to me that he must have taken them over bodily from somewhere or from somebody. There was

a great deal of undigested material in his speech and as I listened to him I got the impression that he was a man who was suffering from a violent fit of sickness.

On this question of family allowance on which he is so very keen, I might say that it is a matter to which we in the Finance Ministry have given a great deal of thought. One of the practical difficulties that stand in the way is the enormous amount of administrative work that would be involved. On more general grounds also I have not considered it worthwhile accepting Mr. Tyagi's proposition for this reason. In a country like ours where marriage is the rule and the unmarried state is the exception, I think the right way of proceeding is to fix your income-tax rates at a level which would straightaway make allowance for the fact that every assessee has certain family obligations to meet, which is the principle on which we are proceeding.

I know the position of the Hindu undivided family is different and I have always had the feeling ever since I began to apply my mind to the question, that that class of assesseees required differential treatment and I have been trying since last year to rectify the position as much as I could.....

**Shri Tyagi:** Is the general rate lower in other countries?

**Dr. Matthal:** In the lower levels of income-tax assesseees our rates, I think, are lower than those in any country that I can think of.

That brings me to the question on which the House feels so very strongly, the question of giving some tax relief to the lower groups of assesseees. On the merits, may I repeat that I do not feel that there is a case for granting any relief in addition to the relief that I gave last year in respect of assesseees up to a limit of Rs. 10,000 a year. I say that for this reason. I circulated yesterday morning a statement which shows how the rates which are at present in force in regard to these income groups compared with the rates in force before the war, in years previous to 1938-39. In almost every case the amount of tax actually paid today is lower than the amount paid in 1922-23. After Rs. 6,000 it is lower than in any year after 1922-23. If you take a person who gets Rs. 8,600 a year, his income is Rs. 300 a month. The amount of tax that he pays today is Rs. 5. When our country is passing through a difficult period, having achieved its independence and being under the obligation to maintain that, having all these problems of relief and rehabilitation on our hands, may I ask in all seriousness, is it too much to ask a citizen in this country to pay Rs. 5 out of the Rs. 300 he makes every month? As far as I could gather, the feeling in this House is that since tax relief has been given to higher income groups, it is necessary that some gesture should be made with regard to lower income groups. That is to say, if I had not provided in my Budget for tax relief to the higher income classes this question would not have arisen. That, I take it, is the view held by most Members. All that I can say is, since that happens to be the view held by most hon. Members who have taken part in these prolonged debates, I am prepared to co-operate with the Select Committee in trying to find a solution.

But I must set my face strongly against the suggestion made by Mr. Tyagi that the distinction between earned and unearned income in regard to Super-tax should be maintained. I regret to have to say—it is a matter which I have thought very carefully about—that I do not see there is any justification for applying in this matter a principle which does not obtain in any other country that I am aware of. When in regard to lower income group you fix a limit of four thousand as the limit up to which the relief is granted in respect of earned income, why in regard to higher income group you should provide a higher limit is more than I can understand. Take a thing like insurance premium. We

[Dr. Matthai]

fix six thousand as the limit. Whatever might be the premium that you pay, that is all the relief you get. Why should not the same principle be applied here? Besides, the administrative work involved is such that I do not think it is in the public interest that it should be continued. It is a wrong thing to have introduced it in Super-tax groups, so that, as far as that is concerned I am going to fight the matter to the bitter end.

Mrs. Renuka Ray raised the question of development grants to Provinces. One of the criticisms which have been made over and over again against the Budget proposals is that I have tried to adjust my Income-tax proposals in such a way that the Provinces have been cheated of their legitimate dues. The position really is this. In the Budget of 1949-50 the Provinces were to have got forty crores as their share of the divisible pool of Income-tax. Actually, on the revised estimates of 1949-50 they are going to get forty-five crores. And in adjusting my income-tax proposals I made up my mind that, whatever, happened, they would get a little more than what they got on the increased figures in the revised estimates of 1949-50. Under my present proposals, whatever might be the income-tax assessment, they are going to get in 1950-51 three crores more than what they got on the revised estimates of 1949-50. I should like the House to appreciate what actually is the provision made in the Budget in the matter of grants to States. The total assistance granted to the States in the Budget of 1950-51 is this. First of all, there is this share of the divisible pool of income-tax which amounts to forty-eight crores. Then there are grants amounting to twenty-eight crores. Then there are loans amounting to thirty-five crores. Altogether, therefore, out of the Central exchequer there is a total amount of Rs. 111 crores being set apart for the benefit of the States. In a year of extreme stringency, when we have to pay fifty per cent. of our revenue for Defence, when we have to meet a payment of ten crores on account of integration, to have provided for Rs. 111 crores for the benefit of the States is, I think something for which I might get a little more credit than I have been given.

**Shrimati Renuka Ray** (West Bengal): I had suggested.....

**Dr. Matthai:** May I go on? With regard to this question of the level to which Income-tax has been reduced and the criticism to which that particular proposal has been subjected, may I say this? The criticism has been mainly that I have provided tax reliefs in the expectation that investment would be stimulated, and I have been assured over and over again by people who have never been anywhere near the investment market that my hopes are not going to be realized. It is possible they are right. But there is one thing I want to say. I decided to reduce the level of direct taxation because, altogether independently of the question of investment, I have held the view that the present rates of direct taxation in this country really are a projection from war-time into peace-time of conditions that no longer exist. These rates of taxation emerged out of war conditions when profits were standing at a very high level. These rates emerged really out of war conditions, but automatically, by force of habit, we have allowed them to be continued into peace-time. Personally I think the levels are such, as I have said more than once, the economy of the country cannot stand. I have brought the level of taxation now to a figure which I think the economy of the country can stand and ought to stand. And as far as I am concerned, so long as I have anything to do with the Finance Ministry, there will be no further reductions in the level of direct taxation except such minor adjustments as circumstances may call for from time to time. So, those who are affected by direct taxation would do well to take note of

this fact, to adjust themselves to these levels of taxation and settle down to them.

My friend Mr. Pant made a rather facile suggestion. He said in view of the dire need of the Provinces for development grants—he asked me as the man in charge of the Nasik Printing Press—“why do you not print currency notes and distribute them to the Provinces?” I do not know what Mr. Pant does when he does not legislate in this House. I presume he is a professor of economics. I do not reject that suggestion outright, because it is quite likely in the way things are shaping that I might be driven to do it. But ordinarily the theory of deficit budgeting would not hold at a time like the present when we are already faced with the problem of Inflation. When President Roosevelt started his New Deal he was working in a period of extreme economic depression and he was perfectly right therefore in adopting inflationary finance for his scheme. Supposing to-day we were passing through a period of economic depression of that kind, I would have no hesitation in creating fresh credit. But since the biggest problem that we are faced with today is inflation, I think I should be completely lacking in any sense of responsibility if I use the printing press more than I do at present.

Mr. Alagesan seems to know a good deal about what is happening inside the Finance Ministry. I was surprised at his very intimate knowledge of the way things are being done in the Finance Ministry. But I think as the result of his intimate knowledge of the Finance Ministry, he was able to make some useful suggestions. These suggestions related to minor matters, but I think these minor matters have a way of contributing in the end to aggregate results. With regard to staff cars I have instructed my officers that no proposal for the purchase of a staff car is hereafter to be entertained till it has obtained the personal approval of the Finance Minister. Secondly, all deputations and delegations to foreign countries, either official or non-official, would not be approved until they have been seen personally by me and until also they have been reported to the Cabinet for confirmation. So we are getting on. But all these would never reach a hundred crore of rupees!

Mr. Krishnamachari raised the question of taxation of motor vehicle parts. That, of course is a matter which can be gone into more conveniently in the Select Committee and that consideration applies equally to the suggestion made by my hon. friend Mr. Ramaswamy Naidu regarding the duty on matches.

The suggestion has been made by more speakers than one that we might do something in the way of reducing the excise duty on medium and coarse cloth. It is a matter to which I have referred more than once, but I think my hon. friend Mr. Shah seems to think that I was completely wrong in suggesting that reduction in the duty on coarse cloth would go entirely to the middleman. I am afraid I must still adhere to my view. He said that from his experience he thought otherwise; I am inclined to question his experience. The fact of the matter is this. The duty on medium and coarse cloth works out to one pice, i.e., three pies per yard. Now, a pice is the most common monetary unit in the country. If I reduce it from 3 pies to 2 pies, that is to say, by a fraction of a pice, since the lowest ordinary monetary unit is one pice, the consumer will continue to pay the same, and the benefit will go entirely to the middleman.

My hon. friend Mr. Das seems to be opposed fundamentally to the utilisation of foreign capital. I beg him to reconsider his views on this subject, because we are really in a tight position. If your own capital market is stagnant and

[Dr. Matthai]

you have big development projects on hand, it does not seem to me that we would be able to make any progress unless we are prepared to welcome foreign capital into the country. May I make a humble suggestion to him? I think most of his ideas he developed in the days when he used to put up a valiant fight here against the British Treasury Bench and I have a feeling that the inferiority complex which he developed in those days is still with him. If we can get foreign capital on conditions which are entirely acceptable to us, without any sort of political domination, I personally see no reason why we should refuse it.

There has been a great deal said about cottage industries. I have no right really to speak on this question, especially in the presence of my hon. colleague the Minister of Industry and Supply, but since he and I think alike on all these matters I will take the risk again of explaining my views on this subject. I think my hon. friend Mr. Tyagi suggested that one of the best things that we could do for the country would be to finance the purchase of simple machines which people could work in their homes. An excellent idea, and I personally think that if something on those lines could be devised, it might bring about a great improvement. But as I said last week when I was speaking on the same subject here, there is one great difficulty about cottage industries—in fact, there are two great difficulties—and they are difficulties which I think the Japanese cottage industry was exposed to in the days during the inter-war period when Japanese industry was probably at its best. Even in cottage industry there is a very great deal of sweating going on. Round about the thirties when a large quantity of Japanese goods was being dumped into this country, one reason why the Japanese were able to do that was that a very considerable part of these imported goods dumped into our country was made really in their cottage factories, in the homes. There were no limits as far as hours of work were concerned. There was no limit on children being put to long hours of work. All that reduced the cost of production. If we have any real faith in the cottage industry system, especially on its sentimental and cultural side, it is of the greatest importance that cottage industry should be so organised that this terrific burden of drudgery that falls particularly on the women and the children who work in the home should be eliminated. Secondly, it is necessary that simple labour saving appliances should be introduced, which would enable them to put in shorter hours of work, so that there will be a certain amount of time left to the members of the family for cultural and artistic enjoyment. Therefore, the question of power is very important. The question of labour saving devices is also important. I mean things like the flying shuttle in regard to the handloom industry, sewing machines in tailoring shops etc. If for the proper organisation of the cottage industry, the generation of electric power and the supply of labour saving devices are important matters, then you cannot develop your cottage industries unless you are prepared to have also your large-scale industry organised. The two things must go hand in hand. That is why I insist that there should be a balancing of these two industries. It is no use your trying to concentrate on one thing and neglecting the other. The two things must go hand in hand.

**Shri Tyagi:** At present it is lopsided.

**Dr. Matthai:** It is less lopsided than it used to be.

My hon. friend Mr. Tripathi, to whose speech I listened with much interest—in fact, I almost had a sort of paternal feeling as I listened to him, because his speech reminded me very much of the remarks that used to be made by my pupils of the Honours class during the seminars I used to hold twenty-five years ago—my hon. friend Mr. Tripathi told me that what is required is

complete regimentation, compulsion applied on all sides. If compulsion is applied in that way, and you can achieve the thing that he has in view, I would be prepared to consider his suggestion, but after all compulsion has got to be exercised through human agencies and that is really where the trouble comes. It is just possible, as I said some time ago, that we might be reduced to a position where compulsion would have to be adopted on a comprehensive scale. Some people misunderstood what I said last time. I said that there was no half-way house between economic democracy and economic dictatorship. I did not mean that economic dictatorship would come as the result of a process of constitutional evolution. If the system on which we are at present working is going to fail us, then the matter would be taken out of the hands of Government, and the economic dictatorship that I think might come would be the result of a first-class revolution. If you want to avoid that, then I think the thing to do is to make the best possible use of the productive equipment that you have at present, so that you are able to establish a certain amount of stability when the work of reconstruction may be taken in hand. If you do not do that, then at the end of a few years from now you might find that things have deteriorated to such an extent that the decision of these vital things will be taken out of your hands.

I think I have covered most of the points that have been raised in the course of the debate.

**Mr. Chairman:** The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1950, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Prabhu Dayal Himatsingka, Prof. N. G. Ranga, Shri Jaspat Roy Kapoor, Shri Mohan Lal Gautam, Shri Biswanath Das, Pandit Thakur Das Bhargava, Shri R. K. Sidhva, Shri Ramnath Goenka, Shri B. L. Sondhit, Shri Ajit Prasad Jain, Shrimati G. Durgabai, Sardar Hukam Singh, Syed Nausherali, Shri Gokulbhai Daulatram Bhatt, Shri M. V. Rama Rao, Pandit Lakshmi Kanta Maitra, Shri K. Hanumanthaiya, Shri H. Srinivasa Mallayya, Shri T. A. Ramalingam Chettiar, Shri Swaminandan Sahava, Shri V. C. Keeava Rao, Shri B. R. Bhagat, Shri S. N. Buragohain, and the Mover, with instructions to report on the 27th March, 1950."

*The motion was adopted.*

*The House then adjourned till a Quarter to Eleven of the Clock on Friday, the 24th March, 1950.*