

Tuesday,
23rd March, 1948

THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

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of the

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Tuesday, 23rd March, 1948

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

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

CIVILIAN POPULATION OF VARIOUS CANTONMENTS IN INDIA

390. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state the total civilian population of various Cantonments in India?

(b) Do Government propose to lay a statement on the table of the House giving the names of Cantonments in India and showing the strength of *ex-officio* nominated members (official), nominated non-officials and elected members of each Board under Section 13 of the Cantonment Act?

(c) Is there any lady member in any of the Cantonment Boards to look after the education and medical relief of women and children?

(d) Do Government intend to revise the constitution of Cantonment Boards eliminating nominated officials therefrom? If not, why not?

The Honourable Shri N. V. Gadgil: (a) and (b). Two statements are laid on the table of the House.

(c) Yes, Sir.

(d) I would invite the Honourable Member's attention to answers to the Supplementary Questions which arose out of Starred Question No. 171 asked on the 9th February 1948.

Statement I

| Serial No. | Name of Cantonment | Civilian Population |
|------------|--------------------|---------------------|
| 1 | Ambala . | 64,307 |
| 2 | Amritsar . | 1,089 |
| 3 | Dagshai . | 1,054 |
| 4 | Ferozepore . | 31,700 |
| 5 | Jullundur . | 13,098 |
| 6 | Jutogh . | 635 |
| 7 | Kasauli . | 2,749 |
| 8 | Khas Yol . | Not yet classified. |

| Serial No. | Name of Cantonment | Civilian Population |
|------------|---------------------|---------------------|
| 9 | Nasirabad | 15,850 |
| 10 | Subathu . | 1,655 |
| 11 | Bakloh . | 1,587 |
| 12 | Dalhousie | 2,175 |
| 13 | Agra . . . | 44,000 |
| 14 | Allahabad . . . | 8,808 |
| 15 | Almora . . . | 358 |
| 16 | Bareilly . . . | 7,531 |
| 17 | Benares . . . | 3,164 |
| 18 | Barrackpore . . . | 10,427 |
| 19 | Cawnpore . . . | 33,501 |
| 20 | Clement Town . . . | 1,785 |
| 21 | Dehra Dun . . . | 3,491 |
| 22 | Landour . . . | 2,864 |
| 23 | Delhi . . . | 17,564 |
| 24 | Dinapore . . . | 8,182 |
| 25 | Fatehgarh . . . | 2,764 |
| 26 | Fyzabad . . . | 2,515 |
| 27 | Jhansi . . . | 6,480 |
| 28 | Jalapahar . . . | 906 |
| 29 | Lebong . . . | 445 |
| 30 | Lansdowne . . . | 2,822 |
| 31 | Lucknow . . . | 15,366 |
| 32 | Meerut . . . | 38,688 |
| 33 | Muttra . . . | 2,005 |
| 34 | Najni Tal . . . | 1,502 |
| 35 | Ramgarh . . . | 10,590 |
| 36 | Rani Khet . . . | 6,768 |
| 37 | Roorkee . . . | 2,022 |
| 38 | Shahjahanpore . . . | 4,027 |
| 39 | Shillong | 2,070 |
| 40 | Chakrata | 734 |
| 41 | Ahmedabad | 3,043 |

| Serial No. | Name of Cantonment | Civilian population |
|------------|---|---------------------|
| 42 | Ahmednagar | 13,138 |
| 43 | Belgaum | 9,640 |
| 44 | Cannanore | 1,936 |
| 45 | Deolali | 10,084 |
| 46 | Jubbulpore | 15,441 |
| 47 | Kamptee | 4,733 |
| 48 | Kirkee | 16,290 |
| 49 | Pachmarhi | 4,639 |
| 50 | Poona | 31,862 |
| 51 | Saugor | 11,273 |
| 52 | St. Thomas Mt. cum Pallavaram | 9,357 |
| 53 | Wellington | 8,255 |

Statement II

| Serial No. | Name of Cantonments | Strength of ex-officio nominated members (Official) | Strength of non-officials nominated members | Strength of elected members | Total |
|------------|-----------------------|---|---|-----------------------------|---------|
| 1 | Ambala | 8 | | 7 | 15 |
| 2 | Ferozepore | 7 | 1 | 7 | 15 |
| 3 | Jullundur | 8 | | 7 | 15 |
| 4 | Nasirabad | 8 | | 7 | 15 |
| 5 | Agra | 8 | | 7 | 15 |
| 6 | Barrackpore | 8 | | 7 | 15 |
| 7 | Cawnpore | 5 | 3 | 7 | 15 |
| 8 | Delhi | 8 | | 7 | 15 |
| 9 | Lucknow | 6 | 2 | 7 | 15 |
| 10 | Meerut | 6 | 2 | 7 | 15 |
| 11 | Ramgarh | | Election results | | awaited |
| 12 | Ahmednagar | 7 | 1 | 7 | 15 |
| 13 | Deolali | 8 | | 7 | 15 |
| 14 | Jubbulpore | 8 | | 7 | 15 |
| 15 | Kirkee | 7 | 1 | 7 | 15 |

| Serial No. | Name of Cantonments | Strength of ex-officio nominated members (Official) | Strength of non-officials nominated members | Strength of elected members |
|------------|-------------------------------|---|---|-----------------------------|
| 16 | Poona | 7 | 1 | 7 |
| 17 | Saugor | 8 | | 7 |
| 18 | Bareilly | 6 | | 5 |
| 19 | Dinapore | 7 | | 6 |
| 20 | Belgaum | 7 | | 6 |
| 21 | St. Thomas Mt. cum Pallavaram | 7 | | 6 |
| 22 | Wellington | 6 | | 5 |
| 23 | Allahabad | 7 | | 6 |
| 24 | Jhansi | 6 | | 5 |
| 25 | Ranikhet | 4 | 1 | 4 |
| 26 | Kamptee | 5 | | 4 |
| 27 | Pachmarhi | 5 | | 4 |
| 28 | Kaseuli | 5 | 1 | 5 |
| 29 | Benares | 5 | | 4 |
| 30 | Landour | 5 | | 4 |
| 31 | Dehra Dun | 5 | | 4 |
| 32 | Fatehgarh | 5 | | 4 |
| 33 | Fyzabad | 5 | | 4 |
| 34 | Lansdowne | 5 | | 4 |
| 35 | Shahjahanpore | 5 | | 2 |
| 36 | Shillong | 5 | | 4 |
| 37 | Ahmedabad | 2 | | 1 |
| 38 | Amritsar | 2 | | 1 |
| 39 | Dagshai | 2 | | 1 |
| 40 | Jutogh | 1 | 1 | 1 |
| 41 | Bakloh | 2 | | 1 |
| 42 | Dalhousie | 2 | | 1 |
| 43 | Almora | 2 | | 1 |
| 44 | Clement Town | 2 | | 1 |
| 45 | Jalapahar | 1 | 1 | 1 |
| 46 | Lahong | 1 | 1 | 1 |

| Serial No. | Name of Cantonments | Strength of ex-officio nominated members (Official) | Strength of non-officials nominated members | Strength of elected members | Total |
|------------|---------------------|---|---|-----------------------------|-------|
| 47 | Muttra | 2 | .. | 1 | 3 |
| 48 | Nainital | 1 | 1 | 1 | 3 |
| 49 | Roorkee | 2 | | 1 | 3 |
| 50 | Chakrata | 1 | 1 | 1 | 3 |
| 51 | Cannanore | 1 | 1 | 1 | 3 |
| 52 | Khas Yol | 2 | 1 | No elected member | 3 |
| 53 | Subathu | | 1 | 1 | 3 |

Mr. E. K. Sidhva: Since that answer was given have Government considered the question of revising the Cantonments Act?

The Honourable Shri N. V. Gadgil: As stated in that answer, the matter is under active consideration.

Shri H. V. Kamath: With reference to part (c) of the question, have any health and child welfare centres been organised by these Cantonment Boards?

The Honourable Shri N. V. Gadgil: Part (c) of the question is whether there is any lady member in any of the Cantonment Boards to look after the education and medical relief of women and children and the answer has been given in the affirmative.

Shri H. V. Kamath: Medical relief for women and children would include health and child welfare centres.

The Honourable Shri N. V. Gadgil: The question is whether there are any lady members on these Boards. The emphasis is on the personnel and not on the work.

Mr. Speaker: It is clear that the Honourable Minister has not got the information.

PERSONS EXILED FROM VARIOUS CANTONMENT AREAS IN INDIA AFTER 15TH AUGUST 1947

931. ***Mr. E. K. Sidhva:** (a) Will the Honourable Minister of Defence be pleased to state whether any persons have been exiled from Cantonment areas in India under section 239 of the Cantonment Act?

(b) Have Government issued any orders granting amnesty to these exiled persons after 15th August 1947?

(c) Is it a fact that most of these exiles are from the Cantonments of Meerut, Poona, Ambala, Jubbulpore, Ferozepore, Kanpur and Bareilly?

(d) On what offence are these persons exiled?

(e) Do Government propose to amend section 239 of the Cantonment Act?

The Honourable Shri N. V. Gadgil: (a) and (c). Four persons had been exiled from Cantonment Areas under Section 239 of the Cantonments Act—one from Deolal, two from Poona and one from Bareilly.

- (b) No, since they had ceased to be in exile long before August, 1947.
 (d) I lay a statement on the table of the House.
 (e) No.

Statement

The four persons mentioned in answer to part (a) were exiled from Cantonment Areas for the following offences:

| | |
|--|-----------------|
| Giving ill advice to young recruits | ... one person. |
| Undesirable contact with British Troops | ... two persons |
| Causing indiscipline among the sweepers employed in the Cantonment Board | ... one person. |

Mr. R. K. Sidhva: For what offences were they exiled?

The Honourable Shri N. V. Gadgil: One for giving ill advice to young recruits, two for undesirable contact with British troops and one for causing indiscipline among the sweepers employed in the Cantonment Board.

Mr. R. K. Sidhva: Since then have these orders been withdrawn?

The Honourable Shri N. V. Gadgil: Out of these four persons one died and orders against the other three have been cancelled. There is no one in exile now.

CULTIVATION OF LANDS BY MILITARY ESTATES DEPARTMENT IN CANTONMENT AREAS

932. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether the Military Estates Department has any agricultural lands in the Cantonment areas?

(b) Are any model farms run by them, and if so what are they?

(c) On what system are the agricultural lands cultivated?

(d) Does the Military Estates Department consult the Ministry of Agriculture of the Government of India?

(e) Have any measures been taken by military authorities to increase the produce of these lands?

The Honourable Shri N. V. Gadgil: (a) Yes, Sir.

(b) No, Sir.

(c) Agricultural lands are leased out to private persons by auction under the Cantonment Land Administration Rules, (1937).

(d) No, Sir.

(e) The orders regarding the utilisation of lands in Cantonments to the maximum extent possible issued in connection with the Grow More Food Campaign are still in force.

Mr. R. K. Sidhva: Has any action been actually taken with regard to 'Grow More Food' and extension of agriculture?

The Honourable Shri N. V. Gadgil: As a matter of fact under the instructions issued some land which was under the supervision and jurisdiction of the military authorities was converted into agricultural land for the purpose of growing food.

Shri H. V. Kamath: Does the Military Estates Department propose to run any poultry and dairy farms?

The Honourable Shri N. V. Gadgil: There is no such intention.

OCCUPATION OF KALYAN MILITARY CAMP IN BOMBAY PROVINCE BY PAKISTAN TROOPS

933. *Mr. E. K. Sidhva: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the Military Camp at Kalyan in the Province of Bombay, is in the occupation of the Pakistan Army?

(b) What is the total capacity of accommodation in this Camp?

(c) How many of the Pakistan Troops are still in the Camp?

(d) How many of them were in this Camp on 10th January 1948 and when will the troops be removed?

(e) Is it a fact that Government have set apart this camp for the use of refugees coming from Sind?

(f) If so, when will the said camp be available for the use of refugees?

The Honourable Shri N. V. Gadgil: (a) A part of the camp, (camps 1 and 2—there are 5 camps in all) is at present being used as a transit camp for personnel who have opted for Pakistan.

(b) 2,000.

(c) None. Approximately 400 Military and Ordnance Civilian personnel were at the Camp on the 19th March 1948 waiting to go to Pakistan.

(d) 1,283, all of whom were evacuated by the middle of January. The present occupants are subsequent arrivals.

(e) Camps 3, 4 and 5 have so far been set apart for refugees from Sind.

(f) Camps 1 and 2 are expected to be available for refugees by the 1st April 1948.

Mr. E. K. Sidhva: Is 2,000 the accommodation for one camp or for all the camps?

The Honourable Shri N. V. Gadgil: The total capacity of all the camps is about 30,000.

Mr. E. K. Sidhva: May I know if all the camps will be available for refugees by 1st April next?

The Honourable Shri N. V. Gadgil: Yes, Sir. Three have already been made available and camps 1 and 2 will be made available by 1st April, 1948.

INTERIM ADMINISTRATION OF CHHATTISGARH STATES BY C. P. AND BERAR GOVERNMENT

934. *Shri Kishori Mohan Tripathi: (a) Will the Honourable Minister of States be pleased to state as to what arrangements the Government of the Central Provinces and Berar have made for carrying on the administration of the Chhattisgarh States during the interim period?

(b) Have the people of the Chhattisgarh States been associated with the running of the administration during the interim period?

The Honourable Pandit Jawaharlal Nehru: (a) For administrative purposes the States of Nandgaon, Khairagarh, Kawardha and Chhuikhadan have been grouped with the Drug District of the Central Provinces and Berar. Of the remaining ten States, Bastar and Kanker constitute the District of Bastar; Surguja, Korea and Changbhakar, the District of Surguja; and Raigarh, Jaspur, Udaipur, Sakti and Sarangarh, the District of Raigarh. All these States form a part of the Chhattisgarh Division and the Commissioner, Chhattisgarh Division is the Commissioner for these States also. The High Court of Judicature at Nagpur is the High Court for the Central Provinces States. The following laws in force in Central Provinces and Berar have been extended to the States:—

1. The Indian Penal Code.
2. The Code of Criminal Procedure, 1908.
3. The Police Act, 1861.
4. The Central Provinces and Berar Courts Act, 1917.
5. Central Provinces and Berar Motor Vehicles Taxation, Act, 1947.

6. The General Clauses Act, 1897.
7. The Central Provinces and Berar General Clauses Act, 1916.
8. Motor Vehicles Act, 1939.
9. Epidemic Diseases Act, 1897.
10. Central Provinces and Berar Police Safety Act, 1947.
11. Indian Criminal Law Amendment Act, 1908.
12. The Criminal Law Amendment Act, 1932.

All other Acts, Notifications, Orders, Byelaws, Rules and Regulations, as in force in the States immediately before 1st January 1948 have been allowed to operate.

(b) No, but steps are under active consideration to associate the people of the States with the administration. A Bill for establishing local popular administrations in these units is at present before the Provincial Legislature. In the meantime the Government of Central Provinces and Berar are taking steps to constitute

- (i) A joint States Advisory Council for the integrated States;
- (ii) An Advisory Council for every State.

Shri Yudhisthir Misra: Do Government propose to give representation to the people of the States in the provincial Cabinet?

The Honourable Pandit Jawaharlal Nehru: No, Sir; representation in the provincial Cabinets is not given in that way.

Shri H. V. Kamath: At present what portion of the administrative staff for the newly formed districts has been recruited locally and how much has been imported from the adjoining districts of the pre-merger Central Provinces?

The Honourable Pandit Jawaharlal Nehru: I have not the faintest notion.

Shri H. V. Kamath: Will Government please ascertain the facts in connection with this?

The Honourable Pandit Jawaharlal Nehru: If the Honourable Member wants it; it is not particularly important.

Shri B. Das: Is the Honourable the Prime Minister aware that the Orissa Ministry associated three Executive Councillors from the States which are now merged in Orissa? Why should not the same practice

Mr. Speaker: Order, order; that is an argument.

Shri B. Das: The Prime Minister said that it is not the practice to take States people in the Ministry

Mr. Speaker: That is part of an argument; the Honourable Member wants to point out something which is contrary to what the Prime Minister said. The Honourable Member may ask a question but not argue.

The Honourable Pandit Jawaharlal Nehru: And that is not what I said; I said that Cabinet Ministers are not appointed territorially.

Shri B. Das: Did the Ministry of the Central Provinces approach the Honourable the State Minister here to appoint Executive Councillors for the States included in the Central Provinces?

The Honourable Pandit Jawaharlal Nehru: I do not know who an Executive Councillor is!

Shri Yudhisthir Misra: Will the Honourable the Prime Minister state whether the Advisory Board will be formed by election or nomination?

The Honourable Pandit Jawaharlal Nehru: I understand that there is a scheme being proposed by the Central Provinces Government for these States, called the Janapadi administration, where there will be one or more Councils in the States elected on the basis of adult franchise both from urban and rural areas.

The Council will have a Government Officer as its Chief Executive Officer, and for the present with the exception of Police, Law, Justice and Revenue, it

will be practically in full charge of the administration of the unit for which it is constituted. A Bill for this purpose is now before the Provincial Legislative Council.

As regards the States Advisory Council, it is proposed that one member will be nominated on the Council by the Provincial Government for every one lakh of population. Six seats on this Council will be allotted to the representatives of the Princes. The Council will be summoned twice a year, or oftener if necessary. Details of rules concerning allowances, etc., of the members of the States Advisory Council and the method of nomination of members are expected to be notified shortly.

Shri Yudhisthir Misra: Will the Chief Executive Officer be responsible to the Advisory Board?

The Honourable Pandit Jawaharlal Nehru: The Advisory Board by its very nature is an Advisory Board. Nobody is responsible to it.

Seth Govinddas: Is there any proposal to have a bye-election of these territories to be represented in the Central Provinces Assembly? Or is it that the representatives of these States will come into the Central Provinces and Berar Assembly in the next elections?

The Honourable Pandit Jawaharlal Nehru: May I point out that all these attachments are temporary. The future constitutions have to be worked out. One does not know what the final shape will be. I cannot definitely answer the Honourable Member's question.

Shri Kishori Mohan Tripathi: Will the Honourable the Prime Minister be pleased to state if members nominated to the Joint Advisory Board from the States will be able to participate in the deliberations of the Central Provinces Assembly during the interim period?

The Honourable Pandit Jawaharlal Nehru: I do not think so.

PUBLICATION OF NEWS IN *Bharat Jyoti* re ARMS FACTORY IN HYDERABAD STATE

935. ***Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of States be pleased to state whether the attention of Government has been drawn to a news published in the *Bharat Jyoti*, dated the 29th February, 1948, under the caption "Arms Factory in Hyderabad"?

(b) Have Government made any enquiries regarding the allegations made in that report? If so, with what result?

The Honourable Pandit Jawaharlal Nehru: (a) I have seen the Press report referred to.

(b) Government have received reports that certain firms in Hyderabad have with the assistance of His Exalted Highness the Nizam's Government been for some time engaged in the manufacture of pistols, rifles and connected ammunition. Our Agent-General at Hyderabad has been asked to take up this matter with the Nizam's Government and his report is awaited.

BURGLARIES, ROBBERIES AND MURDERS IN DELHI AND NEW DELHI DURING LAST FOUR MONTHS

936. ***Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) the number of burglaries, daylight robberies, and murders in Delhi and New Delhi during the last four months;

(b) the number of cases in which the culprits were caught red-handed or were subsequently traced;

(c) the extent of the property looted or stolen and the extent of the recoveries made; and

(d) what special security measure, if any, Government have taken to eliminate the chances of repetition of such incidents in future?

The Honourable Pandit Jawaharlal Nehru: (a), (b) and (c). A statement containing the information is laid on the table.

(b) I would refer the Honourable Member to the reply given on the 8th March, 1948 to part (b) of Question No. 637 by Shri Deshbandhu Gupta.

Statement

Showing the cases of burglaries, daylight robberies and murders in Delhi and New Delhi during the last four months

| | BURGLARIES | | | | DAY LIGHT ROBBERIES | | | MURDERS | |
|-------------|--|--|---|--------------------------------------|--|---|--------------------------------------|--|---|
| | The number of burglaries during the last four months—November and December, 1947 and January and February 1948 | The number of cases in which the culprits were caught or were red-handed subsequently traced | The extent of property looted or stolen | The extent of the property recovered | The number of cases in which the culprits were caught or were red-handed subsequently traced | The extent of the property looted or stolen | The extent of the property recovered | The number of murders during the last four months—November and December 1947 and January and February 1948 | The number of cases in which the culprits were caught and were red-handed subsequently traced |
| Delhi | 421 | 34 | Rs. 1,08,972 | Rs. 3,484 | 12 | Rs. 10,277 | Rs. 1,279 | 38 | 4 |
| New Delhi | 72 | 9 | 19,236 | 5,015 | 4 | 4,923 | 1,250 | 7 | |
| Grand Total | 493 | 43 | 1,28,208 | 8,499 | 16 | 15,200 | 1,529 | 45 | 4 |

Shri Deshbandhu Gupta: Recently some young men have been arrested in connection with the Lloyds Bank dacoity hold-up and some of them belong to very respectable families.

The Honourable Pandit Jawaharlal Nehru: Yes, Sir, some people have been arrested. I am not acquainted with their ages. I understand they are refugees who have come to Delhi from the N.-W. F. P. and Rawalpindi area. I further understand that one of them has confessed.

Shri H. V. Kamath: Is there any proposal before the Government to appoint mobile police or vigilance squads to patrol these dangerous and disturbed localities by day as well as by night?

The Honourable Pandit Jawaharlal Nehru: There is always some kind of mobile police moving about: whether it is to be extended or not is another matter.

Shri M. Ananthasayanam Ayyangar: Will the Honourable the Prime Minister consider the advisability of extending this force so as to work during the day in New Delhi as the officers then go to work in their offices and the womenfolk are left alone in the houses?

The Honourable Pandit Jawaharlal Nehru: I shall certainly enquire into the matter.

Shri Deshbandhu Gupta: Are Government satisfied with the security measures taken in this matter?

Mr. Speaker: Order, order. That is a matter of opinion.

LAW re GIVING AND TAKING OF BRIBES BY PUBLIC SERVANTS

937. ***Shri P. Kunhiraman** (on behalf of **Shri V. O. Kesava Rao**): Will the Honourable Minister of Home Affairs be pleased to state whether there is any proposal before the Government to change the existing law regarding giving bribes to and taking bribes by public servants?

The Honourable Pandit Jawaharlal Nehru: There is no such proposal before the Government.

Shri H. V. Kamath: Is there any law regarding the giving of bribes and taking of bribes, or is it only about the punishment for them?

Mr. Speaker: Order, order. It is not a matter within the special cognizance of the Minister. Anyone who cares to know the law on the subject may study it for himself.

PARTITION OF ASSETS OF PUNJAB PUBLIC LIBRARY, LAHORE

938. ***Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that the Punjab Public Library at Lahore was run and maintained by the Government of Punjab?

(b) If so, has it been partitioned like other assets of other institutions of that Provincial Government?

(c) If not, do Government propose to arrange for the transfer of the Sanskrit, Hindi, and Gurmukhi sections to East Punjab?

آرمیل مولانا ابوالکلام آزاد : جناب کی اجازت سے میں سوال نمبر ۹۳۸، ۹۳۹ کا جواب ایک ساتھ دیتا ہوں ان تینوں سوالوں میں جو باتیں پوچھی گئی ہیں انکا تعلق یورپی پنجاب گورنمنٹ سے ہے سنٹرل گورنمنٹ سے نہیں ہے۔ اس لئے یہ تینوں سوال یورپی پنجاب گورنمنٹ کو بھیج دئے جاتے ہیں۔

The Honourable Maulana Abul Kalam Azad: With your permission, Sir, I propose to answer Starred Question Nos. 938—40 together. The Honourable

Member's questions pertain to a subject with which the Government of the East Punjab is concerned, to whom the questions have been forwarded.

सेठ गोविन्ददास : क्या वहां से उनका जवाब मिलेगा ?

Seth Govinddas: Will any reply be received from there in this connection?

آنریبل مولانا ابوالکلام آزاد : اُسید کونا چاغئے کہ وہاں اس پر شور کیا

- چارینکا

The Honourable Maulana Abul Kalam Azad: It is hoped that this would receive consideration there.

شہری دیہی بلدھو گھتا : کیا میں یہ دریافت کر سکتا ہوں کہ ان سوالات کا تعلق ریلیف اینڈ ریجیولیشن کمیشن سے نہیں ہے۔

Shri Deshbandhu Gupta: May I enquire whether these questions do not relate to the Ministry of Relief and Rehabilitation?

Mr. Speaker: That is an argument and not a question asking for information.

Shri Deshbandhu Gupta: I am drawing his attention to the matter and finding out whether he has considered this aspect.

Mr. Speaker: That means argument again. What is the information that he wants?

Shri Deshbandhu Gupta: That is no information.

Mr. Speaker: That is argument.

TRANSFER OF PROVIDENT AND GRATUITY FUNDS OF NON-MUSLIM EMPLOYEES OF PUNJAB PUBLIC LIBRARY, LAHORE.

†939. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Education be pleased to state whether the provident fund and gratuity fund of the Non-Muslim employees of the Punjab Public Library at Lahore have been transferred to India or East Punjab?

(b) If not, do Government propose to arrange with the Government of Pakistan on this matter?

(c) Have the Non-Muslim staff of that Library been absorbed in the libraries of the Government of India or of the East Punjab Government?

(d) If not, do Government propose to absorb them soon?

TRANSFER OF DAYAL SINGH AND DWARAKA DAS LIBRARIES TO INDIA AND PARTITION OF UNIVERSITY AND HIGH COURT LIBRARIES AT LAHORE

†940. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that the Dayal Singh Library and Dwaraka Das Library are still in Lahore?

(b) Why were they not transferred to India?

(c) Do Government propose to arrange for their transfer soon?

(d) Have the University and High Court Libraries of the old Punjab been partitioned?

(e) If not, what are the reasons?

(f) Do Government now propose to have these libraries partitioned?

APPLICATIONS FOR SCHEDULED CASTE SCHOLARSHIPS FOR 1947-48

941. *Shri P. Kunhiraman (on behalf of Shri V. C. Kesava Rao): (a) Will the Honourable Minister of Education be pleased to state the total number of applications received by the Scheduled Castes Scholarship Board for scholarships from the Scheduled Caste students during the year 1947-48?

(b) How many of them were granted scholarships?

(c) Were the funds placed at the disposal of the Board adequate to meet the needs of all the applicants?

(d) If not, what steps were taken to augment the amount?

آنریبل مولانا ابوالکلام آزاد: (a) ایک ہزار دو سو پچیس

(b) پانچ سو نوے -

(c) ہاں جناب! اس وقت تک چٹلی درخواستیں آتی رہی ہیں اور ان

میں سے چٹلے سکالرش چلے جا چکے ہیں۔ اُس کے لئے فلڈ کی کسی نہیں ہوئی ہے -

(d) یہ سوال پیدا نہیں ہوتا ہے -

The Honourable Maulana Abul Kalam Azad: (a) 1,225.

(b) 590 so far.

(c) Yes, Sir. The funds available have so far been sufficient for awarding scholarship to all the eligible candidates.

(d) The question does not arise.

REPRESENTATION RE DECLARATION OF BIRTH ANNIVERSARY OF SHRI GURU RAVIDAS AS PUBLIC HOLIDAY

942. *Shri P. Kunhiraman (on behalf of Shri V. C. Kesava Rao): (a) Will the Honourable Minister of Home Affairs be pleased to state whether any representation for declaring the Birth Anniversary of Shri Guru Ravidas as a public holiday has been received by the Government of India; and, if so, what action was taken on the representation?

(b) Are Government aware that the Government of East Punjab has already declared this as a public holiday?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Government are aware that the East Punjab Government have declared the birth-day of Guru Ravidas as a Public holiday. Representations were received from some local scheduled caste organisations for similar action by the Government of India. The proposal could not be accepted as it was not in accord with the Government of India policy on the questions of public holidays. I lay on the table of the House a copy of a circular which embodies that policy and contains the list of approved holidays.

No. 65/47-Public (B)

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi, the 18th December, 1947

OFFICE MEMORANDUM

SUBJECT:—Revision of the existing orders regarding Holidays and Casual Leave

This Ministry have had under consideration the question of the revision of the existing orders relating to holidays and casual leave observed in the Central Government offices with particular reference to the recommendations made by the Central Pay Commission and the Constitutional changes which have now taken place.

2. On the question of holidays, this Ministry consider that some recognised principles in selecting them should be followed. Such principles might be the general significance of a festival and birthdays of world figures of importance to India. It is obviously desirable that such occasions should be observed as closed holidays not only to allow Government servants opportunity for celebrating them but also to relieve the public of the necessity of having to transact any business with Government offices on these occasions. On the other hand, there is hardly any justification for having closed holidays on such occasions as are devoid of general interest and are of significance only to persons belonging to a particular community.

3. As regards casual leave, this Ministry feel that the 20 days' casual leave at present admissible is quite appropriate but the scope of such leave should be extended to cover leave for the purpose of celebrating a particular festival which is not observed as a closed holiday.

4. It has accordingly been decided—

- (a) that the closed holidays should be observed in the Central Government offices located in Delhi and Simla only on the occasions and to the extent indicated in the attached list. Central Government offices elsewhere should continue to follow the present practice in the matter.
- (b) that a holiday on the 1st January should be observed in 1948 and thereafter discontinued.
- (c) that communal or sectional holidays should be abolished but Government servants should be permitted to take casual leave on such communal festivals as they wish to celebrate.
- (d) that 20 days' casual leave should be granted to both officers and staff employed in Central Government offices all over India subject to the condition that more than 10 days' casual leave should not be allowed at a time.
- (e) that these decisions should take effect from 1st January, 1948.

(Sd.)

Secretary to the Government of India.

To

All Ministries of the Government of India; Director, Intelligence Bureau; Federal Public Service Commission; the Registrar, Federal Court; All India Administrative Service Training School; Military Secretary to the Governor General; Private Secretary to the Governor General; Ministry of Finance (Defence); Ministry of Finance (States and External Affairs & Commonwealth Relations); Constituent Assembly; Legislative Assembly Department; Cabinet Secretariat and the Prime Minister's Secretariat.

LIST OF GOVERNMENT OF INDIA CLOSED HOLIDAYS
During 1948 for Delhi & Simla.

| | | |
|-------------------------------------|--------------------------|---------|
| New Year's Day* | 1st January | 1 day. |
| Id-e-Milad | 24th January | 1 day. |
| Shivaratri | 9th March | 1 day. |
| Holi | 24th & 25th March | 2 days. |
| Good Friday | 26th March | 1 day. |
| King's Birthday | 10th June | 1 day. |
| Id-ul-Fitr | 7th August | 1 day. |
| Independence Day | 15th August | 1 day. |
| Janmashtami | 27th August | 1 day. |
| Mahatma Gandhi's Birthday | 2nd October. | 1 day. |
| Dussehra | 10th to the 12th October | 3 days. |
| Id-ul-Zuha | 15th October | 1 day. |
| Divali | 30th & 31st October | 2 days. |
| Muharram | 12th November | 1 day. |
| Guru Nanak's Birthday | 16th November | 1 day. |
| Christmas | 25th December | 1 day. |

* For 1948 only.

INSTITUTIONS IMPARTING EDUCATION IN MARINE ENGINEERING

943. *Shri Basanta Kumar Das: Will the Honourable Minister of Education be pleased to state:

(a) what institutions are there in India for imparting education in Marine Engineering; and

(b) what steps Government propose to take for increasing the number of such institutions?

آنریبل مولانا ابوالکلام آزاد : (a) آج کل اس کام کیلئے صرف ایک ہی انسٹیٹیوشن ہے۔ آئی۔ ایم۔ ایم۔ ٹی۔ ڈی۔ ڈیفرین ہے۔
 (b) گورنمنٹ آف انڈیا نے ایک کمیٹی اس بات کیلئے بتھائی تھی کہ وہ دیکھ بھال کر کے بتائے کہ مرکنٹائل میرین آفیسرز کے تربیلنگ کیلئے آجکل کیا کچھ ہو رہا ہے اور اس بارے میں ہمیں کیا کرنا چاہیئے؟ اس کمیٹی کی فائنل رپورٹ ابھی تک نہیں ملی ہے لیکن ایک انٹرمیڈیٹ رپورٹ حال میں مل گئی ہے۔ اس رپورٹ میں اس بات پر زور دیا ہے جہاں تک جلد ہو سکے کہ ایک نوٹیکل اور انجنیئرنگ کالج کھول دینا چاہئے۔ کمیٹی کی اس سفارش پر گورنمنٹ پوری طرح دھیان دے رہی ہے۔ جو ہائر ٹیکنیکل انسٹیٹیوشن بمبئی کے آس پاس کھولا جا رہا ہے اس کی پڑھائی کا ایک خاص سہجکت یہ بھی ہوگا کہ نہول آرکیٹیکچر اور میرین انجنیئرنگ کی تعلیم تگری اسٹیبلشمنٹ تک دیجائے۔

The Honourable Maulana Abul Kalam Azad: (a) The I.M.M.T.S. "Dufferin" at Bombay is the only institution in India which imparts instruction in Marine Engineering at present.

(b) The Government of India have set up a committee to enquire into the existing facilities for the training of Mercantile Marine Officers in India and to make recommendations for their expansion. The Committee's final report is still awaited but the Committee in its interim report have recently recommended that the Government of India should set up as soon as possible a Nautical and Engineering College. The recommendation of the Committee is under the active consideration of the Government of India.

Naval Architecture and Marine Engineering is one of the subjects instruction in which up to the degree standard will be imparted at the proposed Western Higher Technical Institution to be located near Bombay.

Shri Basanta Kumar Das: How many students generally come out of that institution?

آنریبل مولانا ابوالکلام آزاد : اسکے لئے نوٹس کی ضرورت ہے میں اس وقت نہیں

بتا سکتا۔

The Honourable Maulana Abul Kalam Azad: I would require notice for this. I cannot answer at the moment.

Shri Satis Chandra Samanta: When was the Committee formed?

آنریبل مولانا ابوالکلام آزاد : کمیٹی کب اور کس تاریخ کو متقرر کی گئی تھی۔
یہ توہیک نہیں بنا سکتا - غالباً دو تیس مہینے ہوئے کمیٹی تشکیل دی گئی تھی۔

The Honourable Maulana Abul Kalam Azad: I cannot say exactly the time and date when the Committee was appointed, but probably it was constituted about 2 or 3 months ago.

DEALERS SPECIFIED BY ADJUTANT GENERAL TO MILITARY UNITS FOR PURCHASE OF SPORTS MATERIALS

944. *Shri Deshbandhu Gupta: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that there is any Army Order prohibiting Military units purchasing sports materials from dealers other than those specified by the Adjutant General?

(b) If so, what are the names of the concerns specified in the order?

(c) Do Government propose to consider the advisability of giving discretion to Military Units to purchase sports materials from the competitive market by inviting tenders instead of from a few specified firms?

The Honourable Shri N. V. Gadgil: (a) Yes, Sir. The Army order gave a list of names of firms with which the Department of Industries and Supplies had entered into rate contracts for such articles for the year 1947 for the benefit of the military units.

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

(c) It is not generally advisable to allow individual units to make local purchases. Experience has proved that the quality of the goods and economy in prices can be ensured either by bulk purchase when possible or by a system of rate contracts as adopted in this case. The system to be adopted for the current year is under consideration.

Statement

1. Messrs. Uberoi, Ltd., Sialkot.
2. Messrs. Pioneer Sports Ltd., Sialkot
3. Messrs. Channan Sports Works, Sialkot City.
4. Messrs. B. T. Shuttlecock House, Sialkot.
5. Messrs. Abdul Karim & Bros., Sialkot City.
6. Messrs. Vital Sports Works, Sialkot.
7. Messrs. Henry and Wedersons, Sialkot City.
8. Messrs. Darleys Ltd., Sialkot City.
9. Messrs. Punjab Cotton Sports Nets Manufactory, Sialkot City.
10. Messrs. Goodwill & Co., Sialkot City.

FOREIGN EXPERT INSTRUCTORS TO COACH INDIAN COMPETITORS FOR OLYMPIC GAMES

945. *Shri P. Kunhiraman (on behalf of **Shri V. C. Kesava**): Will the Honourable Minister of Education be pleased to state whether any representations regarding the necessity of engaging foreign expert instructors to coach the intending competitors for the Olympic games have been received by Government from the participants in the Olympic games held at Lucknow; and, if so, what action Government have taken in the matter?

representation آنریبل مولانا ابوالکلام آزاد : نہیں گورنمنٹ کو اس طرح کا کوئی نہیں ملا ہے - اس لئے سوال کا دوسرا تکرار پیدا نہیں ہوتا ہے -

The Honourable Maulana Abul Kalam Azad: No. The Government has not received any such representation. The second part of the question therefore does not arise.

NATIONAL SAVING CERTIFICATES AND CO-OPERATION AMONGST CONGRESS COMMITTEES, KISAN CONGRESS, ETC.

†946. *Prof. N. G. Ranga: Will the Honourable Minister of Finance be pleased to state:

(a) whether National Savings Certificates are still being sold; and

(b) whether any effort is being made to invite the co-operation of Congress Committees, Kisan Congress, the I. N. T. U. C. and other popular organisations in order to make them more popular?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) The suggestion will be considered in connection with the reorganisation of the small savings movement which is under consideration.

PROGRESS BY RESERVE BANK IN FINANCING AGRICULTURE THROUGH CO-OPERATIVE BANKS

†947. *Prof. N. G. Ranga: Will the Honourable Minister of Finance be pleased to state:

(a) What progress has been achieved by the Reserve Bank of India in its efforts to finance agriculture through the Co-operative Banks;

(b) how much money has been advanced by it so far year by year, to the Provincial Co-operative Banks and at what rates of interest; and

(c) what its relations are with the Provincial Co-operative Banks?

The Honourable Dr. Syama Prasad Mookerjee: (a), (b) and (c). I lay on the table of the House a statement giving the information required by the Honourable Member.

Statement showing the efforts made by the Reserve Bank of India to supply finance to agriculturists

The financial accommodation which the Reserve Bank is authorised to give to agriculturists through the Provincial Co-operative Banks is as follows:—

- (i) Loans and advances to Provincial Co-operative Banks against Government securities or against approved debentures of recognised land mortgage banks which are declared trustee securities for periods not exceeding ninety days [Section 17 (4) (a)].
- (ii) Loans and advances for a maximum period not exceeding 90 days against promissory notes of co-operative institutions endorsed by Provincial Co-operative Banks and drawn for the purpose of financing seasonal agricultural operations or the marketing of crops or rediscounting of such promissory notes and that of bills of exchange maturing within nine months [Section 17 (2) (b) and (4) (c)].
- (iii) Loans and advances for periods not exceeding 90 days on the security of promissory notes of Provincial Co-operative Banks supported by documents of title to goods which have been assigned or pledged as security for cash credits or overdrafts granted by the Provincial Co-operative Banks for the purpose of financing seasonal agricultural operations or the marketing of crops.

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

2. The above provisions incidentally show the limitations to the assistance that the Reserve Bank can render to agriculturists. In the first place, the Bank cannot make advances to agriculturists direct and can extend accommodation only through scheduled banks or the Provincial Co-operative Banks. Secondly, it is not authorised to supply the long-term needs of agriculture and the kinds of agricultural bills which it may discount are limited to those drawn for seasonal agricultural operations or the marketing of crops. Lastly, the maximum period for which it can make advance is limited to nine months so that it is authorised to lend only for short periods.

3. Subject to the limitations imposed on the Reserve Bank by the Statute they have since their establishment been anxious that the largest possible use should be made of these provisions to finance agriculture. The first important effort in this direction was made in January 1938 when a scheme was formulated for providing finance for marketing of agricultural produce through the agency of the money-lender. It was realised that the Co-operative movement had touched only a very small percentage of the population and that the money-lender was still the largest supplier of agricultural finance. It was, therefore, thought that if agricultural finance was to be made available to the agriculturist on a substantial scale the possibility of utilising the agency of the money-lenders should be explored. Under this scheme, the Bank offered to rediscount at concession rates, through scheduled banks, the bills of approved money-lenders drawn for making advances to agriculturists against the security of produce on the condition that the benefit of the low rates was passed on to agriculturists. Among the difficulties pointed out by the scheduled banks in adopting the scheme were :

- (i) The smaller agriculturist did not usually borrow against the security of his produce. He required finance more for crop production than for its marketing. He generally obtained it by keeping a running account with a money-lender and would not, therefore, agree to commit himself to bills payable on a fixed date.
- (ii) The scheduled banks were not in a position to gauge the money-lender's credit readily, nor would it be possible for them to dictate the rate of interest which the latter should charge to the cultivators against produce bills.
- (iii) First class bills were at present discounted at very fine rates owing to keen competition and there would therefore be little scope for scheduled banks to rediscount such bills with the Reserve Bank.
- (iv) The debt relief measures passed during the period of depression had introduced an element of uncertainty into the sphere of agricultural credit.

The scheme was therefore not proceeded with.

4. Efforts were simultaneously made to utilise the Co-operative movement for the supply of agricultural finance and a circular was issued laying down the procedure to be followed by co-operative banks in obtaining such finance from the bank.

5. In order, however, to encourage Provincial Co-operative Banks to make greater use of the finance available from the Reserve Bank, they prepared a scheme in 1942 in terms of which they offered to grant accommodation under Section 17 (2) (b) and 17 (4) (c) for marketing of crops at a concession rate (i.e., at 1 per cent, below the Bank Rate) on the conditions that the benefit of the low rate was passed on to the ultimate borrower.

As they were anxious that the provisions of the Reserve Bank of India Act should be utilised to the fullest extent by the Co-operative movement for financing the agriculturists at cheap rates they extended the scheme of rebate to cover bills and promissory notes drawn for the purpose of financing seasonal agricultural operations also and increased the rebate from 1 per cent. to 1½ per cent. Their present Bank Rate being 3 per cent., the Provincial Co-operative Banks under this arrangement are able to get finance from them at 1½ per cent.

6. Section 17 (4) (d) of the Reserve Bank of India Act which presupposes the establishment of licensed warehouses and creation of negotiable warehouse receipts has so far remained inoperative. It can only be made use of after licensed warehouses have been established. The Bank therefore drafted a Warehousing Bill and circulated it to Provincial Governments and important Indian States for its adoption. Three provinces and one Indian State have so far taken appropriate measures in that direction.

7. The Bank have now decided to extend the period of advances under Section 17 (2) (b) from 9 months to 12 months and would be promoting an amendment to be effect as early as possible. They have also decided to accept the debentures of land mortgage banks which are declared as trustee securities as security for advances under Section 17 (4) (a); and further, they have agreed, in a recent case, (the Madras Central Co-operative Land Mortgage Bank) to take up 10 per cent. of the new issue of debentures as a token of their support.

Statement

Showing the amounts of loans applied for, sanctioned and drawn in the case of Provincial Co-operative Banks.

| Year | Amount applied | Amount sanctioned | Amount drawn | Rate of Interest |
|-----------------------|--------------------------|-----------------------|-----------------------|------------------|
| | Rs. | Rs. | Rs. | |
| 1938 | 5,00,000 | 5,00,000 | 5,00,000 | 3 % |
| 1940 | 24,00,000 | 24,00,000 | 24,00,000 | 3 % |
| 1941 | 5,00,000 | 5,00,000 | 5,00,000 | 3 % |
| 1942 | 20,00,000 | 20,00,000 | 20,00,000 | 3 % |
| 1943 | 4,00,000 | 3,00,000 | 50,000 | 2 % |
| 1944 | 20,00,000 | 20,00,000 | 20,00,000 | 3 % |
| 1945 | 5,60,000 | 4,30,000 | ... | 1½% |
| 1946 | { 30,21,000 10,60,000 | 30,21,000 9,30,000 | 30,21,000 2,75,000 | 3 % 1½ % |
| 1947 | 7,15,000 | 6,65,000 | 1,80,000 | 1½ % |
| 1948 (Upto 15-3-48) . | 1,00,35,000 | *62,70,000 | .. | 1½ % |
| TOTAL | 2,31,91,000 | 1,90,16,000 | 1,09,26,000 | |

*Application for Rs. 30 lakhs still under consideration.

Note to Statement B

The statement attached would show that whatever accommodation was sought for by the Provincial banks has been granted more or less to the full extent. In a few instances only the demand was met on a slightly reduced scale. The reasons may be easily guessed. The fact is, that there has not been much of a demand from the Provincial banks for financial help from the Reserve Bank. The Reserve Bank believe that this is so, because the provincial banks themselves are having a plethora of funds. The Bank have found by an examination of their balance sheets that only a small portion of their large working funds could be utilised for co-operative purposes and much of the working capital had to be invested in Government securities or otherwise. Indeed, they have also noticed latterly a trend in some of the provincial banks to seek investments in commercial transactions with a view to earn better on their surplus funds.

This view would be further supported by the fact that particularly of late, the banks have even drawn less than the sanctioned amount. It may be added that all accommodation under Section 17 (2) (b) for purposes of seasonal agricultural operations or marketing of crops are made at a concession rate of 1½ per cent. on a clean basis.

THE RELATIONSHIP BETWEEN RESERVE BANK OF INDIA AND PROVINCIAL CO-OPERATIVE BANKS

The relationship of Reserve Bank of India with provincial co-operative banks is governed by sections 17 and 54 of the Reserve Bank of India Act. The role of the Bank under section

17 has already been described. As regards section 54 it reads as under :

"The Bank shall create a special Agricultural Credit Department, the functions of which shall be :

- (a) to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Central Government, Provincial Governments, Provincial Co-operative Banks, and other Banking Organizations;
- (b) to co-ordinate the operations of the Bank in connexion with agricultural credit and its relation with Provincial Co-operative Banks, and any other banks or organisations engaged in the business of agricultural credit."

It would be seen from the above that the role of the Bank is purely of an advisory character and in the case of provincial banks the question of their consulting the Bank does not arise very often. There were some instances when provincial banks and co-operative associations referred to the Reserve Bank for advice on matters regarding financial policy to be followed, such as the pursuit of commercial banking activities by co-operative institutions, etc. However, the Bank always studies their working as revealed in their returns under section 42 and also their balance sheets and annual reports. If any comment is called for such comments are usually addressed to the Provincial banks in an advisory capacity. It may also be mentioned that consultation with the Reserve Bank is generally made by Provincial Governments and not by the Provincial co-operative banks directly.

In this connexion mention may also be made of the special facilities granted to provincial co-operative banks under the Reserve Bank scheme of remittance facilities introduced in 1940. Apart from enjoying all concessions allowed to scheduled banks, provincial co-operative banks joining the scheme of the Reserve Bank drawn up in 1940 are allowed the additional facility of making even inter-provincial transfer of funds between the offices of the Reserve Bank free of charge even though they do not have their own branches in any provincial capital other than their own province; for this purpose the provincial co-operative banks of the other provinces are considered as branches of the one remitting the money, provided they maintain accounts with the Bank's Office.

The co-ordination of the operations of the Bank in connexion with agricultural credit and its relation with provincial co-operative banks is endeavoured to be brought about by the issue of circulars on all matters relating to agricultural credit. The provincial banks are free to express their opinions on any suggestion made by the Bank and such opinions are always carefully considered before any scheme of relief to the agriculturists is drawn up by the Reserve Bank of India.

The Reserve Bank have been consulted by land mortgage banks on matters pertaining to the issue of debentures, viz., the period for which the debentures are to be issued, the rates of interest and similar matters. In fact the Bank had issued circulars on the technique of issuing debentures, and building up of sinking funds as early as 1937, and as a token of their support to the land mortgage bank debentures which are declared as trustee securities, the Reserve Bank have recently decided to accept them as securities for accommodation under section 17 (4) and also to make token purchases of new issues of debentures, if considered necessary.

LAND CUSTOMS FRONTIERS BETWEEN INDIA AND PAKISTAN.

1948. *Prof. N. G. Ranga: Will the Honourable Minister of Finance be pleased to state :

(a) what steps are being taken to safeguard the land customs frontiers between Pakistan and India;

(b) at how many places these offices are being opened;

(c) whether they are being supplied with adequate police assistance;

(d) whether any agreement has been reached between India and Pakistan in regard to the proper regulation of Customs Traffic at these Customs Stations on both sides of the border; and

(e) what is the estimated cost of Frontier Customs Offices on our side?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). 93 land customs stations staffed by officers working under the respective Collectors of Central Excise have been opened on the routes which alone have been authorised for the passage of goods between the two Dominions. Steps have been taken to organise patrols to see that goods do not pass through unauthorised routes and police protection wherever necessary is being provided with the co-operation of the Provincial Governments concerned.

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

(d) No. But an inter-dominion conference is going to be held in Calcutta soon when these questions might also be considered.

(e) The cost is estimated at Rs. 10 lakhs per annum, but the estimates will have to be revised in the light of actual experience.

ORGANISATIONS BANNED SINCE ATTACK ON MAHATMA GANDHI

†1949. *Prof. N. G. Ranga: Will the Honourable Minister of Home Affairs be pleased to state how many and what organisations have been banned since the attack on Mahatma Gandhi?

The Honourable Pandit Jawaharlal Nehru: Three Organisations have been declared unlawful in the Chief Commissioners' Provinces in India. These are the Rashtriya Swayam Sewak Sangh, the Muslim League National Guards and the Khaksars. The Government of India also recommended to Provincial Governments that they should take similar action in their own areas. As far as Government are aware, some Provincial Governments have taken wider action in accordance with their respective requirements but full details are not available.

RESEARCH IN SCIENCE OF EUGENICS IN INDIA

950. * { Shir S. V. Krishnamurthy Rao: (a) Will the Honourable Minister
Shir E. R. Diwakar:

of Health be pleased to state whether Government are aware of the importance of the science of eugenics in modern days?

(b) If so, is there any research on this subject being done in India on behalf of the Department? If not, what are the reasons?

The Honourable Rajkumari Amrit Kaur: (a) Yes.

(b) No research has so far been carried out but any proposals put forward by research workers competent to carry out such research will receive due consideration by Government as well as by the Indian Research Fund Association.

TRANSFER OF EVACUEES DEPOSITS IN CENTRAL CO-OPERATIVE BANKS IN EAST AND WEST PUNJAB

951. *Seth Govinddas: (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that those Central Co-operative Banks, who had deposited their surplus funds and their Government securities with the Punjab Co-operative Banks are being treated as evacuees by the Government of West Punjab and that their deposits and Government securities are not being returned?

(b) Is it a fact that the banks are not making payments to their constituents?

(c) Is it a fact that in the case of Central Co-operative Banks, no amounts are being paid or transferred to India while Muslim refugees from East Punjab are being paid out of the accounts of the Central Co-operative Banks in the East Punjab with the Punjab Provincial Co-operative Bank, Lahore, which until partition was functioning as a financing institution for Central Co-operative Banks?

The Honourable Dr. Syama Prasad Mookerjee: (a), (b) and (c). Complaints have been received from certain Co-operative Banks that they have not been able to withdraw the balances in their current and fixed deposit accounts and Government securities kept with the Punjab Provincial Co-operative Bank Limited, Lahore. The Registrars of Co-operative Societies of the East and West Punjab Governments have, however, evolved an agreed scheme as regards funds of Co-operative Banks in East and West Punjab Provinces, as announced in a Press Communique which was published on the 17th March, 1948.

POLICY OF RETRENCHMENT, RECRUITMENT ETC., IN ORDNANCE FACTORY, MURADNAGAR, MEERUT IN 1945-46.

952. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state the policy of Government with respect to the recruitment, retrenchment and reversion in the Ordnance Factory, Muradnagar, Meerut, in 1945-46?

(b) What is the number of persons dismissed and reinstated in the year 1945-46 and what are the reasons, if any, for such a large number of dismissal and reinstatement?

The Honourable Shri N. V. Gadgil: (a) The methods of recruitment, retrenchment and reversion in the Ordnance Factory at Muradnagar are the same as those obtaining in other Ordnance Factories. *viz.*: (i) Non-gazetted employees are recruited through the National Service Labour Tribunal, (ii) Skilled employees are recruited through transfer from other factories, (iii) Unskilled employees are recruited locally, and a Ghorakpuri Labour Unit recruited by the Labour Ministry is also employed, and (iv) Retrenchment and reversion are made on the basis of merit-cum-seniority.

(b) The number of persons dismissed is 175, none of whom was re-instated. They were all dismissed for disciplinary reasons.

Seth Govinddas: Out of those who were dismissed, were there some who were technically competent?

The Honourable Shri N. V. Gadgil: Yes, some were so but they were dismissed for reasons of discipline.

INDIAN AND FOREIGN OFFICERS IN ORDNANCE FACTORY, MURADNAGAR, MEERUT

953. *Seth Govinddas: (a) Will the Honourable Minister of Defence be pleased to state the total number of foreign and Indian officers respectively in the Ordnance Factory, Muradnagar, Meerut?

(b) Do Government propose to replace the foreign officers, if suitable Indian hands are available?

The Honourable Shri N. V. Gadgil: (a) There are five officers of whom four are Europeans and one Indian. Of the four European Officers two are due to leave very soon.

(b) It is the policy of Government to fill all vacancies by Indian Officers wherever possible.

Seth Govinddas: Besides the two Europeans who are to leave soon, may I know when will the other two Europeans leave?

The Honourable Shri N. V. Gadgil: As soon as their period of employment is over.

Seth Govinddas: How much of that period is still left?

The Honourable Shri N. V. Gadgil: I require notice of that.

Shri H. V. Kamath: Do not Government propose to eliminate all foreigners from key positions in our services at the earliest possible date?

The Honourable Shri N. V. Gadgil: This is a matter of which cognisance is taken by the Government.

Shri H. V. Kamath: Cannot the Honourable Minister speak on behalf of the Government?

Mr. Speaker: Therefore he is saying it.

MILITARY ATTACHES OF INDIA AND PAKISTAN IN EMBASSIES AT KARACHI AND NEW DELHI.

954. *Dr. V. Subramaniam: (a) Will the Honourable Minister of Defence be pleased to state whether there is any Indian Military Attache, attached to our Embassy at Karachi?

(b) If the answer to part (a) above be in the negative; why was it not done?

(c) Are there any Pakistan Military Attaches, attached to the Pakistan Embassy at Delhi, and if so, how many?

(d) If the answer to part (c) above be in the affirmative; is it a fact that those Military officers were employed in Delhi before they opted out to Pakistan?

The Honourable Shri N. V. Gadgil: (a) and (c). No.

(b) The matter is under consideration.

(d) Does not arise.

REORGANISATION OF EDUCATION SPECIALLY IN ARTS AND TECHNOLOGY AND DEPUTATION TO RUSSIA

955. *Shri P. Kunhiraman (on behalf of Shri V. C. Kesava Rao): (a) Will the Honourable Minister of Education be pleased to state whether it is proposed to re-organise education, especially the Arts and Technical sides of it?

(b) Do Government propose to consider the question of sending a deputation of educationists to Russia to study the Russian model?

آنریبل مولانا ابوالکازم آزاد: (a) ہاں۔ سنٹرل اینڈوائزی بورڈ آف ایجوکیشن نے پوسٹ وار ڈیولپمنٹ کے بارے میں جو رپورٹ دی تھی۔ اور جسے سنٹرل اور پرائونشل گورنمنٹوں نے عام طور پر منظور کر لیا ہے اس میں یہ بات رکھی گئی ہے کہ تعلیم کو جس کے اندر آرٹس بھی آجاتا ہے۔ نئے سرے سے organise کیا جائے۔

ایجوکیشن منسٹری نے جو کانفرنس پچھلی جنوری میں بلائی تھی اس نے اس رپورٹ کے پلان میں کچھ باتیں کھٹائی بڑھائی ہیں۔ اور سکیم کو تیزی کے ساتھ چلانے کے لئے کچھ تجویزیں تھہرائی ہیں۔ گورنمنٹ ان تجویزوں پر آجکل غور کر رہی ہے اور بہت جلد نئے ڈھنگ سے کام شروع ہونے والا ہے۔

(b) گورنمنٹ کے دھیان میں اس وقت پہلا کام یہ ہے کہ بیسک ایجوکیشن کا پلان جو تیار ہو چکا ہے۔ اسے جلد سے جلد عمل میں لایا جاوے۔ منسٹری نے اس بارے میں اپنی سکیم ایجوکیشنل کانفرنس کے سامنے رکھی تھی۔ کانفرنس نے ایک سب کمیٹی بتھا دی ہے۔ جو اس پر سوچ بچار کر کے اپنی سفارشی گورنمنٹ کو بھیجے گی۔ اُمید کی جاتی ہے کہ یہ رپورٹ چون تک گورنمنٹ کو مل جائے۔ آنریبل منسٹر کو میں بھروسہ دلانا کہ جونہی تھیک موقعہ پیدا ہوا۔ گورنمنٹ ضرور اس بات پر دھیان دینی کہ روس میں اور دوسرے ممالکوں میں ہندوستانی ایجوکیشنٹ بھیجے جائیں تاکہ وہ وہاں کے تعلیمی کاموں کے ڈھنگوں کو تھیک طور پر معلوم کریں۔

The Honourable Maulana Abul Kalam Azad: (a) Yes. The Report of the Central Advisory Board of Education on the Post-War Educational Development in India, which has been generally accepted by the Central and Provincial Governments, subject to the limitations of Finance and the peculiar needs of each area, envisages reorganisation of education, including Arts and Technical Education.

The modifications recommended by the Education Conference recently called by the Ministry of Education, in the above plan and the question of speeding up the execution of this plan are, however, still under the consideration of my Ministry.

(b) In Government's opinion the first thing is that the plan about basic education, which is ready, should be implemented as early as possible. The Ministry has already placed the scheme before the Educational Conference and a sub-committee was constituted to go into the financial aspect of the problem and to submit its recommendations. It is hoped that its report will be ready by June 1948. The Honourable Member may rest assured that Government will certainly consider at the appropriate time the question of sending a deputation of educationists to Russia and to other countries to study their educational schemes.

श्री एच० वी० कामतः क्या माननीय वजीर तालीम को यह मालूम है कि

रूस ने इस क्षेत्र में खूब तरक्की की है।

Shri H. V. Kamath: Is the Honourable Minister for Education aware of the fact that Russia has made remarkable progress in this sphere?

COMPENSATION FOR LANDS FOR 1946-47 TO PEOPLE OF CHARBATIA NEAR CUTTACK ORISSA.

956. *Shri Lakshminarayan Sahu: Will the Honourable Minister of Defence be pleased to state:

(a) whether the people of Charbatia near Cuttack (Orissa Province) have been paid compensation for the year 1946-47 for their lands that were taken over by the Military;

(b) what is the cause of delay, if any, in payment;

(c) whether their cultivated and homestead lands have been surrendered in April 1947;

(d) whether terminal compensation for making their lands fit for cultivation again has been paid;

(e) if not, the reasons for the delay; and

(f) whether it is a fact that homestead lands of five or six people at Charbatia have not yet been surrendered?

The Honourable Shri N. V. Gadgil: (a) Yes.

(b) I am ascertaining from the local authorities whether there has been any delay in payment and, if so, the reasons therefor.

(c) Yes, except a few which were a part of the airfields and which were required by Government till recently. Government assets on these lands were declared available for disposal a short time ago, and these are now being used for accommodating refugees.

(d) Terminal compensation has been paid in respect of all lands that have been returned to their owners.

(e) Does not arise.

(f) This may be so. Enquiries are being made of the local authorities.

REPORT OF COMMITTEE ON AYURVEDIC SYSTEM OF MEDICINE.

957. *Shri Biswanath Das: Will the Honourable Minister of Health be pleased to state:

(a) when the report of the committee on the Ayurvedic system of treatment is expected to be submitted to Government;

(b) whether any interim report has been submitted;

(c) whether any preliminary work is being undertaken through the agency of the Provincial Governments in this regard;

(d) if so, whether Government propose to lay a statement showing the details on the table of the House;

(e) why a medical man, outside the fold versed in Ayurved was appointed to preside over the deliberations of this committee?

(f) What was the composition of the Committee on the basis of Ayurvedic, Allopathic and other practitioners?

The Honourable Rajkumari Amrit Kaur: (a) The Report of the Committee on Indigenous Systems of Medicine is expected to be ready by the end of May 1948.

(b) No.

(c) No. The Questionnaires issued by the Committee were sent, among others, to Provincial Governments.

(d) Does not arise.

(e) The present Chairman was selected in view of his great experience in the field of research in drugs.

(f) The Committee consists of 4 practitioners of Ayurveda, 4 practitioners of Unani and 3 Allopaths.

Shri Biswanath Das: May I know the reason why provincial governments were not consulted in this regard?

The Honourable Rajkumari Amrit Kaur: I have already said that questionnaires were sent to provincial governments.

Shri Biswanath Das: Before the appointment of the personnel of the Committee I should like to know whether provincial governments were consulted and whether they suggested any names?

The Honourable Rajkumari Amrit Kaur: Since this Committee was appointed before I took over, I would like to have notice of that question. As far as I know provincial governments were consulted at the time of the appointment of the Committee.

Shri Biswanath Das: May know whether any preliminary work in this regard is being undertaken?

The Honourable Rajkumari Amrit Kaur: No. The report is awaited before any further action is taken.

Seth Govinddas: May I know whether as far as the representatives of Ayurveda on this committee are concerned there have been a lot of representations to the Honourable Minister that they did not represent Ayurveda?

The Honourable Rajkumari Amrit Kaur: I have already answered this question many times. The fact that some complaints were received is true but all prominent Ayurvedic practitioners were consulted when the Committee toured the provinces.

Shri Biswanath Das: May I know why three Allopathic practitioners were found necessary to be taken on the Committee?

The Honourable Rajkumari Amrit Kaur: In the opinion of the Government it was necessary to have three Allopaths.

Shri H. V. Kamath: Considering that the Honourable Minister informed the House during the last session that the report of the Committee was to be submitted by the end of February, what has the delay in the submission of the report been due to?

The Honourable Rajkumari Amrit Kaur: It has been due to the serious illness of the Chairman.

**TREATMENT AS NON-INDIANS OF APPLICANTS FROM ACCEDING INDIAN STATES
BY F. P. S. C.**

958. *Shri B. N. Munavalli (on behalf of **Shri K. Hanumanthaiya**): (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that the Federal Public Service Commission is treating applicants for appointments from Indian States, which have acceded to India, as non-Indians? -

(b) If so, why?

The Honourable Pandit Jawaharlal Nehru: Candidates for appointments from Indian States formerly required a declaration of eligibility for appointment to Central Services. As this practice was inconsistent with Section 262(1) of the Government of India Act, 1935, as adapted, revised instructions have since been issued. Declarations of eligibility will no longer be necessary in respect of candidates from acceding States for appointment to the Central Services.

ORGANISATIONS DECLARED ILLEGAL BY GOVERNMENT OF INDIA

†959. *Prof. Shibban Lal Saksena: (a) Will the Honourable Minister of Home Affairs be pleased to state:

(i) the names of the organisations which have been declared illegal by the Government of India;

(ii) the dates on which they were declared illegal; and

(iii) the dates on which action under these orders was initiated?

(b) Do Government propose to lay on the table of the House copies of the orders declaring these various organisations illegal?

The Honourable Pandit Jawaharlal Nehru: (a) (i). Rashtriya Swayam Sewak Sangh, Muslim National Guards and the Khaksars were declared unlawful by the Chief Commissioners in Centrally Administered Areas under instructions from the Government of India.

(ii) and (iii). Rashtriya Swayam Sewak Sangh was declared unlawful in Delhi and Ajmer on the 4th February and in Coorg on the 9th February. Ajmer declared Muslim National Guards and Khaksars as unlawful on the 8th February and Coorg on the 9th February. Delhi declared the Muslim League Guards unlawful on the 9th February and the Khaksars organisation had already been declared unlawful on the 9th August 1947. Action was taken immediately to enforce these orders.

(b) The Honourable Member's attention is invited to the *Gazette of India Extraordinary*, dated the 9th August, 1947, the 4th and 10th February, 1948, *Gazette of India*, dated the 21st February, 1948, and *Coorg Gazette Extraordinary*, dated the 11th February, 1948, copies of which are available in the Library.

REMOVAL OF RESTRICTIONS ON MOVEMENTS OF AMERICAN CITIZENS IN INDIA

960. *Shri Lakshminarayan Sahu: Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether it is a fact that American citizens while in India have to report their movements to the police, whereas Indian citizens while in the United States of America are not required to report their movements to the police; and

(b) if so, whether it is proposed to eliminate this discrimination?

The Honourable Pandit Jawaharlal Nehru: (a) All foreigners, unless they have been specifically exempted, have to send written reports of their movements to the appropriate registration authority in certain circumstances. Government understand that periodical reports of place of residence are required of temporary foreign residents in the United States of America and that even permanent residents have to send intimation of the change of their residence.

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

The Honourable Member also probably knows that the Immigration Laws of the United States of America are much more stringent than ours and that very strict formalities have to be undergone at the time of entry to United States of America.

(b) No discrimination is involved and therefore the question does not arise.

DISAPPEARANCE AND DETENTION OF AN EUROPEAN OFFICER OF ORDNANCE FACTORY AT CALCUTTA

961. *Shri Mihir Lal Chattopadhyay (on behalf of Shri Arun Chandra Guha): Will the Honourable Minister of Defence be pleased to state:

(a) whether it is a fact that, as reported in the *Amrita Bazar Patrika* of the 27th February, 1948, a responsible European officer of the Ordnance Factory at Calcutta has recently disappeared from his post:

(b) whether it is a fact that some European officer of the Calcutta Ordnance Factory was suspected of some illegal deeds and was put under detention or surveillance:

(c) if so, whether it is the same officer who is now reported to have disappeared; and

(d) whether Government have any information as to whether the officer now alleged to have disappeared has been put in a responsible post by the Government of Pakistan?

The Honourable Shri N. V. Gadgil: (a) and (b). No, Sir.

(c) and (d). Does not arise.

COPIES OF GOVERNMENT NOTIFICATIONS re MERGING WITH PROVINCES FORMING DEPENDENT ADMINISTRATIVE UNITS.

962. *Shri L. S. Bhatkär (on behalf of Dr. P. S. Deshmukh): Will the Honourable Minister of States be pleased to lay on the table of the House copies of all the notifications issued by the Government of India since 15th August 1947 in respect of:

(a) States that have been merged with the provinces; and

(b) States that have been formed into independent administrative units?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Copies of the notifications under the Extra Provincial Jurisdiction Act 1947 relating to merger of certain States with Provinces are laid on the table of the House. No such notification was necessary for the formation of Unions of States.

GOVERNMENT OF INDIA
MINISTRY OF STATES
New Delhi, the 23rd December, 1947
NOTIFICATION

No. 111-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of the States specified in the Schedule annexed thereto;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra Provincial Jurisdiction Act, 1947 (No. XLVII of 1947) and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Provincial Government of Orissa, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said States as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

Provided that—

(i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and

(ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

Schedule

| | | |
|-----------|-------------|------------|
| Athgarh | Gangpur | Pallahara |
| Athmalik | Hindol | Patna |
| Bamra | Kalahandi | Rairakhol |
| Baramba | Keonjhar | Ranpur |
| Baudh | Khapdpara | Seraikella |
| Bonai | Kharsawan | Sonepur |
| Daspalla | Narsinghpur | Talcher |
| Dhenkanal | Navagarh | |
| | Nilgiri | Tigiria. |

C. C. DESAI, Addl. Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 23rd December 1947

No. 112-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of the States specified in the Schedule annexed hereto;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Provincial Government of the Central Provinces and Berar, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said States as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935:

Provided that—

- (i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and
- (ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

Schedule

| | | |
|-------------|------------|-----------|
| Bastar | Kanker | Nandgaon |
| Changbhakar | Kawardha | Raigarh |
| Chhuikhadan | Khairagarh | Sakti |
| Jashpur | Korea | Sarangarh |
| | | Surguja |
| | | Udaipur |

C. C. DESAI, Addl. Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 28th January 1948

No. 134 IB.—Whereas the Ruler of Makrai State has ceded to the Central Government full and exclusive authority, jurisdiction and powers for, and in relation to the governance of the Makrai State;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to direct that the following amendment shall be made in the notification of the Government of India in the Ministry of States No. 112-IB, dated the 23rd December 1947, namely:—

In the schedule attached to the said notification after the word 'Udaipur' the word 'Makrai' shall be added.

(Sd.) M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 13th January 1948

No. 125-1B.—Whereas the Indian States specified in the Schedule hereto annexed have ceded full and exclusive jurisdiction to the Central Government;

And whereas it is necessary to abolish the land customs barriers between such States *inter se* and the said States and the Provinces of Orissa, Bihar and the Central Provinces and Berar;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 3 and section 4 of the Extra-Provincial Jurisdiction Act, 1947 (XLVII of 1947), and of all other powers enabling it in that behalf, the Central Government is pleased to direct that so much of any existing law, rule, order or notification in the said States as imposes any prohibition or restrictions, or imposes a duty of customs, on the import into or export from any such State from or to another such State, or on the import into or export from any such State from or to any of the Provinces of Orissa, Bihar and the Central Provinces and Berar and *vice versa*, of goods of any class or description shall be deemed to have been cancelled with effect from the 1st January 1948.

Schedule

| | | | |
|----------|-------------|-------------|------------|
| Athgarh | Kalahandi | Ranpur | Kawardha |
| Athmalik | Keonjhar | Seraikella | Khairagarh |
| Bamra | Khandpara | Sonepur | Korea |
| Baramba | Kharsawan | Talcher | Nandgaon |
| Baudh | Narsinghpur | Tigiria | Raigarh |
| Bonai | Nayagarh | Bastar | Sakti |
| Daspalla | Nilgiri | Changbhakar | Sarangarh |
| Dhenkhal | Pallahare | Chhuikhadan | Surguja |
| Gangpur | Patna | Jashpur | Udaipur |
| Hindol | Rairakhol | Kanker | |

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 23rd February 1948

No. 144-1B.—Whereas the States specified in the Schedule hereto annexed have ceded full and exclusive jurisdiction to the Central Government;

And whereas it is necessary to abolish the land customs barriers between the States *inter se* and the said States and the province of the Central Provinces and Berar;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 3 and section 4 of the Extra-Provincial Jurisdiction Act, 1947 (XLVII of 1947), and of all other powers enabling it in that behalf, the Central Government is pleased to direct as follows namely:—

- (1) that so much of any law, rule, order or notification in the said States as imposes—
 - (i) any duty of customs on the import into or export from any such State from or to any province of India or any Indian State, and
 - (ii) any prohibition or restriction on the import into or export from any such State from or to another such State or on the import into or export from any such State from or to the Central Provinces and Berar, and *vice versa*, of goods of any class or description shall be deemed to have been cancelled with effect from the 1st January 1948, and
- (2) that the notification of the Government of India in the Ministry of States No. 125-1B, dated 13th January 1948, shall be deemed to be cancelled so far as it relates to such of the States as are specified in the said Schedule.

Schedule

| | | |
|----------------|---------------|-------------|
| 1. Bastar | 7. Khairagarh | 13. Surguja |
| 2. Changbhakar | 8. Korea | 14. Udaipur |
| 3. Chhuikhadan | 9. Nandgaon | 15. Makrai |
| 4. Jashpur | 10. Raigarh | |
| 5. Kanker | 11. Sakti | |
| 6. Kawardha | 12. Sarangarh | |

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
 MINISTRY OF STATES
 NOTIFICATION

New Delhi, the 25th February 1948

No. 150-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of the States specified in the Schedule annexed hereto;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of Bombay, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said States as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935 :

- (i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and
- (ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

Schedule

| | | |
|--------------------|--------------------|-------------|
| Akalkot | Kurundwad (Junior) | Sangli |
| Aundh | Miraj (Senior) | Savner |
| Bhor | Miraj (Junior) | Sawantwadi |
| Jamkhandi | Mudhol | Wadi Jagir. |
| Jath | Phaltan | |
| Kurundwad (Senior) | Randurg | |

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
 MINISTRY OF STATES
 NOTIFICATION

New Delhi, the 25th February 1948

No. 151-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of Banganapalle State;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of Madras, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said State as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935.

Provided that—

- (i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and
- (ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 25th February 1948

No. 152-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of Loharu State;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of East Punjab, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said State as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935 :

Provided that—

- (i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and
- (ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 10th March 1948

No. 156-IB.—Whereas the Central Government has full and exclusive authority, jurisdiction and powers for, and in relation to, the governance of Pudukkottai State;

Now, therefore, in the exercise of the powers conferred by sub-section (2) of section 3 of the Extra-Provincial Jurisdiction Act, 1947 (No. XLVII of 1947), and of all other powers enabling it in this behalf, the Central Government is pleased to delegate to the Government of Madras, the power conferred by section 4 of the said Act to make orders for, or in relation to, the governance of the said State as respects any of the matters enumerated in List II or List III of the Seventh Schedule to the Government of India Act, 1935 :

Provided that—

- (i) the exercise of the power hereby delegated shall be subject to the control of the Central Government; and
- (ii) the delegation shall not preclude the Central Government from exercising the power hereby delegated.

M. K. KIRPALANI, Joint Secy.

GOVERNMENT OF INDIA
MINISTRY OF STATES
NOTIFICATION

New Delhi, the 19th January 1948

No. 127-P.—The following Order of the Governor-General is published for general information :—

**THE BOMBAY (ENLARGEMENT OF AREA AND ALTERATION OF
BOUNDARIES) ORDER, 1947.**

Whereas by section 290 of the Government of India Act, 1935, as adapted by the India (Provisional Constitution) Order, 1947, it is provided that the Governor-General may by order increase the area, and alter the boundaries, of any Province and make such provisions as the Governor-General may deem necessary or proper for any supplementary, incidental or consequential matters;

And whereas it is expedient that certain areas outside the Dominion of India should be included therein and made part of the Province of Bombay;

And whereas in accordance with the provisions of the said section 290 the Governor-General has ascertained the views of the Government of the Province of Bombay both with respect of the proposal to make the order and with respect to the provisions to be inserted therein;

Now, therefore in exercise of the powers conferred on him by the said section and of all other powers enabling him in that behalf, the Governor-General is pleased to make the following Order :—

1. (1) This Order may be cited as the Bombay (Enlargement of Area and Alteration of Boundaries) Order, 1947.

(2) It shall come into force at once.

2. (1) The areas specified in the succeeding paragraph are hereby included in the territories of the Dominion of India.

(2) The areas referred to in the preceding paragraph are :

(a) the areas comprised in the Estates which on the first day of July, 1947, were included in the Vatrak Kantha thana of the Baroda, Western India and Gujarat States Agency and were known by the following names :—

(i) Ged, (ii) Polajpur, (iii) Morvad, (iv) Koprurpur, (v) Mahisa, (vi) Porda and (vii) Dana; and

(b) the area known as Dangs.

3. The said areas shall form part of the Province of Bombay and the boundaries of that Province shall be so altered as to comprise within them the said areas.

4. (1) The areas comprised in the Estates of Ged, Polajpur and Morvad shall form part of the district of Ahmedabad, the areas comprised in the Estates of Koprurpur, Mahisa, Porda and Dana shall form part of the district of Kaira, and the said areas shall be administered accordingly.

(2) All enactments in force in any of the aforesaid districts, and all notifications, orders, schemes, rules, forms and bye-laws issued, made or prescribed under such enactments and in force in any of the aforesaid districts, shall extend to and be in force in the areas included in that district by the preceding paragraph.

5. (1) The area known as the Dangs shall for the time being form a separate district of the Province of Bombay and be administered accordingly.

(2) The Governor may, by order notified in the official gazette of the Province, make such provision as appears to him to be necessary or expedient,

(a) for extending to the said area the application of any laws for the time being in force in the Province or any part thereof;

(b) for removing difficulties arising in connection with the absorption of the said area in the Province; and

(c) generally for the proper administration of the said area.

(3) Any order made under this Article may be made so as to be retrospective to any date not earlier than the date of the commencement of this Order.

(4) Any order made under this Article shall be subject to the same powers of repeal and amendment as laws of the Provincial Legislature.

(5) No order shall be made by the Governor under this Article after the expiration of six months from the date of the commencement of this Order.

MOUNTBATTEN OF BURMA,
Governor General of India.

C. C. DESAI, Additional Secretary.

Shri H. V. Kamath: How many States are there still which have neither merged with the Provinces nor integrated among themselves?

The Honourable Pandit Jawaharlal Nehru: It is a simple mathematical question which the Honourable Member can do after looking at the statement.

Shri H. V. Kamath: I am asking whether the Honourable Minister can throw some light here at this stage.

Mr. Speaker: The statement is laid on the table.

SCHOLARSHIPS BY MINISTRY OF LABOUR FOR SCHEDULED CASTE CANDIDATES FOR STUDIES ABROAD

963. ***Shrimati Dakshayani Velayudhan:** (a) Will the Honourable Minister of Education be pleased to state whether there was a scheme for giving scholarships by the Ministry of Labour for sending scheduled caste candidates for higher studies abroad?

(b) If the answer to part (a) above be in the affirmative, is that scheme still continued?

(c) If not, when and why was it stopped?

(d) Have Government any idea of renewing that scheme?

آنریبل مولانا ابوالکلام آزاد : (a) سوال میں جس اسکیم کیلئے پوچھا گیا ہے وہ شیڈولڈ کاسٹ اسکالرشپ اسکیم ہی ہو سکتی ہے لیکن اس اسکیم کا تعلق لیبر منسٹری سے نہیں ہے ایجوکیشن منسٹری سے ہے۔

(b) نہیں، آجکل کوئی ودیارتھی اس اسکیم کے اندر نہیں بھیجا جا رہا ہے۔

(c) اس اسکیم کے اندر سنہ ۱۹۴۵ء میں بائیس ودیارتھی ہائر اسٹیڈی کیلئے باہر کے ملکوں میں بھیجے گئے تھے اس کا نتیجہ کچھ زیادہ اچھا نہیں نکلا اس لئے شیڈولڈ کاسٹ اسکالرشپ بورڈ نے باہر بھیجنا بند کر دیا۔ اُس وقت سے جو اسکالرشپ دئے گئے ہیں ملک کے اندر تعلیم پانے ہی کیلئے دئے گئے ہیں۔

(d) گورنمنٹ ضرور اس پر دھیان دیگی کہ شیڈولڈ کاسٹ اسکالرشپ اسکیم برابر چلتی رہے لیکن اس بات کا فوصلہ شیڈولڈ کاسٹ اسکالرشپ بورڈ ہی کر سکتا ہے کہ اسکالرشپ باہر بھیجنے کیلئے دئے جائیں یا ملک کے اندر آئے۔

The Honourable Maulana Abul Kalam Azad: (a) Yes, Sir. Presumably the question refers to the Scheduled Castes Scholarships Scheme, under the Ministry of Education and not Ministry of Labour.

(b) No, Sir. No students are being sent abroad under this Scheme.

(c) The policy of sending Scheduled Caste students for higher studies abroad under this scheme was discontinued in 1946 by the Scheduled Castes Scholarships Board. In 1945 twenty-two students were sent for studies abroad, but in later years, in view of the rather unsatisfactory results achieved by this batch the Board decided not to send any further students for advanced training abroad under this Scheme.

(d) Government will certainly consider the continuance of the Scheduled Castes Scholarships Scheme, but whether any students will be sent abroad under this scheme, if it is continued, it will be for the Board to decide.

Shrimati Dakshayani Velayudhan: When was the scheme started?

آنریبل مولانا ابوالکلام آزاد : سنہ ۱۹۴۳ء میں

The Honourable Maulana Abul Kalam Azad: In 1944.

Shrimati Dakshayani Velayudhan: How many students were sent each year?

آنریبل مولانا ابوالکلام آزاد : اس کے لئے نوٹس کی ضرورت ہے میں اس وقت پوری تعداد نہیں بتا سکتا ہوں۔

The Honourable Maulana Abul Kalam Azad: I would require a notice for this. I cannot tell the exact number at present.

Shri T. A. Ramalingam Chettiar: In the case of candidates who were selected, but were not able to go on account of want of shipping accommodation or other reasons, will they be sent the next year, or will the scholarship lapse?

آنریبل مولانا ابوالکلام آزاد : پہلے سالہ ۱۹۴۵ء میں ۲۲ طلبہ باہر بھیجے گئے تھے اس کے بعد انکے باہر بھیجا جانا بند کر دیا گیا تھا۔ اس لئے یہ سوال پیدا نہیں ہوتا۔

The Honourable Maulana Abul Kalam Azad: 22 students were sent abroad during the year 1945. afterwards, no more students were sent. This question therefore does not arise at all.

سے گوبیند داس : کیا ماننوی مंत्री جو اس بات کا دھیان رکھے کہ انہیں ویڈیو میں ویچارچی باہر بھیجے جائے جو ویڈیو ہندوستان میں نہیں پڑھا جاتے ہیں۔

Seth Govinddas: Will the Honourable Minister please keep this in view that the students should be sent abroad for study in those subjects only for which no training facilities exist in India?

آنریبل مولانا ابوالکلام آزاد : سالہ ۱۹۴۵ء میں جو ۲۲ طلبہ بھیجے گئے تھے انکے نتیجے کچھ بہتر نہیں نکلا سات ناکامیاب ہوئے اور ایک واپس آیا۔ اب اس سکیم کے تحت جو ہندوستان میں ہی تعلیم دی جا رہی ہے اور جس بات کی طرف آنریبل ممبر نے توجہ دلائی ہے اسکا خیال رکھا جاتا ہے۔

The Honourable Maulana Abul Kalam Azad: The twenty-two candidates who were sent abroad in 1945 did not show good results. Seven of them were unsuccessful and one returned. Under the provisions of this scheme, training is being given in India and the point to which the Honourable Member has drawn attention is always kept in view.

Shrimati Dakshayani Velayudhan: May I know the reasons that led to the abolition of this scheme?

آنریبل مولانا ابوالکلام آزاد : شہدوں کا سبب کمیونٹی کی تعلیمی ترقی کے لئے یہ اسکیم چلائی گئی تھی۔

The Honourable Maulana Abul Kalam Azad: This scheme was started for the educational advancement of the Scheduled Caste Community.

Mr. Speaker: It is stated in the reply given by the Honourable Minister.

Shrimati Dakshayani Velayudhan: May I know why it was thought unsatisfactory?

Mr. Speaker: That will be a matter for the Board to reply, and not for the Honourable Minister.

ATOMIC ENERGY BILL

The Honourable Pandit Jawaharlal Nehru (Prime Minister and Leader of the House): Sir, I beg to move for leave to introduce a Bill to provide for the development and control of atomic energy and for purposes connected therewith.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the development and control of atomic energy and for purposes connected therewith."

The Honourable Pandit Jawaharlal Nehru: I introduce the Bill.

The motion was adopted.

JUNAGADH ADMINISTRATION (PROPERTY) BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to move for leave to introduce a Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the vesting of certain property belonging to the State of Junagadh in the Administrator appointed by the Central Government."

The motion was adopted.

The Honourable Shri N. V. Gadgil: I introduce the Bill.

DELHI AND AJMER-MERWARA RENT CONTROL (AMENDMENT) BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to move for leave to introduce a Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Delhi and Ajmer-Merwara Rent Control Act, 1947."

The motion was adopted.

The Honourable Shri N. V. Gadgil: I introduce the Bill.

PROTECTIVE DUTIES CONTINUATION BILL

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

"That the Bill to extend the date upto which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect and further to amend the Sugar Industry (Protection) Act, 1932, be taken into consideration."

This Bill is merely intended to continue the protection on certain industries which have been already established and certain other industries which have been established during war-time. Advantage is also taken of this opportunity to continue all the provisions of the Sugar Industry (Protection) Act for a period of one year more. The industries concerned are Magnesium chloride, Calcium chloride, Bichromates, Silk and silk manufactures, Artificial silk and cotton and artificial silk mixed fabrics, Silver thread and wire including so-called gold thread.

So far as the sugar industry is concerned, it is a long history and if the House permits I shall briefly state the facts. The claim of this industry for protection was originally investigated in the year 1930-31 and the measure of protection recommended by the Tariff Board was Rs. 7-4-0 per cwt. for the first seven years and Rs. 6-4-0 per cwt. for the remaining period. Later on in the year 1946 the duty of Rs. 7-4-0 per cwt. was imposed only for a year. It was clearly stated that it was the intention of the Government to make full investigation and to come to a final conclusion. But it was not possible to complete the consideration in time and the result has been that this Bill is introduced with a view to continuing the duty for another year. The House is aware that the Tariff Board is already constituted. But there are so many matters pending before the Tariff Board that it is not possible before the end of this financial

[Shri N. V. Gadgil]

year to have anything like a report or even a thorough investigation and enquiry into this. It has therefore been decided, as I said, to continue protection till the 31st March 1949. While it is proposed to continue the protective duty on sugar it is also considered necessary to keep in force, as I stated, the whole of the Sugar Industry (Protection) Act, 1932, particularly because there are two very important sections, namely Sections 5 and 6 which empower the Government of India and the Provincial Governments to make rules requiring the owners of factories to submit returns relating to production of sugar and the factories to post notices specifying rates being paid for sugarcane. I think the House will agree that the times have not yet been steady and other economic factors have not yet stabilised which will justify all of a sudden the discontinuance of this protective duty. As an undertaking has been given by the Government last year, namely to refer the whole question to the Tariff Board, that will be done. It is expected that before the end of the next financial year the Government will be in a position in terms of the recommendation that may be made by the Tariff Board, to come before the House if it is advised that the protective duty should continue or if there is any variation in the rate of the protective duty. If the recommendation is not to give further protection there will in that case be no necessity to come before the House.

The other industries have more or less the same tale to tell. The magnesium chloride industry was given protection in the year 1929 after a thorough enquiry was made by the Tariff Board. In fact the period actually was due to expire on the 31st March 1946, but it was continued from time to time by the Protective Duties Continuation Act. Pending Tariff Board enquiry based on reliable data the *status quo* was maintained under the Indian Tariff Act of 1934. The actual reasons which weighed with the Government for the continuation of protection still hold good. I do not want to repeat them. It may be expected that during the course of the next financial year the enquiry will be completed and the House will have an opportunity of expressing itself on the recommendations of the Tariff Board.

As regards Silk and silk manufactures and Artificial silk the position is the same. All these industries which have been enumerated in the Bill have been given protection from time to time.

Shri M. Ananthasayanam Ayyangar (Madras: General): When was protection given for the silk industry?

The Honourable Shri N. V. Gadgil: Protection to the sericulture industry was given by the Indian Tariff Textile Protection Amendment Act of 1934 for a period of five years. It has been continued since then.

As regards Artificial silk and cotton and artificial silk mixed fabrics, it was in 1934 that the protective duty was first imposed and it continues. We want to continue it for one more year for the reasons which I have already given. As regards Gold and Silver thread it is the same thing.

Now there is one matter namely alloy, tool, or special steel and electrical steel sheets and high carbon or spring steel wire. The Tariff Board went through all matters relevant to these and they have recommended that protection should continue. The exact recommendation of the Tariff Board is this, Sir:

"In view of the existence of the government surplus stocks and the prevailing prices of non-ferrous metals, we have recommended the imposition of the protective duty and the operation of the import control to be in force until the 31st March 1949. In view of the importance of this industry we have thought a period of about three years should

be given to the industry to establish itself. We therefore recommend that the industry should be given an assurance of protection for the period ending the 31st March 1950. If our expectations prove correct, the government surplus stocks should have been disposed of before the 31st March 1949 and more definite date should be ascertainable by the period 1st April 1949 to the 31st March 1950 will have to be decided later on. With this end in view we have already recommended that there should be a review towards the end of 1949.

Government will review the whole position as desired in the report of the Tariff Board. This, as I said, Sir, is a Bill merely to continue the protection that is already in existence and I do not think there are any big questions involved in this at this stage. I find, Sir, from the Order Paper that notice of two amendments has been given by my Honourable friend Mr. Ananthasayanam Ayyangar. One is that the Bill should be referred to a Select Committee; and another refers to the somewhat important question of preference being still continued to British goods. So far as reference to a Select Committee is concerned, I understand that it is not going to be moved for the simple reason that there is no time left and this Bill must be passed before the 31st March 1948. As regards the other, Sir, I will say whatever I want to say later on, but I still want to tell my Honourable friend that no important question to the extent to which he thinks is involved in this. Sir, having said this, I move that the Bill be taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill to extend the date upto which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect and further to amend the Sugar Industry (Protection) Act, 1932, be taken into consideration."

Sr. M. Ananthasayanam Ayyangar: Sir, In a casual way the Government have brought this Bill to continue protection to as many as 18 industries. In clause 2, which is the material clause of this Bill, sub-clause (1) relates to 15 items for which Government wants continuation of protection for a further period of a year: the second one is about steel bars and other things which were investigated by the Tariff Board: the third one is regarding sugar. Now, Sir, the Honourable Minister evidently thinks that as soon as he makes up his mind that certain duties should be continued, automatically the Assembly must say ditto. I am really surprised at this, not that in so many words he said so. This is a very important matter. He himself read out to us that protection was given to some of these industries so early as 1929 and for a period of five years: in 1934 for a period of five years: in 1939 for a period of five years. Taking the earliest date, 1929, right to this date, a number of years have already elapsed. What is the need to continue to protect these industries? It was the Fiscal Commission that was appointed to go into the matter of taxation policy and also advise as to what ought to be done regarding the steps to be taken for protecting our industries. I do want the industries in this country to flourish. Industries in this country should flourish and should be prevented from being interfered with by the dumping of foreign goods of similar variety which can be produced in this country. To the extent that any industry in this country is protected, to that extent the consumer puts an additional burden on himself by way of tax. He pays it for what purpose? He pays so that the industries in this country and the wealth of this country as a whole may increase. On the other hand, far from doing so, industry even to this day is still crawling and has not established itself. The original object with which the industry was given protection has not been carried out by the industrialists. The main points that we should take into consideration before an industry is given protection are these: firstly, whether there are raw materials in this country; secondly, whether there is sufficient skilled and unskilled labour in this country; thirdly, whether machinery and other things are available; fourthly, whether there is a reasonable chance of this industry standing on its own legs and establishing itself firmly, so that at the end of a particular period or even twice that period the protection may be removed and it will stand world competition.

[Shri M. Ananthasayanam Ayyangar]

Sir, these industries for which protection was given could have established themselves firmly. On the other hand the industrialists have not carried out the original object for which the industries were given protection. They have been only anxious to take advantage of the protective duties and try to increase as much as possible the profits that would go to them. I expected that the Honourable Minister would at least lay before the House or would have circulated to members of the House a statement showing under what conditions and why the industries have not established themselves till now; why such a long period has been given; and why he wants to continue protection for one year. I do agree that no protection ought to be withdrawn even without investigation, but what is it that the industry says? Has it given an account of itself, and for what term does the industry want protection to be continued? What are the steps it has taken to establish itself? We have not that material before us. Each one of the items here requires sufficient data so that the Assembly may come to a certain conclusion as to what is to be done. What is the reason for the Government not circulating the Tariff Board report regarding steel alloys and tools? If it was the bureaucratic government that existed before the present government that was responsible for this, we would have torn this to pieces. It is not at all right. As a matter of fact the Honourable Minister may have had no time to look into this. How did the Cabinet decide? What are the difficulties? We have absolutely no such data, and it is only later on, at my request, that I got this volume two days ago. Why should it not be printed and circulated to members, or at any rate make this copy available to all members? Now this is not doing the right thing by the members of this House. Let us take one instance; let us address ourselves to the sugar industry. It has received protection right from the year 1934. The other day decontrol of sugar was insisted upon. We decontrolled sugar; the prices soared up to even Rs. 40, whereas Cuba sugar for the same unit was selling at Rs. 20 in Calcutta. Why should the industrialists make enormous profits at the expense of the consumer? I would say that these industries do not deserve any further protection. They have not justified themselves. They are trying—I ought not to use a strong word—to have practically a loot of the poor consumer.

We are not having a sufficient quantity of sugar; sugar is not available in the market. The Sugar Syndicate has got practically a monopoly; it controls everything and would not yield to prices. That is the way in which this industry, an essential article, has behaved with us.

There is a large acreage under sugar cultivation but in spite of it they do not produce a sufficient quantity and whatever quantity is produced, it is cornered, it is kept in particular shops and released to the public at enormous prices. The other day I suggested on the floor of the House that with respect to sugar and other essential commodities, even cereals, a kind of a reserve bank ought to be established in this country so that in times of scarcity large quantities of sugar or other essential commodities may be released from this bank; and when there is a surplus production, such surplus may be withdrawn from the market so as to keep up the prices. Something like that should be done for sugar.

One ought not to be blindly following the policy of protection; it will become not a policy of discriminatory protection but a policy of indiscriminate protection. That is what it has come to. We have no control over this industry. There are other things also. The industry has been asked to limit its profits; what is the dividend this industry has declared during the previous year? Let it have protection; we are prepared not to purchase Cuba sugar which is cheap, but purchase this sugar even at a higher price so that the industry may establish itself. But if in this country the sugar industry cannot establish itself,

it cannot establish itself in any other country. No doubt the Java sugar is cheap; we can make our sugar also cheap—a new variety of cane was discovered and it is that variety that is grown all over India.

The Government has not hesitated to give all the facilities required for this industry. But this industry has not reduced its price. The next point is that even now it wants protection. Then how has it dealt with labour? What facilities has it given—at least any bonuses—for the labour? This is the second largest industry in this country—first comes the textile industry and then steel and sugar.

I would say, Sir, that this industry has not behaved quite well so far as this Assembly is concerned, and so far as the people of this country are concerned. If felt to myself I would tell them that they shall not have any protection this year; let them stand by themselves or falter. But we cannot take any risk; so, with a sad heart I would support this motion for continuing this protection for a year so far as this industry is concerned.

Next we come to steel. At page 83 of the Report the Tariff Board says—

“Our conclusions and recommendations are summarised as under :

- (i) The present inquiry is confined to three categories of alloy, tool and special steels
- (ii) The manufacture of alloy, tool and special steels was taken up during the war, at the instance of Government, by the Tata Iron and Steel Co. Ltd., to meet urgent defence requirements.”

Iron and steel is one of the key industries. Therefore this industry requires protection. They have made an experiment during the war; the experiment is so far successful, it must be made more successful. I entirely agree with the recommendations of the Tariff Board; those recommendations ought to be adopted. That is the most salient feature of this Bill.

But even with respect to this industry I would say that they are not producing to the full. During the war their output was much larger; they have reduced it by practically 30 per cent. or even 40 per cent. now. Why should they not go up? There is a tendency nowadays for these industrialists to coerce this Government to yield to any extent by way of reduction of taxation. The Assembly heard the Honourable the Finance Minister very anxiously placate the industry. I agree with him that it is only upon the industry that we ought to depend and make the wealth of this nation grow—without them we cannot get on. But there is a tendency on the part of industrialists to coerce the Government in every shape or form. If any loan is floated in the country, the loan is not subscribed; but there is a constant agitation that rates ought to be reduced, that income tax ought to go down, that other facilities ought to be given. When we are giving protection to this industry, which is practically a monopoly of Tatas Iron & Steel Company, I would urge upon them to put forth greater effort to produce larger quantities of iron and steel, and manufactured goods, which are necessary and of which we are in short supply. Let not the facility, let not the approach, be absolutely one-sided. The Government is doing its best to protect this industry; the industry must also equally realise its responsibility both to the consumer and to the country and also to the labour to which better conditions and better facilities ought to be given. Labour's wages ought to be increased; they must also be made sharers in profits. Difficulty is experienced in the matter of production because labour is not kept in good humour. The other day in the Industries Conference a resolution was passed which was agreed to by both the industrialists and the labour. It said that labour must be made a partner in the industry, that it must be given a share of the profits in addition to fair wages; labour must also be given a share in the management—some persons from labour must be appointed as directors

[Shri M. Ananthasayanam Ayyangar]

in the management; and according to increase in production labour must also be entitled to a share in the profits. That was the principle adopted, and is being adopted, in the United Kingdom. Cripps who is every week broadcasting that the country must put forth greater and greater effort says that the further increase of labour wages will depend largely upon the increase in production. A share in the profits to labour will certainly encourage them to put forth more and more efforts to increase production.

These are the things which the industry must also take into account and that is the only way in which the industry could establish itself. The mere erection of a particular duty to avoid competition from foreign products will not alone help the industry to stand on its legs. I hope that the protection that is sought to be given to these alloys etc.—which will certainly be taken advantage of by Tata Iron & Steel—would not come up again after the period of three years—we are giving it for one year though I was willing to give it for a period of three years as recommended by the Tariff Board. I do not know why Government wanted one year only up to 31st March 1949; evidently Government wants time for considering before they implement the decision or recommendation of the Tariff Board completely.

Then the other articles are artificial silk and silk manufactures. As food is necessary so also clothing is equally necessary. Textiles have not come up before us because there is no particular protection there—revenue duty alone is imposed on textile goods. But silk and artificial silk are other pieces of clothing. What is the account that they give to us? In 1934 protection was settled for this industry. What is the production rate now? How far have they supplemented the clothing in this country? What is the need for protection to continue? I expect a little greater detail regarding the need for continuing protection for this industry.

Sir, during the war there was an opportunity for every industry in this country to put itself on a sound basis, to stand on its own legs and establish itself within the five years of war. Then we were not getting most of these articles from abroad partly on account of political reasons and partly due to economic considerations or the difficulty of shipping. Now, under those circumstances, during that windfall when an industry was practically able to produce larger quantities and also acquire larger profits, if they were not able to establish themselves, I do not know if, after the war, they will be able to establish themselves and how long we have to impose this additional burden upon ourselves. Japan is now switching over from wartime to peacetime economy and may produce silk and artificial silk. Japan and other countries might enter the field. How long have we to impose this additional burden on ourselves? Certainly this should be one of the considerations which the Tariff Board will enquire into.

Though individually I have no objection to these industries being given some more help, so that they may establish themselves, there must be a reasonable period—and sufficient time has been given—within which they should establish themselves and if they do not establish themselves, they ought not to come again to us for any kind of protection. That is all that I would submit. So far as the procedure adopted by the Government is concerned, there is one thing. No doubt, we are here to support the Government, but our support must be based on facts. It ought not to be a blind support of whatever the Government says, though it is our own Government. The Government must be more considerate to the House and place before it all the materials. This one day's notice is not sufficient. If the Report is in our hands for a

couple of days that is absolutely inadequate. (An Honourable Member "You are the only member fortunate to get it.") I asked for it and so I got it. This was not distributed to me. With these remarks, I do support the motion for consideration. I am not pressing for a reference to the Select Committee inasmuch as without much of material, there is no purpose in making a motion for reference to Select Committee. I do not think with the meagre material that is placed before us, we will be able to do anything more in the Select Committee.

Shri T. T. Krishnamachari (Madras General): Sir, I must confess that this has become a sort of hardy annual coming up year after year in continuation, apparently because just like the Governments in the past the Government of today is not able to make up its mind as to its policy in this matter. There has been admittedly enough justification, because other preoccupations make it very difficult for the Government to make up its mind. My Honourable friend Mr. Ananthasayanam Ayyangar gave an idea of what is happening behind the screens. It is quite possible that before long the Government will have some definite policy in regard to industries in this country and the nature of the protection that is to be afforded to them.

But, Sir, speaking on this particular motion made by my Honourable friend the Minister for Works, Mines and Power, I find that the articles covered fall into two categories. Sugar and silk fabrics are undoubtedly articles that affect the common man who is the consumer directly. On the other hand, chemicals of specialised variety and special type of steel do not touch this class of consumers. They only touch the industrialists, the people who want these goods for manufacturing purposes. Well, my friend is right in regard to his insistence that the Government should act in such a manner as to reduce the consumer price in regard to such of those articles which affect the common man, but he is not quite on the same firm ground in regard to the second class of articles. I have a little experience in regard to the treatment afforded to the chemical industry in the past by the previous Government and I had protested times without number in this very House that the Government was treating them in a stepmotherly fashion. It is true that many of these industries came into being because of the support that was given to them by Government and also of the adventitious circumstances that were in operation during the war. But such specialised industries like calcium chloride or bichromates will ordinarily be very difficult to start. They have been started by a number of people in various parts of the country. They may even be uneconomic industries as they cannot produce cheaply. It may be profitable for the industrialists to import these articles direct from other countries, but surely, are we to allow them to die merely because various other factors like the transport bottleneck, 12 Noon — coal being high priced and other raw materials not being available for one thing or being high priced for another—are in operation and they are not able to produce at an economic price? That is a policy which we had in the past observed the previous Government favouring and we had protested very vehemently and I am sure my Honourable friend Mr. Ananthasayanam Ayyangar had also done it. So, it means that either the Government gives them protection or operates its import policy in such a manner as would give them protection—namely, by prohibiting goods which are of a competitive nature—or allows them to go under. Surely, my Honourable friend the Mover and his colleague the Commerce Minister have in their hands enough power to regulate imports in such a manner as no protection need at all be given, but they have chosen the more obvious method and utilised the precedent established in the past of coming before the House every year for protection for a temporary period of one year. In fact, in regard to sugar, considering the price that has now been fixed as a result of the understanding arising out of the increased

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price for the growers of sugar cane, it may be that unless we give this protection, or unless the Government regulates its import policy in such a manner—it has to, because of the scarcity of hard currency—we will probably have a lot of foreign sugar dumped into this country. It is quite conceivable that our sister Dominion next door might import sugar from Java and Cuba and even smuggle it across the frontier. (An Honourable Member: "They have already done it".) So I do not think that we can afford to allow an industry of this kind to go under, notwithstanding the fact that by this protection and by other remedies that the Government might provide prices will not come down, because sure enough, some time or other Government might take up these industries on hand as they have taken up some mills in the U. P. I understand, and produce sugar at an economic rate. So we have to keep the industries we have going and not let them be destroyed. I think the House will remember that even though we ask the consumer to make a sacrifice—a temporary sacrifice—we are doing it in the best interests of the economy of this country and not because of a particular circumstance which is now prevailing.

Sir, in regard to silk and silk fabrics, my Honourable friend felt a little impatient. I might put it to him: "Nothing has been done in the past; something might be done in the future. Why do not you wait?" Otherwise, the other factor is also there. Supposing you take away this protection. It is not quite easy for you to allow Japanese silk to come in, although certainly it will be quoted at a much less price than our own silk, because it will mean so much of our foreign exchange expended. My own feeling is that by this gesture Government is merely giving a token of their view that they are prepared to do the best for the industry on their side and that the industry must pull up in the meanwhile. On the question of the past behaviour of the industrialists I agree with practically every word that has fallen from the mouth of my Honourable friend Mr. Ananthasavannam Ayyangar. It is not that the industry is behaving well. It is not that the industry appreciates the realities of the situation. All that is true. But at a time when defeatism overwhelms every hope in the horizon, by any act of Government, why should we make the situation worse? The psychological factor requires that even though this particular object might be achieved by Government controlling its import policy, this Bill is necessary to tell the people: "we are no doubt continuing the protection for one year, but for one year only, subject to review later on. But in the meantime, you must do your best." Therefore, Sir, we in this House should do nothing or say nothing which would detract from the gesture that the Government is making to the industry. We will certainly wait and see for a year. When the industry comes back again, with a request for partition to be continued we shall know what to do. In the meantime, I feel that nothing that we say here should be such as which will make the industry feel more frustrated than what they are feeling now. I do not say that they are justified in it. I do not say that they have been appreciative of all the circumstances that make up for this consideration to be shown to them but the facts are there and we have to help many a lame dog over the stile because it is in the best interests of this country.

Sir, I support the motion made by my Honourable friend the Minister for Works, Mines and Power.

Mr. E. K. Sivas (C. P. and B-sarar: General): Sir, when this Bill was presented to the House—this half sheet of paper—it looked as if it was a simple Bill. But if you read the Bill, it contains many figures and it refers to another main Bill or Bills to enable a member to study it. In the Library I was able to get the respective Bills—the Indian Tariff Act and the Sugar Industry Protection Act. I wanted further information and I was not able to get anything from the Library.

My Honourable friend, Mr. Ananthasayanam Ayyangar was able at least to get something whereby he was able to express his views freely, but I am not in a position, Sir, to get anything from the library or from the Ministry, which should have really supplied to all the members the relevant information. We have been receiving a number of circulars relating to various bills and opinions which have been received from the Provinces today also we received three batches which relate to Hindu Family Code Bill! Then in regard to the Insurance Bill we have been receiving the opinions from various Provinces and from various institutions—all these give us an idea as to what the country feels about these matters. But in this very important matter—it is not a simple bill as it seems to be—which affects really the average consumer and the policy of the Government, it is most unfair that the House should be kept absolutely dark and therefore, I shall not be able to do justice to this subject fully. What I have been able to gather is that this protective duty is being given to industries, which, as my Honourable friend rightly stated, ultimately falls on the consumer and is an indirect taxation upon the average consumer who is asked to pay for protecting these industries. We are out for supporting our Indian industry. I and many of my friends were preaching from various platforms to support the Indian industry under the British rule and even when the prices of textile, cement and many articles which were imported from foreign countries shot up, we advocated the Indian industry to be supported until we became free.

Now, Sir, nobody can question our *bona fide* as far as the support of the Indian industries are concerned. I do not think my Honourable friend Mr. T. T. Krishnamachari can say that we are not out for supporting the Indian industry; we are as patriotic as any body else. In fact, let me tell you, Sir, men like us have given a great deal of impetus for the expansion of Indian industry by our propaganda. I must tell you, Sir, plainly, we never took into consideration any high prices at that time and whatever the increase might have been, we said that they must be protected. Without giving an opportunity to this House as to what the condition of each industry is, we are asked to support the protection. It is unfair to the House; we have not the data before us. With regard to sugar industry in the conference of the Indian Chambers of Commerce and Industry, which I attended, many of the industrialists themselves complained that in the very first year of this industry when it was established, they made 110 per cent. profit. Some of the industrialists had to complain that they frittered away the money and they did not conserve it and after about three years, there was a setback. Our industrialists have a policy that whatever the high profit they get, they swallow up, without keeping anything in reserve for bad days or for improvement of machinery. The Japanese industry has prospered for the reason that they actually maintain the most modern machinery they have been able to compete with the prices in all other countries. In India our industrialists, of course.—I do not know at the present juncture—during war made much money, but they did not put it in the Reserve fund for meeting bad times or improving their old machinery. In the textile machinery in Japan and other countries, one operator conducts 6 looms at one time, because the looms are worked automatically, whereas in our country one operator has to look after each loom and that also under extraordinarily bad and most uncongenial weather conditions. Therefore, my point is what steps Government have taken to enquire from this sugar industry which we really wish to flourish. Industries such as textile, sugar, cement and steel, we want to be fully protected; if any foreign Government wants to kill our industries, then I shall certainly say the Government must help them.

Then, take the case of Japan. In spite of having increased the import duty by 40 per cent on Japan textile which was imported at a cheaper price Japan

[Mr. R. K. Sidhva]

was competing with Lancashire piecegoods. Still Japan with all this heavy duty was able to compete with the Indian manufacturer. Why? It was not because of low paid labour but because their Government have so arranged matters as to give an impetus to their industry; they gave them concessions in freight; in insurance and in other ways; they had their own companies, the Government have their own steamship companies and insurance companies and the main purpose was to send all their goods outside their country and for this they gave various concessions and in this way they were able to compete. Of course, the labour there is cheap. Our labour has not got even Provident Fund today. A labourer in our country who works for 55 years and when he is old, is thrown on the road; it is no concern of the State or the industrialists to look after him after he had faithfully, loyally and honestly served the concern. That is the condition and still to say that labour prices have increased and therefore protection is needed is not correct. I admit wages have increased; everywhere they have increased—I should say proportionately increased. But on that ground alone protection to these industries is not justified. I must admit, Sir, most of the profit from protection go to the industrialists and because we favour Indian industries, we are asked to give them this kind of latitude at all times. Therefore, my contention is that the House should be fully informed as to what is the position of each one of this industry. If there was no 'Objects and Reasons' given in this Bill, Sir, I am sure, no Honourable Member would have understood the meaning of this Bill. It says that protective duty will be continued on certain articles, but the material is not there. At least Mr. Ananthasayanam Ayyangar was able to get a copy; there are not many copies to get at. It is the Government who has got the machinery and it is the duty of the Government to supply the Honourable Members all materials. If they cannot give copies to everybody, they must at least inform the members through the Assembly office that such a copy is available.

An Honourable Member: Such an information is available in the Assembly Office that they are exclusive to members who want to see them.

Mr. R. K. Sidhva: As regards a tiffical silk also there are many silk looms in Bombay and I know some of them are making very heavy profit on them. Therefore, I do not know whether this additional protection duty is justified from the point of view of Indian industries or from the point of view of individual industrialists. If it is in the interests of India to give protection to the industry and for the expansion of the industry, then we shall certainly see that they should be given help, but if it is intended to continue for the benefit of the industrialist or the manufacturer only, then we should say there must be a fullstop; we do not want any kind of protection. If these industries had not prepared themselves after so many years protection, they must be wound up. If the Government feel that these industries must be maintained for good of the country, then they must send for scrutiny to the Tariff Board or they must take upon themselves to run the industries. Otherwise the country would certainly prefer the imported articles at a cheaper price which will not fall upon the consumers. In the name of protecting Indian industry we should not give off these individual industries some kind of relaxation at all times by which nobody is benefited. The Government's policy ought to be that in all the industries where we give protection, they must find out whether these industries which have been working for so many years, are able to stand on their own legs; if they are not able to stand the competition against foreign imports, then it is to nobody's good to protect them. But if the industries themselves feel

that they can continue, let them do so without our aid. But when the protection from Government is needed they must really consider whether these industries must be supported or not and until they can, let the imported goods come in. There is nothing wrong in that. How is the average Indian benefited by this protection being given? In spite of all its faults I will not say that sugar protection should be stopped because it is an industry which has come to stay and we must protect it. I know shipments of Mauritius and Java sugar have come to Karachi but the prices are exorbitant and therefore our prices are still very much cheaper. Similarly in the case of steel the imported price is 200 p. c. more than the local price; so why should there be protection for Indian steel? That has not been explained. It does not need any protection; the imported price being so heavy it can stand on its own legs and stand a competitive market. In fact the steel prices should be put up. As I said the other day, you can levy a duty on Indian steel so that the price may be nearer to foreign steel, and that will give you about 10 crores which you can spend on the betterment of villagers and village industries. But that is not the issue just now. My point is that while we support this motion the Honourable Minister must know that we desire that before this measure is brought up next time the industrialists must make out a case for further protection and Government must make an exhaustive survey and see whether the justification exists. If small industries have not been able to stand by themselves in spite of protection being given for ten years, they should be closed down.

An Honourable Member: Including the war period?

Mr. R. K. Sidhva: That is a matter of detail; I do not mind excluding that period if it is necessary in the interest of the country's industries. I am for expanding our industries as much as possible; but in the name of industries I do not want to waste public money so that while some people make money others are asked to pay through the back door. The consumers paid at one time because it was our duty to patronise Indian industries. Therefore I hope that the views expressed by me and by my Honourable friend Mr. Ayyangar will be borne in mind. While giving protection they must be made to understand that they must improve themselves in 12 months and make out a real case; otherwise the House will not be prepared to consider their case favourably next time. Sir, I support the motion.

Shri T. A. Ramalingam Chettiar (Madras: General): Sir I cannot congratulate Government on the way in which they have been dealing with this matter. They have not at all been fair either to this House or to the industrialist in bringing a motion like this. Taking the industrialist first, he does not know where he stands; if year after year the period is extended he does not really know whether he can make improvements at great cost to himself and develop the industry or not. He should be assured that the protection is going to last for some time so that he may make all efforts to see that the industry is properly established in the country. This sort of spoon-feeding from year to year makes things very difficult for the industrialist. On the other side we do not know what we let ourselves in for, whether the industries have been making any progress. How long the consumer is going to pay for establishing these factories on a proper footing and that is not known. Government should have a proper policy; they should have a proper examination of every protective duty they impose and then impose it for just the period that may be required, instead of this sort of haphazard business in which they extend the protective duty from year to year. In any case the House should have an opportunity to see whether the duty that has been imposed has led to the development of the

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industry, whether any progress has been made and whether there is any advance in continuing the duty in future years. We do not know all this. The Honourable Minister said just now we are on the eve of the expiry of the period for which the duty was imposed and told us that unless we pass it here and now the whole thing will collapse. That is not the way in which we expect Government to deal with this House. I suggest that they should deal with this more as an industrial measure than as a fiscal or a merely commercial matter. With reference to commerce, it may be that with reference to exchange and other difficulties or difficulties of getting shipping and getting goods from outside we may have to impose certain duties to help the industrialists of our own country. That will have to be taken separately. Then there is the other class of cases where we want to levy a duty as a matter of fiscal necessity. Such cases again have to be treated separately. When you think of giving protection to industries there should be a proper examination as regards the commodities to be protected and also the period for which protection will be necessary; and there should be a review made of any measures that we take once in three or five years, as the case may be. Then, before Government come to this House they ought to be in a position to tell us what the effect of the protection that they have given has been and what protection is necessary and for what period, whether there is any object in continuing the protection or not. It may be that the protective policy has not succeeded; in such cases it is not at all fair that the consumers should be made to pay more for the goods manufactured in this country. So I request Government that during the coming year they should make it their business to examine all the protective duties that they have imposed and want to impose hereafter, and then come to a conclusion as regards the list of articles for which they want protection, the period for which they want protection for each of those articles to be given and also arrange for a periodical review; so that when they come for an extension of the period they may make out a case and ask us to consider on the merits whether protection should be continued or not.

With reference to the particular articles mentioned I do not want to make any remarks because, as I said, the Honourable Minister said we must pass this today and he is not prepared to go into an examination of the result of protection given with reference to these articles. There are matters relating to several articles about which examination will be necessary. I am told, Sir, by an Honourable friend here that the Tariff Board have already gone into them. If so, it is only fair that Government should have given us information as regards the recommendations made by the Tariff Board.

Shri M. Ananthasayanam Ayyangar: Out of the eighteen items, only one item was considered by the Tariff Board.

Shri T. A. Ramalingam Chettiar: It is very unfair that the recommendations of the Tariff Board were not communicated to the members of this Assembly so that they may consider those recommendations and consider also whether the recommendations ought to be accepted or not. Now, in the present state of our knowledge we have to accept the Bill as brought without any change or any remarks. It may be that even if we agreed to the articles being protected, the actual protection given may be sufficient or insufficient, or it may be too high. All these things will have to be considered every time a measure like this is brought before this House. That is why I said the Government has not been fair to this House. I do hope that in the year to come

They will make the proper enquiries, make up their minds as regards the articles which are to be protected and the period for which protection will be necessary, and inform the House sufficiently in advance of all the information available. I would even say that with reference to the protection being given, they need not bring the whole list before the House at one time. They may deal with each article at different times as the examination is over. That would be better for this House and for the industrialist, because in the case of the industrialist, he will be in a position to make a good case and in the case of this House they will be better able to devote their attention and concentrate on the merits or demerits of the particular industry that may require protection.

With these words, Sir, I agree to this motion going forward, even though I am not at all satisfied with the way in which the House has been treated in this matter.

Shri B. P. Jhunjhunwala (Bihar: General): With regard to the remark by my Honourable friend, Mr. Ayyangar, the Government is not at all far in not letting us know why it wants to give further protection to a particular industry.

Mr. Speaker: I might invite the attention of Honourable Members to one aspect of the debate. I have been noticing that the Honourable Members are practically repeating the same general arguments and I find a large number of members are anxious to speak. I would earnestly request them not to repeat the general aspect of the question but to come to the definite point to which they wish to invite the Honourable Minister's attention. The general aspect has been sufficiently discussed.

Shri B. P. Jhunjhunwala: I was not going to repeat the general argument, but began it only as a preamble to a concrete instance I propose to give only in regard to sugar industry.

Mr. Speaker: I was not speaking with reference to what the Honourable Member was going to talk about.

Shri B. P. Jhunjhunwala: I will speak as to why the industry has not progressed and come to the stage so as to compete with foreign sugar because of the negligence of the parties concerned. I will confine my remarks only to the sugar industry. According to the Honourable Minister, it was in 1932 that protection was granted to the sugar industry. The protection was Rs. 7/4 per cwt. and the parties affected by this protection were the Government, the cultivators, the industrialists and the consumers. I shall simply examine the question to see which party was the loser and which parties profited at the cost of efficiency. The Government in the beginning, when it gave protection to this industry had to forego a large amount by way of customs duty which they used to realize from the sugar which used to come in the country. So far as the Government is concerned they have been making up all the losses which they incurred by way of foregoing the customs duty, by imposing excise duties and by different kinds of cesses. I have not got the figure at the moment to ascertain whether the Government is a loser or not now. But so far as my memory goes, I think the Government is gaining by way of excise duty and other cesses, which they have been levying from time to time and there is no loss to the Government.

The other party concerned is the cultivator. When there was no protection and control millers used to purchase the sugar cane at the lowest price and they made tremendous profit at the cost of cultivators. But subsequently the Government came to their help and the price of sugar cane was

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fixed at a price for giving sufficient margin of profit to be made by the cultivators, and while levying the excise duty and the cesses in the provinces, the Government had promised that this amount will be invested for the improvement of cane cultivation so that the cane could be sold at such rate, leaving sufficient margin of profit to them, as to enable the millers to produce and sell sugar in the market at the lowest competitive rate when compared with foreign sugar. So far as the levying of the excise duty and cesses are concerned, those are there, and these are being increased from time to time. But so far as the improvement of the cane cultivation is concerned, nothing has been done in that respect. What the Government does when the cultivators approach them and they say that it is not paying for them to grow cane at such a price, is that they take this into account and raise the price of the cane without taking into consideration that if the cane cultivation is improved it will not be necessary to increase the price of cane, and consequently the price of sugar. As I have stated before, formerly the sugar cane price was four annas per maund and even at that rate the cultivators used to make some profit. Now the cultivators are being paid Rs. 2/- per maund and even then the margin of profit to the cultivator is not much. When this protection was given, it was expected that both the cultivators and industrialists will work efficiently and take advantage of protection in that sense and that after sometime we shall be in a position to supply sugar to the consumers at a competitive price when compared with the rate of the foreigners. When protection was given we used to get sugar at the rate of Rs. 10/-. In India also the sugar was being produced. The mills could give sugar at Rs. 10/- and now we are getting sugar at the rate of Rs. 40/-. The cultivators get Rs. 2/- per maund as price of the cane but the Government does not care to see that it is not the higher price of sugar cane and consequently increase in price of sugar that will solve the problem of the cultivators and the industry, but the method of producing cane at the cheapest possible rate. In one acre of land now the cultivators produce about 200 maunds of cane. If instead of that they can produce 600 maunds of cane per acre as is being done in the Government experimental farms the price of cane can easily be reduced to 7 to 8 annas and the sugar can be sold to the consumers at much below the price at which we are selling now. Government has taken the whole control of sugar industry in their own hands: they do not care as to how to help the cultivators, so that they can produce more cane in the same acre of land and get more return out of one acre of land, and can make profit even though they may get 8 annas per maund of cane rather than Rs. 2 per maund of cane. The whole snag lies in this. We have not been able to bring in efficiency in the cultivation of cane. As I said before it is not at all difficult. It is quite possible and easy if the Government left it to the cultivator and to the industry to take care of themselves. In that case it would be possible for the industry and the cultivators to combine to bring about efficiency. But the Government's control is there at every stage and because of this control people cannot move an inch. The people placed in charge of these controls and those who administer the industry are such that they do not know much about it. One I.C.S. gentleman did not know as to what kind of seed the sugar cane has. Once when the cultivators approached the Government that they wanted facilities for bringing sugarcane seedlings from another place, where they could get better seedlings, so that they could grow more sugarcane in the same acre of land, the reply given by that officer was "Why don't you store the seedlings for a year and then grow the cane?" This officer was in charge of the administration of the whole province and it was at his dictation that the whole thing was being administered. A veterinary doctor or a price controller can be and is a director of Agriculture without any knowledge of Agriculture.

Shri B. Das (Orissa: General): That is Bihar, I think.

Shri B. P. Jhunjunwala: No, that is Orissa! I do not want to name the province. This is the way in which administration is going on. From my personal experience I can say that if the Government had not interfered and had left the industry and the cultivators to themselves, they would have taken better care of the industry and more efficiency would have been brought about.

The Honourable Shri N. V. Gadgil: That is gratitude!

Shri B. P. Jhunjunwala: In the Statement of Objects and Reasons they say:

"To keep in force up to the 31st March, 1949 the whole of the Sugar Industry (Protection) Act, 1932, which ceases to operate after the 31st March, 1948 particularly in view of the provisions of sections 5 and 6 thereof which empower the Government of India and the Provincial Governments to make rules requiring the owners of factories to submit returns relating to production of sugar."

They have not mentioned anything as to what the snag in the industry was which had not led to better production and more efficiency. They have taken care only to realise their own taxes and excise duties. They place special emphasis on that. If the Government had taken care to know and to inquire as to how we have not been able to bring about efficiency, why we have not been able to compete with the sugar produced in other countries, why we have not been able to make this industry self-sufficient, they would have rather said that with special reference to the instructions given to the provincial governments they have not been able to bring about efficiency in the cultivation of sugarcane.

My Honourable friend Mr. Ayyangar said in the beginning that he would like to oppose the Bill but subsequently he said that he did not want to oppose it. Sir, I don't know why he changed his views. The business of the Government has throughout been to extract as much money out of the Industry by way of increase in cesses as possible, and to increase the price of cane whenever the cultivators so demanded and consequently the price of sugar so as to keep both the parties pleased, without minding in the least as to what the result will be and without caring to bring about efficiency in cane cultivation which alone is the solution. All these three parties are making money at the cost of the consumers. If this is the policy of the Government which it will follow my advice to the House is that the protection should go and along with it the control of the Industry will go and in the latter case the Industrialists and the cultivators left to themselves in free competition will know their interest better and bring about improvement.

Shri B. Das: Sir, I did not think that this enabling measure would raise such diverse discussions on the floor of this House. My Honourable friends Mr. Ayyangar and Mr. Sidhva who were protectionists till now have gone back to being freetraders. They created a little storm in a tea pot. What is the position of the Government? The Government have not entered into an Indo-British trade agreement. There is still the Damocles sword of Imperial preference hanging on our heads and therefore if Government have to devise any new measure of protection their hands must be free. They should not have the manacles of the British Government which they have at present, in spite of their being a free country. An Indo-British trade negotiation would have to be made before that the constitution act would be passed whereby we would be a free country and there would be no preference to the U.K.

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The second point is that the Finance Minister has already announced that he is going to appoint a Fiscal Commission or Committee consisting of taxation experts who will examine the taxation structure in India. Whether protection is necessary or not in spite of the recommendations of the Tariff Board that Committee should examine. From the day when the sugar industry received protection and when various industries received protection I have advocated on the floor of this House,—at that time I was sorry I advocated it and at present I am happy that I advocate it—that the Government of India must levy more and more excise duty; otherwise the Government will not have funds for the development of the country or run the normal administration. This Bill has not been introduced at the suggestion of the industry. This Bill is there because for one year the Finance Minister and the Commerce Minister will get their necessary quota of taxes. Whether the sugar industry deserves any protection is not the subject matter before the House. That subject we will examine after we pass the constitution act and after we are free from the manacles of U.K. In spite of the cry of the industrialist for protection, India is going to have high tariff walls. The industrialist will not have to come to the House: the Government of India for its own existence will create high tariff walls and that would give enough protection to the industry and the industrialist need not be castigated, as he has been castigated this morning, although he was not in the picture. I agree with my Honourable friend Mr. Ramalingam Chettiar that industrialists and industry should be ensured a certain period of protection. But the subject is not before this House today. The subject will be there when the Commerce Minister brings it in next year after going through the Fiscal Committee's recommendations—the Fiscal Committee will soon be appointed—and after studying the Tariff Board's recommendation and also after terminating the unholy United Kingdom preference.

My Honourable friend Mr. Jhunjhunwala laid the blame on the Government in regard to sugarcane prices.

Shri Ramnarayan Singh (Bihar: General): He has got experience of that

Shri B. Das: And so have I. Sugarcane is being paid today eight times what it was paid in 1934, when the sugarcane grower did not earn sufficiently. My friend somehow thinks that the Government has to be blamed. We know what happened in 1934, how the big capitalists incited the masses to grow more sugarcane and they bought it for a song, even 4 annas per maund; to the cultivators in Bihar even 10 pice or 2 annas per maund was paid. But the Commerce Minister cannot do anything for that. It was the Provincial Government that was there to see that the sugarcane cultivator was paid the right price. If there is a lacuna in the law the Provincial Governments must stiffen their law—and I think they have stiffened it when it is remembered that eight times the price of 1934 is paid today. The cost of living has gone up by three or four times and I think the sugarcane grower ought to be satisfied with an eight times rise in the price. If we say that Rs. 2 per maund is not sufficient for the sugarcane grower, then what about the price of sugar? As we all know the price of sugar has gone up after the decontrol of prices. It went up and it followed the economic law.

Pandit Thakur Das Bhargava (East Punjab: General): Now, it has gone down.

Shri B. Das: It went up immediately with the decontrol. The price must go up if we follow some rational economic law. The only thing is I think the

House should not come to sit in judgment on the capitalists or the industrialists seeking protection now. This Bill which my Honourable friend Mr. Gadgil has brought in is only with a view to enable the collection of taxes for one year and to allow him and his colleagues within that time to understand what will be the future structure of taxes.

As regards the various items that are mentioned in the statement of objects and reasons, I fully support the plea for extension up to the 31st March 1949. But whether some of the articles mentioned there—Sugar, Magnesium chloride, Calcium chloride, Bichromates, Silk and silk manufactures, Artificial silk and cotton and artificial silk mixed fabrics—will require further protection from the Government's own policy of taxation and the creation of high tariff walls, I do not know. But I can predict that the Government themselves will raise high tariff walls for the purpose of their own maintenance and for their own administration.

My Honourable friend Mr. Sidhva passed a remark that Japanese goods were selling cheap. The Japanese Government used to give subsidies. But we were under foreign rule. Whether our Government has to subsidise the shipping industry or has to subsidise Indian industry for export markets; Government need not subsidise cotton mills or sugar factories to sell things cheap in India. We can say that our export policy should be such that Indian manufactured products will be carried in Indian national bottoms and sold at competitive prices in foreign countries. That is a demand that I can understand. But I would not like the Government to subsidise any industry as for instance we are doing at present in the matter of food. We are subsidising the purchase of food to the extent of Rs. 27 crores per annum. This year it will be Rs. 20 crores. We have been subsidising the purchase and selling of food grains at a cheaper price in the countryside. That will not be possible and Government will not have, I think, finance enough to do that. That comparison of Japan and the Japanese method of expanding industry, with India had no bearing on the present Bill.

With these few observations I support the Bill. But I do hope that whoever will be the Commerce Minister in 1949 he will bring a comprehensive measure in line that will suit free India and her fiscal policy.

Prof. Shibban Lal Saksena (U. P. General): Mr. Speaker, Sir, I am really surprised that this Bill seeks to extend for one year the protection granted to the sugar industry in the year 1932. As one who has been associated with this industry from the beginning when the protection was granted, I may say I was one of those who welcomed it most warmly. I am sure that if protection had not been granted we would not have had this industry as strong as we have it today. But when protection was granted it was laid down that it would be only for a limited period, and it was said in 1937 that there would be an Enquiry Committee to see whether further extension of the protection would be necessary. An enquiry was held in 1937, and I myself appeared before the Tariff Enquiry Committee. That Committee extended the period to the full term. Now we have come to the end of that full period and it will expire on 31st March 1948. The Bill before us asks for a further extension of one year. I would have understood it if the Bill sought extension of protection for another five years or for a longer period. The proposal to extend it only by one year means, I think, that the Government has not yet been able to chalk out any definite policy in regard to this industry. This is not very good, especially in regard to an industry which affects not only a few industrialists but a very large number of growers. There are now about 170 or 180 mills all over the country and this is an industry with which a large number of sugarcane growers are connected. In a normal year we produce about 12,00,000 tons of sugar which means about 3,60,00,000 maunds of sugar. Roughly that means about 36 crore maunds of sugarcane. If an

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average sugarcane cultivator be taken to produce, say, 300 maunds then we have got about ten lakhs of growers who will be connected with this sugarcane cultivation. I therefore say that this industry needs very careful handling and it should be seen that we are able to put this industry on its own legs so that it can be in a position to compete with any sugar-producing country in the world.

Secondly, it should be in a position to supply sugar to consumers at a cheap rate. I know that in 1932 when the protection was granted, sugar used to be landed at Calcutta from Java for Rs. 3-8-0 per maund. The duty of Rs. 7-8-0 per cwt. was imposed and then the price came to about Rs. 10 and then alone could our sugar factories compete with it. Before that there were only 31 factories in the whole of India. Now there are about 170 factories.

If you examine the growth of the industry, you will find that in the very first seven years 120 new factories were set up. That shows the urgent need of protection because obviously this country could not compete with the highly efficient sugar industry of Java where there are natural advantages also and where they had specialists from the Dutch Empire who were running this industry in a most efficient manner. There was an urgent necessity. If it had not been done, probably you would not have had sugar industry here. Now Java is practically devastated and I am sure it cannot produce sugar at the cheap rate at which it used to produce before. Besides there was a time in the year 1937 when sugar prices went down to as low as Rs. 5/12/0. We entered into competition and millers were very much upset. Sugar could be produced at Rs. 5/12/0 in this country in 1937. Now today sugar is sold at Rs. 35/7/0. I think it is not proper to say that this industry now requires protection. What has happened is this. Since the year 1937 when the syndicate was formed—in order to check internal competition it had reduced prices to so low a level—since then the syndicate is functioning as one of the worst monopolies. Its only purpose is to mulct the consumers and I would not be in the least sorry if the syndicate was broken today. I think this is a most urgent demand. So long as the syndicate remains, there will not be free competition between one mill and another.

Shri B. Das: How can you do that?

Prof. Shibban Lal Saksena: I will tell you how we can do that. Unless we break the syndicate, there will be no competition between one mill and another. The result will be whatever price the syndicate think fit in their own interests or to their own profit, they will force it upon the market and the result will be that the consumers will be mulcted and production will go down. My friend Mr. Jhunjhunwala told you something about the cane production and he said there had been no development. He was perfectly right. In Java the recovery of sugar is as high as 14 per cent. and in Formosa it is as high as 15 per cent. whereas now after 15 or 16 years of cane cultivation in this country when methods have improved we still have a normal recovery of 10 per cent. and the highest level reaches about 11.5 per cent. That shows that unless we give special attention to the improvement of the cane, we cannot compete with the markets of the world, but that will never happen until the mills are forced to set their own house in order, unless they are forced to improve their cane cultivation, unless they are compelled to spend more money on research so that high quality cane is produced and the sugar content in the sugarcane is increased. In fact until that is done, there is no hope of increasing it.

Secondly there is the question of yield. The yield has not also improved. In Java they produce 8,000 maunds per acre whereas in this country we pro-

duce 300 maunds per acre, 1/10th of the production which an acre gives in Java. I think it is high time we introduced those varieties of cane and those methods of cultivation so that we can compete in cane production with other people, India can produce it. It is not impossible. In Bombay for example, they are doing it. But of course it will require some special effort, some special pains so that we can do it. But if we go in the manner in which we are going, I am sure we will never be in a position to compete with foreigners in this industry. The sugar industry is the second biggest industry in our country now, and its interests are so closely interlinked with the fate of millions of families in our country that we cannot afford to have a very superficial treatment of this industry. Unless that is done, I think a crisis will come. In this industry there are 170 factories.

Mr. Speaker: Order, order. The Honourable Member need not go into the details of all considerations for or against protection at this stage. I believe he has made out a case that the sugar industry does not stand in need of protection. There are a large number of items in the schedule and if we were to discuss each item so thoroughly as that, we shall have to sit for days together, for this Bill.

Prof. Shibban Lal Saksena: Sir, I shall finish in 15 minutes.

Mr. Speaker: Then we better adjourn for the Lunch recess and re-assemble at 2-30.

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

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

Prof. Shibban Lal Saksena: Sir, my Honourable friend Mr. B. Das made a very pertinent query. He said, "How can we abolish the Syndicate?" I will tell him. This present syndicate in the U.P. at least, with the 130 dealers, is a farce Syndicate. In the Sugar Control Act one of the provisions is that each mill shall be a Member of the Syndicate to begin with. Once in 1941 these millers tried to deceive the Government by suddenly reducing the price of cane at the end of the season. The Government then removed this condition and there was a very great embarrassment in the whole of the industry; they begged the Government to put in the condition because as soon as this compulsory Syndicate was abolished and they were left to form a voluntary Syndicate, there were so many internal differences and factions among themselves that they could not carry on. Do not think that the Syndicate today is a voluntary Syndicate. When this Syndicate works against the Government, it must go. I think unless it goes the Government cannot control it.

Then, Sir, I say that this industry which caters for millions of employers as well as labourers and the shareholders of the industry, must be taken care of. Therefore, I think that this is an industry which must be nationalized first. Only nationalization can ensure that we can guarantee profits to the cane-growers, to the labourers and to the Government also—whatever it can have. I therefore hope that next year we shall not be confronted with a Bill for further giving protection to this industry but with a Bill which will nationalize the industry. I hope the Minister in charge will see to it.

Now, Sir, we are called to give protection for one year. Well, if the Government—our own Government—wants it, we will give it, but only on one condition that they will see that the profits of the industry this year are not monopolised by the mills themselves. I will tell you that the Tariff Board, after an enquiry in 1937, said that in the preceding years the mills had made profits which had enabled one factory to become three factories. Almost al

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factories had made huge profits—70 per cent. dividends were distributed—and every factory had become almost three factories. When the Board referred to the condition of labourers, they said:

"In a protected industry it is to be expected that the labourer in the factory should also share in the benefits of protection, but we find that the interests of labour have not received the consideration they deserve."

And they again said:

"Our attention has been drawn to the fact that many mills employ the greater part of their staff only temporarily for the working season and that the salaries paid are not such as to attract the best men. In Java and other countries and in some mills in India, the staff is mainly permanent and the employment of a permanent staff appears to be justified by the results. We are told that a sufficient number of fully qualified Indians are now available and in our opinion the Mills which enjoy the benefits of protection should be under an obligation to employ fully qualified men on adequate salaries."

I therefore think that if the Honourable Minister wants us to give further protection, he will also insist that the millers—see that the profits are distributed evenly among the cane-growers as well as the labourers.

This year on 8th December 1947 the sugar industry itself was in a crisis and the Government made a deal with it; it purchased all the sugar which they had for Rs. 26½ and they then fixed the price at Rs. 35 when the control was removed. I was really surprised at that because last year the Sugar Control Board in the U.P. and Bihar fixed the price at Rs. 20¼; in that they allowed a ten per cent. profit on the blocked capital which amounted to Re. 1¼. The actual profit which the millers reaped was not less than rupees four per maund last year. But now we must see whether the price which has been raised goes entirely to the mill-owner or is distributed evenly. Out of this, Rs. 7/8 have gone to the cane-growers because the price has been raised from Re. 1¼ to Rs. 2—say ten maunds of cane being necessary for one maund of sugar. The balance eight is given to the labourer. Of the remaining amount, Re. 1¼ has gone to the Government by way of taxes. So, Rs. 9¼ go this way. Of the remainder—nearly Rs. 6—the whole goes to the mill-owner. This year the mills are making a profit of Rs. 10 per maund of sugar. I think this is an unconscionable profit; it will work out to about 60 per cent. on blocked capital and 80 per cent. on the worked capital. I think this is an unconscionably high profit and I think the popular Government has no right to give such profits when the poor people will have to purchase sugar.

I therefore suggest that first of all they must give proper wages to the workers. Workers have been clamouring for at least a living wage. Even the Pay Commission recommended Rs. 55 as the minimum wage which every worker should get. But the worker in the sugar industry does not get that much. So I say that he must get Rs. 55. And the sugar factory worker gets paid only for four months. I therefore suggest that he must get enough money so that he may have at least Rs. 55 per month for the whole year. I therefore want that if you want us to step up production, you should insist that the mill-owners will give to the workers a fair deal. The mills should not be allowed a very high profit. If you carry out the proposals I have made, then the price of labour per maund of sugar will not reach more than rupees two; it will not be very much.

Then I think it is high time that the consumer also got some benefit. Rs. 35 is too high a price. It must be reduced and brought down by at least rupees five. Even then the price will be quite high. Besides, an extraordinary thing has happened recently. When sugar price was raised, the price of sugarcane was also raised to Rs. 2 per maund. But now suddenly an order has been issued that the factories shall pay rupee one per maund to the cane-grower and keep the remaining rupee one out of the cane price in reserve which they will give the cane-growers afterwards. But the growers have a very bad

experience of refund of deducted cane price. For the last four years there was deduction from cane prices of As. -/2/- per maund for War-Loan and this money has been accumulating. The other day a cut motion was moved by one of our friends who showed how difficult it is to get back this deducted money and how much corruption there is in post offices when kisans come to get back their money. I am afraid the money which is now being deducted will not be given to the cane-growers and will go to people who should not get it. This cut in the price is very bad. It must not be tolerated. Government must see that the cane-growers are paid the full cane price.

I also hope Sir that when next time the Government comes with another Bill for the sugar industry in 1949 they will be able to report that the conditions which we have prescribed have been followed.

Another very bad symptom in the industry is that they are not trying to set up Unions among the factories. They are trying to see that the labour is not able to organise their own organisations. They are saying that only those Unions affiliated to such and such Associations or persons will be recognised. I think this is most shameful. Even in our Trade Disputes Act we have laid down that the Union which has the highest membership should be recognised. I think the present practice of saying that only those Unions affiliated to certain Associations will be recognised is against the laws passed by this Assembly. I therefore hope that when we pass this Bill the Honourable Minister will see and will write to the U.P. and Bihar Governments and also to the Sugar Syndicate that this protection is given to them on the understanding that the profits of the industry shall be shared between the labourers, the growers and the consumers and the profit of the millowners is cut down to a minimum. I am sorry to waste the time of the House, but this is a very important Bill dealing with the second important industry in the country. I do not want to oppose this Bill but only want that next time when the Government comes to us, the Honourable Minister will see that the industry is nationalised and that we have got a really great industry which observes all the conditions laid down by us.

Shri Satyanarayan Sinha (Bihar: General): Sir, I move that the question be put.

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri N. V. Gadgil: Sir, I said in the morning that there was really no principle involved in the Bill, because it sought merely the continuance of existing protective duties and I thought inasmuch as I was able to add sugar to it, the sugar-coated business would make matters easy, but it seems that most of the members are rather bitter over sugar. The wider question which has been discussed by the Honourable Members is a question discussed in this House for many long years in the past and is likely to continue to be discussed hereafter, namely, the interests of the consumer *versus* the interests of the community in so far as industrialisation is concerned. In this particular Bill, there has been no departure from the policy in this connection which has been laid down long ago by the Government. It is very difficult to balance very accurately or very equitably the interests of the consumers and the interests of the industrialists. The policy of the Government has been that of discriminating protection and the considerations which ought to weigh with the Tariff Board in granting any measure of protection have been very well detailed by my Honourable friend Mr. Ananthasayanam Ayyangar. He agreed that protection must be given for a reasonable period within which the industry ought to be able to stand on its own legs.

Now, so far as the industries that are concerned and for which the present Bill has been brought, most of them were given protection just a few years

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before the war started. Some were given protection for five years, some for seven years and the period in each case ended while the war was on or while the war was on the horizon. The six years of war were years of abnormal economy and so were the years which followed the war and it is difficult and everybody will agree that a fair and impartial consideration is not possible when the economic circumstances are not as favourable and the whole economy is not in a stabilised position. In this context, the members of the House will agree that it is only the path of wisdom that industries which have found their feet a year or two before the war and industries which have come into existence during the war period must be given sufficient protection and no hasty action ought to be taken. I think this is something with which all the members are in agreement. As far as I am able to see, on the main principle there is no disagreement; nobody wants to oppose this Bill; but everybody is anxious that protection should not be given a moment more than what is absolutely necessary. All I can say is, this is exactly the policy of the Government. Those considerations which have been urged with vehemence and vigour by most of the members will certainly be taken into consideration by the Tariff Board. If it was possible for the Government to bring even today something after a thorough scrutiny of the various industries and their prospects, Government would have done it with gladness. But the hands of the Indian Tariff Board are so full—as a matter of fact, there are 11 cases pending enquiry with the Tariff Board in addition to the enquiry relating to the prices of textiles and steel—that it is impossible to do anything and the Government has had no option but to come before the House and request the House for the continuance of protection for a period of one year.

Now, Sir, I was surprised to hear from my Honourable friend Mr. Jhunjhunwala, who is closely associated, I understand, with the sugar industry, that instead of doing any good to the industry the policy of the Government has done harm. I do not know what he exactly meant, but just as in politics there is no gratitude I now understand that in economics also there is no gratitude. As a matter of fact, as a result of protective duty being levied, as was pointed out by Prof. Saksena, over 100 factories (*Prof. Shibbanlal Saksena*: 150 factories) came into existence, employment was found for hundreds of thousands of people and the industry has as a matter of fact progressed. Suppose, if Government today were to remove this duty, what will happen? I have no doubt that there are enough stocks in Java and they will be released here in India. Probably, my friend Mr. Jhunjhunwala is not aware of the fact that a representation has been made by the Indian Sugar Mills' Association to the effect that protection should be continued for a period of additional two years. Government has not accepted that proposition. What the Government has agreed to is to refer the whole question to the Tariff Board and to abide by the recommendations as far as they are consistent with the discriminating protection policy of the Government. I am one with those members who say that the industrialists should not be given preferential treatment and that the interests of consumers should not suffer. As I said, it is very difficult to balance these two. But the policy that has been followed so far has resulted. I should say, in giving sufficient protection to the industries and also giving not very high prices for the commodities that are purchased here for the consumer. Now this is a matter, Sir which is also closely associated with the policy of industrialization. Do we want industrialization or not? Do we want to be self-sufficient economically or do we want to be still active believers in the policy of free trade? Shall we be followers of the principle of comparative cost and buy wherever cheapest or shall we in the larger interest of our community and of our country say that industrialization should proceed even if it means some sacrifice on the part of the consumer. When industrialization takes place the benefit that

may directly accrue from it may go for the time being to the industrialists. That can be neutralised by a system of progressive taxation or by levying an excise duty, as has been done in the case of sugar industry, or by some other method. But let us clearly understand that without industrialization, the fundamental problem of poverty cannot be solved, and if for that purpose the consumers have to pay a little more for something; that sacrifice is worth having.

Sir, I do not want to go further into this question, but I shall only touch on one more point which has been made out by some of our friends that the Government has not been fair in giving the necessary information. I agree, Sir, that it has been somewhat difficult for some members to be well-equipped in the matter of their speeches and arguments, but to that extent I have been greatly relieved because I had a little less to answer. But I may respectfully point out to the Honourable Members that whenever any report is submitted by the Tariff Board, if it is not published in full immediately, a summary and a resolution of the Government on that are usually published in the *Gazette of India* and its issues are supplied to the Honourable Members. I just made enquiries and I find that all these resolutions have been so published and have been supplied to the Honourable Members.

An Honourable Member: They are not being supplied.

The Honourable Shri N. V. Gadgil: Now, so far as the publishing of some of these Tariff Board reports is concerned, I respectfully wish to state that owing to difficulties over which it was very difficult to exercise any control, it had been delayed but now all efforts are being made and the reports will be published and copies as usual will be made available to the members of this House. I am grateful to the members of this House for giving general support and offering no opposition whatsoever to this motion. Sir, I move.

Babu Ramnarayan Singh: What is the rate of dividend of profit which ought to be allowed?

The Honourable Shri N. V. Gadgil: It is too general a question to be answered on the floor of the House at a moment's notice, but if my Honourable friend wants further information, I shall give him later on.

Mr. Speaker: The question is:

"That the Bill to extend the date upto which duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect and further to amend the Sugar Industry (Protection) Act, 1932, be taken into consideration."

The motion was adopted.

Shri M. Ananthasayanam Ayyangar: Sir, I move:

"That in part (iii) of clause 2 of the Bill, in the proposed item No. 63(30) of the First Schedule to the Indian Tariff Act, 1934, entries (a) and (b) be omitted and in columns 2 and 3, the following be added, namely:

'Protective 42 per cent. *ad val.* March 31st, 1949.'

You will see, Sir, that towards the end of clause 2 a number of items are given:

(i) 10·00 per cent. or more of manganese.

(a) of British Manufacture Protective 30 per cent. *ad valorem* March 31st, 1949

(b) not of British Manufacture Protective 42 per cent. *ad valorem* March 31st, 1949."

The object of my amendment is to do away with the difference between the duty imposed on British manufacture as against those not of British Manufacture. There is a preference shown in favour of British Manufacture of 12 per cent. *ad valorem*. The other portions of my amendment are merely consequential. This is the object which I have in view. What are these articles for which a differential treatment is given in favour of British Manufacture?"

[Shri M. Ananthasayanam Ayyangar]

These are alloys, tools and special steel which was originally included in steel and iron articles in the Tariff Act. Later on it was found that these three items ought to be separated and special treatment ought to be meted out during war. The late Iron and Steel works undertake the manufacture of special kinds of alloys, tools and special steels. It is necessary to improve that industry and protect it against unhealthy competition from foreign countries. One of our worst competitors is Great Britain. It is one of the biggest countries in the world which manufactures steel and iron to the largest degree. Steel, iron and coal are the essential commodities of Great Britain and it is on account of that that country has become one of the biggest industrialized country in the world. Now the object of this will be frustrated if we show preferential treatment to Great Britain. I do not see any need. Secondly things have moved in such a way in Ottawa in 1932 that the United Kingdom is not the centre of industry in the world. The centre has shifted from the United Kingdom to Washington and the United States of America. We want only some grain during the critical period here and even that we get from the sterling area countries, for example, Australia and other countries. We would also get equal quantities from the United States of America. Barring that our essential capital goods have to come from the U.S.A. Now the time has come for us to divert our trade from the United Kingdom to America. We must increase the favourable trade balance with America so that we may increase our dollar position in that country and purchase the capital goods that we want. Therefore, we must do away with this preference in favour of Great Britain. The minimum that we could do hitherto after the last war with a view to increase the export of Great Britain and its trade within the sterling area countries was to have a kind of cordon put by way of tariffs and the Ottawa agreement was brought in to have a kind of sterling bloc created and thus a special market for the U.K. goods. That was the result of the Ottawa agreement. Now we have changed over from that. We are trying to get into multilateral arrangements. That was the object of our last meeting in Geneva and in Havana where the trade agreements are being entered into. There, multilateral trade agreements is the policy followed. Bilateral agreements with respect to some essential commodities are allowed to be entered into. Now the time has come for us to cut ourselves away from the United Kingdom. We are to be no longer dragged by the ear by the United Kingdom. The sooner we get rid of it, the better for us. The U.S.A. is not able to freely negotiate with us for the reason that whatever she might do, however much she may encourage to industrialize ourselves, the United Kingdom ultimately will capture our market. Are we to continue to create that impression in the world that we are constantly at the mercy of or somehow we are being dragged by the United Kingdom? Therefore, Sir, I accepted this new item which is added to the tariff. Whatever might be said with respect to the preferential duties that have hitherto been in existence there is no justification for a new item which we want to protect. We might easily take advantage of this position that we are trying to protect this industry and therefore, we are not prepared to show any preference in favour of any country and if any preference is to be shown, it must be the U.S.A. because we have to depend upon the U.S.A. for much of our capital goods. England has got this advantage over us and even without protection England exports 8.1 per cent. of her industry to this country. And our country is the largest importer, next only to some other country, of United Kingdom goods. Therefore

I want to do away with these preferences. On a previous occasion
 3 P. M. my Honourable friend Mr. Santhanam gave an amendment to some other Bill where we objected to preference being given to goods of British manufacture; we accepted an amendment doing away with that preference.

- **An Honourable Member:** No, we accepted the preference.

Shri M. Ananthasayanam Ayyangar: I thought otherwise; anyway if we made that mistake then let us not continue it any more. We should now declare unequivocally that either in the matter of exchange or of industrial policy we will not be guided by the United Kingdom. Crores of our money are blocked up in that country, and they have the cheek to say that they have been led down and they have to rehabilitate themselves, as if we have industrialised ourselves and they alone have suffered. That is the step-motherly treatment that we are having; and, as the Finance Minister said, the present position is that the creditor has to go and beg of the debtor. I do not see any good in our supporting the United Kingdom through thick and thin. Let us at least be fair to the rest of the world and fair to ourselves. Let us take a definite stand that we shall no longer give any preferential treatment to the United Kingdom goods. This is our first opportunity; if we hesitate now the result will be that though we have attained political freedom it will be only nominal and we will ever be condemned to slavery in the economic field; we will be slaves of the United Kingdom. Let us mark our protest and let us today start a new era in the industrial life of our country. Let us ally ourselves with others who can support us hereafter. The direction of our trade must be in favour of the United States of America which alone can help us. If necessary I would advise that this preference should be shown to United States goods. Let us now do away with this preference; Let us watch and see which is the best country with which we can negotiate. I therefore request this House to do away with this preferential treatment.

There is another advantage. On British manufactured goods we have 30 per cent. as against 42 per cent. on others. So if we increase that by another 12 per cent. it will help our country's revenues. It will be 42 per cent. all round and the industry also will be protected. I am in favour of industry getting 42 per cent. because it is a new industry. Some of my friends misunderstood me when I spoke in another connection. I am absolutely for industrialisation of this country. This morning I referred to the industries not behaving properly with us, because I want reciprocation from industry. If the industries do not behave properly in spite of protection I would suggest, not that the protection should be withdrawn, but that the industries should be taken up by the State and nationalised. I do not believe in agricultural economy; it is not as if that has improved the wealth of the country or given anything to the peasant. Industrialisation alone can save this country and make us richer.

I am sorry I do not find here another Honourable friend who comes from Bombay. On a proper occasion he wanted to say, "Look at the way in which private industry has managed as against State-managed industry." The insistence is upon the State taking over the industries. But have these 18 and odd industries proved worthy of the protection that we have given? Sir, this measure should have been piloted by the Industries Minister and not by the Commerce Minister because he only knows what industries have developed and how. It is more in the interest of the improvement and growth of industries in this country. Therefore I am for total industrialisation. The amendment that I have moved is a right step towards that direction. Let us not be tied down to the chariot-wheels of Great Britain, and the sooner we get rid of it the better. If we raise it from 30 to 42 per cent. the industries will have greater protection and we will get out of the United Kingdom. I hope the Assembly will heartily support my amendment.

Mr. Speaker: Amendment moved:

"That in part (iii) of clause 2 of the Bill, in the proposed item No. 63(30) of the First Schedule to the Indian Tariff Act, 1934, entries (a) and (b) be omitted and in columns 2 and 3, the following be added, namely:

'Protective 42 per cent. *ad val.*

March 31st, 1949.'

The Honourable Shri N. V. Gadgil: Sir, I am in complete agreement with the arguments and sentiments expressed by my Honourable friend Mr. Ayyangar; but owing to certain circumstances it is not possible for Government to accept the amendment. As a matter of fact this question has now assumed considerable importance. There is no more preference for textile goods and in fact there is no more protective duty. The same thing has happened with respect to steel except the three articles which have been included in the Bill under consideration. Government are thinking about it, but today if I were to accept the amendment it will be tantamount to putting an end to an agreed arrangement unilaterally; and that is not open to Government under the terms of the Ottawa Agreement. Furthermore, this question is now considerably affected by what is being done in the International Trade Organisation and the various conferences that are being held. I want to assure my Honourable friend Mr. Ayyangar that he will soon have what he wants. But today, as I said, we cannot unilaterally put an end to this policy. I should therefore very much like to request my Honourable friend to withdraw his amendment.

Dr. B. Pattabhi Sitaramayya (Madras: General): Sir, is it only India that is bound down by this Ottawa agreement which I thought had been buried seven fathoms deep? Have not other countries repudiated it? I cannot understand why India sticks to those dead bones of the Ottawa agreement.

The Honourable Shri N. V. Gadgil: Sir, I do not know what other countries have done, whether they have reinforced it or repudiated it or continued it. But we believe that when word is given it should be honoured.

Shri M. Ananthasayanam Ayyangar: On a point of information, Sir, I should like to know if that agreement relates to matters for future protection also. Some items were then picked up and we gave preference to them as against some other preferential treatment which was given to us. But with regard to these new items we are not within the scope of that agreement. So why should we do it now?

The Honourable Shri N. V. Gadgil: The position is that the whole matter is being discussed; and if as a result of our commitments in the International Trade Organisation, we find that it is no longer necessary, as we are thinking on those lines, the result that the Honourable member expects will happen.

Shri M. Ananthasayanam Ayyangar: Sir, I have no intention to press the matter. We know that Government are equally interested in this matter. We only wanted to voice the deep sense of resentment that we feel in being still pledged to a course of action for which we were not responsible. I thought that by some fluke we could get rid of it because this is a new entry. As the Honourable Minister says that the whole position is being reviewed and satisfaction will be given to us, and as I have complete faith in the integrity of the Honourable Minister and his colleague in charge of Industry I beg leave of the House to withdraw my amendment.

Dr. B. Pattabhi Sitaramayya: May I know how this is to be done once the Act has been passed? May I move that this question be adjourned?

Mr. Speaker: Of course, it is competent for the Honourable Member to move a motion for adjournment. That is a different matter. But, at present, the proposition before the House is that the Honourable Member wishes to have leave of the House to withdraw his amendment. He can if he likes oppose the withdrawal and then I shall have to put the original amendment to the House.

Shri M. Ananthasayanam Ayyangar: It is also open to the Doctor to express what he feels in this matter and urge upon the Government to take action as early as possible.

Mr. Speaker: That will be opening up arguments again after the question has gone to the stage of voting, which I would now like to proceed with. But it is competent for him to say that the further discussion on this subject be adjourned.

Dr. B. Pattabhi Sitaramayya: I do propose that further discussion on this subject be adjourned till 30th March so that in the meantime by cable they may communicate with the British Government and maintain the high traditions of honour which they want to preserve in relation to a country which has ruined this land for over a hundred years. It passes my understanding how it is that these gentlemen today are quoting the Ottawa Agreement with an emphasis which attaches only to the Vedas and the Bible. Does it mean that the Finance Minister also comes with those traditions and sits on the Treasury Benches?

Shri M. Aranthasayanam Ayyangar: No.

Dr. B. Pattabhi Sitaramayya: Then we must repudiate it and it must be repudiated at an early date. There is a tendency, which is beginning very unobtrusively, of hanging on to the coat-tails of England in some manner or other. The British have made us free. We are unable to acknowledge ourselves free. It is the spirit of the slave which revolts against the freedom that has been obtained. I do not want a ruling on this. But I do suggest that further consideration should be adjourned till March 30th. In the meantime I do hope the Government will put themselves in communication with the British Government and get rid of these shackles.

Mr. Speaker: The Government have said that they would do their best and the Honourable Member who has moved the amendment is himself satisfied and is prepared to withdraw his amendment.

Shri M. Aranthasayanam Ayyangar: I became weak!

Dr. B. Pattabhi Sitaramayya: That is our trouble. Our members suddenly become weak.

Mr. Speaker: Let us wait for twelve months more and be strong in the meanwhile so that, the next time that the Honourable Members meet here. . .

Dr. B. Pattabhi Sitaramayya: We may not be here!

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

Some Honourable Members: No, no.

Mr. Speaker: The question is:

"That in part (iii) of clause 2 of the Bill, in the proposed item No. 63(30) of the First Schedule to the Indian Tariff Act, 1934, entries (a) and (b) be omitted and in columns 2 and 3, the following be added, namely:

'Protective 42 per cent. *ad val.*

March 31st, 1949.'

The motion was negatived.

Mr. Speaker: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Honourable Shri N. V. Gadgil: Sir, I move:

(i) "That in the Long title of the Bill, after the word 'which', the word 'certain' be inserted"; and

(ii) "That in the Preamble to the Bill, after the word 'which', the word 'certain' be inserted."

Mr. Speaker: The question is:

(i) "That in the Long title of the Bill, after the word 'which', the word 'certain' be inserted"; and

(ii) "That in the Preamble to the Bill, after the word 'which', the word 'certain' be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That the Title and the Preamble, as amended, stand part of the Bill."

The motion was adopted.

The Title and the Preamble, as amended, were added to the Bill.

The Honourable Shri N. V. Gadgil: Sir, I move:

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

Mr. Speaker: The question is:

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

The motion was adopted.

INDIAN TEA CONTROL (AMENDMENT) BILL.

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

"That the Bill further to amend the Indian Tea Control Act, 1938, be taken into consideration."

Sir, this Bill has become necessary on account of the fact that there has been a conference and an interim agreement.

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

There is no principle involved in this. What has happened is this. The export of tea and the extension of the area for tea cultivation have been controlled for many long years under an Act and from time to time this Act was continued, and it has now become necessary to continue it further for a period of two years. The International Tea Committee on which each of the signatory countries is represented by nominees of the industry and the Government concerned, and which is responsible for administering the agreement, have, after consultation with the various Governments concerned, suggested the continuance of the agreement with certain modifications for a period of two years from the 1st April 1948, or till such time as the regular agreement under the aegis of the proposed International Trade Organisation is concluded, whichever is shorter.

The main features of the interim agreement are:

- (a) A standard figure has been prescribed for export so far as each signatory country is concerned;
- (b) Area under fresh cultivation is also allowed to the extent of 4 per cent. over the permissible acreage on the 31st March 1948.
- (c) Replacing of worn out areas by planting of new areas should be permitted up to a maximum of ten per cent. over the permissible acreage on the 31st March 1948;
- (d) Export of tea to countries which are not parties to the agreement should be prohibited.

So far as India is concerned, the quantity that India is now permitted to export has considerably increased and it has now come to 383,240,916 lbs. This is for Pakistan and India conjointly. Up till now Pakistan has not expressed itself whether it is going to be a party to this arrangement or not. If Pakistan does not agree then the matter will be referred to the International Committee. If it agrees there will be no difficulty.

Similarly, the permissible acreage so far as India and Pakistan are concerned is 8,54,240 acres. Out of this 90,000 are in Pakistan. This agreement has got to be embodied in a Bill and this is exactly what the Bill proposes to do. Once it is agreed that it is necessary to control the export of tea as well as the extension of tea plantation, then the relevancy and validity of such a Bill will be apparent. The period during which this system has worked has shown that there has been an all round improvement and there is nothing to justify that this control should be given up. It is in the interest of the trade, it is in the interest of the planters, although it is true that quite a large number of them are not Indians, but that is a different matter. That is the position and I would therefore request the House to agree to the motion that the Bill be taken into consideration.

Mr. Chairman: The question is:

"That the Bill further to amend the Indian Tea Control Act, 1938, be taken into consideration."

The motion was adopted.

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

"That in clause 2 of the Bill, in the proposed sub-section (4) of section 1 of the Indian Tea Control Act, 1938, the word 'only' be omitted."

Sir, the Bill clause says that the Act shall remain in force only upto 31st March, 1950. The word 'only' is unnecessary.

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

Mr. Chairman: The question is:

"That in clause 2 of the Bill, in the proposed sub-section (4) of section 1 of the Indian Tea Control Act, 1938, the word 'only' be omitted."

The motion was adopted.

Mr. Chairman: The question is:

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

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to point out that in clause 3, part (b) of the Bill the word "wherever" has been spelt with two 'e's, *vis.*, "whereever". With your permission, Sir, I shall move a short notice amendment.

Shri T. A. Ramalingam Chettiar (Madras: General): It has been corrected.

Mr. Chairman: The question is:

"That clauses 3 to 6 stand part of the Bill."

The motion was adopted.

Clauses 3 to 6 were added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (a) of clause 7 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

The Bill clause says 'figures' 1943. The correct expression is 'figure'.

The Honourable Shri N. V. Gadgil: Sir, I do not accept it. I am told that as it stands it is better.

Shri M. Ananthasayanam Ayyangar (Madras: General): "Figures" is wrong. 1943 or 1948 cannot be figures. There is no question of prestige in this.

The Honourable Shri N. V. Gadgil: The Law Minister says "Do not accept it" what am I to do?

Mr. Chairman: I will put it to the House. The question is:

"That in part (a) of clause 7 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (b) of clause 7 of the Bill, in the proposed proviso to section 26 of the Indian Tea Control Act, 1938, for the word 'at' wherever it occurs, the word 'on' be substituted."

Sir, this is an important amendment. In the passage in question the expression "at the 31st day of March, 1948" occurs in five places. I should say it should be "on the 31st day of March". You can say "at the Connaught Place" but with regard to a date you must say "on" a date. It seems to be very obvious.

Shri M. Ananthasayanam Ayyangar: I think the word "by" would be better.

Mr. Naziruddin Ahmad: "By" may be better but "at" is inopportune.

Shri H. V. Kamath (C. P. and Berar: General): Sir, I would suggest "on or before".

Shri M. Ananthasayanam Ayyangar: Sir, if you would accept substitute amendment I move:

"That in part (b) of clause 7 of the Bill, in the proposed proviso to section 26 of the Indian Tea Control Act, 1938, for the word 'at' wherever it occurs, the words 'on or before' be substituted."

The intention is that the land should be planted with tea on or before the 31st day of March, 1948. Tea cannot be planted only on one day. "On or before" would be better.

Mr. Naziruddin Ahmad: I would accept the amendment.

The Honourable Shri N. V. Gadgil: Sir, I do not accept it. "at" is all right.

Mr. Chairman: The question is:

"That in part (b) of clause 7 of the Bill, in the proposed proviso to section 26 of the Indian Tea Control Act, 1938, for the word 'at' wherever it occurs, the words 'on or before' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7 as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

(i) "That in part (1)(b) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted"; and

(ii) "That in part (2) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

Mr. Chairman: The question is:

(i) "That in part (1) (b) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted"; and

(ii) "That in part (2) of clause 8 of the Bill, for the word 'figures' wherever it occurs, the word 'figure' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 8, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in clause 9 of the Bill, for the word 'figures' wherever it occurs, the word 'Figure' be substituted."

Mr. Chairman: The question is:

"That in clause 9 of the Bill, for the word, 'figures' wherever it occurs, the word 'figure' be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clauses 10 to 13 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Shri N. V. Gadgil: Sir, I move:

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

Mr. Chairman: Motion moved:

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

Shri M. Ananthasayanam Ayyangar: Sir, I would like to say a few words on this Bill. I received a copy of an agreement entered into in London by all companies who import tea from India, Java and other countries. This agreement lays down that such and such a country shall produce such and such a quantity of tea and shall export only a particular quantity. The idea underlying this stipulation is avoidance of all unnecessary and unhealthy competition, or cut-throat competition, as it is called. Sir, I am opposed to all sorts of cartels and combines. They are something like the Sugar Syndicate which we have in India. I feel the sooner such agreements or understandings are given up the better it is in the interests of all concerned. It is a matter of common knowledge that just before the war huge quantities of wheat, coffee and potatoes used to be dumped into the Gulf of Mexico, because if they were allowed to come into the market, that will result in a slump, with the consequent fall in prices. What I, therefore, suggest is that let us not allow this practice to be brought into the region of tea trade. After all tea is a harmless beverage which every country wants. Let us therefore encourage its production as much as we could, without imposing any restrictions. And the wonder of wonder is that this attempt at restricting the quantity of production is made in London which produces no tea, but depends entirely on imports from overseas countries. Let us therefore set our face against all such attempts at restricting production. I am sorry I did not rise up earlier, but when next year, this agreement lapses, we should protest against its continuance.

Dr. B. Pattabhi Sitaramayya (Madras: General): Sir, may I say a word in support of what Mr. Ananthasayanam Ayyangar has said? He has really stirred up a much larger question which bristles with issues that cannot perhaps be settled in an isolated manner. It is not a very good proposition that we should always produce for consumption and not for export. So long as we have to pay for iron, or machinery or for capital goods, it is necessary no doubt for us to export certain goods. I, therefore, say that the point raised by Mr. Ananthasayanam, Ayyangar goes to the very root of the matter. Not that I want that production should be for export only and not for internal consumption. My Honourable friend referred to the agreement executed in London. I may in this connection refer him to the Indo-British Trade Agreement which was passed about the year 1933 in London in Whitehall between two rooms, one room on the right side occupied by Lord Staney, the son of Lord Derby and another room on the left side occupied by Oliver Stanley, the younger brother of Lord Stanley and the second son of Lord Derby.

Both of them entered into an Agreement in the common hall in favour of their father Lord Derby. It was implemented by Lord Derby's brother, Sir George Stanley, who was Governor of Madras and looked after by Lord Derby's daughter's daughter's husband, Lord Irwin, the Viceroy. This is the

[Dr. B. Pattabhi Sitaramayya].

arrangement which obtained in England. Two brothers enter into an Agreement in favour of their father to be implemented by their uncle and their niece's husband. These trade agreements must be absolutely quashed. We must now begin a new economy altogether. I wish that the Ministry would look into the matter instead of merely carrying forward old agreements as a merchant carries forward his account on to the next generation. It is very necessary that we should overhaul our whole economy and therefore I do wish that apart from the present Bill the Ministry would give consideration to these important points.

The Honourable Shri N. V. Gadgil: I wish to say only a few words with reference to the contention of my friend Mr. Ananthasayanam Ayyangar. The figures that I have will show that except for the years 1933-34 up to 1938-39 India had not been able actually to export the quota allotted to her. So there is no question of any restriction being put on the production of tea in India. As a matter of fact this concession is further liberalised in the Interim Agreement arrived at only a few weeks ago. An additional 25 per cent. has been allotted. Ten per cent. additional area and four per cent. replacement area has been allotted. In every way the Agreement has been liberal to our country.

Shri M. Ananthasayanam Ayyangar: Is it not one of the terms of the Agreement that there should be only so much of acreage under tea cultivation?

The Honourable Shri N. V. Gadgil: The permissible acreage is fixed in view of what has been available and there has been addition every now and then.

Mr. Chairman: The question is:

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

The motion was adopted.

INDIAN POWER ALCOHOL BILL

The Honourable Dr. Syama Prasad Mookerjee (Minister for Industry and Supply): Sir, I beg to move:

"That the Bill to provide for the development of the power alcohol industry be taken into consideration."

Sir, the object of this Bill is to develop the production of power alcohol and also to take power in the hands of the Central Government to direct the use of power alcohol as motive power. The House will recall that the position of petrol in this country is indeed critical, and any step that Government may take to ease the situation will be doing something in the undoubted national interest. At present we consume about 180 million gallons of motor fuel per year, and 18 million gallons of aviation oil. In addition to this we consume about 800,000 tons of kerosene oil, 360 thousand tons of diesel oil, 700,000 tons of furnace oil and 70,000 tons of other minor oil products. So far as aviation oil is concerned, India does not produce anything. So far as motor fuel is concerned, out of 180 million gallons that we consume we produce only about 17 to 18 million gallons in India. For the rest we are dependent on supply from foreign countries. Previous to the war we used to get about 75 million gallons from Burma. That supply has now stopped, and whatever we are now fortunate enough to get comes mainly from the Middle East. The question of mixing power alcohol with petrol has been a subject matter of discussion in this country for the last ten years. But unfortunately there has been delay for some reason or other and up till now no directive policy of the

Government of India has been indicated. Committees met, conferences were held, and although it was generally agreed that the mixture of power alcohol should be encouraged, somehow a Central policy of Government was lacking. The object of this Bill is to give this Central direction in a way which will be fair to all the Provinces as also serve our purpose so far as circumstances at present permit. Now it appears that power alcohol is being mixed with petrol in various countries. In Great Britain, France, Germany, Poland, Czechoslovakia, Italy and Australia this is done and power alcohol is obtained in those countries mainly from beet, potatoes, corn and from imported molasses. In Brazil it appears that the bulk of power alcohol is produced from molasses just as we propose to do in India. In fact there, nearly 20 million gallons of power alcohol obtained from molasses are used with motor fuel. My friend Mr. Masani will soon be going to Brazil and he will be able to see at first hand how power alcohol is being used successfully with motor fuel. India is one of the biggest sugar producing centres in the world. At present we have eleven distilleries in India. Ten are situated in U.P. and one in Mysore. Three are now under construction in Bihar. The power alcohol which is now being produced cannot be used because there is no law compelling the use of such power alcohol with petrol, so that although U.P. produces more than what U.P. can possibly consume or even if Bihar may produce more than what Bihar can consume, unless there is some law compelling the use of power alcohol this production will practically remain fruitless. The object of this Bill is to secure the compulsory use of power alcohol to the extent of 25 per cent. That is the figure which experts have certified that we can safely and successfully use:

Mr. R. K. Sidhva (C.P. and Berar: General): With 75 per cent. petrol?

The Honourable Dr. Syama Prasad Mookerjee: Yes. It is hoped that once this Bill is passed into law and the Government of India, after conference with the Provincial Governments, is able to develop the power alcohol industry we shall have sufficient power alcohol in India which will give us some relief at any rate in the use of petrol. But of course I should warn here and state that the relief which we shall get will not be adequate. We expect to get not more than about 20 per cent relief in all. Even that will take some years.

If our development schemes go ahead properly, if the sugar production reaches the target that we have laid down, then in the course of the next four or five years we expect to get sufficient power alcohol to give us relief in the manner that I have indicated.

The Government of India has also under its consideration a big scheme for the manufacture of synthetic oil from coal. We have not yet arrived at a stage when I can make any announcement in public. But I can assure the House that Government is very seriously considering the possibility of the manufacture of synthetic oil from coal, which is available in abundance in our country. For that purpose we are bringing out experts from America with whom will be associated some German experts, who will be able to give us a full scheme for the production of one million tons of petrol or half a million tons of petrol or one quarter of a million tons of petrol as circumstances may permit. Use of power alcohol therefore is what I may call a third line of defence, but this is an important measure which Government proposes to undertake.

Now Sir, the powers which the Government of India proposes to take up are now enjoyed by the provincial governments. For the last year and a half the Government of India has been in negotiation with the provincial governments and advised them to allow the Central Government to regulate this industry. There has been some delay in the matter. When the Industries Conference met in Delhi in December last the matter was discussed in detail and

[Dr. Syama Prasad Mookerjee].

it was generally agreed that powers should be transferred to the Central Government in national interest. I did not ask the House to refer the Bill to a Select Committee because it is a short Bill, and once the principle is accepted, the details are not of a controversial nature. So far as the amendments proposed are concerned, I have discussed the amendments with most of the movers who have given notice, and barring three or four which I believe we can accept, others perhaps may not be moved, so that the Bill may be passed into law before the House adjourns today at 5 O'clock. Sir, I move that the Bill be taken into consideration.

Mr. Chairman: Motion moved:

"That the Bill to provide for the development of the power alcohol industry, be taken into consideration."

Mr. B. K. Sidhva: Sir, on a point of information only from the Honourable Minister. I want to know whether by the admixture of Power Alcohol with petrol, the result will be the same for transport purposes as it is at present with pure petrol, and will the mileage increase or remain the same with the admixture of power alcohol with petrol?

The Honourable Dr. Syama Prasad Mookerjee: According to the expert's report, the result will be for the better. These are the experts words:

"Its octane value will become higher than that of petrol and consequently it will have better anti-knock properties; it is more volatile and the engine can be started in the cold more easily; it has a higher latent heat and can bear higher compression; the power output of the mixture is for all practical purposes the same as that of petrol; it deposits less carbon in the combustion chamber of the engine; and it does not have any more corrosive effect than straight petrol."

Shri B. Das (Orissa: General): Sir, I congratulate my Honourable friend Dr. Syama Prasad Mookerjee, for introducing this Bill and for taking us into his confidence. What he said about the oils that will be distilled from coal and coal tar opens a vista of future when India will no more have to purchase German products produced from coal tar. I hope the Government will secure the right type of German experts who will not only manufacture these oils from coal tar but will manufacture colours and dyes. Sir, some of us have been cursing the Government that has gone, for not permitting the use of power alcohol in India. Sugar would not have been sold at such high prices and India would not have purchased petrol at such high prices, but we know the reason why. Burma which was part of India, had all its oil wells British owned. They did not want to give the India Government, which was then under British Control, facilities to make any experiments whereby power alcohol could be produced. Thereby their profits would go down. Fortunately for us and unfortunately for them the Great War came and they smashed all the Burma oil wells. Government has got the chance to introduce this measure today on the floor of the House. A few minutes ago I told my friend Dr. Pattabhi that we are not yet independent enough over the measure which my Honourable friend Mr. Gadgil tabled and the House just now passed to have a unilateral way of abolishing Imperial preference. When we are independent we will not send a telegram to London that we are abolishing preference to U.K. We are going to erect this high tariff wall. We are not to consult with U.K. But in this matter of production of Power alcohol my Honourable friend Dr. Mookerjee is completely free. He is not to consult England. Of course he suffers from the same feeling that I have suffered these many years. England has kept us something like eunuchs, and not allowed our scientific minds and skill to help us and develop it. My Honourable friend Dr. Mookerjee has read out from the Industries Committee's report about the advice of certain experts—I hope he is not a U.K. expert because I have no trust in an Englishman's perfidious advice—that the wear and tear on the motor cars will not

be more than it would be with the use of petrol. I do hope when power alcohol is manufactured the Government of India will see that there is a cess on power alcohol and that the money so derived is utilised for experimental purposes—so that we can have chemical experiments and see what other products can be manufactured from molasses.

My Honourable friend, in his Statement of Objects and Reasons, says they will manufacture food yeast. We buy at very high prices foreign products, and our allopathic doctors of whom my Honourable lady friend Rajkumari Amrit Kaur is so fond of, prescribe yeast for every disease in India. My Honourable friend Rajkumari Amrit Kaur will some day see that this country has many substitutes, and those products—they may be Ayurvedic or indigenous—are far superior to food yeast that these allopathic doctors trained in foreign ideas prescribe always, so that Bayers and other chemical manufacturers in London may profit.

I cannot tell the House how happy I feel. [But I do hope my Honourable friend Dr. Mookerjee will have the drive and will see that no obstruction comes from anywhere—not from the few foreign employees that may be found in the archives of the Government of India or from anywhere else—and he will go ahead with the research and will see that not only this power alcohol product—whether it is derived from molasses or from coal—but also coal tar products will be developed properly in India and India does not buy any foreign chemicals in future.

Shri H. V. Kamath (C. P. and Berar: General): Mr. Chairman, Sir, our Free National Government was born only about 7½ months ago, and though not in its swaddling clothes it is still in the cradle. But it is a happy sight to see it alive and kicking—the baby is very much alive and kicking and is doing well.

It is a happy augury for the future that this vital industry, the power alcohol industry, will be developed by the Government of India under its own auspices.....

Shri Deshbandhu Gupta (Delhi): What have the bachelors to do with babies?

Shri H. V. Kamath: They see babies all around them—they cannot ignore them, they do not escape their notice.

It is, however, a very happy augury for the future that this power alcohol industry will be developed by Government under its own auspices and in the national interest.

Sir, this industry is a vital industry, is a key industry, in modern times because it is vital not merely for our transport but also for the larger problem of defence which is assuming greater and greater importance as days roll by. In modern warfare, petrol or motor fuel, aviation fuel and all these other kinds of fuel have assumed a very great importance, and if the war at all comes to our doors—God forbid that it should—but if the war does come we will be hard put to it to meet the demands that will be made on us for petrol. The Honourable Minister has given us the figures as regards motor fuel, aviation fuel and other kinds of fuel. If I am not mistaken, India at present consumes only about 85 per cent. that is, less than one per cent. of the total world production of petrol, *minus* Russia. Russia does not come in the picture at all—there is an iron curtain over Russia; Russia does not give figures either of production of oil or of consumption; whatever she produces, she perhaps consumes. But as far as we are concerned, I think—I am speaking subject to correction—we consume less than one per cent. of the total world production—world means world *minus* Russia—of petrol. And I am told that America has recently threatened us—not quite threatened but dropped a broad hint—that the supply may be further cut short. That

[Shri H. V. Kamath].

means to say that our supply may be cut down to 0.67 per cent. from .85 per cent; it may go down to .65 per cent. of the total world production.

Sir, it is an irony of fate that a country like India with 300 million people and her industries going ahead should get only so little petrol from the world and America with a population of only 160 million, that is a little more than half of India, should consume about 80 per cent. or over of the world's total production of petrol. If this state of affairs continues, and if unfortunately war does break out—we hear the drums beating already, I hope the drums would not lead to the marching of troops and the clashing of colours—but if the war does break out and comes to Asia too, we will have to see that by then we will have arranged to get enough petrol, enough motor fuel, for all our purposes—army aviation and navigation. And from that point of view this Bill to develop the power alcohol industry has not come a day too soon.

Coming to other aspects of this industry, Sir, the Minister has assured us that it will be developed in the national interests, that the Central Government will take authority in its own hands. But looking at the Bill, I find there is a sad lacuna as regards this very vital industry which Government should take in its own hands. This is an industry, Sir, which we cannot leave to private enterprise or even to subordinate authorities of Government; it is open to Government, of course, in particular cases to delegate their authority to subordinate Governments or Authorities. But, Sir, the fountain head and the source of authority and power so far as the manufacture of this power alcohol is concerned, so far as this industry is concerned, must rest proximately and ultimately with the Central Government. It is a vital and key industry, and complaint has already gone abroad, has been voiced here in this House, that even when we start vital key industries Government does not care to own these industries. The Bill provides for the control of this industry and for the development of this industry. I for one would wish that Government should own this industry—not merely control it. But as the saying goes—“One step enough for me”—I am content, though reluctantly content, that Government has agreed to control the industry. But I hope at no distant date Government will thoroughly and completely own this power alcohol industry.

Then I would stress one other point in this connection, and that is that we should entirely stop any import of power alcohol from abroad. We have got enough sugar and we have got other resources too to produce what power alcohol we need for our purposes here in our own country. We should import nothing at all of power alcohol from abroad. If we put our shoulders to the wheel and all pull together, I am sure that we will have enough power alcohol within a few years. If Russia could implement her Five Year Plan with much less resources than we have in our country. I see no reason why, if there is the will and the means—will, of course, depends upon ourselves and upon God partly—if we have the will—otherwise the country will go to dogs—, and use the means, there is no reason why we should not develop the power alcohol industry to the maximum.

The Honourable Minister has referred to the production of synthetic or *ersatz* petrol which Government have already taken in hand; exports are already cogitating and are agitated over the matter. I hope thereby we will have even with short supply from the oilfields, enough synthetic petrol for our needs.

If this petrol problem and power alcohol problem is satisfactorily solved, we can face any contingency or danger of a new war with patience, with cool confidence and fortitude. But I hope, however, that certainly we will be kept out of the war. But assuming that the war

comes and yet we are kept out of it, even then our industries and our transport will require so much petrol for our ordinary needs of peace in war time—we will be in peace but there will be war all round us—for our peace in war time, we will have enough petrol and enough power alcohol if we develop this industry and our transport will not suffer at all in war time.

Before I close I would just say one more word and that is this. Power alcohol, as I said in the beginning, will help our transport as well as our defence. A friend of mine asked the other day, what exactly is power alcohol? What exactly does it mean? He said facetiously, half in jest perhaps, "Does this really mean some alcohol that goes inside and gives power"? It is said that if one takes alcohol inside, he feels a little access of power, though *pro tempore*. So I said it is true in a way. This analogy is not very dissimilar because power alcohol, as the Honourable Minister has pointed out, if it is added to petrol it adds to the efficiency, it adds to the anti-knock, it improves the speed and also the efficiency of the vehicle, and also eliminates some of the faults that might develop with only petrol in the vehicle. So looked at from that standpoint, this power alcohol will add to the power of the vehicle.

Finally, Sir, I hope that this development of this industry will contribute to the strength of our State, not merely in the field of transport but also in the wider field of defence which has become more and more important as days roll by and will help to make us a more powerful nation ere long.

Shri S. V. Krishnamurthy Rao (Mysore State): Sir, I welcome this Bill as a landmark in our industrial legislation. But an industry cannot be developed merely by issuing a few licences for starting factories or by imposing certain restrictions for the manufacture of power alcohol and the use of the mixture of petrol and power alcohol. Something more must be done for the development of this industry. In fact, there is a vast scope for the development of this industry in our country. As it is, about 250,000 tons of molasses are being wasted. During the war, Australia developed this industry to a very great extent. And the success of an industry depends upon two things, firstly, the subsidiary industries that develop round about it and the State aid which it gets for its development. In fact, the Planning and Development Report of the Panel on Sugar Alcohol and Food Yeast Industries on Page 25, in para. 98 says:

"The Panel is of opinion that distillery plants ought to be fabricated in this country, patent rights to be acquired where necessary by the Central Government from the foreign manufacturers. Licences for the manufacture of the plants should be given only to approved parties who should receive all necessary assistance from the licensing authorities in receiving raw materials for manufacture at a reasonable cost."

That is as regards the supply of machinery. Again on page 67, they say regarding excise duty:

"The Government of India have so far opposed all proposals of preferential treatment of power alcohol used as motor fuel in respect of exemptions from excise duties."

In fact, Mysore has been a pioneer in the development of the power alcohol industry and when the Government of India was getting 15 annas per gallon of petrol, Mysore Government was getting only seven annas or eight annas from power alcohol. They showed a preferential treatment for the manufacture of power alcohol and they have developed this industry with great success. If, in our country, this industry is to develop, I want to know what aid the State is going to give and I am sure the Honourable Minister when replying will throw some light on this point.

Again, Sir, while this industry developed in Australia, the State subsidised this industry and she was able to manufacture about 20 million gallons in the year 1941. Some such subsidy has to be given to the industry and the State has to come to its aid in supplying machinery and seeing as far as possible the machinery is fabricated in India. Some protection should also be given as regards excise duty and if necessary also subsidies. According to this Bill, no

♣ [Shri S. V. Krishnamurthy Rao]

doubt the central Government is taking some powers but I would submit, Sir, that in framing the rules they should not frame the rules in such a way as will come in the path of the industrial autonomy of the Provinces and the States. The States also, or at least some of them, have developed this industry. I hope therefore that the rules will not come in their way and all that the rules will do will be to co-ordinate the various activities and lay down a general policy for the development of this industry. I hope by such a method the industry will be developed, so as to satisfy the fuel problem of India.

One other thing to bear in mind in developing this industry is the springing up of several subsidiary industries like the manufacture of butyl alcohol, amyl alcohol, acetic acid, acetal-dehyde, ethel acetate, ether, chloroform and pctash. I hope the State will also come forward to help these subsidiary industries.

I have put down certain amendments, so that in starting this industry there may not be cut-throat competition between Province and Province and also that there can be no leakage in alcohol while in transit, that is, for being used as potable alcohol. I have put down an amendment that the power alcohol should be denatured in the manufacturing distillery itself. I hope the Honourable Minister will be able to accept some of these amendments.

With these remarks I support the Bill.

Shri Satyanarayan Sinha (Bihar: General): Sir, I move:

... the question be now put."

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

Mr. Chairman: The question is:

"That the Bill to provide for the development of the power alcohol industry, be taken into consideration."

The motion was adopted.

Mr. Chairman: We shall now take up the Bill clause by clause.

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

"That Clause 2 of the Bill be omitted and the subsequent clauses be renumbered accordingly."

Sir, it seems to me that Clause 2 merely declares a pious opinion, which is normally out of place in a Statute. It says:

"It is hereby declared that it is expedient in the public interest that the Central Government should take under its control the development of the Power Alcohol Industry."

So, it is only a pious expression of opinion without any operative effect and therefore out of the question. But it may be that the Honourable Minister has something up his sleeve to justify the retention of this Clause. If there is any, I would welcome a clarification.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I have already explained this matter to the Honourable Member, but he wanted a public explanation from me so that he will publicly withdraw. Item 34 in the Federal List under our present Constitution Act lays down that development of only those industries where development under Dominion control is declared by Dominion law to be expedient in the public interest can be taken up by the Federal Legislature. For that reason, we were advised by the Law Ministry that this Clause was essential. Normally, it falls within the purview of the Provincial Legislature, but only in the case of those industries whose development, in the opinion of this House, is necessary in the public interest, will the House have jurisdiction. I hope the Honourable Member will now withdraw.

Mr. Naziruddin Ahmad: I do not press my amendment. It need not be put to the House.

Mr. Chairman: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Naziruddin Ahmad: I would like to know whether any of my amendments will be accepted.

Mr. Chairman: Which amendment he is moving?

Mr. Naziruddin Ahmad: No 6 to clause 3 which may change the meaning

The Honourable Dr. Syama Prasad Mookerjee: Here again I am in the hands of my technical advisers. The clause says "Molasses means the heavy dark-coloured residual syrup drained away in the final stage of the manufacture of sugar by vacuum pans" and my Honourable friend proposes that it should be 'in vacuum pan'. But my experts advise me that the actual substance is obtained not inside the vacuum pan, but outside it. The process by which it is obtained is the vacuum pan process and therefore the word 'by' is desirable.

Mr. Naziruddin Ahmad: Then why not say 'by the vacuum pan process'?

The Honourable Dr. Syama Prasad Mookerjee: It is all right as it is.

Mr. Chairman: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

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

"That before sub-clause (1) of clause 4 of the Bill, the following new sub-clause be inserted and the existing sub-clauses be renumbered accordingly:

(1) No person or association of persons shall manufacture power alcohol except under a licence or permit from the Central Government."

The Honourable Minister in his introductory speech has told us already that the Central Government has conferred with the Provincial Governments in this connection and that the Central Government intends or has decided to assume the power for the regulation of this industry.

The Honourable Dr. Syama Prasad Mookerjee: I do not wish to interrupt my Honourable friend, but may I point to him that I propose to accept a similar amendment under the rule-making power of Government. Therefore, this is not the proper place for his amendment. However, his object will be met.

Shri H. V. Kamath: I must thank the Honourable Minister for pointing this out, but I feel that this is a very vital point which goes to the root of the matter. As I have already said the fountain-head and the source of authority must rest and vest in the Central Government and mere rule making does not meet the point which I have raised. At the very root of this matter is this fundamental fact: "Who is to manufacture this?" Clause 4 refers as you see, Sir, to the production of power alcohol, but the Bill is absolutely silent on the point as to who will manufacture it. The only thing mentioned is that you manufacture from molasses alone. That is hardly a very vital point, but the more vital and the more fundamental point is this: "Who will manufacture?" I feel we should not be silent on this point at this stage. Clause 4 says nothing except production of alcohol. Rule-making is a subsidiary thing.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sub-clause 3 of clause 5 includes this:

"The power alcohol to be employed for such mixture shall be obtained from such distilleries as may, from time to time, be specified by the Central Government."

It is exactly the manufacture.

Shri H. V. Kamath: I am afraid this clause is misplaced. This sub-clause (3) of clause 5 is absolutely in the wrong place.

Shri M. Ananthasayanam Ayyangar: The title may not be complete.

Shri H. V. Kamath: Clause 4 as you can very well see refers to production and clause 5 refers to the use of power alcohol as motive power. These are quite different matters in my estimation. In clause 2 Government say that it has been the declared policy that Government wants to take this under its control,—the development of this industry under its control,—but when we come to this vital clause 4—production of power alcohol, Government are mum as to who will manufacture and produce the power alcohol. Therefore I press this point that it should be made clear here and now while we are on this clause, and not leave it to the rule-making machinery of the Government in such a delightfully vague manner. The amendment which has been put forward by Mr. Krishnamurthy Rao is "Government shall make rules under the rule-making power providing for the licensing the manufacture of power alcohol". This, Sir, is delightfully vague and beautifully vague.

I want Government to say here in this very clause that they will have complete control over the production of power alcohol.

Shri T. T. Krishnamachari (Madras: General): Does the Honourable Member think that there is no control over production of alcohol now?

Shri H. V. Kamath: We are considering a Bill now to regulate the whole industry, and clause 4 says that any person can manufacture power alcohol, but from molasses only or any other substance, as may be specified by the Central Government. The very important matter about it is the agency production but it is left entirely out of consideration.

If this amendment is accepted, then the amendment of Mr. Krishnamurthy Rao will not arise. This is more comprehensive, more fundamental and meets the vital need of this industry far more than my Honourable friend Mr. Krishnamurthy Rao's does.

Mr. Chairman: Amendment moved:

"That before sub-clause (1) of clause 4 of the Bill, the following new sub-clause be inserted and the existing sub-clauses be renumbered accordingly:

(1) No person or association of persons shall manufacture power alcohol except under a licence or permit from the Central Government."

The Honourable Dr. Syama Prasad Mookerjee: As I just now said I propose to meet the point of view generally expressed by the Honourable Member in some way other than what he has suggested. The amendment will be moved shortly by Mr. T. T. Krishnamachari, which is to the following effect:

"The Central Government may regulate the production and disposal of power alcohol by any distillery situated in any area in which this section is for the time being in force."

Under the rule-making power, it will be definitely laid down that licences have to be obtained. If the object of the Honourable Mover in moving his amendment is to provide that licencing should be granted by Government, then the same object will be met by the other amendment which I have decided to accept and also by the amendment which Mr. Krishnamachari will shortly move. In view of this his amendment should be withdrawn.

Shri H. V. Kamath: I do not agree.

The Honourable Dr. Syama Prasad Mookerjee: I think the Honourable Member may be a little less selfish.

Shri H. V. Kamath: It is more vital in my estimation. It goes to the root of the matter.

श्री राम सहाय सभापति जी, मेरा ऐसा खयाल है कि पावर अलकोहल (Power alcohol) तैयार करने के बारे में इस वक्त भी दूसरे कायदे मौजूद हैं जिन कायदों की तहत में लाइसेंस () दिये जायेंगे। इस (act) में इसके आने की विशेष आवश्यकता नहीं मालूम होती।

(English translation of the above speech.)

Shri Ram Sahai (Gwalior State): Mr. Chairman, I think that even at present there exist certain rules for the manufacture of Power Alcohol under which the licences will be issued. There does not appear to be any particular necessity for incorporating such a provision in this Act.

Mr. Chairman: The question is:

"That before sub-clause (1) of clause 4 of the Bill, the following new sub-clause be inserted and the existing sub-clauses be renumbered accordingly:

(1) No person or association of persons shall manufacture power alcohol except under a licence or permit from the Central Government."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill

Shri T. T. Krishnamachari: Sir, I move:

"That after clause 4 of the Bill, the following new clause be inserted, namely:

4A. Power to regulate production and disposal of power alcohol.—The Central Government may regulate the production and disposal of power alcohol by any distillery situated in any area in which this section is for the time being in force."

This clause contemplates action under clause 1(3). It may be considered that it is not wholly necessary for the reason that provincial Governments have power already to control the production of alcohol of any type. Actually rectified spirit which is being manufactured in various provinces is being controlled by the provincial Governments. But since an over-all control is visualised I thought it better for the Central Government also to have the necessary power, though normally they will only act through the provincial machinery for this purpose. It is not a question of encroachment on the powers of the provinces as the new clause only aims at providing for central direction in the matter. As I said before, the Honourable Minister has expressed his willingness to accept this. Sir, I move.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I accept this.

Mr. Chairman: The question is:

"That after clause 4 of the Bill, the following new clause be inserted, namely:

4A. Power to regulate production and disposal of power alcohol.—The Central Government may regulate the production and disposal of power alcohol by any distillery situated in any area in which this section is for the time being in force."

The motion was adopted.

New clause 4A was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (2) of clause 5 of the Bill the words 'from time to time' be omitted."

[Mr. Naziruddin Ahmad]

The point, though technical, is important and requires a brief explanation. The passage where the offending words occur is to the effect that 'the proportion of petrol and power alcohol in such mixture shall be as may from time to time be specified by the Central Government'. The words "from time to time" are clearly implied by virtue of the General Clauses Act and need not be repeated here.

The Honourable Dr. Syama Prasad Mookerjee: The Honourable Member has said that from time to time.

Mr. Naziruddin Ahmad: This time I shall give some reasons. I shall read a relevant passage from a classical book on Legislative Drafting by Sir Alisson Russell which runs thus:

"The draftsman must make himself familiar with the Interpretation Act locally applicable."

In England this Act corresponds to our General Clauses Act:

"If he does not know the Interpretation Act thoroughly he will certainly find himself making provision for matters which are already provided for. He must bear this in mind that the Interpretation Act, unless expressly excluded, applies to every Act passed; and if it is intended to depart from this it must be stated in express terms."

Shri Ramnarayan Singh (Bihar) (General): Sir, I rise to a point of order. As the British Government is no longer in this country can we quote any British legal authority in this House?

Mr. Naziruddin Ahmad: I do not cite this as a binding authority; I only ask the House to consider the reason behind it. I will now read sec. 14(1) of our own General Clauses Act.

"Where by any Central Act or Regulation made after the commencement of this Act any power is conferred, then unless a different intention appears, that power may be exercised from time to time as occasion arises."

The inconvenience of using these words here and there without using them thoroughly at every possible place is obvious. It may be thought that when this expression is not used in every conceivable place Government cannot exercise power from time to time in such cases. I draw attention to clause 4(1) where it is stated that a certain 'power may be exercised as specified by the Central Government'. According to this kind of draftsmanship there also you should say, "power may be exercised as may from time to time be specified by the Central Government". In fact when power is given it is obvious, even apart from the General Clauses Act, that it can be exercised from time to time as occasion arises, unless specially restricted. The General Clauses Act again makes that quite clear. I suggest that these words should be banished once for all and the General Clauses Act followed as advised by Sir Alisson Russell. That provision must be kept in mind and duplication avoided.

Alternatively I would suggest that if you are so fond of this expression "from time to time" you should also introduce it in clauses 7 and 9. I submit that the words are unnecessary and inartistic. As said in this book, it is bad diction to use one unnecessary expression in a legislative enactment; if you use them once you must use them always.

Mr. Chairman: The Honourable Member is repeating himself and may now bring his remarks to a close.

Mr. Naziruddin Ahmad: Sir, as one Honourable Member said the other day, hammering has its uses. Sir, I move.

Mr. Chairman: Amendment moved:

"That in sub-clause (2) of clause 5 of the Bill the words 'from time to time' be omitted."

The Honourable Dr. Syama Prasad Mookerjee: Sir, I am afraid I cannot accept the learned interpretation of my Honourable friend. This in fact is a most vital clause in the Bill; it is said here that Government may fix the proportion which should not be more than 25 per cent. or less than 5 per cent. Lest there should be any doubt that power may not vest in the Government to change from time to time as occasion may arise, we were advised that these words, which seem to be redundant to the Honourable Mover, should be put in there and also in the following clause. But obviously there are some clauses where we thought the words to be redundant and there we have ourselves removed them. So the Honourable Member need not move that they should be reimposed there.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 5 of the Bill the words 'from time to time' be omitted."

The motion was negatived.

Shri T. T. Krishnamachari: Sir, I move:

"That in sub-clause (2) of clause 5 of the Bill, the words 'with petrol' occurring in line three be omitted and after the word 'mixture' occurring in line four, the words 'with petrol' be inserted."

The words were in the wrong place and I am moving this amendment for remedying the defect as it seems to have escaped the eagle eyes of my Honourable friend Mr. Naziruddin Ahmad. Sir, I move.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 5 of the Bill, the words 'with petrol' occurring in line three be omitted and after the word 'mixture' occurring in line four, the words 'with petrol' be inserted."

The motion was adopted.

Mr. Chairman: The question is:

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

The motion was adopted.

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

Clauses 6 to 8 were added to the Bill.

Shri S. V. Krishnamurthy Rao: Sir, I move:

"That in sub-clause (2) of clause 9 of the Bill—

(i) before part (a) the following new part be inserted:

'(a) provide for the licensing of the manufacture of power alcohol';

(ii) after part (e) the following new part be inserted:

'(f) provide for denaturing of power alcohol at the distilleries;' and all the parts of the sub-clause be re-lettered accordingly."

I consider both these amendments very important because the distilleries will have to be started with reference to the availability of molasses and the cost of transportation of molasses from the sugar factory to the distillery and from the distillery to the mixing centre. So a judicial licensing of these factories is necessary; and also to prevent leakage of petrol for other purposes denaturing of power alcohol at the distilleries is necessary.

The Honourable Dr. Syama Prasad Mookerjee: I accept it.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 9 of Bill—

(i) before part (a) the following new part be inserted:

'(a) provide for the licensing of the manufacture of power alcohol';

(ii) after part (e) the following new part be inserted:

'(f) provide for denaturing of power alcohol at the distilleries;' and all the parts of the sub-clause be re-lettered accordingly."

The motion was adopted.

Mr. B. K. Sidhva: With your permission I would like to make a change in the amendment standing in my name. I want to drop the latter portion, permitting a member to move an amendment. I am only stating that the rules should be placed on the table of the House.

Mr. Chairman: I would point out that unless he passes a written amendment to me I am not going to agree to his suggestion. Just now when the previous Bill was on there was some talk between Members, as a result of which an amendment was put and some confusion resulted.

The Honourable Dr. Syama Prasad Mookerjee: The general wish was expressed that the rules as framed might be placed before the Central Legislature. I am prepared to accept that.

Shri T. T. Krishnamachari: Before the Central Legislature.

The Honourable Dr. Syama Prasad Mookerjee: All rules should be placed before the Central Legislature.

Mr. Chairman: The amendment as proposed on this paper in pencil is correct neither in language nor in the idea behind it and therefore I cannot allow this amendment at this stage. As the Honourable Minister is pleased to accept the principle of this amendment, he can himself bring up an amendment to this effect if he so chooses.

Shri M. Ananthasayanam Ayyangar (Madras: General): What is the object of placing them on the table of this House? The penalty is on the person who sells.

Mr. Chairman: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clause 10 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I beg to move:

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

Mr. Naziruddin Ahmad: Sir, the Honourable Minister promised to make his reply at this stage.

The Honourable Dr. Syama Prasad Mookerjee: I prefer to give you power alcohol and not a speech!

Mr. Chairman: The question is:

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

The motion was adopted.

INDIAN RAILWAYS (AMENDMENT) BILL

The Honourable Dr. John Matthai (Minister for Railways and Transport):

Sir, I beg to move:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

Sir, the object of this measure is extremely simple and is of a purely formal character. It arises in consequence of the fact that various States have acceded to the Union and they have acceded in respect of the entry of "Railways" in the Federal List. It becomes therefore necessary to regularise their position in regard to the application of the Indian Railways Act to them. There are two things that this Bill seeks to do. First of all it seeks to extend the scope of the Indian Railways Act to the whole of India, which means both the

Provinces and the States. The second is that in regard to the States, it seeks to place the acceding States in the matter of railways on exactly the same footing as the Provinces. This is a simple matter and I hope the House will accept the measure.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, I beg to support the motion.

Mr. Chairman: The question is:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

"That clauses 2 to 5 stand part of the Bill."

The motion was adopted.

Clauses 2 to 5 were added to the Bill.

Shri T. T. Krishnamachari (Madras: General): Sir, I beg to move:

"That in clause 6 of the Bill, in the proposed section 144 of the Indian Railways Act, 1890, for the words 'an enactment not in force', the words 'an enactment in force in the provinces of India but not in force', be substituted."

Sir, this merely clarifies the position in regard to enactments which are in force in Provinces but not in force in the acceding States. Otherwise the position of the enactments in the provinces will be left vague. It is said that by implication it will be understood but I thought that it would be better to make it explicit. I think the Honourable Minister might probably be willing to accept the motion.

The Honourable Dr. John Matthai: Sir, I am advised by legal advisers that it is entirely superfluous but if the Honourable Member wishes to have it I have no objection.

Mr. Chairman: The question is:

"That in clause 6 of the Bill, in the proposed section 144 of the India Railways Act, 1890 for the words 'an enactment not in force', the words 'an enactment in force in the provinces of India but not in force', be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 1 was added to the Bill.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, day before yesterday we passed another amending Bill so far as the railways are concerned. The difficulty will be whether this is the first or the second amending Bill 1948 to the Indian Railways Act.

The Honourable Dr. John Matthai: That has nothing to do with this Bill at all.

Mr. Chairman: The question is:

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

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

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

Mr. Chairman: The question is:

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

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Monday, the 29th March, 1948.