

Thursday,
4th March, 1948

THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

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SECOND SESSION

of the

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Thursday, 4th 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.

DECLARATION BY MEMBERS

The following member made the declaration under Rule 2C:

The Honourable Shri K. C. Neogy (West Bengal: General):

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

PROVIDENT AND DEFENCE PROVIDENT FUNDS OF GOVERNMENT EMPLOYEES FROM PAKISTAN

597. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Finance be pleased to state whether any steps have been taken to safeguard the interests of the personnel of the Government of India so far as their Provident Fund and/or Defence Provident Fund lying in the books of the Accounts Offices in Pakistan are concerned?

(b) Will the formalities for the permanent transfer of these accounts be completed soon and if so within what period?

The Honourable Shri R. K. Shanmukham Chetty: (a) The Provident Fund balances of Government employees are merged in Government's cash balances and if a Central Government servant has opted for service in India the liability for the outstanding balance in his Provident Fund account will be assumed by the Government of India irrespective of the accounts-officer on whose books the accounts were originally borne.

(b) The extent to which these accounts have already been transferred to India is being ascertained and steps will be taken to expedite the transfer of accounts in the remaining cases.

Mr. R. K. Sidhva: May I know whether in all cases the Pakistan Government have sent the accounts of these employees who have opted for India or whether there are still some to be received?

The Honourable Shri R. K. Shanmukham Chetty: How is it possible to answer that question? I said that so far as our knowledge goes quite a good deal has already been transferred and we are expediting the transfer of that which is left.

Mr. R. K. Sidhva: Is it not a fact, Sir, that representation has been made by employees who have come out from Pakistan, to the Government Departments that their service books etc. have not yet been received and they are considerably handicapped?

The Honourable Shri R. K. Shanmukham Chetty: We are referring to the Auditor-General to find out whether the cases of all those who have opted for India have now been transferred.

Mr. R. K. Sidhva: May I know, Sir, what steps Government have taken to transfer the G. P. Fund accounts of the Government of India employees who came to India just before the 15th August 1947? Will their cases also be considered similarly?

The Honourable Shri R. K. Shanmukham Chetty: I do not know, I must have notice.

Prof. Shibban Lal Saksena: Is he aware, Sir, that employees who have come from Pakistan are experiencing great difficulty because they are not getting the Provident Fund?

Mr. Speaker: That is covered by the answer already given by the Honourable Minister.

TEMPORARY STAFF IN VARIOUS MINISTRIES

598. *Mr. R. K. Sidhwa: Will the Honourable Minister of Home Affairs be pleased to state the number of officers and subordinates employed in a temporary capacity for over three years in the various Ministries and attached offices of the Government of India?

The Honourable Sardar Vallabhbhai Patel: A statement containing the required information is laid on the table of the House.

Statement

Showing the number of temporary employees with more than three years' service

Name of Ministry	Officers	Subordinates
Ministry of Home Affairs	2	160
Director Intelligence Bureau
Special Police Establishment	1	43
Ministry of Agriculture
Ministry of Finance	3	7
Revenue Division	1	138
Food Division	2	17
Defence Division	3	176
States and E. A. Division	..	5
I. & C. Division	16	77
National Savings Central Bureau	..	27
Financial Adviser Delhi Province under the Ministry of Finance	..	4
Ministry of Information & Broadcasting	3	115
D. G., AIR	..	28
Press Information Bureau	22	131
Director, Publications Division	8	44
Overseas Posts	4	4
Ministry of Defence	..	350
Armed Forces Headquarters	14	3,104
Ministry of Labour	8	105
D. G., R. & E.	3	95
Ministry of I. & S.	27	350
D. G., Disposals	20	362
D. G., I. & S.	205	2,971
Director of Industrial Statistics, Simla	2	26
Newsprint Office, Simla	..	11
Coal Commissioner's Organisation, Calcutta	32	328
Iron and Steel Control Organisation	24	647
Ministry of Works, Mines & Power	5	37
Office of the Controller of Printing & Stationery	3	72
Ministry of Railways	1	105
Central Standards Office Railways	..	11
Controller of Railway Supplies	..	45
Ministry of Commerce	..	121
Office of the Supdt. of Insurance	1	54
Chief Controller of Imports	2	123
Chief Controller of Exports	1	52
Adm. Intelligence Room	1	..
Economic Adviser's Office	7	42
Ministry of Communications	2	36
Civil Aviation Directorate	1	20
P. & T. Directorate	24	122
India Meteorological Department	3	14
Ministry of Education	5	64

Ministry of E. A. & C. R.	3	121
(includes HPM's Sectt. & Consular posts abroad)		
Ministry of Food	54	423
Ministry of Health	4	199
Ministry of Law		32
Ministry of R. & R.	2	14
Ministry of States		32
Ministry of Transport	7	174
Ministry Without Portfolio		
Secretariat of the Legislative Assembly		19
Partition Secretariat		7
Federal Public Service Commission		51
Cabinet Secretariat		10
Total	530	11,484

Mr. R. K. Sidhva: May I know the total number of officers and subordinates?

The Honourable Sardar Vallabhbhai Patel: Officers 530 and subordinates 11,484.

Shri Khurshed Lal: Do Government intend to refer these cases to the Federal Public Service Commission?

The Honourable Sardar Vallabhbhai Patel: Many of them have appeared before the Public Services Commission for examination.

Shri M. Ananthasayanam Ayyangar: Have the Government taken any decision as to how many of these posts will be retained and how many people will be sent out?

The Honourable Sardar Vallabhbhai Patel: The House probably is aware that a special Economy Committee has been appointed—a Retrenchment Committee so to say—of which Seth Kasturbhai Lalbhai is the Chairman, and when, after full examination, the report is received the question will be decided.

Prof. Shibban Lal Saksena: Will the Honourable Minister let us know whether provision for alternative employment will be made before retrenchment is effected?

The Honourable Sardar Vallabhbhai Patel: It is difficult to say at present as to what will be their fate after the report is received; but if alternative employment is available Government will certainly consider the matter.

Shri Mohan Lal Saksena: May I know, Sir, whether the Committee has begun to function—is it sitting here in Delhi?

The Honourable Sardar Vallabhbhai Patel: I have no information. If it has not already done, it will begin to function very soon.

Shri Mohan Lal Saksena: Is it not a fact, Sir, that one of the members has expressed his desire to resign because the Chairman is not prepared for the Committee to function before April?

The Honourable Sardar Vallabhbhai Patel: I have no knowledge of it.

Dr. V. Subramaniam: May I know, Sir, whether the figures given by the Honourable Minister relate to pre-partition or post-partition period?

The Honourable Sardar Vallabhbhai Patel: They relate to employees in our Secretariat now.

DEMobilISATION OF INDIAN EMERGENCY COMMISSIONED OFFICERS AND OTHER RANKS

599. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Defence be pleased to state whether any Indian Emergency Commissioned Officers or other ranks of the Army, Navy and Air Force have been demobilised since 15th August, 1947?

(b) If so, what are their numbers separately in each Force?

(c) Do Government propose to consider the desirability of utilising their services in the course of expansion of the Armed Forces in future?

(d) If not, how do Government propose to employ them?

The Honourable Sardar Baldev Singh: (a) No.

(b), (c) and (d). Do not arise, in view of the answer to part (a)

IMPLEMENTATION OF SHORT TERM SCHEME OF BHORE COMMITTEE'S REPORT

600. *Seth Govinddas: (a) Will the Honourable Minister of Health be pleased to state what steps have been taken so far to implement the short term scheme of the Bhore Committee's Report?

(b) In view of the shortage of doctors in India, do Government propose to consider the advisability of reducing the M. B. B. S. course to four years as an emergency measure?

The Honourable Rajkumari Amrit Kaur: (a) I would invite the Honourable Member's attention to the answer given to Question No. 741 asked by him on the 10th December, 1947 and to the reply given to Shri Damodar Swarup Seth's starred question No. 263 on the 12th February 1948.

(b) This is primarily for the Medical Council of India and the Universities to consider. But I may mention that the majority of members of the Bhore Committee did not favour the idea that the period of training of doctors should be reduced for the purpose of increasing the number of doctors.

Seth Govinddas: With respect to part (a) of the Question, is it not a fact that as a short-term scheme the Bhore Committee recommended something with respect to Ayurved, and may I know what Government is going to do as far as Ayurved is concerned because in the previous reply the Honourable Minister did not say anything about it?

The Honourable Rajkumari Amrit Kaur: I may mention that I have already replied on the floor of this House as regards Ayurved. A Committee was appointed; that Committee's report has unfortunately been delayed because of the illness of its Chairman, but I am expecting it any day and the moment that report comes in, the matter will be given consideration.

Seth Govinddas: Does the Honourable Minister know that as far as that Committee was concerned there was lot of criticism in the Press with respect to its personnel? Under these circumstances will Government see that the real representatives of Ayurved are consulted before that report is given effect to?

The Honourable Rajkumari Amrit Kaur: Government is aware of the criticism, and the Committee, wherever it has travelled, has taken the opinion and called in evidence of the Ayurved physicians of the Province concerned.

Seth Govinddas: Will the Honourable Minister consult the representatives of the all-India Ayurved Sammelan as far as Ayurved is concerned?

The Honourable Rajkumari Amrit Kaur: When the report is received that matter will be considered.

Shrimati G. Durgabai: In view of the shortage of doctors, is the Honourable Minister aware that there is a large number of doctors displaced from their profession on account of their participation in the national struggle, who may be willing to join the Government service?

The Honourable Rajkumari Amrit Kaur: I shall be glad to receive the names of all those.

Shrimati G. Durgabai: Was any attempt made to collect statistics regarding the numbers of such doctors?

The Honourable Rajkumari Amrit Kaur: We have had a certain number of names sent to us during the recent disturbances, but this is primarily a matter for the Provincial Governments concerned

Shrimati G. Durgabai: Will the Honourable Minister issue a directive to the Provincial Governments to lift any restrictions imposed on these doctors, if they want to enlist their services?

The Honourable Rajkumari Amrit Kaur: I shall consider that suggestion.

Prof. N. G. Ranga: Have Government any proposal to establish a School of Medicine in Indian methods on the same lines on which such a school has been run in Madras for the last twenty years?

The Honourable Rajkumari Amrit Kaur: That matter will come up for consideration after the receipt of the Chopra Committee Report.

PUBLICATION OF REVISED EDITIONS OF DEALINGS WITH INDIAN STATES

601. *E. B. Lala Raj Kanwar: Will the Honourable Minister of States be pleased to state:

(a) whether Government are aware that the latest available editions of Aitchison's "Treaties, Engagements and Sanads" and "Memoranda on Indian States", which used to be issued at regular intervals in the past, were published many years ago and are consequently out of date;

(b) if so, whether Government intend to bring out in the near future revised and up-to-date editions of these publications; and

(c) if the answer to part (b) above be in the negative, whether Government propose to consider the feasibility of doing so as soon as possible?

The Honourable Sardar Vallabhbhai Patel: (a) The latest edition of Aitchison's Treaties was published in 1929 and Memoranda on Indian States in 1940.

(b) and (c). In view of the rapid changes taking place in the States, the present is not an opportune time for considering this question.

Shri H. V. Kamath: Is it not a fact that the ceaseless labours of the indefatigable States Minister have rendered most of these Treaties, Engagements and Sanads extinct and a thing of the past?

Mr. Speaker: Order, order. It does not arise at all.

EXPORT OF INDIAN OPIUM

602. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Finance be pleased to state what are the countries to which opium is exported from India and for what purpose it is so exported?

(b) Are Government deriving any revenue from the sale of opium?

(c) Have Government adopted the policy of not making any income out of opium sale?

(d) If not, do Government propose to declare that India will not sell any opium except for medicinal purposes?

The Honourable Shri B. K. Shanmukham Chetty: (a) The countries to which opium is exported are those with which India has a close geographical or long standing political link, namely, French and Portuguese Settlements in India, Nepal, Zanzibar (including Pemba), Burma, Aden, Pakistan and United Kingdom. The export of opium to these countries other than U. K. is allowed for medicinal as well as non-medicinal purposes and is confined only to the quantities approved by the Governments of those territories. The supply to the U. K. is purely for medicinal purposes.

(b) and (c). Opium issued for internal consumption in India to the Provincial Governments and Indian States and to Pakistan at present is sold at cost price and no profit is made by the Government of India. Provincial Governments and States sell opium in turn to the consumer at higher prices, and the

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

difference constitutes a part of the Provincial Excise revenue. As for other countries, the French and Portuguese Settlements in India, Nepal, and Zanzibar obtain their requirements from the neighbouring Provincial Governments—while supplies to U.K., Burma, and Aden are made by the Government of India on a commercial basis and a profit is made thereby.

(d) The present position is as indicated in the reply to part (a). The Government of India have, however, recently accepted as their policy the prohibition of opium production except for medical and scientific use and will endeavour to give effect to this policy at the earliest possible date compatible with effectiveness.

DISPOSALS OF INCOME-TAX APPEAL BY ASSESSEES FROM PAKISTAN

603 * { **Shri T. T. Krishnamachari:** will the Honourable Minister of
 { **Shri K. Santhanam.**

Finance be pleased to state:

(a) the arrangements which have been made for the disposal of income-tax appeals filed by assesses originally resident in Pakistan, but who have since migrated into India; and

(b) whether Government have taken any steps to have the appeals transferred to the Income-tax Appellate Tribunal in India or propose to devise some other suitable method for disposing of them?

The Honourable Shri R. K. Shanmukham Chetty: (a) The Appeals referred to fall to be disposed of by the Appellate Assistant Commissioners of Income-tax in Pakistan. The Pakistan Government has agreed to direct the Appellate Assistant Commissioners not to pass *ex parte* orders during the current financial year on appeals filed by evacuee assesses of West Punjab, unless the appellants themselves agree to their doing so.

(b) No. There is no method of transferring the appeals filed in Pakistan to India, unless the assessment case, as a whole, is also transferred to India. As Pakistan is entitled to make assessments in these cases and retain the tax on the income which accrued or arose prior to 15th August 1947 they are not likely to agree to the transfer of these cases to India.

Shri K. Santhanam: May I know, Sir, whether the Honourable Minister has considered the desirability of extinguishing these appeals and let these people start new appeals? When these people are in India, what are they to do there?

The Honourable Shri R. K. Shanmukham Chetty: I do not know, Sir, how we can nullify the sovereign powers of Pakistan to entertain any appeals or to dispose of the appeals in any manner they like.

Shri K. Santhanam: May I know, Sir, if the Honourable Minister is aware that this question refers to people who have come down here who are beyond the jurisdiction of Pakistan courts?

Mr. Speaker: I am afraid it is arguing.

Shri M. Ananthasayanam Ayyangar: Will the Honourable Minister, in view of their assessing persons who are here, enter into a reciprocal arrangement for a period with the Pakistan Government in respect of people who have gone there?

Mr. Speaker: I am afraid this is also an argument.

OFFICERS IN GOVERNMENT OF INDIA GETTING MORE OR LESS THAN RS. 3,000 P.M.

604. * { **Shri T. T. Krishnamachari:** Will the Honourable Minister of Home
 { **Shri K. Santhanam:** affairs be pleased to state:

(a) the number of officers in the Government of India who are drawing a salary of over Rs. 3,000;

(b) how many of them were getting less than Rs. 3,000 before August 15, 1947; and

(c) whether Government have undertaken to continue to pay salaries on the old scale to pre-1931 entrants, even when they are promoted quickly from comparatively junior posts to high senior posts?

The Honourable Sardar Vallabhbhai Patel: (a) Ninety-five.

(b) Eighteen.

(c) Yes. All officers are ordinarily allowed the salary fixed for the posts to which they are appointed, without reference to the length of service.

Shri H. V. Kamath: Arising out of answer to part (a), does this number include those officers who might be drawing a substantive pay which is less than Rs. 3,000 but who with allowances and other things, may be drawing Rs. 3,000 and more?

Mr. Speaker: In other words, are the allowances included in the salary?

The Honourable Sardar Vallabhbhai Patel: The question is about the salary.

Shri T. T. Krishnamachari: May I ask the Honourable Minister if there is any proposal to revise the original assurances given to these people that they will be paid the scale of salaries that obtained prior to August 1947?

The Honourable Sardar Vallabhbhai Patel: There can be no question of revising the assurances that have been given to the officers of the Secretary of State's services

Mr. R. K. Sidhva: Do Government intend to fix a maximum salary for any officer?

The Honourable Sardar Vallabhbhai Patel: The maximum has been recommended by the Pay Commission, but this does not apply to officers to whom guarantees have been given by the Government of India.

Shri K. Santhanam: May I know if guarantees have been given to any pre-1931 entrants besides the Secretary of State's Services?

The Honourable Sardar Vallabhbhai Patel: No guarantees have been given to officers other than those belonging to the Secretary of State's Services.

Shri K. Santhanam: May I know if others who do not belong to the Secretary of State's Services are drawing more than Rs. 3,000?

The Honourable Sardar Vallabhbhai Patel: There may be, I cannot say; but I will make enquiries.

Shri K. Santhanam: May I know if the Honourable Minister is aware that the Chief Commissioner and the Members of the Railway Board are drawing more than Rs. 3,000, although they do not belong to the Secretary of State's Services?

The Honourable Sardar Vallabhbhai Patel: Yes, there are such officers.

Mr. R. K. Sidhva: Are all these 95 officers under the Secretary of State Services?

The Honourable Sardar Vallabhbhai Patel: No.

Seth Govinddas: May I take it that in view of the recommendation of the Pay Commission that the highest salary would be Rs. 3,000 no new recruit will be paid more than Rs. 3,000?

The Honourable Sardar Vallabhbhai Patel: The Pay Commission have not recommended Rs. 3,000 as the maximum salary; they have recommended, Rs. 2,000.

Seth Govinddas: Then, may I take it, that no one who is recruited newly will be paid more than the maximum pay recommended by the Pay Commission, namely, Rs. 2,000?

The Honourable Sardar Vallabhbhai Patel: That is so. No new recruits will be placed on higher scales.

Shri M. Ananthasayanam Ayyangar: If there are no commitments already in the case of the Chief Commissioner of the Railway Board, its Members etc., why should they be given more than the maximum salary that has been fixed by the Pay Commission now?

The Honourable Sardar Vallabhbhai Patel: Well, if they are either on contract service or if they are permanent servants, we cannot afford to lose them.

Mr. Hussain Imam: May I know if the Home Department has accepted *in toto* the recommendations of the Pay Commission to apply to the existing members of the Services as well, or is it merely in respect of future recruitment?

The Honourable Sardar Vallabhbhai Patel: It is only for the future entrants; not for the existing people.

Prof. N. G. Ranga: Has any effort been made either by the Honourable Minister or by anybody in whom he has got complete trust to examine every one of these 95 cases and satisfy themselves that these very high salaries of more than Rs. 3,000 and Rs. 3,000 should be given in the interests of the State and the public?

The Honourable Sardar Vallabhbhai Patel: The very fact that they have been appointed provides positive proof that they deserve that salary and their employment is in the interests of the Government.

Prof. N. G. Ranga: That is only an argument.

Mr. Speaker: Order, order. The member is going beyond the question.

Prof. N. G. Ranga: No, Sir. I want to know the fact whether the Honourable Minister or anyone in whom he has trust has gone into this question.

Mr. Speaker: He has said so.

Prof. N. G. Ranga: No, Sir. He has not said so. He has only given the presumption.

Shri T. A. Ramalingam Chettiar: Will the successors of those who are holding these posts also get the same pay?

The Honourable Sardar Vallabhbhai Patel: Only the Secretary of States' Services are guaranteed; not the new entrants.

Shri M. Ananthasayanam Ayyangar: Does that mean that so long as they continue in service, although they may be getting Rs. 3,000, they may go up to Rs. 4,000? Is that the interpretation of the Honourable Minister?

The Honourable Sardar Vallabhbhai Patel: That is so.

Shri M. Ananthasayanam Ayyangar: Then, is it not open to the Central Government not to promote them at all beyond Rs. 2,000?

The Honourable Sardar Vallabhbhai Patel: It can be done if you give the compensation which is fixed.

REGISTRATION OF TEMPORARY PERSONNEL FROM DEFENCE MINISTRY, PAKISTAN

805. *Ghani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Defence be pleased to state whether Government have registered the names of any temporary personnel from the Ministry of Defence of Pakistan for employment in India?

(b) If so, is it a fact that they have not been provided with jobs so far, as they arrived late in India?

(c) Do Government propose to absorb them in the other Ministries?

The Honourable Sardar Baldev Singh: (a) Yes Sir.

(b) It has not been possible as yet to provide all persons, who have been registered, with jobs.

(c) Yes Sir. A separate Bureau has been set up in the Ministry of Home Affairs for the purpose and particulars of employees for whom jobs are not immediately available in the Ministry of Defence are forwarded to this Bureau.

Shri H. V. Kamath: How many vacancies, Sir, were caused on or after the 15th of August owing to the opting out and consequent exodus of some of the personnel in our Defence Ministry to Pakistan?

The Honourable Sardar Baldev Singh: It is not possible for me to give the exact figures, but the information that is available with me at present shows that the total number of employees registered is 3,063.

RECRUITMENT OF TEMPORARY EMPLOYEES FROM DEFENCE MINISTRY, PAKISTAN

606. ***Giani Gurmukh Singh Musafar:** (a) Will the Honourable Minister of Defence be pleased to state, whether it is a fact that orders have been issued by Government to recruit the temporary employees who have reported for duty from the Ministry of Defence of the Government of Pakistan, on their initial rates of pay, pending receipt of their service documents from the Government of Pakistan?

(b) What steps are being taken by Government to obtain the service records of these employees from the Government of Pakistan?

The Honourable Sardar Baldev Singh: (a) Orders have been issued by Government to the effect that in case the last pay certificate of any Government servant was not received the Head of the Department or Office should fix the pay of the Government servant concerned provisionally at the minimum-pay of the post or, on proof of acceptable evidence regarding last pay drawn, at any higher rate in the time scale as may be appropriate.

(b) The Government of India have requested the Pakistan Government to forward the service records of all persons who have left their previous stations in Pakistan.

گہانی گورمکھ سنگھ مسافر : جب تک ان کا ریکارڈ پاکستان سے نہیں آتا - کیا گورنمنٹ تب تک اس بات پر غور کر سکتی ہے کہ کوئی اور طریقہ اختیار کیا جائے - جس سے معاموم ہو جائے کہ وہاں وہ کتنی تلخوواہ لیتے تھے - مثلاً اگر ایک گزیتڈ افسر سارٹیفیکٹ اپنی تلخوواہ کے بارے میں پیش کریں تو کیا گورنمنٹ اس پر غور کریگی اور ان کو وہی تلخوواہ دے گی جو اس گزیتڈ افسر کے سارٹیفیکٹ میں بتائی گئی ہے ؟

Giani Gurmukh Singh Musafar: So long as their records from Pakistan are not received, are Government prepared to consider any other method by which it may be possible to find out their pay in Pakistan? If a gazetted Officer submits a certificate, in support of his pay, will Government consider it and give him the same pay as is shown in the certificate?

The Honourable Sardar Baldev Singh: I will examine that suggestion, but Sir, at present it is difficult for us to have any other method.

EXTRA TEMPORARY ESTABLISHMENT OF DEFENCE SERVICES IN INDIA

607. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Defence be pleased to state, whether there is any scheme to revise the terms and conditions of service of the Extra Temporary Establishment of the Defence Services in India?

(b) Do Government propose to give them the privileges of Provident Fund, permanency in service and pension?

The Honourable Sardar Baldev Singh: (a) and (b). Orders have issued on 2nd February 1948 prescribing monthly rates of pay for Extra Temporary Establishments. Other matters are under consideration.

TRANSFER OF TEMPORARY PERSONNEL OF DEFENCE MINISTRY TO MINISTRY OF HOME AFFAIRS.

608. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that the Temporary personnel of the Ministry of Defence whose names were registered by the Transfer Office, Ministry of Defence, are now being transferred to the Ministry of Home Affairs?

(b) If so, will their previous service in the Ministry of Defence count towards seniority on their being appointed in the Ministry of Home Affairs?

The Honourable Sardar Baldev Singh: (a) Personnel employed in offices under the administrative control of the Ministry of Defence who have come over from Pakistan are registered in the Transfer Office with a view to their absorption in vacancies under the control of the Ministry of Defence in India. As the number of persons who have registered are far in excess of the vacancies available, particulars of persons registered are being forwarded to the Transfer Bureau, Ministry of Home Affairs, so that they might be absorbed in suitable vacancies in other offices of Government.

(b) The extent to which the previous service of such persons should count towards seniority is under consideration in the Ministry of Home Affairs.

REVISED EDITION OF MOORE'S "FAMILY MEDICINE" FOR GOVERNMENT SERVANTS

609. *R. B. Lala Raj Kanwar: Will the Honourable Minister of Health be pleased to state:

(a) whether Government are aware that some years ago a popular book known as Moore's "Family Medicine" which dealt with simple remedies for ailments was published under Government auspices and were supplied to Government servants of certain categories at a nominal price;

(b) if so, whether any revised edition of this book has been published in recent years;

(c) if so, whether it is still supplied to government servants at a concession rate; and

(d) if the replies to parts (b) and (c) above be in the negative, whether Government propose to consider the advisability of bringing out a revised edition of this book and making it available to government servants as well as to members of the public?

The Honourable Rajkumari Amrit Kaur: (a) Yes.

(b) and (c). The last edition of the book was published in 1936. It is supplied both to Government servants and to the public at the cost price of Rs. 3-2.

(d) It is not considered necessary to publish a revised edition now. Copies of the last edition are still available for sale with Manager of Government Publications, Delhi.

Shrimati G. Durgabai: May I ask if the Honourable Minister will consider the desirability of bringing out this edition in provincial languages so as to make it useful to the housewife?

The Honourable Rajkumari Amrit Kaur: The proposal will be considered.

Seth Govinddas: Is the Honourable Minister consider it advisable to appoint a Committee to go into the preparation of such a book based on the indigenous system of medicine?

The Honourable Rajkumari Amrit Kaur: This will be taken into consideration when the report of the Chopra Committee is out and when we consider the whole question of Ayurved.

Shri H. V. Kamath: Is the Honourable Minister aware of an excellent book called *The Home and Village Doctor* by Satish Das Gupta of Sodepur Asbram, Bengal and whether this could not usefully substitute Moore's *Family Medicine*?

Mr. Speaker: Order. order. The Honourable Member is asking for an opinion on that question.

UNIVERSITIES IN INDIAN DOMINION

610. *R. B. Lala Raj Kanwar: Will the Honourable Minister of Education be pleased to state:

(a) the names of the Universities in the Indian Dominion together with the years in which they were established; and

(b) the amount of the annual or recurring grant, if any, made by the Government of India to each University?

آریہیل مولانا ابوالکلام آزاد: (a) ایک سٹیٹمنٹ ہاؤس کے تہیل پر رکھدیا جاتا ہے - جس میں اُن تمام یونیورسٹیوں کے نام موجود ہیں جو انڈین ڈومینین میں اسوقت تک کھل چکی ہیں - کونسی یونیورسٹی کس برس میں کھلی ہے - یہ ہر ایک یونیورسٹی کے نام کے ساتھ بتادیا گیا ہے -

(b) گورنمنٹ آف انڈیا ریگرننگ گرانٹ (recurring grants) صرف تین سنٹرل یونیورسٹیوں کو دیتی ہے - ایک سٹیٹمنٹ اس بارے میں بھی ہاؤس کے تہیل پر رکھدیا گیا ہے - اس سے معلوم ہو جائیگا کہ پچھلے دو برسوں کے اندر انکو کئی گرانٹ دی گئی ہے -

The Honourable Maulana Abul Kalam Azad: (a) A statement showing the names of the Universities in the Indian Dominion incorporated by Law and the years in which they were established is laid on the table of the House.

(b) The Government of India give recurring grants to the three Central Universities only.

A statement indicating the Recurring grants paid to these Universities during the year 1946-47 is also laid on the table of the House.

Statement

Showing the Names of Universities in the Indian Dominion and the years in which they were established

Name of University.	Year.
1 Agra University, Agra (United Provinces)	1927
2 Aligarh Muslim University, Aligarh (United Provinces)	1920
3 Allahabad University, Allahabad (United Provinces)	1887
4 Andhra University, Waltair (Madras)	1926
5 Annamalai University, Annamalaiagar, Chidambaram, (Madras)	1928
6 Benares Hindu University, Benares (United Provinces)	1915
7 Bombay University, Bombay (Bombay)	1857
8 Calcutta University, Calcutta (Bengal)	1857
9 Delhi University, Delhi	1922
10 East Punjab University, Solan (Simla Hills)	1947
11 Gauhati University, Gauhati (Assam)	1947
12 Lucknow University, Lucknow (United Provinces)	1921
13 Madras University, Madras (Madras)	1857
14 Mysore University, Mysore (Mysore State)	1916
15 Nagpur University, Nagpur (Central Provinces and Berar)	1923
16 Osmania University, Hyderabad Deccan	1918
17 Patna University, Patna (Bihar)	1917
18 Rajputana University, Jaipur	1947
19 Travancore University, Trivandrum, (Travancore State)	1937
20 Utkal University, Cuttack	1943
21 University of Saugar, Saugar (Central Provinces)	1946

Recurring grants paid to the Central Universities 1946-47.

University	Grant	Remarks
Benares Hindu University	7,02,168	Includes a sum of Rs. 3 lakhs as an advance against the grant of Rs. 4 lakhs recommended by the University Grants Committee in a full financial year.
Aligarh Muslim University	6,30,265	Includes a sum of Rs. 2,25,000 as an advance against the grant of Rs. 2,50,000 recommended by the University Grants Committee in a full financial year.
Delhi University	5,77,398	Includes a sum of Rs. 1,95,000 as an advance against of Rs. 3,64,000 recommended by the University Grants Committee in a full financial year.

رائے بہادر لالہ راج کمار : کیا میں دریافت کر سکتا ہوں کہ سب سے زیادہ گرانٹ کس یونیورسٹی کو دی جاتی ہے ؟

R. B. Lala Raj Kanwar: May I know which University receives the highest grant?

آئرہیل مولانا ابوالکلام آزاد : یہ آپکو سٹیٹمنٹ سے معلوم ہو سکتا ہے - بہر حال میں آپکو رقمیں بتلا دیتا ہوں - بنارس یونیورسٹی - ۱۹۸ ۷۰۲ روپیہ - علی گڑھ مسلم یونیورسٹی - ۶۳۰,۰۰۰ روپیہ - دہلی یونیورسٹی - ۵,۷۷,۰۰۰ روپیہ -

The Honourable Maulana Abul Kalam Azad: This is given in the statement. I can give to the House the figures for the last two years:

	RS. A. P.
Banaras Hindu University.	702168-0-0
Aligarh Muslim University	630000-0-0
Delhi University.	577000-0-0

Shrimati G. Durgabai: Will the Honourable Minister be pleased to state whether the Prayag Mahila Vidyapith and Kharve University in Bombay are full-fledged Universities in the sense that they are recognised as such by this Government?

آنریبل مولانا ابوالکلام آزاد : اسکے لئے نوٹس کی ضرورت ہے ۔

The Honourable Maulana Abul Kalam Azad: Notice is required for this.

Shri B. P. Jhunjhunwala: May I ask the Honourable Minister if there is any basis on which the grants are given for different educational Universities?

آنریبل مولانا ابوالکلام آزاد : اسکے لئے ایک یونیورسٹی گرانٹ کمیٹی مقرر ہے گرانٹ کا پورا معاملہ اُسکے سامنے جانا ہے ۔

The Honourable Maulana Abul Kalam Azad: There is a Universities Grants Committee which deals with it. All cases of grants are referred to it

Shri B. P. Jhunjhunwala: On what basis do they consider the different cases?

آنریبل مولانا ابوالکلام آزاد : جو قبولیات (development) اسکیم ہیں اُنکو سامنے رکھتے ہوئے اور یونیورسٹیوں کی ضرورتوں کا خیال کرتے یونیورسٹی گرانٹ کمیٹی فیصلہ کرتی ہے ۔

The Honourable Maulana Abul Kalam Azad: The Universities Grants Committee takes its decisions in the light of the development schemes, and the requirements of the Universities.

Shri H. V. Kamath: Will Government consider the desirability of discontinuing grants to merely communal Universities?

آنریبل مولانا ابوالکلام آزاد : اب یہ گرانٹ دئے جا رہے ہیں ۔ کمیونل یونیورسٹیوں کا جو معاملہ ہے وہ اپنی جگہ الگ ہے ۔ اور گورنمنٹ اسپر غور کریگی ۔

The Honourable Maulana Abul Kalam Azad: These grants are being given at present. The question of communal universities is altogether different. The Government will, however look into it.

श्री रोहिणि कुमार चौधुरी : क्या मैं यह पूछ सकता हूँ कि आसाम युनिवर्सिटी को क्यों ग्रांट नहीं दी गयी है।

Shri Rohini Kumar Chaudhuri: May I know why the Assam University has not been given any grant?

آنریبل مولانا ابوالکلام آزاد : آسام یونیورسٹی تو ابھی ابھی شروع ہوئی ہے ۔

The Honourable Maulana Abul Kalam Azad: The Assam University has just started.

Prof. N. G. Ranga: Have Government any proposals, Sir, to see that these Universities to which Government are making these grants are converted into non-communal universities at the earliest possible moment?

آنریبل مولانا ابوالکلام آزاد : اس بارے میں جو تجویز گورنمنٹ کے سامنے ہے اُس پر اپنے وقت پر غور کیا جائیگا ۔

The Honourable Maulana Abul Kalam Azad: The scheme which is before the Government in this connection will be considered in due course.

Shri Biswanath Das: Arising out of the replies given to some of the supplementary questions may I know whether the Honourable Minister in charge of the Department has considered the need of suggesting to these Universities to change their names suitably so as to take away the communal 'sting which now attaches to their name, especially in view of the fact that the Hindu University, though the name 'Hindu' remains is not at all a communal University?

آریڈیل مولانا ابوالکلام آزاد : بہر حال جب اس سوال پر سوچ بچار کیا جائیگا -
تو یہ ساری چیزیں سوچی چلیں گی -

The Honourable Maulana Abul Kalam Azad: When the question comes up before the Government for consideration, all these matters will be kept in view.

Shri Biswanath Das: May I request Government to consider the need for suggesting if they think proper, to name it in the name of Pandit Malaviya.

Mr. Speaker: Order, order. We cannot make any suggestions. I do not propose to allow that question.

BROADCASTING STATION FOR MALABAR

611. *Haji Abdus Sattar Haji Ishaq Seth: Will the Honourable Minister of Information and Broadcasting be pleased to state:

(a) whether there is any proposal to establish a broadcasting station in Malabar for the benefit of those living in Malayalam speaking areas; and

(b) what arrangements now exist for broadcasts in Malayalam language and how much time is given to such broadcasts in the different centres of the All-India Radio?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) A daily news talk in Malayalam is broadcast for ten minutes by All-India Radio, Madras, with an additional entertainment programme of twenty minutes on Sundays.

Haji Abdus Sattar Haji Ishaq Seth: With reference to his reply to part (a), as early as 18th April 1946 it was stated that the Government is considering the necessity of establishing a Broadcasting Station for Malabar. May I just ask when we may expect this scheme to fructify?

The Honourable Sardar Vallabhbhai Patel: The first programme that was prepared was for five years in which Malabar was not included. We expanded the programme to eight years and in that programme this is included. When the five years' programme *i.e.*, the first part of the programme is completed, then the second part, *i.e.*, the three years' programme which is connected with it will be taken up and within it Malabar's turn will come.

Shrimati G. Durgabai: May I know, Sir, whether it is a fact that the Delhi station of the All-India Radio puts out a Malayalam broadcast, but Madras, under whose jurisdiction the Malayalees live does not relay this broadcast?

The Honourable Sardar Vallabhbhai Patel: I cannot say, but I will certainly enquire into it.

Shri K. Santhanam: May I know if there is a station at Trivandrum to serve the Malayalee speaking population?

Haji Abdus Sattar Haji Ishaq Seth: Is it not a fact that the Trivandrum station works only for about half an hour in the evening and does not serve the Malayalam speaking area, because it is a medium wave station?

In view of the fact that there is not going to be a separate station for broadcasting in Malayalam, will the Honourable Minister be kind enough to increase the time allotted for Malayalam broadcasts?

The Honourable Sardar Vallabhbhai Patel: The suggestion will be considered.

RETRENCHMENT OF CERTAIN OFFICERS OF ARMED FORCES BEFORE AUGUST 1947

612. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Defence be pleased to state whether the normal strength of the Armed Forces, both officers and men, have been fixed and if so, what it is?

(b) Is it a fact that certain efficient temporary officers of the Armed Forces were retrenched before August 1947, on account of their political leanings?

(c) If so, have Government examined each case and satisfied themselves that there have been no victimisation?

The Honourable Sardar Baldev Singh: (a) No, Sir.

(b) I am not aware of any such cases.

(c) Does not arise, in view of the answer to part (b).

Shri V. C. Kesava Rao: Is Government aware, Sir, that some of those who sympathised with the R. I. N. mutiny were sent out?

The Honourable Sardar Baldev Singh: The question does not relate to the R. I. N. Mutiny.

ARMY RESEARCH INSTITUTE AND PRODUCTION OF MILITARY EQUIPMENT

613. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Defence be pleased to state whether there are any research institutes attached to the Army?

(b) If not, is there any machinery to keep the Army abreast of the armies of other countries in respect of mechanical, scientific and technical inventions?

(c) Is there any plan for the construction and designing of sub-marines and other naval vessels?

The Honourable Sardar Baldev Singh: (a) and (b): Yes, there are certain establishments which are engaged in matters relating to design, research and development of Army equipment, vehicles and stores.

(c) No, not yet.

Prof. N. G. Ranga: Are these research stations under the direction of Indians or non-Indians?

The Honourable Sardar Baldev Singh: Some are under the management of Indians; others may be under the management of British officers.

Prof. N. G. Ranga: Are any steps being taken to see that these strategic services are brought at the earliest possible time under the direction of Indians?

The Honourable Sardar Baldev Singh: Steps are being taken to bring these establishments under the management of Indians, but whether they are under the management of Indians or Britishers, they are under the Government of India which controls them.

Shri V. C. Kesava Rao: May I know, Sir, whether these institutions are manned by civilians or military personnel?

The Honourable Sardar Baldev Singh: I could not give this information off-hand, but if the Honourable Member is interested in the details, I will be able to get them for him.

Shri V. O. Kesava Rao: Is there any liaison between the military research stations and the civil research stations?

The Honourable Sardar Baldev Singh: I do not think there are any research stations of the type I have given here on the civil side.

Shri K. Santhanam: May I know, Sir, whether there is any advisory committee of Indian scientists to advise the Defence Department in its technical researches?

The Honourable Sardar Baldev Singh: That is a separate question. But steps are being taken to appoint an Advisory Committee of scientists to assist the Defence Department.

Prof. Shibban Lal Saksena: How many British officers are there at present?

The Honourable Sardar Baldev Singh: I could not give this information off hand, but quite a number about 100, I think.

RECOGNITION OF INDIAN DEGREES IN ARTS, MEDICINE, ENGINEERING ETC. IN U.K. - AND U.S.A.

614. *Shri V. O. Kesava Rao: Will the Honourable Minister of Education be pleased to state whether Indian degrees in arts, medicine, engineering and other technological subjects have been recognised in foreign countries, especially in the United States of America and the United Kingdom?

آنریبل مولانا ابوالکلام آزاد: باہر کے بہت سے ملکوں میں جن میں یو۔ ایس۔ اے بھی شامل ہے انڈین یونیورسٹی کی ڈگریاں نارمائی رکھنا نہی کی گئی ہیں۔ ابھی تک جس تعدد سے کام چلتا آیا ہے وہ یہ ہے کہ ہر ہندوستانی و دیپارٹی کی درخواست میرٹ پر دیکھی جاتی ہے جو کوالیفیکیشن یہاں بنائے ہیں انہیں بھی دھیان میں رکھا جاتا ہے۔ ایجوکیشن منسٹری اب یہ سوال اٹھا رہی ہے کہ امریکن یونیورسٹیاں ہندوستان کی ڈگریوں کو عام طور پر رکھنا کر لیں۔ ایک سلیٹھڈٹ ہاؤس کی ٹیبل پر رکھ دیا جاتا ہے اس سے معلوم کیا جاسکیگا کہ اس بارے میں برٹش یونیورسٹیوں کا کیا اصول ہے۔ جو کچھ ایس میں لکھا ہے وہ سب سے آخری انفارمیشن ہے۔

The Honourable Maulana Abul Kalam Azad: In most foreign countries, including the U.S.A., degrees and diplomas awarded by the Indian Universities and Institutions are not recognised formally, but each application from an Indian student is considered on merits and the qualifications acquired by the student in India are taken into account. The Ministry is pursuing the question of a general recognition of Indian degrees by American Universities.

A table is laid on the table giving the latest information available regarding the recognition of Indian degrees and diplomas by British Universities.

State ment

Showing the latest information available regarding the recognition of Indian degree and diplomas by British Universities

As a general rule, all Universities in the U. K. accept a degree of the Indian University as exempting from the Matriculation Examination and certain universities accept also the Intermediate Examination of an Indian University. The following statement gives the detailed position according to the latest information available in regard to each University separately:—

1. *Birmingham University.*—(a) A holder of a Bachelor's degree of an approved Indian University, or an Intermediate certificate of an Indian University is eligible for admission to the Degree course.

(b) Graduates of Indian Universities may apply for exemption from the first year course and examination. This exemption is usually decided on the merits of each application.

2. *University of Bristol.*—(a) A holder of an Intermediate certificate of a recognized Indian University is eligible for admission to the Matriculation course.

(b) No definite regulations for exemption in the faculties of Arts and Science have been laid down but consideration is given to individual applications.

In the faculty of Engineering of this University exemption from the first year course is usually given to candidates who have obtained the Diploma of Thompson Civil Engineering College, Boorkee.

3. *Cambridge University.*—(a) A holder of a First Class Intermediate or a First or Second Class Bachelor's degree of an approved Indian University is eligible for admission to the University without passing the 'Previous' Examination.

(b) Exemption from any portion of the courses or period of residence prescribed for the Bachelor's degree are only granted to affiliated students. A student who has been a member of an Associated Institute for not less than three years, and who, before matriculation at this University, has graduated, or done all that is necessary for graduation at that Associated Institution is entitled to be approved as an affiliated student.

The Indian Universities at present approved as *Associated Institutions* are:—Agra, Aligarh Allahabad, Bombay, Calcutta, Delhi, Lucknow, Madras, Mysore, Osmania and Patna. The old Punjab University was also approved, and it is hoped that the East Punjab University will now be approved.

4. *Durham University.*—(a) A holder of a Intermediate certificate of an Indian University is eligible under certain conditions for exemption from the Matriculation Examination of this University.

(b) Exemption is granted from the first year of study, provided that an equivalent course of study has been pursued at some approved institution and exemption is obtained from the first year examination, provided an equivalent examination has been passed elsewhere.

An Indian Graduate may be admitted to the status of an advanced student in order to study for the Ph. D. Degree, provided his qualifications justify such admission.

5. *Leeds University.*—(a) A holder of a Bachelor's degree of an approved Indian University, or an Intermediate certificate of an Indian University is eligible for admission to the Degree course.

(b) The University has not found it possible to draw up a scheme of exemption for students from Indian universities but is prepared to consider each application on its merits.

6. *Liverpool University.*—(a) A holder of a Bachelor's degree of an approved Indian University, or an Intermediate certificate of an Indian University is eligible for admission to the degree course.

(b) The University has not found it possible to draw up a scheme of exemption for students from Indian Universities but is prepared to consider each application on its merits.

7. *University of London.*—(a) A holder of a Bachelor's degree of an approved Indian University is exempted from the Matriculation Examination.

(b) External Students are not entitled to any exemption from examinations above the Matriculation.

Internal Students who are graduates of other Universities may proceed as candidates for a Bachelor's degree without taking the Intermediate Examination, after they have pursued an approved course of studies as Internal Students.

8. *University of Manchester.*—(a) A holder of a Bachelor's degree of an approved Indian University, or an Intermediate certificate of an Indian University is eligible for admission to the Degree course.

(b) This University has never laid down any general scheme for exemption and each application for exemption is dealt with individually and on its merits.

9. *Oxford University.*—(a) A holder of a Bachelor's degree of an approved Indian University obtained after a course of study extending over three years, or if two years only, with uninterrupted success at all examinations and certificate of satisfactory progress is exempted from 'Responsions' (i.e. Matriculation Examination) and is eligible for admission as a member of the University.

(b) Exemption from any portion of the prescribed courses or period of residence for the B.A. Degree is only granted to students of Senior Status. Students who have obtained a Bachelor's degree at a University in the British Dominion or Colonies or in Indian or in Great Britain and North Ireland or at a foreign University are admitted to the status and privileges of a Senior student, provided that they have pursued at that University a course of study extending over at least three years.

10. *Sheffield University*.—(a) A holder of a Bachelor's degree of an approved Indian University, or an Intermediate certificate of an Indian University is eligible for admission to the Degree course.

(b) At this University exemption of one year is usually granted for courses in the various Faculties to degree holders of approved Universities.

11. *Aberdeen University*.—(a) A holder of a First Class Intermediate certificate of an approved Indian University with English and either Mathematics or Science is eligible for admission to the course of a study qualifying for graduation.

(b) With the exception of the Preliminary Examination, this University does not make any exemptions or concession in virtue of Degrees or courses obtained or pursued at Indian Universities unless a special application has been submitted and approved by the University Court.

12. *Edinburgh University*.—(a) A holder of a First Class Intermediate certificate of an approved Indian University with English and either Mathematics or Science is eligible for admission to the course of a study qualifying for graduation.

(b) Each application is considered on its merits and exemption is granted from attendance or from both attendance and examination.

13. *Glasgow University*.—(a) A holder of First Class Intermediate certificate of an approved Indian University with English and either Mathematics or Science is eligible for admission to the course of study qualifying for graduation.

(b) Students from India who have attended Degree courses at a recognized Indian University may receive exemption from class attendance in certain courses at this University, but they are required to pass the Degree Examination.

14. *St. Andrews University*.—(a) A holder of First Class Intermediate certificate of an approved Indian University with English and either Mathematics or Science is eligible for admission to the course of a study qualifying for graduation.

(b) Exemption from part of the curriculum or examinations is granted to students who have given attendance or passed examination at other universities recognized by the University.

15. *University of Wales*.—(a) A holder of an Intermediate certificate of an approved Indian University is exempted from the Matriculation Examination.

(b) Graduates of an Indian University may enter upon a scheme of research or advanced study in one of the Constituent College without having first to qualify for the degree of Baccalaureus.

सेठ गोविन्द दास : क्या माननीय मंत्री जो युनिवर्सिटियां अमेरीका और यूनाईटेड किंगडम हिन्दुस्तान की डिग्रियों को मंजूर नहीं करती हैं इस बात का आर्डर (order) देंगे कि उन युनिवर्सिटियों की डिग्रियां हिन्दुस्तान में भी मंजूर नहीं की जायेंगी।

Seth Govind Das: Will the Honourable Minister issue orders that the degrees of those Universities of America and U. K. will not be recognised in India, which do not recognise Indian Universities Degrees?

آنریبل مولانا ابوالکلام آزاد : میں جہات تک سمجھتا ہوں - ہندوستان کی یونیورسٹیاں بھی انکو رکنائز نہیں کرتی ہیں۔

The Honourable Maulana Abul Kalam Azad: So far as I know Indian Universities are also not recognising them.

Shri V. C. Kesava Rao: Is it a fact, Sir, that our degrees are not recognised by the foreign Universities because they are not given practical training?

آنریبل مولانا ابوالکلام آزاد : نہیں - میں ایسا نہیں خیال کرتا - بہر حال اب منسٹری یہ سوال اٹھا رہی ہے کہ امریکن یونیورسٹیاں ہندوستان کی ڈگریوں کو رکنائز کریں اور اس سلسلہ میں دیکھا جائے کہ ہمیں آئندہ کیا تھنگ اختیار کرنا سہائے۔

The Honourable Maulana Abul Kalam Azad: No, I do not think so. But the Ministry is taking up the question of recognition by American Universities of Indian Universities degrees. We will see what should be our policy in this connection in future?

Shri V. C. Kesava Rao: What steps are Government taking to give sufficient practical training in the Indian Universities?

آنریبل مولانا ابوالکلام آزاد: میں نہیں دیکھتا کہ اس بارے میں پریکٹیکل ٹریننگ کا سوال اٹھ سکتا ہے۔ جو سٹوڈنٹس باہر کے ملکوں میں بھیجے جاتے ہیں۔ انہیں کوئی پریکٹیکل دقت نہیں پیش آتی۔ اور ہمارا کام چل رہا ہے۔ لیکن میں مانتا ہوں کہ ہمیں اصولی طور پر اس چیز کو طے کر لینا چاہئے۔

The Honourable Maulana Abul Kalam Azad: I do not think the question of practical training arises. Students who are sent abroad do not have to face any practical difficulty at all, and our work is running smoothly. But I admit that this point should be settled as a matter of principle.

مسٹر آر۔ کے سٹھوا: کیا کوئی ملک ایسا ہے۔ جہاں ہندوستان کی ڈگریاں منظور کی گئی ہیں۔

Mr. R. K. Sidhva: Is there any country where Indian Universities degrees are recognised?

آنریبل مولانا ابوالکلام آزاد: چند برٹش یونیورسٹیوں نے منظور کیا ہے۔

The Honourable Maulana Abul Kalam Azad: Some British Universities have recognised them.

Shri Rohini Kumar Chaudhuri: Is it a fact that various complications arise on account of the present system of using the name of the Province after the degree and if so, do Government propose to use only the word 'Hind' instead of using the name of different Provinces like B.A.(Mad.), M.A. (Cal.) etc.?

آنریبل مولانا ابوالکلام آزاد: لیکن میں نہیں سمجھتا کہ پروفنس کے نام کی وجہ سے ہمیں کوئی تفریق پیش آ رہی ہے۔

The Honourable Maulana Abul Kalam Azad: I do not think we are experiencing any difficulty on account of the addition of the name of the Province.

RECRUITMENT TO INDIAN POLICE SERVICE.

615. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Home Affairs be pleased to state what is the present strength of the Indian Police Service?

(b) What are the minimum qualifications prescribed for entry into this service?

(c) Is it a restricted competition or is publicity given to this examination as in the case of the Administrative Service examination?

The Honourable Sardar Vallabhbhai Patel: (a) 179.

(b) The regulations for recruitment to the new Indian Police Service have not been finally adopted yet. It is proposed, however, that a candidate must hold a degree of a recognised University and must have attained the age of 21 and must not have attained the age of 24 years on the 1st January of the year of the examination.

(c) The only restriction is of provincial domicile. The same publicity is given to the examination as in the case of the Indian Administrative Service examination.

Shri V. C. Kesava Rao: May I know the number of Britishers in the Indian Police Service now?

The Honourable Sardar Vallabhbhai Patel: I cannot give the exact number

but there are very few of them now.

Shri H. V. Kamath: In view of the revolutionary changes that have overtaken us, will the probationary or training course for these Police Service entrants include some instruction about fraternisation and co-operation with the people and service of the nation?

The Honourable Sardar Vallabhbhai Patel: The suggestion will be communicated to those who are in charge of the instruction.

Prof. N. G. Ranga: Is there any date fixed by Government for completely Indianising the Indian Police Service and send away or eliminate the British officials?

The Honourable Sardar Vallabhbhai Patel: As I said before, there are hardly any non-Indian police officers; but if there are any the provinces must have considered them to be specially useful.

RAIDS FROM SIALKOT DISTRICT NEAR SIALKOT-JAMMU BORDER WITHIN INDIAN TERRITORY

616. *Pandit Hirday Nath Kunzru: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that raiders from the Sialkot district have looted and burnt villages within the Indian territory near the Sialkot-Jammu border and on either side of the Kathua-Samba-Jammu Road?

(b) If so, how many raids took place and how many villages were looted and burnt in February, 1948?

(c) What is the number of persons murdered by the raiders?

(d) Has the insecurity of the Kathua-Jammu road adversely affected the despatch of troops or supplies?

(e) What steps have Government taken to guard the road and stop the raids?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) Twenty-seven raids as a result of which nine villages were burnt and looted.

(c) The information is not readily available.

(d) No.

(e) Adequate steps have been taken to guard the Jammu-Kathua Road. It would not be in the public interest to disclose further details.

Pandit Hirday Nath Kunzru: May I know whether the raids are still going on?

The Honourable Sardar Baldev Singh: It will be difficult to say that there are no raids going on; they do occur from time to time and they are being repulsed.

Shrimati G. Durgabai: May I know whether these raids are on the increase or on the decrease?

The Honourable Sardar Baldev Singh: Sometimes they are on the increase and sometimes on the decrease.

Pandit Hirday Nath Kunzru: Is it a fact that on account of these raids the construction of the road is being delayed?

The Honourable Sardar Baldev Singh: To some extent but, as I have said before in reply to a question, arrangements have been made to give adequate protection to labour.

Pandit Hirday Nath Kunzru: Is it a fact that till recently the labourers did not have adequate protection and therefore did not stay at certain points which were specially liable to attack?

The Honourable Sardar Baldev Singh: I am afraid it is not possible for me to disclose the measures that Government have taken. But, as I have already

said, adequate protection has been given to the labourers working on this road.

Shri K. Santhanam: May I know whether the persons participating in these raids are Pakistan policemen or soldiers or mere civilians?

The Honourable Sardar Baldev Singh: As far as our information goes, the raiders are tribesmen and some nationals of Pakistan. As to the information of my Honourable friend there are various kinds of rumours which we have not been able to verify.

Prof. Shibban Lal Saksena: In repulsing the raiders do our troops go into the territory from which these raids are made?

The Honourable Sardar Baldev Singh: No, Sir.

Shri Biswanath Das: In view of the sudden and serious nature of these raids have Government taken, or do they propose to take any effective action in near future?

The Honourable Sardar Baldev Singh: I have already stated that we are taking adequate steps.

Shri Biswanath Das: May I know what those steps are?

The Honourable Sardar Baldev Singh: I am sorry I cannot disclose them.

SHORTAGE OF COMMISSIONED OFFICERS IN INDIAN FORCES

617. *Pandit Hirday Nath Kunru: (a) Will the Honourable Minister of Defence be pleased to state what is the shortage of Commissioned Officers in the Indian Navy, Army and Air Force respectively?

(b) How is this shortage distributed between the various categories?

(c) What steps are Government taking to make good this shortage?

The Honourable Sardar Baldev Singh: (a), (b) and (c). I lay a statement on the table of the House.

Statement

Royal Indian Navy.—(a) The shortage of Indian Commissioned Officers for all branches in the Royal Indian Navy is 111.

(b) This is distributed over the different branches as follows :—

Branch	Shortage
Executive	40
Engineering	44
Electrical	18
Shipwright	2
Instructor	7
Total	111

(c) (i) Grant of Short Service Commissions to suitable released Reserve Officers and othe,

(ii) By taking in a larger number of cadets.

(iii) By borrowing a few officers from the Royal Navy and by obtaining the services of suitable ex-British Officer of the R. I. N. temporarily for short periods.

Indian Army.—(a) On 31st March 1948 the shortage will be about 400 officers (excluding 182 British Officers who are volunteering for a period longer than three months.)

(b) This shortage is distributed as follows :—

Indian Armoured Corps	40
Royal Indian Artillery	100
Royal Indian Engineers	150
Indian Army Ordnance Corps	40
Indian Electrical & Mechanical Engineers	70
Total	400

(c) The following measures are being taken to make good this shortage :—

- (1) Released Officers are being granted Short Service or Permanent Regular Commissions.
- (2) Civilian Engineers are being employed on a contract basis in certain technical services.
- (3) About 350 cadets will complete training at the Indian Military Academy and be available by the end of this year.

Royal Indian Air Force.—(a) The R. I. A. F. is short of about 390 officers (excluding 6 R. I. A. F. vacancies which are at present being held by R. A. F. officers).

(b) The shortage is distributed as follows :—

General Duty Branch	207
Technical Branch	68
Equipment Branch	27
Education Branch	42
Legal Branch	2
Medical Branch	11
Accounts Branch	33

(c) The deficiencies are being made up as follows :—

- (1) Recruitment of civilians to the G. D. Branch.
- (2) Senior N. C. Os. possessing requisite qualification and experience are being Commissioned.

ELECTRICITY (SUPPLY) BILL

PRESENTATION OF REPORT OF SELECT COMMITTEE

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to present the report of the Select Committee on the Bill to provide for the rationalisation of the production and supply of electricity and generally for taking measures conducive to the electrical development of the Provinces of India.

THE GENERAL BUDGET—GENERAL DISCUSSION—*contd.*

FIRST STAGE—*contd.*

Mr. Speaker: The House will now resume the general discussion of the budget. I again find before me a long list of Honourable Members who desire to speak. Therefore, as I said yesterday, the ordinary time limit will be ten minutes except in very special circumstances in which I will permit more time.

Pandit Hirday Nath Kunzru (U. P.: General): Sir, I am afraid that the budget proposals relating to the relief of direct and indirect taxation and the imposition of new taxation were not wholly unknown to the interests concerned before they were disclosed here by the Honourable the Finance Minister, I understand that some of the proposals were accurately known.....

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): Sir, am I to understand the Honourable Member's statement to mean that the budget secrets were disclosed before they were made here?

Pandit Hirday Nath Kunzru: What I said was that I understand that some of the proposals were accurately known?

The Honourable Shri R. K. Shanmukham Chetty: Were they guessed?

Pandit Hirday Nath Kunzru: I do not know, but the fact is this. I understand that the beliefs entertained before the budget was presented have turned out to be correct. The other proposals were only partially known. In the latter class of proposals is the reduction in respect of the business profits tax; and that is the reason why when the budget proposals were known there was a slump in the share market. Sir, it has been a matter of surprise and distress to us that during the last few months there have been frequent leakages of confidential information. But that any part of the budget proposals should come to be known, is a matter that requires the immediate and urgent attention of Government. I hope that arrangements will be made in future to prevent the slightest leakage of any part of the budget proposals.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I must emphatically repudiate any suggestion that secrets of this year's budget leaked out in any manner or from any source. When the Honourable Member says that it must be prevented in future it is an implication that it has leaked out this year.

Pandit Hirday Nath Kunzru: Sir, I have already informed the House of the impression that prevails everywhere in Delhi. I am not charging my Honourable friend the Finance Minister with corrupt practices. But surely when we find rumours abroad which throw discredit on Government we must—as he will agree—bring them to his notice. I hope, Sir, that I have done nothing but my elementary duty in informing him and the House of the general belief that the budget proposals have not remained a complete secret as they should have.

Sir, the estimates of expenditure were criticised yesterday as being shown to be lower than they should have been. I agree with the observations that were made yesterday with regard to the debit of about 15 crores on account of the expenditure on the acquisition of new ships and certain stores and equipment to capital. As this expenditure has not been incurred in pursuance of a large programme to be executed in a number of years, I personally do not agree with the view taken by the Finance Minister that the expenditure should be debited to capital.

I regard the practice followed during the war as unsound, and I hope that unless the amount involved is really very large, that practice will not be followed in future by my Honourable friend, the Finance Minister.

As regards the crediting of the advance payments of income-tax to revenue, I personally see no serious objection to it. This may not be desirable from the point of view of strict financial propriety but as advance payments are made every year. I do not see that our revenues would be substantially effected by the step taken by the Finance Minister.

Sir, it may be that the expenditure debitable to revenue should have been placed at a higher figure. But I think that considering certain factors, the estimate of our revenue given by the Finance Minister might also have been higher. Government have already notified that Pakistan will be treated as foreign territory for the purposes of import and export trade owing to the unfortunate termination of the standstill agreement. But my Honourable friend, the Finance Minister has not told us what the effect of this on our revenues would be. We are likely to get a substantial sum from the export duties and from the ordinary customs duties levied on the goods sent from here to Pakistan or coming here from Pakistan. I think that it is likely to be a substantial sum, and I hope that my Honourable friend will enlighten us on the subject when he winds up the debate.

Again, Sir, there is the interest on the debt which Pakistan owes to India, to which reference has been made in the budget speech. Whatever the amount of the agreed debt owed by Pakistan to India might be, it seems that we shall get something in the neighbourhood of Rs. 9 crores, which was the figure mentioned by the Finance Minister by way of interest. This again improves our revenue position.

Then, Sir, I find that no information has been supplied to us with regard to the capital gains tax. I do not know whether the machinery for its imposition has yet been brought into existence, and whether any revenue has been derived from this source. It was expected by the previous Finance Minister in his budget speech, that his proposal as it stood would yield about Rs. 34 crores. Now I should like to know what is the state of things at present. Where do we stand in regard to this tax? I suppose it is to be continued. We should

[Pandit Hirday Nath Kunzru]

therefore be told what is expected from this source during the current year and what is the estimated yield from it during the next year: that is, during the budget year.

Lastly, I should like to refer to the food subsidies proposed to be paid to the provinces on the import of food from abroad and the internal procurement of food in accordance with the recommendations of the Foodgrains Policy Committee. The subsidy that is proposed to be given, which amounts to about Rs. 20 crores, is very nearly equal to the subsidy given in the current year. Now, owing to the improvement in the prospects of the wheat crop in the United States, I understand that the price of wheat has begun to decline. We hope that this decline will continue and we may therefore well expect that the expenditure on food subsidies so far as the import of food is concerned, will be less than what it has been during the current year.

Again, Sir, as the Government have considerably reduced their responsibilities in regard to rationing, it is obvious that the subsidy which will have to be paid, either for the procurement of foodgrains, or for their export from one province to another, will be considerably less than it has been this year. As the sum involved is a large one, and the economies may well be expected to be substantial, I trust that the Honourable the Finance Minister will tell us what his expectations on the best estimates that he can make at present are?

Sir, if the financial position, as it appears to me, is based on sound foundations, then I submit, Sir, that the proposals which my Honourable friend has made in respect to the remission of taxation, or its imposition should have taken a different form. I agree with the criticism that so far as the reduction of taxation is concerned, it will very largely benefit the richer classes. And as regards the relief granted in respect of the business profits tax which will, after taking into account the increase in income-tax collection, amount to one crore only, it too will I am afraid reach only the privileged few at the top. I do not therefore think that this particular remission can be welcomed by the House. My Honourable friend, the Finance Minister, did say the present taxation was hampering the industrial development of the country. We should have been glad had he gone into the matter in some detail and give us some illustrations of the manner in which our industrial development was being retarded. But as he has not done so, I can only discuss the matter on general grounds. I take the same view with regard to the abatement of or reduction in the tax on undistributed profits, the loss on account of which will amount to two crores. We are unable to obtain machinery and without the necessary equipment and machinery new industries cannot be started. If the orders that have already been placed cannot be executed soon, is there any advantage in granting this reduction at the present time, however sound in theory it might be? It seems to me that on the whole the result of the proposals outlined by the Finance Minister will be to give only a meagre relief to the middle and poorer classes and to give a substantial relief to those who do not stand in need of it.

I wish that my Honourable friend, in order, in some measure, to equalise the benefits and the burdens had raised the income exempt from taxation from Rs. 2,500 to Rs. 3,000 a year. His predecessor raised it from Rs. 2,000 to Rs. 2,500 and my Honourable friend would have earned the gratitude of the lower middle classes had he also taken his courage in both hands, if the financial position did not appear to him to be quite as satisfactory as it appears to me and raised the taxable minimum to Rs. 3,000.

I suggest further that in regard to the excise duty on matches, in respect of which the reduction made was of such a character that it could not reach the consumer, he should have gone further so that there might be at least a reduction of half a pice per box. That would have been another way of helping

the poorer classes. Other illustrations can be given but I would refer just to one or two other points before I sit down.

I do not want to dwell any more on the financial feature of the Budget. But Sir, I hope that you will permit me to refer very briefly to one or two matters connected with the Defence Budget. Our total expenditure on defence would amount to about 136 crores. In dealing with this subject I consider it my first duty to pay a tribute to the Indian Air Force and the Indian Army for the magnificent work which they have done in Kashmir. Having come into contact with the officers and the troops alike I can say with absolute confidence that notwithstanding the hardships to which they have been subjected their morale is high and that whatever trials they might have to face they are determined to do their duty by their country. I wish I could say that Government had done their duty by them. Frankly I do not feel that Government have shown the same energy in dealing with the situation in Kashmir as was expected of them. I would just refer very very briefly to two or three matters in order to show why there is a general feeling in the country that the situation in Kashmir has not been fully realised by the authorities.

Sir, there is only one road connecting India with the State of Jammu, and Kashmir and that is the Madhopur-Jammu Road. Fighting has been going on there for over five months and yet this road which is of vital importance and which is in a very bad condition has not yet been metalled. And notwithstanding what my Honourable friend the Defence Minister said in reply to my question this morning I feel that Government have not yet given adequate protection to the labour that is employed on the metalling of this road. We have a right to expect that Government will take energetic steps in this connection and I refer to this matter with all the force at my command, because the delay in the construction of this road has given rise to a feeling of dissatisfaction not only among the people at large but in the Indian Army itself. I hope that my Honourable friend the Defence Minister will not accuse me of exaggeration when I say this, for he knows that I am not talking on the subject without some knowledge of it.

The second instance that I will give is that of the stalemate at Uri in the Kashmir valley. Our troops in the beginning behaved with exemplary bravery. The raiders were driven back to Uri almost from the gates of Srinagar in the course of a few days and we expected that they would be driven out of the Kashmir valley altogether in the course of a few weeks and yet during the last four or five months we have not advanced an inch from Uri. It may be said that owing to the state of things as they developed in Jammu the Government was unable to send more troops there. But five months have elapsed and yet the position there continues as it was. In the Jammu province itself it seems to me that the Government minimised the situation and did not send a sufficient number of troops and when they woke up to the need of strengthening the armed forces a reference was made to the U. N. O., which though made with the best of motives, though made in order to preserve that peace between India and Pakistan which every sane man desires, intensified the feeling that the Government were not alive to the urgency of the situation. These are matters of great and vital importance which ought to receive the attention of the Government and I hope that my Honourable friend the Defence Minister will in the course of the debate say something which will give reality to and thus add to the force of the speeches made by him and the Prime Minister recently and assure the people of India and the Defence Forces that while we all desire peace, we are not going to slacken in our efforts to drive the raiders out of the Jammu and Kashmir State.

Dr. P. K. Sen (Bihar: General): Sir, in venturing to offer a few observations on the budget I feel that my speech coming after a number of speeches, is bound to be open to the charge of repetition in certain respects, howsoever

[Dr. P. K. Sen]

I might try to look at it from a new angle and offer independent observations. In form and in matter we have a right to expect that the present budget should be a unique one. We realize that it is the first budget of independent India and therefore we expect perhaps more than can be given. But at the same time I cannot help feeling that in form first of all it is defective inasmuch as it does not give a concrete picture, so far as budget proposals can do, of the ameliorative measures that are contemplated and the expenditure that is to be incurred on those particular measures for the relief of the common man. We do want to know whether it is a budget for the common man or not. And what does he care for? Food, raiment, shelter over his head, safety: that is all. The question is whether, judged from these criteria, this budget can possibly be accepted as a satisfactory budget. So far as I am concerned I must confess that this budget is a jigsaw puzzle to me. Excepting the budget for the Defence Department which has given fairly elaborate explanatory notes you cannot find throughout this budget sufficient explanatory notes in order to be able to make out what is it that we are going to expect, what are the ameliorative measures for the common man and what are the items of expenditure which are contemplated under those heads.

I do not think I should try to traverse the whole ground. Very many Honourable Members have already expressed their views on it and I will not repeat them. I will concentrate on the Food Department. First of all, one must exist before one can carry out his duties of citizenship. The first necessity is to live and therefore there can be no question at all—and the Honourable the Finance Minister was quite right, in stressing that point about production and particularly production of food. We all know that very recently the Honourable the Food Minister has struck a very refreshing note in his address to the Foodgrains Policy Committee. In that address he definitely told them that the schemes that are to be made must be based on things that we can command in the country. It is no good talking of big schemes. The big schemes are all welcome. As a matter of fact this House has given testimony of its hearty appreciation of the big schemes—two of them have already gone through—which have been placed before this House. But they will after all bring forth fruit in abundance in future years—about twenty years from now perhaps we shall reap the fruits of those schemes. Take any of the big hydro-electric schemes either in Bihar or Bengal or South India. We cannot expect big irrigation schemes or big electric schemes being carried out for the purpose of cottage industry, or whatever it may be, until years have elapsed. What we want is that some measure should now be initiated which would lead to production of food immediately. Therefore the Honourable the Food Minister put before them definitely that in regard to tools, instruments for irrigation, manure or whatever things are necessary for agriculture and food production we must be self-sufficient, we must be independent. In regard to this there is also that factor which has to be considered namely the cooperation between the Centre and the Provinces. It was the definite plan that 25 per cent. should be contributed by the Province, 25 per cent. by the Centre and the rest by the beneficiary. In this regard the only satisfactory thing that can be done is to have definite schemes for the purpose of carrying out this idea. Do we get anything in this budget which can tell us in what way this scheme is to be worked out and in what way the food production may be made immediate, self-sufficient and adequate? We do not get any the least idea. Therefore I should submit that the Honourable the Finance Minister should satisfy us as to what means and what resources we are relying upon and what expenditure is contemplated so that this idea of food production in the near future and in adequate quantities may really be given effect to.

In connection with this the question arises about the assistance from the Centre to the Provinces, because after all the work must be done by the Provinces and with sufficient help from the Centre, if need be. In Bihar, from which Province I come, there is the complaint—and it is a longstanding complaint—that we do not get our fair share of the assistance that we ought to receive from the Centre. We find that in regard to the residual tax on incomes Rs. 185 crores were distributed and out of that Bihar got Rs. 13 crores only, whereas on the basis of population it should have got at least Rs. 17 crores. According to the Report submitted by Sir Otto Niemeyer—the

Report on the Finance Enquiry Commission—the allocation of the 12 Noon money should be on the double basis of population as also residence.

If it were on the population basis Bihar would have got Rs. 17 crores. If it was on the basis of residence it should get only Rs. 13 crores. And it was only on the basis of residence that Bihar got it. I may explain this in a very few words. Bihar is very peculiarly situated. There are firms—large industrial firms, mining establishments and concerns—which have their work in Bihar, which earn their money in Bihar but whose head offices are in Calcutta or in Bombay. The result is that on the basis of residence the whole of that residual tax on income goes to other Provinces. These are certain inequities which have got to be looked into and I do request the Honourable the Finance Minister to deal with this because, it bears on that important question, namely: what should be the help which the Centre should give to the Provinces in order that the Provinces may be self-sufficient and work on independent lines for the purpose of carrying out this food production scheme?

I will not, Sir, trespass upon the other points inasmuch as they have been dealt with very elaborately by other members.

Shri L. Krishnaswami Bharathi (Madras: General): Mr. Speaker, Sir. I consider the budget of the Honourable the Finance Minister a very able performance. In my view, it is a masterly analysis and a comprehensive review of the financial position of this country. I am very happy to find that he has produced a balanced budget. In my view, in the context of the peculiar circumstances, I think it is a very good budget. I do not propose to go into details on the budget proposals. I would like to make some general observations which, I consider, are of paramount importance.

Criticism was levelled yesterday that the budget did not contain any plan of national policy. I myself was inclined, at the beginning, to agree with that view. But I find that, anticipating those criticisms, the Minister said at the close of his speech "The next step is enough for us". We were in a state of fluid condition and it was not possible for us to pre-determine with any amount of certainty, because many factors had got to be taken into consideration, and before we could actually put it into operation, a particular plan may become archaic. Secondly, Sir, it was perhaps well that he did not do so because he has given us, Honourable Members, an opportunity to inform Government of what sort of plan we would like; and thirdly—I think that is a very weighty reason—it is well within the knowledge of Honourable Members that the All-India Congress Committee had appointed a sub-committee on this question and the sub-committee has submitted its report which has yet to be finalized, and therefore it is proper and fair for the Government to await the considered views of the All-India Congress Committee, and that might be one of the reasons that might have weighed with him. Fourthly, Sir, there was really no plan which he had set.

Sir, as I said, I shall not go into details. I was very much impressed with the last sentence in the opening paragraph of the Finance Minister's speech. I have no doubt whatever that all the Honourable Members must have been impressed with it. It is not the tribute to which I refer. He said, Sir, with

[Shri L. Krishnaswami Bharathi]

a touch of deep emotion and poetry about it—"In the faith that looks through death, we shall shape the destiny of our nation on the pattern which he cherished and lead it from the dark abyss of hatred and despair to the sunlit pastures of eternal life."—a very beautiful sentiment couched in the best of language. I have no doubt that on the application of this grand idea the success or failure of the administration—nay the life of the whole nation—depends. It is only from that point of view I would like to examine the budget. Sir, that is the master key to all the ills we are suffering from. Once we apply this to the sphere of administration,—the pattern which he, Gandhiji, cherished—I have no doubt whatever; all will be well with this country. The budget is not a mere enumeration of facts and figures. It is to be a social policy and the government must be able to adjust the maladjustments in the economic system of the country. There is no doubt whatever, there is a great disequilibrium or maladjustment in the economic situation of this country. I find, Sir, that this is due to the non-realisation of certain important factors which govern the national life of this country. It is well within the knowledge of everyone that the poverty of the country is proverbial. In the recent Industries Conference, the Honourable the Industries Minister in opening the Conference said:

"It is indeed tragic that a land so richly endowed as ours with resources and man-power should be the home of abject poverty. We have to solve the riddle of a rich country inhabited a starving people."

The riddle has been solved by a man of God who is not with us today, and yet I feel we have not heeded to the clarion call of that man of God. I shall be able to explain briefly within the limited time at my disposal how and where we have failed.

Sir, it is well known that India is a land of villages. 90 per cent. of the population live in the villages. 90 per cent. of the population are engaged in agriculture and agriculture is not at all a paying concern, and if people are to live, the poor villager, the poor peasant, must have a subsidiary industry. It is all so well known and so patent, and yet none of us seems to have recognized this fact and acted in terms of that. Mahatma Gandhi said times without number that this is a fundamental proposition and advised the country to go ahead on lines suggested by him. Sir, I would like to confine myself to only one matter, *i.e.*, with reference to cloth. I have not much time and I do not want to encroach upon other's time. I shall finish within a couple of minutes. When the Private Secretary to His Excellency the Viceroy went to Wardha, this is what Gandhiji said in a press statement. Very surprisingly enough, he did not say—"We should step up production, by having more textile mills; and all would be well." But that great man said: "No. Therein lies the ruination of this country. I have not the slightest doubt about that." He said: "Augmentation of the capacity of mills to supply all the cloth required should cease, in face of the calamity which is existent, and daily growing in intensity. Mills cannot find employment for the millions of unemployed villagers. The educative value of the *charkha* cannot be surpassed. But for the spell of hypnotism, which rules our minds today, we shall all realize the obvious truth, set ourselves working out the concrete proposition, and thereby restore confidence to the millions, nay even to the whole world."

Sir, there is one other thing which he said a few weeks before he passed away, which is also very important. On the 7th of November he said as reported in his *Harijan*:

"It was a most surprising thing to him (Gandhiji) that now that they had come to their own, nobody seemed to have faith in the possibility of *Khadi* and that they could think of nothing but mill-cloth for clothing India. He had not the slightest doubt that *Khadi* economies was the only sound economics for India."

In my opinion it should be worthwhile to follow it. Sir, I have faith in that. At the same time Gandhiji said that the mill industry, in the essential necessities of life, shall not be permitted to compete; yet we find mills being allowed in these spheres.

I therefore feel that "the pattern which he cherished" is this: "central planning and direction, based on self-sufficiency in the villages in spheres of food and cloth." Let it not be understood that he was against any large-scale industries—no, when there are large numbers of villagers in need of employment it is criminal to deny them employment. Therefore, Sir, we shall be judged only as to how far and to what extent we carry out this *khadi* economics.

Begum Aizaz Rasul (U. P.: Muslim): Sir, it is customary to congratulate the Finance Minister on the presentation of the Budget; I do so with even greater justification on account of it being the first annual Budget of Free India.

¶ Sir, the tragic death of Mahatma Gandhi has caused an irreparable loss to the country; the void which he has left will be felt not for years but for generations to come. In the words of the poet,—

*Hasarun sal Nargis apni be nuri pa roti hai,
Bohut mushkil se hota hai chaman men dedawar paida.*

Sir, finance to most of us is a dull and dreary subject and we are not accustomed to look in the speech of the Finance Minister for emotional colour or warmth. But this year's Budget seems to me to be lacking in vision and long-term planning also. It may be rightly called, as it has been called, a capitalist's budget as special efforts have been made to give relief to industry and capital in the form of reduction of Business Profits Tax and Super-tax which is wholly unjustifiable.

One Honourable Member yesterday in his speech said that this Budget was a zamindar's and talukdar's Budget. Sir, I strongly refute that suggestion, because it is wholly untrue. These are the people who are the most hard-hit on account of rise in the cost of living index, non-participation in black-marketing.....

Prof. N. G. Ranga (Madras: General): Poor fellows.

Begum Aizaz Rasul:and now on account of the agricultural income-tax that is being imposed on them by some Provincial Governments, where is relief offered to them, may I know?

Sir, the resentment against the imposition of tax on coffee, tea, matches and tobacco is universal because it hits the largest number of consumers, especially the middle class and the poorer classes. The policy of taxation should be such that it raises revenues in the least objectionable manner. If I may be bold enough to suggest to the Honourable the Finance Minister a very justifiable and fair source of revenue, I might suggest to him the compulsory registration of marriages and births with a small-tax. This will have a double advantage; it will provide Government with proper statistics.....

Kazi Syed Karimuddin (C. P. and Berar: Muslim): What about those who have already been married?

Mr. Speaker: Order, order. Let her proceed.

Begum Aizaz Rasul: ...As I said, Sir, this will provide Government with a double advantage, statistics regarding marriages and births which are absolutely unavailable in our country and money which they are so much in need of, and to the public will be provided certificates and if a small registration fee is imposed upon it, I do not think that they will grudge giving money to Government on that account. In the matter of birth certificates I suggest an increase

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of a small amount on every additional child, which will have an all-round benefit. Keeping in view the rapid increase in population, I need not dilate upon this point.

Sir, one thing that I feel strongly about is the question of good nutritive food for our people. I do not know why this very great need of our country has been so much neglected. We have heard of committees and commissions being appointed, we have also heard of research being made in this field; but the results so far as the public is concerned have been nil. India is essentially an agricultural country. We are rich in agricultural resources, and, yet we are poor as far as the information goes regarding the value of nutrition. I would therefore urge upon the Finance Minister to immediately appoint a Research Committee to recommend to Government the best form of food from the nutritive point of view and available for the least price to the average man. It is a well-known fact that the health of our people is deteriorating every day, and there is no doubt that this unplanned feeding is greatly responsible for it. Sir, we know that in England during the war years and afterwards even in spite of severe rationing the health of the nation is not only maintained, but in many instances it has actually improved. Why cannot we have some such planning here?

I am glad that a sum of Rs. 10 crores has been provided for the rehabilitation of refugees. These are people who deserve our deepest sympathies and help and whatever we can do for these people who have been driven away and uprooted from their homes, should be done. I hope this money will be properly utilised.

I also welcome the removal of the tax on betel nut. My Province, containing the largest number of consumers of this commodity, I think will be the gainer in this respect.

In regard to granting money to Provinces for post-war development schemes. I think it is a very unfair stipulation on the part of Government to ask Provincial Governments to contribute an equal amount as that being given by the Central Government before they can claim that amount from the Central Government. I think it is a bit hard on the provinces, who have already drawn up their post-war development schemes in anticipation of the grants to be given by the Central Government. I do not say that the Provincial Governments should not bear a share of this expenditure, but what I say is that this stipulation is not very fair to them.

Sir, one minute more and I am done. I am very glad that the Honourable the Finance Minister has kept in view the suggestion that I made last time in regard to retrenchment in Government expenditure and has put down a figure of Rs. 2½ crores under this head. But, Sir, this is not enough. I congratulate him on the beginning he has made, and hope that this retrenchment will be made on a planned and organised basis, so that all wastage will be avoided, and every channel for saving and retrenchment explored.

Shri T. A. Ramalingam Chettiar (Madras: General): Sir, I am very glad that in spite of all our preoccupations, the Honourable the Finance Minister is trying to have some means of putting our finances on a proper footing. The question was raised as to whether we should depend on direct taxes for all our requirements or whether we should distribute our taxes widely between direct and indirect taxes, so that in times of emergency as well as in normal times we may not be left in the lurch. There are countries, and there are economists who will even go to the length of saying that all the finances of a State should be based on one single tax. The danger of such a procedure has been demonstrated in the past. I think, Sir, that the system of having diversified taxes

and distributing taxes between direct and indirect taxes is one of the means by which the difficulties that are ordinarily lurking in the framing of Budgets of States may be overcome.

Again, Sir, there has been some criticism in regard to the reliefs that have been given. I am not here to support the provision for increasing the minimum amount on which the super-tax and the Business profits-tax are levied at the highest level, but with reference generally to reducing taxation on incomes, I wish to say that my friends who have attacked the relief given are not in possession of facts. I took the trouble of going through the share registers of three companies. The result was this. Not even half the amount of capital that is subscribed is subscribed by the rich people. More than half the capital of each concern is subscribed by small shareholders—people holding five shares, ten shares, fifteen shares. In one Company, it was curious that we could not find sufficient number of Directors at all, because there was a qualification of share-holding fixed for the Directorship. Of all the shareholders we could find only six or seven, of whom three were related to the Managing Agents. We could not find even three or four others who held the requisite number of shares. Others were all shareholders who held very few shares to their credit. So my friends miss this fact, namely, that big concerns are not the concerns in which only the capitalists have got interest. It is very largely the small men who save a few tens of rupees or hundreds of rupees and put in the money in shares depending on the integrity and prestige of the Managing Agents. I find also that in many cases, it is the women, the charities and minors who purchase large numbers of shares, because the income they derive from these concerns is a little more than what they can get from depositing money in the Banks.

Well, Sir, such being the case, if any relief is given it is not given only to the big man, the big capitalist, but mainly for those small shareholders who put in their money in these shares with a view to getting more money than they can get if they deposit it in the Banks. There are, no doubt, a few capitalists in every concern, who are the promoters and who are the Managing Agents of these Companies and hold big blocks of shares. They are also benefited, but with reference to them these higher taxes, like super-tax and so on, are put in. So, the way in which we begin to attack every provision that is made for giving relief to those who invest in business is not correct; nor is it likely to lead to any positive improvement or development in our industries. As I said, Sir, a large number of people are small shareholders and if these are encouraged to put in their money in these industries, it is possible to get what we want for the development of these industries.

I would turn now to the Budget proposals, and here I have only one thing to say, namely, that in developing the indirect taxation the Honourable the Finance Minister has brought in coffee and tea as luxuries and he has proposed to increase the taxation on these. I would only tell him that coffee and tea are not luxuries in our country; they have become the necessities and as such the tax on these is contributed not by those who go in for luxuries but who go in for their ordinary food and ordinary living. So I would suggest to him that later on he may agree to give up these taxes on tea and coffee when the Finance Bill is taken up.

Then, Sir, I would like to refer to a matter which I consider is of supreme importance to the safety and well being of our Union. I refer to the location of the Capital of our Union. It is a very important thing and it is not realised by people how important it is. There have been Empires, there have been Republics, there have been other States, which suffered the moment the guiding hand or the controlling hand was withdrawn. Why? Because, Sir, those Empires or States were not real Empires or States of the whole area. If the capital of a State or an Empire is in one corner: the result is that all the

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outlying portions feel that it is not their Empire. They do not feel that they have got an equal stake with those living close by to the Capital. Every Empire broke up and the constituent units which broke up were always those who were lying far away. This, Sir, is a danger which I think should be guarded against. Of course, I know the argument which will be advanced. In the case of those Empires, it was always one part of the country controlling or dominating over the others. I feel, Sir, Delhi, as the capital of India is located in a far away corner and it is therefore that people living like me in the far South are thinking that we have been conquered by Punjab rather than that we are all living together here in one common Republic. Sir, it is not a matter to be laughed at for this reason. It was only recently, Sir, in some of the local papers—Hindi and Urdu—and in one of the English papers, it was said that the time has come for people in Delhi to take steps to do the right thing with the Madrassis first and then with the Maharattas. Two or three days back *The New Times* had an editorial in which it said openly that the Madrassis are to be sent back. We have got such things going on.

Mr. Speaker: The Honourable Member's time is taken up by other things. He has to finish in about half a minute.

Shri T. A. Ramalingam Chettiar: Well, Sir, I was saying that there is a feeling that the location of Delhi is so far away from various provinces that people do not feel that the state that is functioning here is a state in which they have got equal rights. Secondly, the climate of the place is so bad and at least five months in the year, it is not very comfortable. Even in the old days when the European Government was here seven months in the year they went out.

An Honourable Member: Madras?

Shri T. A. Ramalingam Chettiar: I am not suggesting Madras at all. I never suggested that. I always thought that a more central place would be better. It is a very important matter, Sir, I do not think it is a matter to be laughed at. On the other hand, I consider it a most serious matter.

Mr. Speaker: The point is that the matter is no doubt important, but the time is still more important and I find that the Honourable Member is going into details which are not necessary. He has already made out the point that Delhi should not be the capital. He need not go into details.

Shri T. A. Ramalingam Chettiar: I only want to say that climatically and also strategically it is a most inconvenient place. It is within 150 miles of Pakistan and every invasion from the North-west has reached Delhi and Delhi has suffered more times than any other place in India. Apart from these considerations, time is important now on account of the urgency of the matter. In the budget there is a provision for 8½ crores for expansion of buildings and locality in Delhi. If these improvements are going to take place, we would have spent money which we cannot recoup, in case we want to change the capital later on. This will be money wasted. It seems to me urgent that the Government should consider this question immediately so that before they begin to spend this money of 8½ crores on the expansion of Delhi, they may come to a conclusion whether they are going to have the capital here at Delhi or they are going to change it; that is the point, Sir, I want to make.

Shri M. Ananthasayanam Ayyangar (Madras: General): Which is the alternative capital?

Shri T. A. Ramalingam Chettiar: I am not particular.

Shri T. T. Krishnamachari (Madras: General). Mr. Speaker, Sir, I do not feel as a party man, it is proper or necessary for me to congratulate the Honourable Minister on this budget, but as something has been said by my Honourable friend, Pandit Hirday Nath Kunzru, I would only like to draw his attention and of the House to the fact that one single factor in determining whether a budget has been intelligently anticipated or that adequate information has been vouchsafed to interested people in the share market and if my friend had followed the papers, he would have found that the share market was sadly disappointed with the contents of the budget of the Honourable the Finance Minister. Sir, undoubtedly there are a number of facets of this budget with which I may not entirely agree; we have all got our ideals, and I would like the Finance Minister to do many things which he has not done; but that only criterion cannot be made the basis on which we could condemn the budget. It seems, Sir, from the general trend of public opinion and what is happening in the share market that the Finance Minister has more or less attempted to achieve the golden mean. Sir, there are a few matters in regard to the taxation proposals about which I would like to have a say, but as my Honourable friend on my right said yesterday, the proper place for it is the finance bill.

But in my view there is one really important matter about which I would like to refer before I examine the other aspects of the budget. That is, Sir, with regard to the Sterling talks that we have had recently and the interim arrangement that the Government of India has come to with the United Kingdom. The House is probably aware that on a previous occasion when the budget was discussed, the House expressed its desire that this matter must be quickly dealt with, so that our position so far as our sterling assets are concerned could be adequately safeguarded, and I have no doubt that the Finance Minister had this in view all the time. But circumstances were such that we could only enter into a talk for an arrangement to come a limited period of six months with the United Kingdom. At the time when it was decided that the United Kingdom Delegation was to visit India, my Honourable friend the Finance Minister mentioned to the Standing Finance Committee that he would like the Committee to nominate a sub-committee to be associated with him in these talks and he suggested that they should elect such a sub-committee. The Committee, however, left it to the discretion of the Finance Minister and he chose three people, Mr. M. S. Aney, who is now His Excellency the Governor of Bihar, my Honourable friend Diwan Chaman Lall and myself. I am not giving away anything which ought to be kept secret when I mention that just a few days prior to the delegation arrived here, there was a conference in which the members of the Indian delegation, the Honourable Minister for Commerce and some of persons of his department, the Governor of the Reserve Bank and the three of us participated and discussed the particular angle of view to be taken by our delegation; what proposals we ought to put forward consistent with the obligations that the Indian Government had entered to, when those talks were conducted on the last occasion and what happened subsequently thereon. Sir, it is a difficult subject and it is not one in which satisfaction could be achieved even so far as we were concerned. At any rate the idea of the Finance Minister was that we should not enter the discussion in a bargaining spirit, that we should consider all the facets of the situation and place our demands, which will not be capable of any reduction and I must say that the instructions given to the delegation were such that they admitted of no serious deviation. Sir, thereafter, we had meetings with the delegation in company with the Finance Minister on more than one occasion right until the time the arrangements were concluded. It would not therefore be fair for my Honourable friend, Mr. Ananthasayanam Ayyangar to say that members of the House were not associated in this matter. Sir, so far as the actual terms of

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this settlement are concerned, I do not say I am happy. I would only say that the terms of the settlement were such that there has not been serious variation from our original proposal. The variation has been in the region of .6 to 7 per cent. of our own demands. In fact I do not propose to give the details of the amounts here or to mention the balance that was carried over from the last half year because the revealing of this figure would possibly affect the general position of the import and the export programme. But all that I want to say is that we are not particularly pleased with what we had to agree. In fact the Honourable the Finance Minister himself said on page 12 of his budget speech:

"Nevertheless, I cannot help feeling that it should have been possible to avoid introducing this very undesirable and harmful principle of a limit on the convertibility of sterling for members of the sterling area who are pledged to holding sterling (without limit of amount and so on."

So I can say categorically that it is not a matter in which we felt we have achieved something wonderful. All that I have to say is that we were associated with the Honourable Minister while the talks were going on and we are prepared to take full responsibility for anything that has been done. If the U. K. delegation has been less accommodating perhaps the negotiations would have broken down and something else would have to be done in that case; we have prepared to take full responsibility along with the Finance Minister even if that contingency should have occurred.

There is one aspect of this matter on which I would like to lay emphasis. The agreement was ridiculed. What is the alternative? Supposing we are not prepared to agree to this interim arrangement, the alternative is that we should be prepared to go out of the sterling area. We can go out of the sterling area if our foreign exchange position was such that we are breaking even on exports and imports. Then we could straightaway say that notwithstanding the possibility of our realising our sterling balances in the future being affected, for the purpose of upholding our dignity we could have gone out of the sterling area arrangements. But unfortunately that is not the position. The Finance Minister has shown you his speech categorically that our foreign exchange position is adverse and therefore any action on these lines might have resulted in upsetting our economy. We would have had to do it if the arrangements were less than satisfactory and honourable. That is what I wanted to say primarily. The second aspect of the matter I should like to mention is this. Some Honourable Members have asked, what about this borrowing from the International Monetary Fund? I can very well understand that that is a matter in which all the details which could not be disclosed. After all you cannot ask Government as to how much they are going to borrow; that will be revealed perhaps after they have actually borrow some amounts from the IMF, but they may or may not borrow. Another matter on which I should like to enlighten the House is to reply to the question,—what about interest and other charges on this loan? Actually Great Britain has agreed in this particular matter to pay gold where service charges and interest has to be paid as we have to pay these in gold; but so far as the burden of interest and other charges are concerned, it is negligible, for the reason that whatever balance we have in the shape of sterling will earn interest and only something very similar will have to be paid to the I. M. F.

My Honourable friend Mr. Ananthasayanam Ayyangar made one point in this connection to which I should like to refer. He said that the Egyptian Government have in these negotiations with U. K. on the payments out of their sterling balances got away with it; they made a wonderful bargain and we in India have failed. Sir, I have compared the figures and I find that it is

not so bad as all that. Egypt undoubtedly has now gone out of the sterling area; but so far as the amount of 40 millions pounds that was vouchsafed to her for the last year is concerned, the limit on convertibility which was put by Britain on the 21st August 1947 has resulted in the bulk of that 40 million remaining inconvertible; and in this settlement for the year 1948 the convertible sterling allowed to them is only 6½ million.

While speaking on this question there is one other matter that I should like to refer to. My Honourable friend Mr. Ayyangar objected to the delegation being on a Secretariat level, and he also objected to Mr. Narahari Rao our Finance Secretary, having to face Sir Jeremy Raisman who was formerly his superior officer. Sir, I have had the privilege of having enjoyed the friendship of Sir Jeremy Raisman and I do consider that notwithstanding the limitations under which he was serving he served this country well. I am sure that he is not a man who would take advantage of his past position; nor is it a fact that a Secretary to the Government of India who is entrusted with this great and responsible task of having to negotiate on behalf of his country would not realise the dignity of the position in which he is placed and use it well and wisely. Sir, Mr. Narahari Rao and his two able colleagues,—Mr. Nebru and Mr. Keith Roy,—conducted these negotiations in August, 1947; and it should be said that they conducted them very well and for the benefit of this country. They had to follow it up because the delegation from U. K. that came here was on a Secretariat level. You cannot ask a Minister of the Government of India to go and discuss with a delegation sent by the U. K. which is on a Secretariat level. Surely that is not the position made on by my Honourable friend. So it had to be conducted on a Secretariat level, and I think in fairness it is only just and proper that this House should acknowledge the services rendered by Mr. Narahari Rao and his colleagues in this connection and regret the idea that they were suffering from any inferiority complex because they had to face a former Finance Member of the Government of India as on the whole they have done extremely well.

Sir, that I think is one aspect of the matter which I was bound to mention to the House because I was associated with the Finance Minister, along with Dewan Chaman Lall, while the discussions were going on. My colleague and I never felt that we were either in an inferior position or that we could not have taken a different stand. Actually if we had taken a different stand our views would surely have been given due weight.

In regard to the rest of the budget I will deal with only one aspect, namely, I welcome my Honourable friend's reversal of the policy of the previous Government and offering to the provinces the *quantum* of money originally promised to them for post-war development. In fact it is good that he had done so, as now that we have a very nearly balanced budget it is only fair that the provinces should be asked to go ahead with their plans for development. I am also glad that he has put in a condition to which my Honourable and fair friend Begum Aizaz Rasul objected. I think it is very proper there should be such a condition. As a matter of fact, if the provinces find money the Central Government will give an equal amount for the purpose of development. But in this connection I feel that something more has got to be done. The responsibility of the Central Government in regard to the economic position of this country as a whole cannot be minimised. In fact in 1945 one of the predecessors of the Honourable Minister while making a review of the entire economic and financial position admitted the responsibility of the Central Government to provide enough finances for the provincial Governments to carry on with their welfare programmes. I therefore feel that some mechanism should be devised which should facilitate consultation with Provincial Ministers and if necessary the provincial Governments should be asked to advance

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their budget dates so that the Central Government's budget may be more or less adjusted to the prevailing spirit of the provincial Government's budgets. In this connection I should like to say that so long as we are planning for an expansionist programme and want more money for that purpose we cannot avoid taxation. Taxation has to be there in some form or other and it is bound to be at an increasing rate. It was suggested some time back that a taxation inquiry committee should be constituted. I now feel that that is an out of date and an outmoded method of finding out exactly the taxable capacity of the people. So I should like to suggest to the Finance Minister that he should create a department attached to his Ministry which shall be a 'tax research division, which should not only investigate the possibilities of augmenting the resources of the Central Government but at the same time do likewise for every provincial Government. And such research has to be kept up to date. It cannot be done by a periodical commission which will sit once in five years and decide things, because we are living in an economy which is rapidly changing. I think that is a matter which we have to press on the Government of India, and I have no doubt that that matter will be given serious consideration by the Finance Member.

Sir, the other criticisms that I have in mind will probably have to be dealt with as and when occasion arises if I have an opportunity; for the time being I have to content myself with what I have said.

Shri A. P. Pattani (Western India States Group): Sir, I wish to congratulate the Honourable the Finance Minister on the general feeling of confidence that his proposals have evoked in the country. I am not quite sure whether these proposals will increase agricultural production, nor am I quite certain that they will stop the spiral of rising prices. And in view of this I wish to make very briefly and in record short time some concrete proposals. One proposal I wish to submit for the consideration of the Finance Minister is that since prices are rising the lowest incometax level should be raised, as has already been suggested by my Honourable friend here.

I think the Rs. 2,500 is not high enough.

The other proposal, or suggestion, I wish him to consider,—it is for this House to consider also,—is that we are today framing, or wishing to frame, a constitution for the Union of India. There is a very compendious draft constitution before the Constituent Assembly; but I am afraid I have so far seen no indication or suggestions regarding Union finance from the Finance Minister. We have the report of the Expert Committee on Union finance and the draft constitution suggests that the recommendation of that Expert Committee should be accepted for delaying its proposals for five years. I wish to submit that conditions have greatly changed in the last few months, especially in the States, and so it should be easy for the Finance Minister before this debate is over to give the House some indication as to when and the directions in which these proposals, or some proposals, on Union finance for the Union Government are likely to develop.

That is all I have to say.

Mr. Speaker: I am afraid there is hardly any time for any Honourable Member now to address the House. So we may adjourn now and re-assemble at 2-30 P. M.

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

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

Shri Bikramlal Sondhi (East Punjab: General): Sir, there is one thing in this budget which has pleased me and that is the idea that I got after hearing

the Finance Minister's speech, *viz.*, that after all we are trying to get out of the unhealthy tradition which almost became a fashion last year of soaking the rich simply for the sake of soaking itself, irrespective of as to how it would affect the general economy of our country. We have been told by so many ministers on the treasury benches that the crying need of the hour is production and more production. But may I ask what we are doing in that direction?

Shri Ramnarayan Singh (Bihar: General): What do they produce?

Shri Bikramlal Sondhi: The marked reactions to the new Budget are represented in the lowering of the market rates in all the stock exchanges of the country. The capitalist or the businessman is not pleased; he thinks that the Finance Minister has not given them a square deal, though he had made many promises. The total relief given to the capitalist class is only one crore in the form of super-tax reduction. There is nothing more, nothing less.

Regarding the business profits tax reduction 70 to 80 per cent. of the shareholders who are going to participate in it are small investors. It does not go to them entirely.

Regarding the undistributed profits on which a rebate of one anna has been given by the Finance Minister, it is expected that this money will flow back for further investments, either in the expansion of the existing industries or for new avenues of industrialisation.

Coming to big business, they get only one crore and that is to be divided between 8,000 people who are earning more than 30,000 in the whole country. It does not come to more than 1,200 per rich man or the big business magnate whom every body here wants to fleece.....

An Honourable Member: Please?

The Honourable Shri R. K. Shanmukham Chetty: Fleece, not please.

Shri Bikramlal Sondhi: I would also like to mention here that our Finance Minister has a plan for raising 150 crores from the public. I do not know how much money he will be able to get from the market but I know it for a fact that of the last loan which he wanted to raise and did raise, 80 per cent. was taken by his own concerns, the Reserve Bank and the Imperial Bank. There is hardly any incentive for businessmen, because they do not know about the future. People everywhere are talking of nationalisation. My own view is let these big business people produce something for us to nationalise and even if we are to nationalise them, why talk about it? We wanted to nationalise the Imperial Bank. We did it in a minute, though it may take sometime to be actually translated into action. By talking about nationalisation we are only instrumental in scaring away capital which the businessman would otherwise invest in the industrialisation of the country. It is no use raising slogans which do not mean anything in the new context of independence. It is high time that we should grapple with the facts as they are and not as they should be or what we would like them to be.

Regarding the reductions in the Budget I must say that the Finance Minister has tried to give some relief to small companies, which are not in a position to earn more than Rs. 25,000. But my fear is that the big businessmen would divide their own companies into smaller companies and they may take away what we want them not to take away. From that point of view I would request the Finance Minister to keep an eye on the new floatations which big business would like to float in order to get advantage of this relief that is not meant for them but for somebody else.

I must say one thing which has appealed to everybody big and small. Taking into consideration the building societies and their programmes and the lack of housing accommodation in the country at large, especially in the towns, this reduction of 75 lakhs on account of municipal taxes is something for which I can heartily congratulate the Finance Minister.

[Shri Bikramlal Sondhi]

Sir, having said all this, I have to do my duty as a common man which I am. There is one class of people, the middle class people, who are the only people who have come out empty-handed in this whole budget. These are the people who form the backbone of our country. They were with us when we fought our battle for freedom for years together. I cannot race them either in a crowd or in their houses. People ask us "What has your new Finance Minister done for them?". Therefore I am here to request the Finance Minister to do something for them. All that I propose is nothing more than that the exemption limit should be increased from 2,500 to 3,500. Keeping in view the index price today, which is 309, I am not asking for too much and I think, knowing the Finance Minister as I do, I am sure he will agree to my little request on behalf of the middle class people to whom he can always look not only for investment but also for backing up the Government when the time comes.

The Finance Minister while reversing the excise duty on matches has said that he has found out that this 12 annas reduction has not been given to the common man in the street and the manufacturers and dealers had eaten it up and had adjusted it beautifully between themselves. The reversal is, therefore, unexceptionable but I would press him that he must give an assurance to us that the prices of the match sticks in the bazar should not be allowed to be raised. I am sure he can still manage this. The manufacturers are in India, the dealers are in India. He can surely make it safe for the common man, even if it comes to controlling the whole stock or even to purchasing all the stocks of these companies to buy his matches at the present current prices.

There is one important point which I would like to mention in this connection, *viz.*, the additional surcharge that the Minister has proposed on trunk telephone calls. I am sure it is going to affect adversely the business people largely. But even if we cannot reduce or withdraw this surcharge I have to make to him one submission in this respect. He should not forget the fourth estate of the realm. I mean the press. We will not be true to ourselves, Sir, if we do not in this House recognize the services rendered to us by the press at large, whether it was in the good old days when we were fighting for our cause of freedom or now when we need full support to our national Government for the completion of its work. It is a small amount and I hope the Finance Minister would not grudge us that.

I do not know as to what help he can give us regarding capital goods which every good capitalist in the country needs so badly either for the replenishing of old machinery or for starting new industries in this country. I would very much like him also to give us some information on that point in his next speech.

One thing more I have to mention. Like a clever financier that he is, the Finance Minister has not said a word about the export duty which we may realize on the goods which the Government of India have agreed to supply to the Pakistan Government. A big slice of this duty must come to us especially when we have agreed to give them a very big quantity of our cotton cloth. As to what it would come to exactly, I do not know; but it must be a very big sum.

Regarding certain points raised by.....

Mr. Speaker: Has the Honourable Member a large number of points to make? He has already taken up his time-limit.

Shri Bikramlal Sondhi: I may be given two more minutes, Sir.

Mr. Speaker: Two minutes have already been given to him over his time limit.

Shri Bikramlal Sondhi: Then I resume my seat.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Mr. Speaker, Sir, the first full year's budget of Free India as introduced by my Honourable friend the Finance Minister has been given a mixed reception in the country. It has been described in one quarter as a socialistic budget, in another as a capitalistic budget, in a third as a bold budget and in a fourth as an indifferent budget. Sir, there is an element of truth in all these descriptions though none of them adequately describes the budget as it is before us. Those who expected from this budget more huge amounts of expenditure for productive purposes and other ameliorative works failed to grasp the peculiar position in which the budget of this year had to be framed. I think from that point of view the Honourable the Finance Minister deserves the sympathy of this House. The whole budgetary proposals have to be viewed against the economic background emerging from the political background of the last few months. If one were to take the proper perspective of the whole picture, the different angles from which each particular problem in the country had to be viewed, I think the conclusion is irresistible that it would not have been possible to produce in the circumstances and within the limitations a more satisfactory budget. I congratulate the Finance Minister for the simple reason that when in the whole country there was an element of uncertainty and doubt as to the financial stability of the country, when capital was halting and hesitant and even fugitive and when production in the country had gone down in every direction, he has by his budget re-established the credit of the country not only in the Indian market but also in the international market. Let us not forget this basic fact. Sir, when we in India are in need of capital and other goods for industrial development, when we are in need of foodstuffs to feed our people which we have to import to the tune of something like Rs. 100 crores a year, the whole world would naturally scrutinize our financial position, our financial credit, before they think of supplying them to us in adequate quantities. I therefore think that we have fully demonstrated to the world by our Budget that the position of the Indian exchequer is radically sound. But while I say that I do not commit myself to any and every proposal that he has put there. My general appreciation does not mean that I give a blanket approval of all the proposals that are contained in the budget.

Within the few minutes at my disposal it is impossible to deal with the whole budget. But speaking generally I say that I greatly differ from the Honourable the Finance Minister if he thinks that there was to be a deficit to the extent of Rs. 22 crores which he has sought to cover by all manner of adjustments and impositions. I am definitely of the opinion that there is going to be a substantial surplus at the end of the year. The budget of the current year has already shown that the deficit has been much less than he anticipated. Many of the unproductive and productive items of expenditure he has put in are not going to materialise for a variety of reasons to which I cannot go at the moment. It is not possible. I would not like him to carry on with big programmes of constructions of buildings and things like that. Now, Government will lay themselves open to the charge of directly helping further inflation in the country. As one who had closely watched the inflationary trend in its early stages in this country I may tell the House that it had its origin in the politics of the day. The British Government started inflation with a political motive. When the war was on and the efforts for its effective prosecution were to be intensified, the only way by which they could do it was to give fantastic prices for the limited supply of goods and services in this country, as the two great political organisations, the Congress and the League, were both opposed to the war. The only alternative to the Britishers in those days was to pump money into circulation indefinitely and get all their things done. My Honourable friend has got a legacy of that. I realize his difficulty. But let him not

[Pandit Lakshmi Kanta Maitra]

himself add to that inflationary spiral. I am afraid some of the proposals made by him will have the inevitable effect of raising that inflationary spiral. What was the purpose in imposing a further tax on coffee and tea? I do not think these are luxury goods. They now form part of the regular dietary of the rank and file in the country. And what is the amount you are going to get out of it? Nothing substantial. What is the reason for taxing tyres? I know it will be said, let the rich people who drive in motor cars pay for it. But by doing this you are indirectly taxing the road transport system in the country which requires encouragement and development. You are taxing "the poorman's carriage"—the cycle, which he has to use everyday for all manner of purposes including the earning of his livelihood. Do you realize that the extent to which the poor man is affected, and his cost of living increased to that extent you are raising the inflationary spiral? You have not thought fit to give him a relief in other directions which you could have easily done. I believe in the present scheme of things there is a great deal of anomaly. For instance, in the postal rates. Sir Archibald Rowlands made a concession and reintroduced the two pice post-card. But he made a mistake which is still being pursued. Why has not the rate for book post or sample-post been brought down to the level of the post-card? You cannot spread education and civilization in the country unless you keep your postal rates at a low level. My Honourable friend Mr. Sondhi raised a point which demands consideration. I think it is the feeling of most Members in this House that middle class people—people with fixed or low levels of income—should come in for some favourable or sympathetic treatment at his hands. The income-tax exemption limit should have been raised to Rs. 3,500. Between two-pice post card and six-pice letter there should have been an intermediate rate for letters weighing upto half a tola. It could be charged 4 pice and the rate for a letter weighing more than half a tola upto 1 tola it could be six pice. That way also he could have given some relief to the middle-class man, a relief that has been denied to him in all other directions.

Sir, I am racing against time. I have many other points to make but there is no time. Sir, we have not taken note of the fact that there has been an abrupt termination of the Standstill Agreement with Pakistan. If the Honourable Minister had taken that fact and its implications into consideration, we would have got a reflection of that in the budget. It is wanting in it. We may be called upon to launch a tariff war, or at any rate, impose of customs or tariff duties, as in the nature of things it would be inevitable. If the Pakistan Government continues to levy duty on jute, cotton and other articles, we shall be compelled to introduce customs duties on exports to Pakistan of steel, iron, coal, sugar, cloth, minerals and a variety of other things. If it came to that, then he would have a tremendous additional income. However, I will not develop that point here. Sir, I will now deal with a matter which has been raised by my Honourable friend Dr. P. K. Sen. He made a grievance that Bihar had a bad deal with regard to the allocation of her share from the divisible pool of income-tax. Sir Otto Niemeyer laid down two criteria. One was population and the other collection. Now, Sir, in 1936, when Sir Otto Niemeyer gave his award, he came to the conclusion that on the basis of the income and population he should fix the ratio for Bombay and Bengal at 20 per cent and for Bihar at 10 per cent. Today I find in the explanatory notes of the budget that the Honourable the Finance Minister has allocated to the province of West Bengal only 12 per cent. I want to know from him how he came by that figure of 12 per cent. West Bengal has an income-tax income almost equal to that of Bombay. She has no doubt been reduced in size, but in Sir Otto Niemeyer's formula, area was not a consideration. Even today West Bengal has got a population greater than that of Bombay. If Bombay could get 20 per cent, I see no reason why Bengal should be given only 12 per cent. Bihar makes a grievance that she has been given 18 per cent. now though she was

allotted only 10 per cent in the Otto Niemeyer award. The point I want to urge before the Honourable the Finance Minister with all humility is this that so long as he does not scrap up the Otto Niemeyer award, so long as he does not evolve a new formula and give effect to it, he ought not to depart from the fixed percentage of the Niemeyer Award. Over the territory lost in East Bengal, the Central Government has lost only 38 lakhs. The rest of the 6 crores ought to come to West Bengal. I do not believe in any rule of thumb in these vital matters. So long as the new scheme which has been recommended in the expert committee's report and embodied in the new constitution but has been deferred for five years, and probably for good reason, so long as that formula is not adopted, I see absolutely no reason why my friend should adopt a wholly arbitrary method and allocate only 12 per cent. to West Bengal. Bengal has been torn by war, and by famine and pestilence that came in the wake of the war, and after the war came the devastating communal disorders culminating in the terrible disaster of partition. We expected that the Central Government would come to her rescue when she was prostrated by the series of calamities and disasters. Instead of that, it has snatched away 8 per cent of her share of income-tax that was her legitimate due and made a present of it to the other provinces of India. I appeal to the Honourable the Finance Minister that in equity, justice and good conscience, this 20 per cent should be restored to West Bengal. If that is not done, Bengal cannot stand on her own legs. I appeal to him to do justice to that province which today has a population more than that of Bombay, which has income-tax collections equal to that of Bombay and which has problems which no other province has got. Unlike Bombay, Bengal, for a series of years under the Muslim League Ministry, had huge deficits, and after partition, she has been loaded with the entire debt of undivided Bengal, which the Muslim League left as a legacy. Sir, I hope that to enable Bengal to liquidate that legacy and to start on her new career on a sound economic basis, justice should be done to Bengal in this respect.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Sir, In discussing the budget I am almost over-whelmed by a sense of unreality. I find that almost all speakers begin in chorus by congratulating the Honourable the Finance Minister for an excellent budget. Then in the next breath, almost unanimously they say the budget is bad from beginning to end; and then before sitting down again they congratulate the Honourable Minister for the excellent budget and then in the end they have to vote solidly for it. That is the sense of unreality which pervades this debate, even inside this section of the House who do not belong to the Congress. We have not come here to oppose but speak or sit down and vote with the government almost as a matter course. Sir, the Honourable Minister has been accused of being a capitalists' man. But on a careful examination of the budget, his proposals and the carefully selected phrasing in his speech, it seems to me that on the one hand he encourages the capitalists but in the other hand he has a knife to cut the capitalists. Be it understood that I am not a capitalist myself. The position is this: he gives the capitalist some meagre relief in respect of Business Profit tax or super-tax. He has made a mistake in fixing the same limit with regard to earned and unearned income. I believe that with regard to earned income, the exemption should be more. With regard to unearned income it should be less. The two incomes obviously stand on different footings. The Honourable Minister has very sweet words for the business men, namely that the existing level of taxation will 'seriously affect any incentive for saving and investment' and there is a 'paramount need to stimulate production, and any measure which restricts or curtails industry will stunt our development and add to our future difficulties.' That is the way he expresses his sympathy for the capitalists. He says there must be a genuine margin of saving. This sentiment is magnificent. Then he says this saving will lead to investment and add to the productive wealth of the community—I draw the attention of the Honourable Minis-

[Mr. Nazimuddin Ahmad]

ter and, the House to this—what for? For this: so that they could be fattened; so that the State itself could subsequently tap them. So the attitude of the Honourable Minister is just like that of a butcher who likes his cattle to be fed properly and fattened so that he may kill them and sell the meat at the highest price. The Finance Minister wants the capitalists to be prosperous so that he may be able to tap them once again. Sir, I submit that the budget has not satisfied the capitalists. But does it satisfy the ordinary man? Yes, he has made a fine gesture of a total exempting taxes on betel nuts. This has delighted all. It is meant as a great benefit to the common man who can appreciate only fine phrases. The tax on betel nuts has been absolutely exempted, and the common man is absolutely grateful—there is a chorus of praise about it. But I beg to point out the real reason. The Honourable Minister has carefully addeo at the end and it is this: that this tax is "administratively difficult to realise." That is the kind of forced and paltry generosity

3.P.M. which has been applauded as a fine gesture for the poor. After all, what does it mean? A man who eats *pan* can pay for it; *pan* is a kind of luxury, it is not a necessity; but it wastes his teeth and probably the dentists will get more occupation by the exemption on betel nuts. And we have already passed the Dentists Bill, and that is the class of businessmen who will be benefited by the abolition of this tax.

With regard to the export of cloth, he has reduced the tax from six to four annas; thereby he encourages the export of cloth, though we suffer from want of cloth. In fact it is illogical—it benefits some people—not Indians—but outsiders. Then, Sir, I submit that the exemptions, so-called benefits, are hedged in with countervailing 'but's' and 'if's' and conditions which are all concealed in the Budget speech.

With regard to the tobacco tax. I am not a smoker myself and therefore I am not in a position to appreciate its effect. But I think a man who smokes has a little surplus money and he should not grudge the extra tax. The Honourable Minister might have put it like this—that when a man smokes, or takes a cup of tea or a cup of coffee, he has the patriotic satisfaction that he is helping our National Budget. That is the way he should ask us to forget the little injury that he has inflicted on the smoker or the man taking his cup of tea or coffee.

Sir, the Honourable Minister has not really helped this side or that side—he has attempted to help himself. One Honourable Member, Mr. Chaudhuri from Assam, said yesterday that the Honourable Minister really acted like a magician. He wanted to take everything for himself but nothing to his audience. But I am reminded of a different analogy altogether. I am reminded of the story of a coquetish girl who flirted with several admirers and ultimately disappointed them all. I believe this analogy is more applicable to the Budget speech. I submit that the suggestion of Begum Aizaz Rasul to tax marriages was a humorous hit at the obvious tendency that the Honourable Minister is ready to tax anything and everything. Sir, if marriage is taxed.—I do not know whether the Honourable Minister will not think of it next year—but if marriage is taxed, it will produce a difficulty. Already we find our young men and young women are not very much anxious to marry. If there is this additional barrier imposed on marriages, the tendency will be enhanced. On the other hand if marriage is taxed, logically children should also be taxed; in fact the crying evil today is over-population and under-production—we have less food, less goods. So, production of children should also be regulated. Now State control is going to be introduced in everything and by putting some kind of a tax on children I think the production of children should also be restricted. That way, just as he has been able to produce a balanced Budget, he will be able to produce a balance between the production of children and the production of food and other necessities of life.

Sir, with these few words, according to the custom and tradition established in the House—although I agree that the Budget is nobody's Budget and it satisfies none—yet, according to the convention established in the House, I have to congratulate the Honourable Minister for an excellent Budget. I wish him success this year and I wish him to produce a more vigorous Budget next year which will immediately satisfy everybody but in the long run will disappoint all.

گیانی گورمکو سنگھ مسافر : سدھا پتی جی ! یہ بجٹ پیش کرتے ہوئے ہمارے اوتھ منٹری صاحب نے ہندوستان کی ارتیک اوسٹیا پر جو review کیا ہے - وہ قابل تعریف ہے - آزاد ریاستوں کے دورے سال کی اس پہلے بجٹ میں آنریبل منسٹر نے اس بات کا خیال رکھا ہے کہ کل کا غلام بھارت جو دنیا کی انڈسٹری میں ہوا backward سمجھا جاتا تھا - اب دوسرے ملکوں کے ساتھ شانہ بشانہ چل سکے اور industrial field میں دنیا کے باقی ملکوں کے ساتھ چاکر ہندوستان بھی مان پوراہت کر سکے - انکی یہ جو خوبی ہے یہ واقعی قابل تعریف ہے - انہوں نے اس بجٹ کو ایکسار کرنے کے لئے بہی قاباہت کے ساتھ حساب لگا کر ہمارے سامنے ایسی شکل میں پیش کیا ہے - کہ ظاہری طور پر تمام اس کی خوبیاں ہی نظر آ رہی ہیں - اس کے اندر جو نقص ہیں وہ سارے مشکل سے نظر آ سکتے ہیں یعنی انکو اس دھنگ سے چھپایا گیا ہے کہ انکا پتہ نہیں لگ سکتا - اس بجٹ کو دیکھ کر خواصخواہ میڈی زبان پر ایک شعر آتا ہے - وہ یہ -

سامنے بیٹھکے اگر دل کو چوائے کوئی

ایسی چوری کا پتہ خاک لگائے کوئی -

یعنی اس طرح سے یہ نقایص چھپائے گئے ہیں کہ انکا پتہ لگانا مشکل ہو گیا ہے - آمدن جو اس بجٹ میں show کی گئی ہے - وہ ۲۵۶.۲۸ کروڑ اور خرچ جو show کیا گیا ہے وہ ۲۵۷.۳۷ کروڑ ہے - یعنی آمدن میں ریباؤے کی $4\frac{1}{2}$ کروڑ آمدن ملا کر لسکو پتھا دیا گیا ہے - لیکن خرچ کی مد میں capital expenditure کو جو کہ defeace میں ہے show نہیں کیا گیا ہے - اس کی وجہ سے خرچ میں کسی بتائی گئی ہے - اگر capital expenditure کو خرچ میں جمع کر لیا جائے تو خرچ ۲۷۲.۳۶ کروڑ بن جاتا ہے - اور اگر آمدن میں ریباؤے کے $4\frac{1}{2}$ کروڑ نئے لگائے گئے ٹیکسوں کی رقم کو کم کر دیا جائے تو وہ ۲۳۰.۵۲ کروڑ بن جاتا ہے - اسی طرح سے یہ جو بجٹ پیش کیا گیا ہے اور جس میں صرف ایک کروڑ کی کسی بتائی گئی ہے اگر اس کو دیکھا جائے تو اصل میں اس میں ۳۱.۸۳ کروڑ کی کمی ہے - اب اس کمی کو اگر دیکھا جائے تو معلوم ہوگا کہ اس بجٹ میں جو کمزوریاں تھیں انکو بیوان کرنے کے لئے یعنی پورا کرنے کے لئے اور اسمیں جس خون کی کمی تھی اس خون کو پورا کرنے کے لئے ہمارے اوتھ منٹری صاحب نے بہت کچھ کیا ہے - میرے دوستوں نے یہاں پر کہدیا کہ ہمارے فنانس منسٹر صاحب نے فریبوں کی طرف کوئی دھیان نہیں دیا ہے - لیکن مجھے ان سے اس بات میں اختلاف ہے - انکا دھیان فریبوں کی

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سرکار میں جتنے بڑی ملازم ہیں ان کی تاخیر ہمارے منسٹروں سے کسی صورت میں بڑی زیادہ نہ ہو۔ اگر آپ بڑی بڑی تاخیروں میں کسی کڑی کرپس کے تو آپ کو معاموم ہو جائے گا کہ اس سے کتنا فائدہ ہو سکتا ہے۔ یہ تو ہی ایک بات جو میں گذارہ کرنا چاہتا تھا۔

دوسری بات جس کی طرف میں خاص طور پر آپ کا دھیان دلانا ضروری سمجھتا ہوں وہ یہ ہے کہ کئی مدرن میں خرچ بہت زیادہ بڑھا دیا گیا ہے۔ مثلاً پولیس کی مد میں خرچ بڑھا دیا گیا ہے۔ external Affairs کے خرچ کو بڑھا دیا گیا ہے۔ براد کاسٹنگ میں خرچ کو بڑھا دیا گیا ہے۔ وغیرہ وغیرہ۔ میرے پاس زیادہ وقت نہیں ہے۔ مگر صاحب صدر! میں آپ کی اجازت سے ایک بات ضرور کہنا چاہتا ہوں وہ یہ ہے کہ پولیس کا خرچ بڑھانے کی وجہ صرف یہ ہو سکتی ہے کہ ہمارے دیہ میں internal peace اور آرام ہو۔ اس بارے میں میں یہ عرض کرنا کہ دیہ کے internal peace اور آرام کی طرف موجودہ حالات کے پڑھ نظر ہی توجہ دینی چاہئے تھی ہمارے دیہ کے موجودہ حالات ابوی سادھارن نہیں ہیں۔ میرے کہنے کا مطالبہ یہ ہے کہ جب تک شرنارتھیوں کو اچھی طرح بسایا نہیں جاتا، صرف پولیس کے خرچ بڑھانے سے امن نہیں ہو سکتا۔ شرنارتھیوں کے بسانے اور ریلیف کے لئے پچھلی بجٹ میں جو کہ صرف آٹھ ماہ کی بجٹ تھی اس میں ۲۲ کروڑ روپیہ منظور ہوا تھا۔ لیکن اس میں سے صرف ۱۴۰۵۸۹ کروڑ روپیہ خرچ کیا گیا۔ اور بقایا روپیہ کو ان شرنارتھیوں پر خرچ کرنے کی طرف دھیان نہیں کہا گیا ہے حالانکہ اس کی از حد ضرورت تھی۔ اس سال یہ مد اور بھی لگتا کہ ۱۵ کروڑ ساڑھے تین لاکھ کر دی گئی ہے اس لئے میں جناب! صدر آپ کی وساطت سے اس ہاؤس کی اور آئریبل فلانس منسٹر کی توجہ خاص طور پر اس طرف دلانا چاہتا ہوں۔ یہ ٹھیک ہے ہماری سرکار اور ہمارے پرائم منسٹر صاحب نے شرنارتھیوں کے متعلق خاص interest show کیا ہے لیکن افوا شدہ عورتوں اور پاکستان میں رہ گئے دیگر بیوتوں کو Rescue پہنچانے کا کام سمجھا ہے۔ اب تک صرف اسی جگہ مدد پہنچائی گئی ہے جہاں سے پتہ لگا ہے کہ وہاں پر بیوت ہیں۔ اپنی طرف سے تلاش کر کے ان کو مدد پہنچانے کی کوئی کوشش نہیں کی گئی ہے صرف جہاں سے پتہ لگا ہے وہاں

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[کئی کئی سالوں میں]

پورا نہیں ہو سکتا پاکستان والے وعدے بڑے کرتے ہیں :-
 وعدہ تو آساں ہے مگر وعدے کی وفا مشکل ہے
 جن کے رقبے ہیں سوا انکے سوا مشکل ہے

اس وقت اس کی ضرورت ہے کہ اس طرف زیادہ دھیان دیا جائے۔ کیونکہ یہ بڑا ناسور چیتک ہمارے ہندوستان کے ان لوگوں کے اندر رہے گا جن کی لڑکیاں آج تک پاکستان میں ہیں اور ان کے والدین - ماننا پتا یہاں ہیں تو ان والدین اور ماما - پتا کو نیند نہیں آ سکتی - اگر وہ لڑکیاں مر گئی ہوتی تو دوسری بات تھی مگر زندگی میں کوئی کسی کو نہیں بھول سکتا میرے پاس صاحب صدر! اس کی بہت سی مثالیں ہیں جن کو میں پیش کر سکتا ہوں مگر میں ہاؤس کا زیادہ وقت نہیں لینا چاہتا تھا ان الفاظ کے ساتھ تقریر ختم کرتا ہوں - اگر کچھ زیادہ وقت میں نے لے لیا ہو تو اس کی ہاؤس اور آپ سے معافی چاہتا ہوں -

(English translation of the above speech)

Giani Gurmukh Singh Musafar (East Punjab; Sikh): Mr. Speaker. The review made by the Honourable the Finance Minister on the financial position of India while presenting this Budget is very commendable. The Honourable Minister while framing this first Budget of free India for the full year has kept in view that India which was till lately under the foreign yoke and considered as the most backward in the industrial world may now be able to keep pace with other countries; and thus it may command respect in the industrial field along with other countries of the world. The qualities are really praise-worthy. For balancing this Budget he has shown great ability in presenting it in this shape before us after making elaborate calculations so that all its good points may be apparent. The defects contained in the Budget are hardly obvious. These have been camouflaged in such a manner that they cannot be noticed. After seeing this Budget I am just reminded of one couplet, i.e.,

"Samne beth kar gar dil ko chorai koi
 aisi chori ha pata khak lagai koi."

(If one sitting before you steals your heart, it would be a mockery to try to find out the thief.)

These defects have been concealed in such a way that it is difficult to spot them. The revenue and expenditure in this Budget is Rs. 256.28 and 257.37 crores respectively i.e., the revenue has been increased by Rs. 4½ crores representing the contribution from Railway revenues. But under the Expenditure Head the Capital Expenditure which relates to the Defence Department has not been shown. On account of this, reduction in expenditure has been explained. If the Capital Expenditure is included in the 'Expenditure', then the amount under the latter head would come to Rs. 272.36 crores. And in case the contribution from Railway revenues amounting to Rs. 4½ crores and the additional revenue from the taxes proposed in the Budget is reduced from the total amount of revenues, then it comes to Rs. 230.52 crores. It therefore, follows from this that actually there is a deficit of Rs. 41.84 crores in this Budget, and not Rs. 1.09 crores as explained. Now referring to this deficit, it would be observed that the Honourable Minister for Finance has done a great deal to make good the shortcomings existing in this Budget and infuse blood in it so as to cure it of anemia. My friends here have pointed out that the Honourable Minister has not looked after the poor. But I differ from them

[Giani Gurmukh Singh Musafar]

in this respect. He has certainly paid attention to the poor, but in the reverse direction *i.e.*, he has tried to cover the deficit in this Budget from poor people's blood who already lack it and are suffering from anemia.

My friends have cited many examples in this connection and I do not want to repeat them now. The tax has been increased on cigarettes and tobacco. When the Honourable Minister was delivering his speech in this connection one of my friends after hearing a sentence in his speech which referred to the levy of tax on tobacco sent me a chit conveying felicitations. It was written therein that it was a Khalsa Budget. —On this I remarked that it would have been undoubtedly a Khalsa Budget had this tobacco—which we regard as our enemy—been totally wiped off. But by the imposition of tax it has been given further importance. The Honourable Minister has tried to explore all avenues so as to make this a balanced Budget. Ultimately tobacco and cigarettes came to his rescue by yielding a revenue of about Rs. nine crores. This will hit the poor adversely. It would have been better if he had not put the burden of incidence on the poor.

As regards matches, I may submit that in the Budget for the year before last (1946-47) the excise duty on Matches was reduced from Rs. 2/8/- to Rs. 1/12/- per gross. Now again our Honourable the Finance Minister has increased this duty to Rs. 2/8/- per gross. The reasons explained by him in his speech in support of this increase are that when previously the price was reduced, the benefit accrued to the capitalists and factory owners only and was not passed on to the poor consumers. It means "to rob Peter and pay Paul", and this burden has now been thrown on the poor. It would have been more appropriate if instead of increasing this tax the profits accruing to the capitalists would have been utilized in some manner for the benefit of poor. The increase in excise duty in matches has resulted in the imposition of unnecessary burden on the poor. Our Finance Minister is a great authority on Economics. He could have devised some other means without burdening the poor. He knows many ways of doing so. He could have reduced the big salaries. I feel that now it is our own Government. Therefore it should at least be seen that the salaries of all its employees should not in any case exceed those drawn by our Ministers. If you reduce the big salaries you will be able to assess the extent of saving resulting out of this. This was one thing which I wanted to mention.

The second thing to which I would like to invite your attention in particular is that there is a heavy increase in expenditure under certain heads. For example expenditure has been increased under the head 'Police'. The expenditure relating to 'External Affairs' and 'Broadcasting' Departments has been increased; and so on. There is not much time at my disposal, but Mr. Speaker, with your permission I would like to say that the obvious reason for an increase in expenditure under 'Police' may be that there should be internal peace and rest in the country. In this connection I would say that attention must be paid towards the internal peace and rest in the country only after keeping in view the present conditions. Normal conditions have not yet been restored in our country. What I mean to say is that so long as the refugees are not satisfactorily rehabilitated, the mere increase in the 'Police' Expenditure cannot help in the maintenance of peace. A sum of Rs. 22 crores was sanctioned in the last Budget which was for eight months only for the resettlement and rehabilitation of refugees. Out of this only Rs. 14.80 crores was spent and no steps have been taken to spend the balance of this amount for refugees. Although it was very vitally needed. This year the expenditure under this head has been further reduced to Rs. 10.04 crores—Therefore, Mr. Speaker, through you, I would like to draw the special attention of the Honourable Minister and the House to this aspect. It is true that our Government and the Honourable Prime Minister has shown great interest.

in the refugees. But the organization for the rescue of abducted women and the evacuation of refugees left in Pakistan is moving at a slow pace. Uptil now aid has been rushed to those places only where it is known that the refugees are stranded. No efforts have been made to search them out and render them necessary assistance. Some action has been taken only in respect of those places which came to notice. For example I would submit that Pandit Sunder Lal told me that in Ferozabad a place in U.P., some refugees had come from Punjab. The Hindus and Musliims were living there peacefully for long. He suggested that it was considered necessary to ameliorate the condition of the refugees living there and also to preach them harmony. Thus I happened to visit that place on Sunday last and I made an appeal to the people there to promote peace. A man named Nihal Chaud who was a resident of Gujranwala District in the West Punjab approached me. His eyes were full of tears. He broke down and said that if I was exhorting them to live peacefully, it was right, as people who have been murdered are finished. But what action has our Government taken to rescue our young girls who are in the captivity of the cruel men. I have received a letter from him in this connection. But I do not wish to place the whole contents of that letter on the record of the Assembly. But even then I would say that the incident which I am narrating took place near Lahore. This letter has been sent by Nihal Chand's daughter, written in Hindi in her own hand writing. Here are some sentences from this letter. The name of this girl is Harbans Kaur. She writes to her father as follows:

"I have sent you five letters. I am feeling very sad. Kindly do write me a letter if sister-in-law Raj Rani has since met you or not. My fate was doomed from the very first day when I was separated from you. Now seven months have elapsed since I was separated from you. God knows how many years more will pass. Please come and rescue me from this place in any manner."

They have now renamed this daughter of Nihal Chand as Khurshaid Begum. She is a virgin aged 16 years. Nihal Chand's sister named Har Kaur is also kept there who has now been renamed as Mukhtiar Begum. Amongst the relations, the names of Chuni Lal and Kundan Lal had been changed to Chiragh Din and Hami Din. Similarly there are about 40 people belonging to the villages of Naushera Virkan and Khar who have been forcibly converted to Islam and kept there.

Mr. Speaker, the village to which I am referring is not very far from Lahore. When our Honourable Prime Minister last went to Jullundur, aged women were brought before him who were recovered from Pakistan. The women who are being returned from Pakistan are only aged ones who continued to stay there on account of their old age. Very few abducted young girls are being returned. It is quite imperative that we should trace the abducted young girls. If this is true, Sir, then I must submit that more blank promises won't serve the purpose now. The Pakistanis are used to make many such promises.

*'Waida to asan hai' magar waide ki vafa mushkil hai;
Jin ka rutbe hen sava un ka sava mushkil hai.*

This is necessary at this juncture. More attention should be paid to this aspect. Because so long as this canker of grief exists in the hearts of those people living in India whose young girls are left in Pakistan today and their fathers and mothers are here, those parents can never rest. It would have been a different matter had those girls died. But it is difficult to forget anyone in life. Mr. Speaker, I know of many instances which I can quote but I do not want to take much time of the House. With these words I close my speech. I must apologize to you and the House if I have taken somewhat more time.

Shri K. Hanumanthaiya (Mysore State): Mr. Speaker, Sir, my Honourable friend, Pandit Hirday Nath Kunzru said that there was leakage of budget secrets. Of course, he did not level the charge personally against the Minister or the Ministry as such. If that had been so, it would have been a very serious matter. But many of us, after that allegation was made thought over the matter and discussed with each other and I may say with the approval of many of my friends that no such rumour has reached our ears. I do not know where the Honourable Pandit Kunzru gathered this piece of information and if he has gathered such an information—I know he is a very truthful and honourable man—is it for him to pursue the matter and to bring to book the offender whoever it may be whether an official or a non-official.

Sir, the Honourable the Finance Minister was the very first person in India who brought the question of sterling balances for the consideration of the public and all credit in this behalf is due to him. It is good luck that our National Government has his services at this juncture, when the question of negotiations of sterling balances is being taken on hand by the Government of India and the Government of U.K.

Sir, the Honourable the Finance Minister being a man of such ability, knowledge and experience, we expect him to secure for us a better agreement than the one he has been able to get us so far. I learn that the United Kingdom has in principle agreed to allow Argentina to purchase British investments and assets in that country. I would suggest the same procedure to be followed in the case of India also in its negotiations with the United Kingdom. There are very many companies, firms and some mines owned by British capital and if we are able to buy them out of our sterling balances, I feel that our financial position would to a very great extent become beneficial to the country. Particularly, in Mysore State, Sir, there is a gold mine and it is owned by a British firm and the Government of India and the Government of Mysore if they think together and are able to purchase this gold mine, we will be able to have what is called the 'bullion', which is very much in demand in the international market. To possess gold is to possess currency which we can cash in any part of the world. We are very greatly in need of purchasing for the purpose of industrialization and other production various kinds of machinery from America and European countries. It is therefore better that we proceed along these lines and acquire gold that is produced in the country for ourselves. The Honourable Mr. Ananthasayanam Ayyangar made a point that members of this House should be associated with the negotiations and in a way another member answered that such associations in fact took place. I would suggest, Sir, that the association may be a formal one instead of an informal one. If the Honourable the Finance Minister selects some members of the House for the purpose, they would be able to make a study of it and when the occasion arises, they may be able to render such help as may be found to be necessary. It is such kind of formal association with these negotiations that we want and not the kind of informal ones that my other friend put forth. The Finance Minister very appropriately and feelingly referred to Mahatma Gandhi in the beginning of his speech and I want to make a suggestion in connection with that Prophet's name. It is usual to print some picture on our stamps, postal as well as general and on coins also. Why should we not take advantage of this occasion and print Mahatma Gandhi's picture both on the stamps, postal as well as general, on coins and on currency notes. Yesterday we went to the Postal stamps Exhibition and there we found in the catalogue of the Department stamps being described as our tiny ambassadors, who carry the name, fame, art and culture of our country all over the world. If that is so, Sir, we cannot find a better symbol in the whole world than Mahatma Gandhi's bust for the purpose of imprinting on the coins, notes and stamps. I would respectfully urge the Ministry to take this suggestion and carry it out. I am sure all the Members, and in fact the whole country will applaud this suggestion.

Then, Sir, the question of capital was raised incidentally today. For most of us, at any rate, from South India, Bengal and other far off places it is our considered opinion that capital must be shifted from this place to some other place. We are not fanatics as to say that it must be located in our province or in anybody's province. Let the Constituent Assembly or a Committee of it or let a committee of this House consider this question and select a suitable place from the point of view of climate as well as strategy. Here, Sir, in Delhi out of 12 months the climate is tolerable and pleasant only for 2 months. The rest of ten months either we have to sweat or shiver and that is not a congenial atmosphere for us to do any honest or hard work. I do not know whether that is responsible for the inefficiency and delay that is alleged against the Secretariat in the Government of India. At any rate, Sir, this is a matter for very serious consideration, for most members feel very strongly on the matter that the question of shifting of the capital from Delhi to some other suitable place must be immediately gone into by our leaders and by the Ministry. It is alarming for us to see that nearly 3½ crores of rupees is allotted in the budget for the purpose of capital outlay of the city. Let it be there, but that should be the nucleus for building a new capital somewhere else.

Sir, it was hitherto the policy of the Congress that prohibition should be introduced throughout the length and breadth of India and in obedience to the Congress ideal, Provinces and States are introducing prohibition, some by stages and some at a stretch. I do not understand why in Delhi, where the Congress High Command rules, prohibition has not yet been introduced; not only Delhi, Sir, there are centrally administered areas like Coorg, Ajmer-Merwara and other places. I do not understand—and our leaders owe an explanation to this House and the country—why prohibition has not been introduced in the areas in which they directly rule.

Kunwar Shamsher Jang (Residency States Group): Mr. Speaker, Sir I hail from Bundelkhand, where the betel nut is very great use and therefore I hasten to congratulate the Honourable the Finance Minister for lifting the duty on betel nut; because Bundelkhand would be greatly benefited by this move. There has been a feeling outside the House that the policy of Government is dictated by Tata's and Birla's and a perusal of the budget strengthens that belief.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shrimati Ammu Swaminadhan (one of the panel of Chairmen).]

I have gone through the budget very carefully and minutely but I have been unable to find any provision for the benefit of the common man. There have been reliefs given, as several speakers before me have said, but these reliefs go mostly to the richer classes. It has been rightly observed by the Finance Minister that the primary need of the hour is to stimulate production, but I am afraid the means by which he wishes to do that will not take us very far. The only solution of this problem lies in the satisfaction of labour; if labour is satisfied production will *ipso facto* increase. But how can labour be satisfied? To my mind there is only one solution. Labour can only be satisfied if it is assured that it will become owner of the Industry, by process and in course of time. That is the only way out. This three years' truce or some settlement here and there will not do.

Looking at the expenditure side I feel that the budget is a top-heavy budget. There are so many Secretaries, so many Under and Deputy Secretaries, and so on, but it seems that the man who is the hardest hit in the office—the Babu or the clerk—is not getting any benefit, with the result that there is corruption prevalent in almost every department of the Government of India; and we cannot blame them because we cannot expect honesty, dignity and perseverance on the part of men getting Rs. 100. a month or less. I would therefore draw

[Kunwar Shamsar Jang]

the attention of the Honourable the Finance Minister to the fact that the clerks are very much oppressed while the men sitting above them are getting more and more.

I am glad that an amount of 10 crores has been ear-marked for relief and rehabilitation of refugees, but I have very grave doubts as to whether that amount will be rightly spent and used. I have had very sad experience of the Ministry of Relief and Rehabilitation, and I can say without fear of contradiction that the whole machinery is full of corruption, jobbery and red-tapism. I for one believe that any amount spent by the Government of India will not benefit the refugee,—the really needy man;—unless the whole system is overhauled in the Ministry of Relief and Rehabilitation. There is a department in this Ministry which is known as the Fact-finding Department. This department was introduced about five months ago and the primary duty of this department was to collect facts regarding losses, atrocities and other things. But so far as my information goes this department has not been able to go very far. Out of 27,000 villages involved in this trouble I am told—though I am open to correction—that only 400 villages have been touched so far, with the result that we have got no material and no background and nothing to show and say to the Security Council against the accusations made by Pakistan against India. I do not know how the U.N.O. delegation is doing their job without these facts. So far as my information goes they are collecting facts now but it is now too late. This is a great need and a genuine need that this fact-finding department of the Rehabilitation Ministry should be strengthened and brought on proper lines, because that department would give us a history which would be of great propaganda value in foreign countries and which would be our record for the future.

Lastly, I was pleased to find the name of the Father of the Nation mentioned in the beginning of the budget speech, which was unfortunately omitted by the Finance Minister in his previous budget speech. But I am sorry to note that nothing has been provided for the uplift of the *Harijans*. That is one thing which should have pleased the Father of the Nation most, as the *Harijans* were his beloved children; and I am therefore sad to find that a budget presented just four weeks after his tragic death should have no provision for the *Harijans*. By this omission, I feel, the soul of Bapu would be in distress. I beseech the Honourable Finance Minister kindly to consider this question.

Madame, I will not take more time of the House but I should like to draw the Honourable Finance Minister's attention to what was said by my Honourable friend Begum Aizaz Rasul that marriages should be taxed; I am sure that will bring crores of rupees to the Government exchequer, but at the same time I must say that the Honourable Minister for Supply should be ready with a Marriage Bureau; to facilitate at least the members of this house.

Shri S. Nijalingappa (Bombay, General): The Honourable Finance Minister has presented a budget which has received abundance of criticism and compliments. Like the tight rope dancer he has tried to keep a balance and succeeded in doing so.

Madam, as I went through the budget speech, one discomfoting fact was that we are spending out of an annual income of Rs. 256 crores an amount of Rs. 186 crores for our defence. That is nearly 53 per cent. It is a paradox that a country which has gained its freedom without firing a shot and with truth and non-violence as its shield and spear, should expend so much for protecting itself. Perhaps situated as we are, and times being critical and politics in the world anything but satisfactory and nations all round filled with greed, avarice and suspicion, it is but natural and desirable that we have to expend this large amount on our defences. So we must pass by that portion of the budget.

The next important point is the States. I take this opportunity of congratulating the States Ministry and its shrewd and practical head, Sardar Vallabhbhai Patel on the way in which the States have been managed. The British, when they left India, left the matter of the States in a mess. It was most complicated and most of the reactionary Rulers were unwilling to be guided by any nationalist instincts. But the matter has been so well managed that most of the smaller States are disappearing and many have already disappeared.

In this connection I would like to say that I am not very happy over the way in which some Unions are being set up here and there. Unions are likely to continue autocracy in the States. Therefore, I would like to draw the attention of the Ministry concerned, and in particular of Sardar Vallabhbhai Patel, that a resolution has been passed at a meeting in Udaipur in January 1946, presided over by Pandit Jawaharlal Nehru to the effect that States with a population of 50 lakhs and a revenue of three crores only should be allowed to be parts of the Federation. I think that principle may be adopted and the smaller States merged.

And in this connection I have to state that the Princes also should now realize that their continuance will be tolerated only if they move with the national current, and the test by which they will be judged is to what extent they can serve the interests of India and the people of the States. If they fail in that test, they stand to lose. I am glad that most of the Princes, especially some of the bigger States, like Mysore and Gwalior, have moved with the times and granted responsible Government. But the only fly in the ointment is Hyderabad. The people in Hyderabad are suffering untold miseries. In the last eight months they have put up a magnificent fight against a most autocratic rule and what is happening today is worse than what it was at the beginning of the year, and especially the standstill agreement which was entered into between the Indian Government and the Hyderabad State Government, instead of helping the people of the State I am sorry to say, has strengthened the hands of the reactionary Government. They with their Ittihad-ul-i-Mussalmien and other reactionary groups are doing uncalled for things. There is no justice, no order or law in the State. In fact, one Minister, Mr. Ramachar and thirteen Councillors have resigned and I am glad to say that lawyers, who have great respect for law—have decided to suspend practice in Hyderabad as an indication that there is no respect for any law or order in Hyderabad and this is having repercussions outside. The way in which arson, loot and rape is being committed is well known. I will take this opportunity of giving my personal experience.

In the third week of January I was touring in some of the areas of Bijapur district, adjoining Hyderabad. In the village I met a woman. She was sitting with two children. She had youth. She had looks. She was downtrodden. She was helpless and crying. I made enquiries. The story that I heard from her was something I cannot narrate here. I felt it very much and when we asked her to go to a place of refuge, she said she was unable to walk. What has happened is better imagined than said.

So these things are happening every day and I wish the Ministry will immediately solve this problem. It is an all-India problem and I am sure it will receive the attention of the Ministry.

The next point I want to deal with is the question of production. Of course the Minister has drawn the attention of the House to the necessity of production. True it must be increased but the psychological approach of the Minister has always been in favour, throughout his budget speech, of centralization of industry, by starting big industries. In a country like ours, where 90 per cent of the people live in rural areas, under conditions which are sub-human, unless we make their living worthwhile, and create opportunities for them to

[Shri S. Nijalingappa] earn better, this talk of starting factories and of production, is not going to solve the problem. Therefore, when we stand by Gandhiji's principles and when we offer lip-service to him, the only practical way is to encourage decentralisation of industries. There is a large amount of work to be done and I am sure if decentralization is accepted as a policy, much of the evil of the fight between capital and labour will disappear.

I have to take the opportunity to tell the House that there are lakhs of Congress workers who are excellent organisers and who, if given an opportunity, can do the work in the villages and organise village industries.

From my own experience, in a village a man who lost his all in the 1942 struggle, is working in that village and since his coming, not a single case of trouble has gone outside that village. Not an ounce of cow-dung or night-soil is wasted. The people have increased production. The villagers there have made up their mind to see that they do not purchase any cloth from outside and that they become self-sufficient in all things of life.

So that amount of energy is with us, which can be utilised and canalised for the uplift of the village industry.

Lastly, I wish to say a word about the centrally administered areas. Though Coorg has a Legislative Council, it is not well-treated by the Centre, whereas places like Delhi, Piploda and Ajmere-Merwara are receiving help from the Centre. But Coorg is getting very little help and I agree that prohibition must be introduced there. I happened to have gone there and I must say that the drinking evil is so abnormal there that the sooner prohibition is introduced there the better.

Now about Delhi. I entirely agree with the sentiments expressed both by Mr. Chettiar and Mr. Hanumanthia. Delhi from no point of view deserves to be the capital of India and I wish there should be another place selected and that will be called Gandhinagar.

श्री दामोदर स्वरूप सेठ : स्पीकर साहब, कुछ ऐसा दस्तूर सा हो गया है कि सालभर में जब हमारा सालाना बजट सामने आता है तो बजट पर बहस करते हुए आम तौर से फ़ाईनेन्स मिनिस्टर पर चारो तरफ़ से बधाई और मुबारक-बाद की बौछार होती है। मैं चाहता था कि इस दस्तूर में मैं भी शरीक होता अगर बजट का मतलब सिर्फ़ 'इतना ही होता कि साल भर के बाद आमदनी और खर्च के आंकड़ों की एक तस्वीर हमारे सामने रख दी जाय, ग़रीब और अघ भूखे लोगों के पेट की रोटी छीन कर पूंजीपतियों की थैलियों में और पैसे जमा कर दिये जायें। लेकिन मैं समझता हूँ कि दोसौ वर्ष की गुलामी का जुआ उतार फेंकने के बाद आज़ाद हिन्दुस्तान में, उसकी आज़ादी के पहले सालाना बजट में कुछ खास प्रोविज़न (provision) होना चाहिए था कि हिन्दुस्तान के लाखों भूखे आदमियों के पेट भरने को रोटी, लाखों नंगे आदमियों के बदन को ढकने के लिये कपड़ा देने, हज़ारों और लाखों उन भाइयों को जो बिना दवा और इलाज के अपनी जान तोड़-तोड़ कर मर जाते हैं उनकी दवा और इलाज का इस बजट में खास इन्तजाम होना चाहिये था और प्रबन्ध होना चाहिये था पर लोगों के खर्च के बोझ को हलका करने को, बीच के लोगों के और कोमन मैन (common man जिसकी हर तरफ़ दूहाई दी जाती

है, उसके स्टैण्डर्ड आफ लिविंग (standard of living) को, रहन सहन के स्तर को ऊंचा करने का। इस दृष्टि से अगर हम इस बजट को देखते हैं तो हमें सिवा निराशा के, सिवा मायूसी के और किसी चीज का सामना नहीं दिखाई देता। फाइनेन्स मिनिस्टर साहब को इस बात का पता होगा कि यूपी के सब से मशहूर और रोजाना नेशनलिस्ट अखबार 'नेशनल हेरल्ड' ने बजट पर रायजनी करते हुए इस बजट को कैपिटलिस्ट बजट के नाम से पुकारा है। इतना ही नहीं इस अखबार ने आगे चल कर लिखा है कि यह बजट उस बजट का जो हमारे पिछले फाइनेन्स मिनिस्टर लियाक़त अली साहब ने पेश किया था जवाब है। वहाँ लियाक़त अली साहब के बजट में अमीरों की भरी हुई थैलियों में से कुछ पैसा निकाल कर गरीबों के पेट में डालने की कोशिश की थी वहाँ इस बजट में अधमरे और अधभूखे लोगों के पेट के टुकड़े निकाल कर अमीरों की भरी हुई थैलियों में और पैसा जमा करने की कोशिश की है।

आप देखिये इस बजट में एक तरफ पूँजीपतियों के साथ काफी रियायत की गयी है, एक्सेस प्राफिट टैक्स (Excess Profits Tax) तो आखिर ब्रिटिश फाइनेन्स मिनिस्टर खत्म कर ही चुके लेकिन उसका करीब बारह करोड़ रुपया अब तक वसूली में पड़ा हुआ है। यह काबिलियत का सुबूत है हमारे इनकम टैक्स डिपार्टमेंट (Income Tax Department) का नए बिज़नेस प्राफिट टैक्स (Business Profit Tax) की प्रिलिमिनरीज़ (Preliminaries) अभी तय नहीं हुई हैं, और उसका नतीजा यह हुआ कि वह उठा कर ४८-४९ के बजट में डाल दिया गया। उसके एबेटमेंट (abatment) की हद एक लाख से दो लाख कर दिया गया है और टैक्स की दर को सिर्फ दस फीसदी रख दिया गया है। सुपरटैक्स (super-tax) की सीमा लिमिट (limit) उपाजित और अनोपाजित दोनों तरह को आय पर साढ़े तीन लाख तक बढ़ा दी गई है। एक तरफ बड़े-बड़े लोगों के साथ, पूँजीपतियों के साथ यह किया जाता दूसरी तरफ जैसा कि हाउस को मालूम है चाय पर, काफी पर मैचिज़ पर सिगरेट और तम्बाकू पर अप्रत्यक्ष टैक्स (tax) की वृद्धि हो गई है। इस तरह एक तरफ हम देखते हैं कि जिनको पैसे की कमी नहीं है जिनको दुनिया की हर तरह की सहूलियतें हासिल हैं उनको और सहूलियतें दी जा रही हैं। और दूसरी तरफ जो भूखे मर रहे हैं जिनके पास पैसा नहीं है जिनको अपनी जिन्दगी का निर्वाह करना दुर्लभ हो रहा है उनके ऊपर इन्डायरेक्ट टैक्स (indirect tax) लगाया जा रहा है, और अप्रत्यक्ष कर इन्डायरेक्ट टैक्स (indirect tax) जैसा कि आनरेबल मेम्बर महसूस करेंगे, एक अनपॉपुलैरिटी (unpopularity) का कारण होता है, जिससे जनता में बेचैनी फैलती है। इस तरह के बजट से मूलक

[श्री दामोदर स्वरूप सेठ]

को किसी प्रकार सन्तोष नहीं होना चाहिये। हमारे एक भाई ने अभी कहा है कि इस बजट के ज़रिए से इन्टरनेशनल वर्ल्ड (international world) में हमारी साख़ कायम हो गई है। मुझे दुःख है इस बात का कि हम कुछ ज़रूरत से ज्यादा इन्टरनेशनलिस्ट (internationalist) हो गये हैं। हमें पहले देखना है कि जो बजट हमारे फ़ार्ईनेन्स मिनिस्टर साहब ने रक्खा है उसकी साख़ हमारे मुल्क में क्या है। हमारी जनता उसे किस दृष्टि से देखती है। जनता के लोग इस बजट को किस दृष्टि से देखते हैं। क्या इसमें वह अपने लिये कुछ सहूलियत महसूस करते हैं। मैं देखता हूँ मुझे रोज़ जनता के बीच में जाने का अवसर मिलता है। आज़ाद होने के बाद हमारी जनता यह महसूस ही नहीं कर रही है कि हिन्दुस्तान आज़ाद हो गया इसमें कोई नया दौर शुरू हो गया है। इसमें स्वराज्य या आज़ादी की हवा है। मैंने बड़े बड़े जल्सों में लोगों से बात की है, लोगों से पूछा है कि क्या आपको मालूम है कि हिन्दुस्तान आज़ाद हो गया? क्या आपको मालूम हो गया कि अंगरेज हिन्दुस्तान से चले गये। वह कहते हैं— हम सुनते हैं कि अंगरेज हिन्दुस्तान से चले गये, हम सुनते हैं कि स्वराज्य हो गया मालूम नहीं हुआ है या नहीं। यह हालत है हमारी जनता की। और जनता कैसे महसूस करती कि यहां कोई नया दौर शुरू हुआ है। इसे महसूस कराने का सबसे अच्छा तरीका यह था कि इस बजट में लोगों को ऊंचा उठाने के लिये उनकी गरीबी को दूर करने के लिये, उनके खाने पहनने का इन्तज़ाम करने के लिये और सबसे बढ़कर कामनमैन (common man) के स्टैण्डर्ड (standard) को ऊंचा करने के लिये खास प्रोविज़न (provision) होता। —लेकिन जैसा मैंने अर्ज़ किया है, इस किस्म की कोई खास बात इसमें नहीं है। जो रियायतें पूंजीपतियों को दी गई हैं उनका सम्बन्ध में कहा गया है कि वह इसलिये दी गई हैं ताकि उपज, प्रोडक्शन (production) को इम्पेटस (impetus) मिले, उसे इन्सेन्टिव (incentive) मिले। मेरी समझ में नहीं आता कि लोग इस प्रकार की परस्पर विरोधी बातें क्यों करते हैं। अगर हमें प्रोडक्शन (production) बढ़ाना है तो क्या पूंजीपतियों की जेबों में कुछ पैसा डालने से वह बढ़ जायगी। प्रोडक्शन (production) कौन बढ़ाता है। श्रम करने वाले लेबरज़ (labourers) होते हैं। मज़दूर होते हैं उनको इन्सेन्टिव (incentive) देना चाहिये हर तरह का। आज के हमारे मज़दूर, आज से दस बरस, बीस बरस पहले के मज़दूरों की तरह से बेज़वान नहीं हैं। वह जब देखेंगे कि एक तरफ़ आप पूंजीपतियों के साथ रियायतें कर रहे हैं, उनकी जेबें भर रहे हैं तो बजाय प्रोडक्शन (production) बढ़ाने के, मुझे डर है कि प्रोडक्शन (production) और घटेगी उनकी कोशिश होगी कि जब मालिकों को माली फ़ायदा होता है तो उसमें हमारा हिस्सा भी होना चाहिये और ऐसा न होने पर हड़तालें बढ़ सकती हैं और इन्डस्ट्रियल ट्रेस (industrial truce) जो हम लोगों ने कायम करना चाहा है वह कामयाब न होगा। यदि हम चाहते

हैं कि इन्डस्ट्रियल पीस (industrial peace) कायम हो, हम चाहते हैं कि और प्रोडक्शन (production) बढ़े, तो उनका एक ही तरीका है और वह यह है कि मजदूरों को ज्यादा से ज्यादा एसोसियेटेड (associate) किया जाये प्रबन्ध (management) के साथ। उन्हें ज्यादा से ज्यादा अधिकार दिये जायें कारखानों के काम में यहां तक कि मालिक और मजदूरों का फर्क बिल्कुल मिट जाय। यहां तक कि पैदा करने वालों और खर्च करने वालों का फर्क बिल्कुल मिट जाय, यानी एक तरह से समाज का जो मौजूदा ढांचा है वह गरीबों की, मेहनत करने वालों की, मेहनत के आधार पर कायम हो। और गांधी जी के शब्दों में एक नया समाज कायम हो। एक नया सोशल स्ट्रक्चर (social structure) कायम हो जिसकी बुनियाद ईमानदारी, न्याय और श्रम होगी। जब तक इस किस्म का नया समाज हम नहीं बनायेंगे और जो लोग दौलत पैदा करते हैं उनके हाथ में हम सत्ता नहीं देंगे, ताकत नहीं देंगे, उस वक्त तक प्रोडक्शन (production) नहीं बढ़ सकता। आज की दुनिया में जिस चीज की जरूरत है वह यह कि दौलत पैदा करने के जो साधन हैं उनको खाली नेशनलाइज (nationalise) ही करने की जरूरत नहीं है, जरूरत इस बात की है उन्हें सोशलाइज (socialise) किया जाय, ताकि वह साधन उनके हाथों में आए जो दौलत उत्पन्न करने वाले हैं। तब दुनिया में अमन हो सकता है और तब हिन्दुस्तान की सच्चे मानों में हिन्दुस्तान में ही नहीं दुनिया के अन्दर साख कायम हो सकती है।

इन चन्द शब्दों के साथ मैं अपने इस कथन को समाप्त करता हूँ।

(English translation of the above speech)

Shri Damodar Swarup Seth (U. P.: General): Mr. Chairman, it has become our practice that every year when our annual Budget is presented the Honourable Finance Minister is greeted with great enthusiasm from every corner of the House as the Budget is discussed. I should like to have participated in this practice had this Budget not been aiming at providing more money for the capitalists at the cost of the poor, and simply presented the figures of income and expenditure only for that year. It was expected that after overthrowing the two hundred year old foreign yoke Independent India's first annual Budget was going to disclose some special provisions. It should have provided for sufficient food for the millions of our starving men; it should have provided for sufficient cloth for the million of our needy men; it should have also provided for adequate medical aid for thousands of those who die a dog's death without being looked after or cared for. Then this Budget should have provided for decreasing the burden on the people; it should have also aimed at raising the standard of living of the middle class and the common man about whom we hear so much. If the Budget is looked at from this angle we find nothing but disappointment in it. The Honourable Finance Minister may be aware that the leading daily Nationalist Paper of U.P. the *National Herald* while commenting upon this Budget has called it 'a Capitalists' Budget'. Not only that it further describes that this Budget is a rejoinder to the one presented by our former Finance Minister, Mr. Liaquat Ali Khan; while his Budget aimed at giving relief to the poor, providing money from the capitalists pocket, the present Budget is an attempt to bring more money to the coffers

[Shri Damodar Swarup Seth]

of the rich depriving the poor lamished and starving people, of their poor and scanty meal.

You will find that some concessions to the capitalists have been made in this Budget. The British Finance Minister had discontinued levying of the excess profits tax, but there is a sum of rupees twelve crores which remains to be recovered yet on that score. This proves the efficiency of the Income Tax Department. The preliminaries of the new Business Tax have not yet been decided and the work has been left over for the Budget for 1948-49. Then the limit of abatement also on this tax has been raised from rupees one lakh to two lakhs, and the rate of the tax has been fixed at only ten per cent. The limit of super tax on both earned and unearned income has been raised to 3½ lakhs. Thus on the one hand we see that the capitalists have been favoured while on the other an indirect increase in tax has been made on tea, coffee, matches, cigarettes and tobacco as is known to the House. Thus we see that facilities are being provided for those who are already enjoying every kind of facility in the world and have no want of money. Indirect taxes are being imposed on those who have no money and who cannot make their two ends meet. This indirect tax will bring unpopularity as the Honourable Minister will realize later on and it will create dissatisfaction among the people. A Budget like this can never prove satisfactory for the country. One of our friends has stated just now that we have through this budget established our prestige before the international world. But may I say that it is very regrettable that we have become too much of an internationalist now. We should first find out the place of this Budget in our own country. How does our nation look upon it? What is the public opinion about this Budget? Do people find any facilities for themselves in it? I get opportunities every day of meeting the masses. India has become independent but our masses do not feel that we have attained independence, that we have turned a new leaf in the life of our nation or that they breathe the air of a free country. I have addressed many big public meetings, I have asked the people 'Do you feel that India has become free and that the English have left India?' Their reply is 'we hear that the British have departed from this country, we hear that India has gained emancipation, but we do not find any change'. This is the condition of our people. And how can people feel that a change has taken place? The best way to make them realise this change was that a provision should have been made in this Budget to uplift the masses and to end their poverty, to make provision for their food and clothing and above all to raise the standard of the common man. But as I have pointed out this Budget has no such special feature.

The concessions given to the capitalists are explained as an attempt to accelerate production, to give it an impetus or an incentive. I cannot understand how people make contradictory statements. If we desire an increase in production is it necessary that we should add to the treasures of the capitalists? Who increases production? It is the labourers and the workmen who toil. Incentive of every kind should be given to them. The modern labour is not dumb as it was twenty years back. I am afraid that production instead of increasing, will diminish further, as soon as the labour realises that you are trying to increase the wealth of the capitalists. They will try to demand a share in the increased profits of the industrialists. If they do not get that there may be frequent strikes which may render useless the attempts we have made to establish an industrial truce. If we desire production there is only one way for that and it is, to associate the labour with the management as much as possible. The workers should have maximum say in the affairs of the industries; so much so that there remains no difference between the employer and the employee, between those who produce and those who spend. In other words the present system of society should be based on the labour of the poor

workmen. A new system of society a new social structure should be created which in the words of Mahatma Gandhi should have honesty, justice and labour as its foundations. So long as we do not establish a new society of this kind, so long as we do not entrust power to those who produce wealth, we cannot increase production. The world of today requires not only nationalisation of the means of producing wealth but also their socialisation so that these means are possessed by the real producers. Then alone there can be peace in the world and in that way alone India can command the respect of its people and of the whole world.

With these few words I close my speech.

Mr. Hussain Imam (Bihar; Muslim): Madam, I do not wish to take up the time of the House at 4 o'clock. I shall confine myself to a few remarks on some aspects of the budget that has been presented to us.

It has been remarked by some persons that budget secrets were known earlier. I would not say that they were known but I would rather suggest that the speeches of the Honourable the Finance Minister on different occasions, as well as the past professions of certain important gentlemen had led to a belief that many of the provisions which had been brought forward in the last budget would be removed. I may say that to a large extent the capitalist felt more disappointed than pleased with the budget he has placed. The first item which was attacked vehemently was the Business Profits Tax. 4 P.M. I had occasion to listen from a secluded corner to the great fight which went on on this question. It was anticipated that it was an inequitable tax and that it should be removed on the first occasion that it could be done. The Honourable the Finance Minister has reduced its incidence and also made it milder by increasing the exemption limit to Rs. 2 lakhs. But I feel that in doing this he has not given away too much from the exchequer to the capitalist. The next bait which he offered to the capitalist was in the shape of a reduction in the super-tax. There too his contribution has been more nominal and notional than substantial. A man with an income of a lakh of rupees will get a relief of Rs. 3,000 reduction in the income-tax which he has to pay under the Chetty scheme compared to what he had to pay under the Liaquat scheme. A man with an income of about Rs. 20 lakhs will have to pay about Rs. 20,000 less than what he would have to pay under the last Finance Minister's scheme. So in those two respects, as far as the Business Profits Tax and the Super-tax go, he has made a gesture and not given up a good chunk from the exchequer. But I feel that in the matter of taxation he has gone into the quarters which could ill afford to pay the taxes—I am referring to the tax on matches. I feel that the increase of twelve annas per gross will involve an increase in the price to the consumer—an increase much more than what the exchequer will get. If you can make an arrangement whereby the price to the consumer is not increased to an extent more than the contribution to the State funds—if you can guarantee this—there is no harm if the common man is asked to bear a little more burden. A burden of one anna per dozen is not so much. But the question is how will the price structure remain. The present position is that there is practically no half pice. The mint is not now minting any half pice. So the price will have to be either two or three pice. That will mean an increase in the consumer price much more than the tax that has been imposed.

Similarly in the case of cigarettes with the play that has been left between the prices of Rs. 40—50 the tax will be Rs. 12-8-0, or it will be 25 per cent. on certain items but on others it will be more than 25 per cent.

The Honourable Shri R. K. Shanmukham Chetty: 25 per cent. on the lower rate. Between Rs. 40 and 50, we take 25 per cent. on Rs. 40.

Mr. Hussain Imam: It comes to a lesser rate on the higher price. It was inevitable and could not be avoided. But my submission is that after having taxed cigarettes, *hookah* should have been left because it is the common man's luxury. After having given up the salt tax you are very cleverly taking back what you have given last year. It is not so common as salt. Nevertheless it is much more common than any other taxation that has so far been imposed. The tax was already in existence there and it has only been increased. But the Honourable Minister is in happy company in that respect. The Pakistan Government has also done that. The Finance Minister there has also selected this head for taxation which means that both the Finance Ministers are out to tax not only the rich but also those who are supposed to be poor but who can afford to spend much.

The next point to which I wanted to invite attention was in the matter of investigations into the income-tax evasions. We had expected some big results. The Government of India has already appointed a Tribunal for that purpose. But no credit has been taken for any expected income from that source. In this connection I would invite the Finance Minister's attention to a practice which exists in U.S.A. where they call it 're-negotiation'. The assessments of certain big firms are reopened and by means of a mutual settlement a workable figure is arrived at by means of which a surcharge or additional taxation is received from the assessee on the ground that certain items had been left off. I would suggest that instead of waiting for the findings of the Tribunal we might try this method. Quite a number of people who are supposed to have made large sums of money in profits would, I think, be more reasonable if persuasive measures are adopted than if a legalistic stand is taken. Considering the ways in which accounts are kept and the exceedingly long period over which we will have to pass from the beginning of the war to the present day, it will not be possible to get hold of all the relevant material in spite of the new powers that are going to be bestowed on the authorities. It will not be possible for us to do anything in that respect. I therefore suggest the trial of this method of negotiation with the big people and thereby getting something for the exchequer.

The third item to which I wish to draw attention is a very small item. It is about the way in which the Rs. 10 crores has been anticipated. I quite agree that it is a thing which is due to us. But you are only adopting a method of accounting by means of which you are taking credit for a thing today which you would have taken tomorrow. Nevertheless it will have this effect, namely, that the expectations of tomorrow's income will be reduced. This year it will not affect the Provinces. But next year when you are taking credit for the income-tax the Provincial quota-holders, who are sharers to the extent of 50 per cent., may have a grouse, or you will have to take only 50 per cent. credit. That is the possibility which you have. But in the end it will mean no new income. We must strengthen our structure so that the taxable capacity increases, for there is no other royal road for it except this.

Mr. Chairman: Mr. Jhunjhunwala. I may tell the Honourable Member that he has only five minutes.

Shri B. P. Jhunjhunwala (Bihar: General): Madam, I will take only five minutes. Whatever may be said for or against the particular proposals or duties contained in the budget, the Honourable the Finance Minister deserves our congratulations on the way in which he has managed the budget at this time; but one thing which I have not been able to follow is why he has thought fit to relieve the share-holders of dollar and sterling companies from the tax which they under the present Income-tax Act are liable to pay. The relevant portion of the present Income-tax Act is clause (4), Explanation III—"Dividend

paid without British India shall be deemed to be income accruing and arising in British India to the extent to which it has been paid out of profits subjected to income-tax in British India." Under this Act, Madam, all the shareholders of the sterling and dollar companies who have their homes outside India were subjected to income-tax though these income-tax amounts were not realised and they were evading it. This question I had put in the Assembly in November 1947, and also in the Budget session of 1946, and it was said in reply that attempts were being made in order to realise those taxes and the reason given was that the list of the shareholders was not available. This point was raised in a supplementary question by me before the Honourable the Finance Minister and he said that the law was being amended in such a way so that the list of these shareholders would be available and these returns would be automatically filed. Now the amendment is: "In explanation III to sub-section (1) of section 4; after the words 'dividend paid', the words 'by an Indian company' shall be inserted". If this amendment is accepted, and put through the result will be that the shareholders of those dollar and sterling companies which have been making profits in India and which have been carrying on business in India will not have to pay any tax. I will quote one instance. Say a sterling company XY has made an income of Rs. 6 lakhs in India. They will pay income-tax to the extent of Rs. 2,60,000. But if there is one big shareholder holding share whose income comes to Rs. 2,40,000, this shareholder, under the present amendment, will not be bound to pay income-tax which he has to pay under the present law to the extent of Rs. 1 lakh.

The Honourable Shri R. K. Shanmukham Chetty: Madam Chairman,

Altogether 33 Honourable Members have taken part in this general discussion. After listening to these speeches I feel that I have no reason to complain about the general tone of the speeches or the criticisms that they levelled against my budget. Even though most Honourable Members congratulated me on the budget, I would expect them more to sympathize with me than to congratulate me. I do not know whether any Finance Minister in any country in the world has been faced, at the time of the presentation of his first budget, with the problems that confronted me when I started framing my budget proposals. I had to frame the budget proposals of a new born state, and unfortunately in the process of the birth, the state had to undergo a most painful amputation. A country which economically as one unit had functioned for ages had been cut asunder. That fundamental unity of the country had been broken and it was too soon to assess the more permanent results of the partition of India. These two problems were great enough, but within the first three months I was faced with a problem resulting from the migration of no less than 8 million people. In the biblical exodus there was Moses who commanded the sea to make way that the children of Israel might reach the promised land. But the unfortunate children of India in their exodus had to wade literally through rivers of blood and through the valley of death. I had the legacy of a period of inflation and a series of deficit budgets extending over 8 years. Added to all this I had to face the problem of restoring confidence which was shattered by the contents of the last budget. As if these were not sufficient, I had to frame the budget of our country in the context of world conditions of so fluid and uncertain a nature that one cannot be sure of what awaits the morrow. Madam, it was in these difficult circumstances that I had to face the problem of framing the first budget of India. And in making my proposals again, I was faced with conflicting and contradictory situations. While there was the problem of the deficits to be covered, I had to face the problem of giving relief in taxation, and these two do not go together. While I had to fight the problem of inflation, I had at the same time so to control public expenditure as not to increase inflation but result in more employment for our people. If Honourable Members will only look at this picture that faced us, I am sure

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they would agree with me that I am justified in expecting some measure of sympathy from the House. I think, Madam, it is evidence of that sympathy that even those Honourable Members who severely criticized some of my proposals thought it necessary to console me by starting their speech and ending their speech with some measure of congratulation. My budget has been criticized from three points of view. There are those who say that I have not pleased the capitalists nor have I helped the poor man.

Some say they could not see any plan in my Budget, and others go to the extent of saying that my Budget does not reflect the spirit of the new times. The last criticism was, I think, summed up by one Honourable Member who said that my Budget is like the old wife in a new sari. Well, Madam, I consider that as the greatest compliment paid to me. It is as one grows in years that one realises the value of an old wife; I have reached a stage in my life when I prefer the old wife to the new 'butterflies', and naturally I am very pleased when the old wife appears in a new sari.

Dr. B. Pattabhi Sitaramayya (Madras: General): Madam, I rise on a point of order. Is this all in order, all this reference to marriage and wives?

The Honourable Shri R. K. Shanmukham Chetty: Madam, since the Honourable the Lady Member proposed even a matrimonial tax and a birth tax, I think it is perfectly in order to refer to the relationship between a man and his wife.

Well, in framing my Budget proposals it was never my intention to please the capitalists. I cannot claim that I have given any direct relief to the poor man. The one and the only objective that I kept in view is the need for laying the financial and economic foundation of our country, in the very first year of its existence, on absolutely sound and impregnable basis. I confess that in matters financial and economic I am extremely conservative. The experience of other countries in the world has demonstrated beyond measure the prudence of being conservative in matters relating to financial and economic policy.

My first task was to restore in the country the confidence that had been shaken. In searching for the methods to bring about a restoration of confidence, naturally I had to build on the existing structure. I was not planning an economy to fulfil the ideology that would come into fruition after twenty years. When I make this observation, I do not want Honourable Members to go away with the idea that I am not myself influenced by these new ideologies; in fact I would be the last person to advocate a static policy in our economic and financial relations—I am all for dynamic policies, dynamic action. But then when you are out to reform your whole social and economic structure on a new pattern, unless you believe in a sudden revolution that can be brought about overnight, the way in which you handle the situation in the transition period would really determine the success or the failure of your ideology. I yield to none in the desire to see established in our country a real democratic socialistic Republic. On a previous occasion I told the House what my own conception of a socialistic economy is: socialistic economy is judged by the ends achieved by policy, and not necessarily by the means adopted to achieve that end. If by a socialistic economy is meant an economy in which poverty, hunger and disease will not exist, an economy in which every honest man shall be given an honest piece of work, an economy in which undue accumulation of wealth is not allowed in the hands of a few individuals, then, Madam, I am all for a socialistic economy. If in the pursuit of that ideal and for its fulfilment we find it necessary to have under State control and ownership the means of production and distribution, let us by all means have it. But what I would ask Honourable Members to remember is this: merely to take under State ownership the means of production will not by itself bring about a socialist order.

An Honourable Member: You are right there.

The Honourable Shri B. K. Shanmukham Chetty: Assume for argument's sake that we make up our minds straightaway to take under State control all means of production within the course of the next twelve months; am I to understand that Honourable Members expect by that process to see at the end of twelve months an India free from hunger, poverty and disease, in which there will be no inequalities of wealth? No. Assume for a moment that you are prepared to apply the surgeon's knife to the capitalist economy of our country in the most merciless manner that you confiscate 90 per cent. of the wealth of every rich man, would that bring about an equitable distribution of wealth, would that remove poverty, hunger and disease?

Some Honourable Members: No, no.

Prof. N. G. Ranga: No source suggested that.

The Honourable Shri B. K. Shanmukham Chetty: I know Prof. Ranga will agree with me in this matter, that is why I make so bold to say these things.

Madam, the days of real capitalistic economy are really over in the world. The essence of the capitalistic economy was free exploitation by an individual or a group of persons, on a purely competitive basis, with the least and minimum interference from the State. Today, no country that can call itself a civilized country, can ever advocate that system of economy. Today the difference is not so much between the capitalistic and the socialist economy, but a difference based upon whether your economy is a controlled economy or an uncontrolled economy.

If, therefore, we are to bring about a safe transition from the existing state of our economy into one which we all desire, then in the intervening process our main objective must be to create and create more of productive wealth in the country so that when the appropriate time comes that wealth can be equitably distributed. After all, the wealth of a country is in its products, not in the currency notes that circulate. No difference will be made in the wealth of our country, for instance, if I recalled all the currency notes and added one zero to each of the denominations of the currency notes.

Everyone who has got a one rupee note can feel that he has got a ten rupee note and a man who has got a hundred rupee note can feel that he has got a thousand rupee note, but that will not increase the wealth of the country. After all, it is wealth that is to be distributed amongst people and not currency. And that is what some of the leaders of the labour movement in India are not realising. When they want more and more increase in wages and in allowances, they are not really getting for the labourers anything of a tangible and real wealth, for, after all, it is the value of the currency that we give to the labourer that counts and determines his standard of life. I had therefore, Madam, in making my Budget proposals to keep prominently in mind the devices that are necessary to encourage, within the framework of our present economy, an increase in the volume of production, so that the distributable coups may increase and thereby result in the increase of the value of the currency held by the poor man. Now, if that theme of mine is accepted, then it follows that everything that is necessary to give an incentive to increased enterprise must be provided for in my Budget proposals.

Madam, one Honourable friend said that I was only fattening the cattle, so that I might slaughter it for my table. Well, that was not a correct metaphor. I was feeding my cow so that it might give me more milk. I have not the slightest intention of slaughtering that cow at all. There is no doubt at all that a great deal of damage was done to our economy by the proposals contained in the last year's Budget. Considered merely in terms of money, pro-

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bably, the burden imposed upon industry was not very great, but the psychological reaction of those proposals in the field of industry was something devastating. I had to do something to restore the psychology of confidence. After all, what is the relief that I have given in super-tax? On page 65 of the Explanatory Memorandum circulated with the Budget papers, Honourable Members will find a table showing the effect of my super-tax proposals as compared with the super-tax proposals of the last year's Budget. Right up to Rs. 30,000 income, there is no change. I have not given any relief. A man who earns Rs. 30,000 a year earned income in the last budget would be paying Rs. 6,000 tax, and he would be paying exactly the same tax under my Budget. If you come to a man who earns Rs. 50,000, while he had to pay Rs. 16,156 before, I would be asking him to pay Rs. 15,375. In other words, while the tax in the last year's budget represented 32.3 per cent. of his income, under my budget the tax will be 30.8 per cent. of his income. Go even to the very rich man—a man who earns Rs. 10 lakhs a month. Under the last year's Budget, he would have had to pay 92 per cent. of his income as tax, while under my budget he will have to pay 91.3 per cent. Madam, I do not want Honourable Members, therefore, to go away with the impression that I have been very extravagant in giving relief in the super-tax field.

But I do not want the capitalists to catch hold of what I say today and then complain that I have not given them any relief. In fact, I must express my surprise at the way in which the share market reacted to my budget. Actually, the share market in Bombay and in Calcutta recorded a fall.

Prof. N. G. Ranga: I think it was inspired.

Shri M. Ananthasayanam Ayyangar: They expected more.

The Honourable Shri R. K. Shanmukham Chetty: I do not know, Madam, what exactly was the reason for this. They probably expected a good deal and pushed up the prices in the previous week and the fall was a natural reaction to that unhealthy bullish tendency. Sometimes, I wonder whether this is an attempt on the part of the investors really to blackmail me.

Shri M. Ananthasayanam Ayyangar: You have learnt it too late.

The Honourable Shri R. K. Shanmukham Chetty: But they will find to their cost that, however late the learning may come to me, they cannot easily cheat me. If the business world expected my taxation proposals to be so extravagantly altered, then I would say that they do not deserve any sympathy. In fact, I think we should give a warning. After all, I shall judge the effect of the relief in taxation that I have given by increase in production and by the increase in the collection of taxes. If at the end of the year I do not find these two hopes realised and I am still here, I would have to revise my attitude to this question of relief to the industry.

Madam, I claim that though in the field of super-tax the relief that I have given is not very substantial my scheme for taxation for companies is one that must really help investors, that must really permit the ploughing back of money into industry. There I was a little more liberal because in those proposals I was giving relief not to the few rich investors but to the vast multitude of the small or the middle-class investors in our industry. When we think of our industrial structure, we should not get away with the idea that the investor necessarily means a very rich plutocrat. If you analyse the list of shareholders of a number of Companies, you will find that probably not less than 70 or 75 per cent. of the shareholders can really be classified as the "middle-class" people. After all, it is the middle-class that is the backbone not merely of our social structure, but of our economic structure. My honourable friend Mr. Sondhi very rightly pleaded for some measure of relief to the middle-class people. Well, I thought about it myself in the Budget, but then

it struck me that after all I must give an opportunity for the House to take some credit for giving relief to somebody. I would therefore be prepared in the Select Committee to consider very sympathetically any proposal that will give relief to the lower middle-class.

My Honourable friend Mr. Ananthasayanam Ayyangar wanted that we should now prepare our Budgets for a period of years and he suggested five years. In fact, I have been for a long time a believer in that theory of Budgeting and when I was preparing my Budget I visualised in my own mind the possible developments in our own country and in the world for the next five years, but seeing the phenomenal and the catastrophic changes that occur in the economy of the world from day to day I thought there was no use in looking even so far ahead. I therefore had in my mind a period of three years. In fact, Madam, though I have not expressed it in so many words in my budget, speech, my object was really based on that conception. In fact I gave the House a glimpse of what the budget might be in the year 1949-50 and I expect that the picture that I have made in my own mind can be realized even in 1950-51 and it is because I was preparing for a period of three years that I adopted the rather unorthodox method of taking the credit of revenue the 10 crores of rupees which stood in deposit account as the advance payment of taxes. Now if this source of revenue was available to me only during this year, then I would not have rest content with balancing my budget merely by the adjustment of account in this respect. But I may assure Honourable Members that this process will go on for the next three years. We have got in deposit approximately 50 crores of rupees on this account. If I wanted really to be a juggler as Honourable Members represent me to be, I could have taken all these 50 crores and proclaimed a huge surplus budget, but that would be wrong. What we propose to do is this: that spread over the next three years we will bring directly into the revenues the amounts paid as advance taxes by way of Corporation Tax and Income-tax. This year we have selected the Corporation Tax. Next year we would probably select a few circles of Income-tax and bring approximately the same amount into account and a similar procedure will be followed in 1950-51, so that so far as that item of revenue is concerned, you may take it that it is available for our budget for the next three years. Even though I adopted this rather unorthodox procedure, because of the special circumstances of the case, I have been more than conservative and over-anxious in other respects. Honourable Members rightly asked me in the course of the discussion whether I have taken any credit on the revenue side to the customs duties that will be realized on account of Pakistan being declared a foreign territory. I have not taken anything into account. For one thing at the time when I was framing my budget proposals and making my revenue estimates we were not yet clear in our minds as to what will be the outcome of the discussions that were proceeding between our own representatives and the Pakistan representatives; and apart from that, I thought that in view of the various uncertain factors that might at any moment upset all your calculations regarding revenue and expenditure, prudence required to keep this hidden reserve. It is very difficult to make a very accurate estimate of what will be our receipts by way of customs duties on goods going into Pakistan or coming from Pakistan. In fact, the Central Board of Revenue is now working on this problem. On the 1st of March, we have already posted our customs officials on the frontiers. The preliminary estimate that we have made is that it would be of the order of 9 to 10 crores of rupees per year. The House will, therefore, realize that even though there might be an upsetting of the revenue and the expenditure estimates during the coming year, you have got this source which will go more than to balance our estimates and result as, I hope, in a really surplus budget when we close our accounts. I have, therefore, Madam, kept very prominently in mind the problem of our budgetary position

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for a period of three years beginning from 1948-49 and I would suggest that in this changing world it is a long-enough period to be taken into account.

There are various other factors which ought to result in considerable savings on our expenditure side. Now I have provided for 19 crores of rupees on account of subsidies on the imported foodgrains. This subsidy is the difference between the price that we pay abroad for our foodgrains and the price at which we sell them here and also the procurement bonus that we give to the Provincial Governments. Honourable Members will be glad to know that there is now every hope of a very substantial reduction in the prices that we may be called upon to pay for foodgrains in future.

Pandit Lakshmi Kanta Maitra: Have prices gone down or you expect less import?

The Honourable Shri R. K. Shanmukham Chetty: I am coming to that. Already during the last 2 weeks there has been a remarkable fall in commodity prices in the Chicago grain market. Whether this is a temporary feature or the precursor of events to come, it is too early to say. But whatever might be the case our delegates are now taking part in an International Wheat Conference. Now in that Conference we are arranging for an advance contract for the purchase of 750,000 tons of wheat at prices, the ceiling and the floor of which are fixed. The ceiling price will be about \$2 and odd per bushel and the floor price will be \$1 and odd, whereas the price that we have paid for our latest purchase of Australian wheat is \$3 and odd per bushel. Fortunately for us, we have inserted a clause in our wheat agreement with Australia that if there is a reduction from \$3 as a result of this International Wheat Conference, the Australian Government will give us the benefit of that reduction. If, therefore, this Food Conference goes through as we expect it would, even then on the wheat contract that we have made with Australia, we would save 1/3rd in the price. If, therefore, this tendency is in evidence during the next three years, there would be a very substantial saving under the item "Subsidy on imported foodgrains." Assuming that we import the same quantity, merely on price we ought to be able to save at least 7 or 8 crores of rupees. That is a very satisfactory feature. In my budget speech I referred also to another item, the 10 crores of rupees that we have provided for relief and rehabilitation. I think, Madam, unless something again goes radically wrong, we may reasonably expect a considerable falling off under this item of expenditure and in the next and the following year. So, taking all these factors into consideration, I feel that we can look to the immediate future, at any rate, in a spirit of real confidence. But in considering the deficit this year, I do not want that I should be carried away by this exuberance of optimism regarding our position for the next three years. It is in a period of inflationary tendency that every attempt should be made to balance the budget and if possible to produce a surplus. I was therefore very anxious that somehow or other I must balance the budget, and with that object in view I searched for new fields of taxation. I wish I had a discussion with the lady member on that side before I framed my proposals because I might then have seriously considered the possibility of a death duty and a birth duty. Whether ultimately I would have decided upon a marriage tax or a bachelor tax I could not say; but if I wanted that at least some members of the Cabinet must feel the weight and burden of taxation, I would have chosen a bachelor tax! Madam, I was very anxious in my search for new fields of taxation to ensure as far as possible that I did not affect the life of the poor man. Now I come to the second point of criticism of my budget, namely, that my budget does not give any relief to the poor man. I have never believed in the practice of playing to the gallery (*An honourable member:* "There is a gallery".) I am now playing to the dress circle and not to the gallery. I yield to none in my anxiety to better the lot of the poor man.

But let me tell this frankly on the floor of this House that if you are searching the Central Budget for reliefs to the poor man by taxation you will be searching in vain. Specially after the removal of the salt tax there is very little indeed in the Central Budget by way of taxation which you can reduce and give effective relief to the poor man.

Some Honourable Members: What about matches, kerosene, tyres?

The Honourable Shri R. K. Shanmukham Chetty: The real effective help and relief to the poor man is to be given not by trying to tamper with those excise duties but by creating avenues of fruitful employment to our people and fruitful sources of income. And from that criterion I claim that I have more than cared for the poor man and the common man. A great deal has been said about the match duty. I shall explain probably in greater detail at the appropriate time how this restoration of the duty to its old level will not really increase the price of match-boxes. As a matter of fact today we have got four different kinds of match-boxes—those containing 40, 50, 60 and 80 sticks. Now, I ask, when even intelligent educated people go and buy a match-box for half an anna, do they take care to see whether it contains 40 or 50 sticks? The result of this system is that the manufacturer, the wholesaler and the retailer simply cheat the consumer. When Sir Archibald Rowlands reduced the duty on 50's from Rs. 2-8 to Rs. 1-12 he expected a reduction in price. As a matter of fact there was no reduction in price; it was exactly the same. And where did the 12 annas go? The exchequer lost and the manufacturer and the trader gained. I simply wanted to restore that position; and if the price was not altered when there was a reduction of duty I claim that there is no justification for the manufacturer to increase the price when I restore the duty. As a matter of fact I have had my advisers to inquire in the bazar and find out there has been any increase in the price of match-boxes since the 1st March; and I was glad to note that there was no increase.

An Honourable Member: In Bombay there has been.

The Honourable Shri R. K. Shanmukham Chetty: Well, Bombay is a special place. In any case I may assure Honourable Members that all steps will be taken and control of price imposed, if necessary, to see and to ensure that this alteration in duty does not result in any increase in price. I said that the real relief to the poor man should be searched in my capital budget. I have provided no less than 165½ crores of rupees in my capital budget for our various programmes of development for the next year. Honourable Members seem to have suggested, or made a grievance of it, that they do not find any provision made for the relief of Harijans. These are fields exclusively reserved for the provinces; it is through the provinces that we expect all these constructive schemes to be put forth for the relief of the Harijans or the relief of the rural classes. I am not a believer in blindly providing lump sums of one crore and five crores for a particular purpose; you take it from me that the amount will go by the drain. We are providing for a free grant of 30 crores of rupees to the provinces; and if the provinces are to utilise the whole of that amount they have to spend another 30 crores. And with 60 crores for developmental purposes the provinces can do a great deal in this direction. I would invite Honourable Members to devote, in their study of the budget, a little more attention to the capital budget.

Pandit Lakshmi Kanta Maitra: We get no information and no details; the Explanatory Memorandum covers only 20 pages.

Mr. Chairman: The Finance Minister need not be interrupted.

The Honourable Shri R. K. Shanmukham Chetty: There is a great deal of information given in the Explanatory Memorandum supplied with the budget papers.

[Shri B. K. Shanmukham Chetty]

The centre can only provide funds in the hands of provinces to carry forward these schemes of amelioration of the ordinary man. If I may use a metaphor, the Finance Minister of the Central Government is like the keeper of the sluice-gates of a big reservoir. It is his function to see that the reservoir is kept at its proper level and the sluice is opened in such a manner that the water is distributed in the proper season, in proper measure and to the proper places. And when once I open those sluices and let out water into the channels I expect the provincial Governments, like the agriculturist to utilise the waters of the channel and to irrigate the fields. That really is the relative function of the Finance Minister of the Central Government and the Finance Ministers of the provincial Governments. Some Honourable Member suggested—I think it was Mr. Krishnamachari—that there should be some coordination between the work of the Finance Minister of the Central Government and the Finance Ministers of the provinces. I welcome the suggestion; in fact that has been my feeling for some time. I think we should now start a practice of having periodical conferences with all the provincial Finance Ministers, and to have one master conference about a month or two before the provincial budgets are presented, so that the provinces might know exactly where they stand for the coming year and the centre also may know what exactly will be the demands that will be made on its resources. I hope to inaugurate this practice at an early date.

Various other suggestions have been made which I certainly will take into consideration. For example, a suggestion was made that we should have a research department in our Finance Ministry. Yes, we should also have a monetary research section. In the field of finance and economics also the work done by research scholars in modern days is something very valuable. I know by personal experience and contact the great work done by the monetary research section of the United States Treasury at Washington; I myself have seen that work. I am hoping that before long we would set up in the Finance Ministry these two research sections.

Before I conclude I would just like to say that in the context of the new constitution that might come into existence within the next year or two it would be our sacred duty to hand over to our successors a financial and administrative structure with the help of which they can really launch forth great and ambitious programmes of expansion and development. It is our sacred duty to conserve the resources that we have got and during the transition period to utilise those resources wisely and effectively and cautiously.

And I look upon my own duty as the custodian of the finances of this country as that of one who is charged with the sacred duty of taking good care of a delicate mechanism during a transitional and a difficult period. And if when I hand over the reins of office to my successor, I can feel that I have handed over to him a mechanism of a more perfect and more enduring character then I feel that I would have done my duty to my country.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Friday, the 5th March 1948.