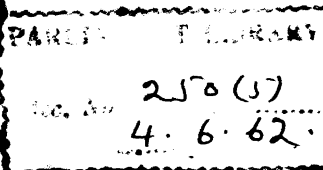


Thursday, 8th March, 1951

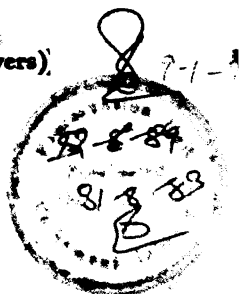


PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VI, 1951



(5th February to 31st March, 1951)

Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

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

1997

1998

PARLIAMENT OF INDIA

Thursday, 8th March, 1951.

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

[**MR. SPEAKER** in the Chair]

ORAL ANSWERS TO QUESTIONS

PROTECTION TO INDUSTRIES

*1969. **Prof. S. N. Mishra:** Will the Minister of Commerce and Industry be pleased to state:

(a) the names of Industries whose cases for protection or assistance are pending with the Tariff Board; and

(b) how many such cases were disposed of during the year 1950?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). I lay on the Table of the House a statement giving the requisite information. [See Appendix XIV, annexure No. 19].

Prof. S. N. Mishra: May I know, Sir, in how many cases action was taken and fiscal or non-fiscal assistance given?

Shri Karmarkar: I am afraid I have not got that information on hand. If the hon. Member wishes, I shall supply him that information.

Prof. S. N. Mishra: May I know, Sir, the time-lag that ensued between the recommendations of the Tariff Board and the action taken by Government in these cases?

Shri Karmarkar: The time-lag is very little: nothing to complain of.

Prof. S. N. Mishra: What steps have been taken by Government for the reconstitution of the Tariff Board as recommended by the Fiscal Commission?

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Shri Karmarkar: I may tell my hon. friend that a Bill is under consideration and it will be placed before the House during this session to implement the recommendations of the Fiscal Commission.

Shri S. N. Das: How many fresh applications for protection were received during the year 1950?

Shri Karmarkar: I can supply that information to my hon. friend.

Prof. S. N. Mishra: In how many cases were costs of production determined by the Tariff Board?

Shri Karmarkar: I shall require notice of that question.

Pandit Munishwar Datt Upadhyay: What are the conditions in which such assistance or protection is granted?

Shri Karmarkar: I suppose it is a matter of common knowledge: I would not like to take up the time of the House on that.

TRADE WITH TIBET AND NEPAL

*1970. **Prof. S. N. Mishra:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether trade with Tibet and Nepal has suffered during recent months; and

(b) if so, in what respect?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) No, Sir.

(b) The question does not arise.

Prof. S. N. Mishra: May I take it that there has been no downward trend in trade with these two countries?

Shri Karmarkar: No, Sir. If my hon. friend wishes, I shall give him detailed figures later on: it is a long table.

Prof. S. N. Mishra: What was the volume of trade during last year with these two countries?

Shri Karmarkar: Estimated value in respect of Indo-Nepalese trade November-December 1948-49: Imports into India: Rs. 2,92,92,000. Exports from India Rs. 3,25,50,000. In regard to 1949-50 I shall supply the figures to the hon. Member.

Shri Kamath: Have the people of Himachal Pradesh and the other adjoining Himalayan border regions recently made a representation to Government that in view of developments in Tibet, measures should be taken by Government to safeguard the trade between India and Tibet?

Shri Karmarkar: Not that I am aware of.

Shri Sondhi: How is it that the hon. Minister has given the figures for 1948-49 as 'estimated'. They must be the actual figures.

Shri Karmarkar: They are actual.

RATIFICATION OF HAVANA CHARTER

*1971. **Prof. S. N. Mishra:** Will the Minister of Commerce and Industry be pleased to state:

- whether Government propose to ratify the Havana Charter; and
- if not, why not?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). The Fiscal Commission which was asked to advise on the question of ratification of the Havana Charter by the Government of India, has recommended (with one dissenting minute) that Government may ratify it after other countries of major economic importance, including the United States and United Kingdom, have ratified it. While Government have not yet come to a final decision on the Fiscal Commission's recommendation, the United States' Government have, announced their decision to postpone the ratification of the Charter and to strengthen the General Agreement on Tariffs and Trade instead. This recent development has created a new situation which is being examined.

Prof. S. N. Mishra: May I know whether Government propose to accept the protocol adopted at the Torquay Conference?

Shri Karmarkar: Yes, Sir.

Prof. S. N. Mishra: How many trade organisations in the country supported or opposed the ratification?

Shri Karmarkar: I should like to have notice in respect of detailed number of trade organisations. But our information is that trade organisations in general have supported that.

Shri R. Velayudhan: May I know with regard to this Agreement and the Havana Charter, whether there is any common policy between the United Kingdom, United States of America and India?

Shri Karmarkar: I am afraid my hon. friend is mixing up two things. One is the Havana Charter. That is a Charter about which there was general consensus. The whole discussion on that Charter represented the best possible common agreement as among the countries which participated in it.

The other thing is what we call General Agreement on Tariffs and Trade. It is a sort of bilateral agreement developing into a multi-lateral agreement. In respect of that, as my hon. friend will easily appreciate, there can be nothing that is part of that agreement which denotes a difference of opinion.

COTTON EXPORT

*1972. **Shri Sidhva:** (a) Will the Minister of Commerce and Industry be pleased to state what is the quota fixed for export of cotton from India to foreign countries for the year 1951?

(b) Is there any limit of maximum quantity for granting licence?

(c) How many applications for licence have so far been received?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) 1,80,000 bales so far.

(b) Yes.

(c) 285.

Shri Sidhva: May I have a break-up of these 1,80,000 bales into short staple, long staple and medium staple?

Shri Karmarkar: The country-wise quota for my hon. friend's information is as follows:

U. S. and Japan: Bengal Desi, 90,000 and 52,000 bales respectively

Assam Comilla for both of them together: 4,500 bales.

United Kingdom: 20,000 bales Bengal Desi.

Soft currency countries, other than U. K. 13,000 bales of Bengal Desi and 500 bales of Assam Comilla.

Total: 1,80,000 bales.

Shri Sidhva: What is the total requirement of cotton in our country?

Shri Karmarkar: My senior colleague will give that information.

The Minister of Commerce and Industry (Shri Mahtab): Of these varieties, or, all cotton.

Shri Sidhva: All varieties.

Shri Mahtab: Our requirement is 42,00,000 bales.

Shri Sidhva: While allowing exports, have Government kept in mind that sufficient quantity of cotton will be available for local consumption.

Mr. Speaker: It should be presumed that Government would have examined it.

Shri Sidhva: Not necessarily.

Mr. Speaker: The hon. Member need not presume that much of ignorance.

Shri Sidhva: It is not a matter of ignorance....

Mr. Speaker: Or indifference. It is no use taking the time of the House on such questions.

Shri Sidhva: Which are the countries to which this cotton will be exported?

Shri Karmarkar: U.S.A., Japan, U.K. and other soft currencies.

Shri Sidhva: What is the quantity of the largest single export permit?

Shri Karmarkar: I shall require notice of that question.

Dr. Deshmukh: What is the rate at which this cotton is being sold and what is the rate fixed by Government for internal purchase.

Shri Mahtab: For internal purchase Rs. 650 has been fixed. External purchase rate is much higher than the internal price.

Dr. Deshmukh: Is there any export duty levied?

Shri Mahtab: Yes, there is an export duty.

श्री शिव चरण लाल : क्या यह बात सही है कि हिन्दुस्तान की कुछ मिलें केवल इस वजह से बन्द रहीं, कि उनको रुई काफ़ी नहीं मिली ?

[**Shri Shiv Charan Lal:** Is it a fact that certain Mills in India remained

closed simply for the reason that they could not obtain enough cotton?]

Shri Mahtab: That is not a fact.

Mr. Speaker: This point has been dealt with previously.

Ch. Ranbir Singh: May I know how many cotton growers' co-operative societies have been granted export licences?

Shri Karmarkar: I think I shall require notice of that.

Ch. Ranbir Singh: Do Government propose to issue export licences to growers' co-operative societies?

Shri Karmarkar: Yes, provided other conditions are fulfilled.

Pandit Munishwar Datt Upadhyay: May I know whether there is any maximum limit in quantity for granting licences?

Shri Mahtab: There is no limit, I suppose.

Shri Karmarkar: If I may give the correct position so that the House may not be misinformed, it is like this. With a view to ensuring that as many exporters as possible may be enabled to take part in the export business in raw cotton, the following limits were fixed for grant of export licences:

- (1) 5,000 bales, in the case of 25,000 bales of Bengal Deshi cotton for export to the U.S.A.
- (2) 4,000 bales, in the case of 1,50,000 bales of Bengal Deshi cotton announced for export on the 19th January, 1951.

I think that is what my hon. friend wanted.

ENTRY OF INDIANS INTO BURMA

*1973. **Dr. Ram Subhag Singh:** (a) Will the Prime Minister be pleased to state the number of Indians who have entered Burma since August, 1950 without permits?

(b) How many of them have been prosecuted by the Burmese Government and how many have since been deported?

The Deputy Minister of External Affairs (Dr. Keskar): (a) 313 Indians are reported to have entered Burma without immigration permits from 1st August, 1950 to 31st December, 1950.

(b) 349 persons are reported to have been prosecuted by the Burma

Government during the above mentioned period for infringement of Immigration laws including the offence of staying beyond the periods of residence permitted under their Immigration documents.

144 persons are reported to have been deported to India during the year 1950.

Dr. Ram Subhag Singh: May I know whether the Government of India intend to take any steps to check such migration from India to Burma?

Dr. Keskar: There is no emigration from Burma to India.

Dr. Ram Subhag Singh: I was asking from India to Burma.

Dr. Keskar: There is at present, really speaking, no emigration from India to Burma. It is some of the old immigrants who have been staying in Burma for a pretty long period who try through many means to go back. Otherwise there is none.

Dr. Ram Subhag Singh: May I know whether any restrictions existed on our travel to Burma before August, 1950?

Dr. Keskar: There was no restriction before.

Dr. Ram Subhag Singh: What are the new restrictions which have been imposed on our travel there?

Dr. Keskar: That I will not be able to give offhand. First of all, all Indians who want to go to Burma must be in possession of a passport, but there is an exception in the case of those Indians who have been resident in Burma who can go to Burma with what they call an entry permit.

Shri Kamath: From the reports available, did the Indians who entered Burma without permit during the period under reference belong to the border Provinces of Bengal and Assam or also to other States of India?

Dr. Keskar: There are very few I think from the border Provinces. Mostly they were coming from South India.

EXPORT OF MUSTARD SEEDS

*1974. **Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity (in tons) of the export of mustard seeds in the year 1950; and

(b) whether Government propose to impose controls on the price, sale and export of mustard seeds?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) 86 tons.

(b) The export of mustard seed outside India is generally banned except for small quantities allowed for export against ad hoc demands from hard currency countries. At present there is no proposal for the imposition of control on the price and sale of mustard seeds.

Hessian Sacks

*1975. **Pandit M. B. Bhargava:** Will the Minister of Commerce and Industry be pleased to state:

(a) the number of mills manufacturing hessian bags and other jute manufactures, their total production capacity and their annual requirements of raw jute when worked on maximum capacity;

(b) the annual output of hessian sacks and other jute manufactures during the years 1948, 1949 and 1950;

(c) the quantity and value of hessian sacks and other jute manufactures exported from India to the Dollar and Sterling regions during the above years and the quantity and value of these goods consumed in India;

(d) the quantity and value of raw jute imported into India from Pakistan during the above years;

(e) the total quantity of jute exported by Pakistan to foreign countries through Calcutta and other Indian ports; and

(f) the price of jute manufacture prevailing in India and foreign markets of U.K. and U.S.A. during the above years, and particularly the price of jute manufacture month by month prevailing in the Indian market and the foreign market of U.S.A. and U.K. since the imposition of the export duty of Rs. 1500 per ton since September, 1950 upto date?

The Minister of Commerce and Industry (Shri Mahtab): (a) to (f). I place on the Table of the House six statements furnishing the information asked for. [See Appendix XIV, annexure No. 20.]

Pandit M. B. Bhargava: Is it the intention of the Government to review its entire policy of control or decontrol of raw jute and jute exports in view of the recent Indo-Pakistan Agreement?

Shri Mahtab: Government's decision will be announced in a day or two—possibly today or tomorrow.

Shri T. N. Singh: With reference to part (f) of the question may I know by how much the prices in U.K. and America have gone up after the last Tariff Amendment Act recently passed?

Shri Mahtab: It has been given in the statement.

Shri T. N. Singh: I want to know by what proportion the price has gone up. Today's price may be given in the statement, but what has been the rise in prices?

Shri Mahtab: Comparative prices have been given in the statement. For instance in July the U.S.A. price was 15.25 dollars, in October it was 20.75 dollars.

VALUE OF IMPORTED GOODS

*1976. **Pandit M. B. Bhargava:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total value of capital goods, luxury goods and consumers goods imported into India separately from Sterling and Dollar areas during the years 1948, 1949 and 1950.

(b) the total value of exports from India separately to Sterling and Dollar areas during the above years;

(c) what was the total yardage and value of the import of textile manufactured goods into India during the years 1948, 1949 and 1950; and

(d) what portion of the same was imported from hard and soft currency areas?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) to (d). A statement is placed on the Table of the House. [See Appendix XIV, annexure No. 21.]

Pandit M. B. Bhargava: May I know what were the main varieties of luxury goods imported and what was the reason to allow their import?

Shri Karmarkar: I think I shall require notice for supplying a detailed list of the luxury goods. And as my hon. friend is aware, during the last eighteen months a definite effort has been made to cut down the import of luxury goods as much as possible.

Pandit M. B. Bhargava: My question is what is the reason for allowing the import of any luxury goods at all?

Shri Karmarkar: Because those luxury goods are considered as necessary.

Shri Dwivedi: May I know if it is imperative on the Government to buy certain luxury goods from foreign countries if they want to buy other goods?

Shri Karmarkar: It is not at all imperative on the Government. But it is a fact that foreign countries with whom we deal are interested in seeing that some of their consumer goods also come in. For instance we want to get watches from Switzerland, but they are anxious that a little of their consumer goods should also be taken. And when the whole balance is one of advantage we do agree sometimes. And that is one of the reasons why we import luxury goods.

Shri S. N. Das: May I know whether the priorities have been arranged as recommended by the Import Advisory Committee?

Shri Karmarkar: Yes, we took into consideration the recommendations of the Import Advisory Council and recently framed our priorities.

Shri S. N. Das: How does the list of imports as arranged by the Government stand today?

Shri Karmarkar: The priorities are just as before. Food comes first; capital goods and raw materials for industries come next; consumer goods come third; and luxury goods come last.

Shri Dwivedi: May I know if Government is aware that certain luxury goods come to India even without permits or licences?

Shri Karmarkar: Government have no definite information, but if my hon. friend has any it will be very useful for us to have it.

COTTON

*1977. **Shri Barman:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of cotton—short, medium and long staple—that will be required in the year 1951;

(b) the estimated production within India in the year 1951; and

(c) the estimate of import in the year 1951?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) to (c). A statement is placed on the

Table of the House. As the statement is a short one I shall read it for the information of the House.

STATEMENT

(a) Short staple 11/16" and below	3 lakh bales
Medium staple above 11/13" and below 7/8"	20 lakh bales
Long staple 7/8" to 1"	10 lakh bales
Foreign cotton over 1"	9 lakh bales
Total	42 lakh bales.
(b) Estimated production.	2,950,000 to 30 lakh bales.
(c) Estimated imports in 1951.	865,000 bales.

Shri Barman: Does the quantity of foreign cotton imported include import from Pakistan also?

Shri Karmarkar: No, it does not.

Shri Barman: May I know what new parts of the country have been explored for the purpose of growing cotton and whether North Bengal which once used to grow a large volume of cotton has been explored for the purpose?

The Minister of Commerce and Industry (Shri Mahtab): The Agriculture Ministry have taken adequate steps in the matter.

FISCAL COMMISSION'S RECOMMENDATIONS

*1978. **Shri Barman:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have considered the Fiscal Commission's Report; and

(b) what recommendations if any, have Government accepted by now?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) The Fiscal Commission's Report is still under the consideration of Government.

(b) Government have already taken a decision on the central recommendation of the Fiscal Commission that a permanent and statutory Tariff Commission should be set up immediately. It is proposed to introduce a Bill on the subject in the current session of Parliament.

Shri Barman: May I ask whether the recommendations of the Fiscal Commission about special measures for the development of cottage industries and small scale industries on co-operative or individual lines have been attended to by the Government?

Shri Karmarkar: They are under our very close consideration and I might inform my hon. friend the question of cottage and small scale industries especially is receiving the very close attention at the moment.

श्री भट्ट : क्या माननीय मंत्री जी बतलायेंगे कि यह फिस्कल कमिशन की रिपोर्ट गवर्नमेंट के सामने कब पेश हुई थी ?

[**Shri Bhatt:** Will the hon. Minister be pleased to state when the report of the Fiscal Commission was presented to the Government?]

श्री करमारकर : एग्जैक्ट डेट तो मैं बाद में बतलाऊंगा, लेकिन अगर याद से कहूँ तो शायद चार महीने पहले ।

[**Shri Karmarkar:** I will mention the exact date afterwards, but so far as I remember it was presented some four months back.]

Shri T. N. Singh: May I ask if Government will give the House an opportunity to discuss this Fiscal Commission's Report?

Shri Karmarkar: We shall consider that point. Surely at some stage or other when the legislation is on the floor of the House we shall have an occasion to discuss the Fiscal Commission's Report also.

SUPPLY OF FILTERED WATER IN COLLIERIES IN HAZARIBAGH

*1981. **Shri Jaani Ram:** Will the Minister of Labour be pleased to state:

(a) the names of collieries, state-owned and private, in the district of Hazaribagh where filtered water is supplied; and

(b) the names of collieries where there is no such arrangement?

The Minister of Labour (Shri Jagjivan Ram): (a) and (b). A statement giving the requisite information is placed on the Table of the House. [See Appendix XIV, annexure No. 22.]

Shri Jaani Ram: In the statement it has been stated that Kurhurbaree and Serampore are partly supplied with filtered and partly from the disused shafts. May I know when the

Government is expected to supply filtered water entirely?

Shri Jagjivan Ram: There are obvious difficulties in supplying filtered water to all the coal-fields or even in those coal fields, because there is no arrangement for water in these areas and the possibility of having water works in the near future seems to be remote.

Shri Jnani Ram: May I know the steps which the Government is taking to enforce the supply of filtered water in other private collieries?

Shri Jagjivan Ram: We had been insisting upon the various Mines Boards of Health to have a scheme of filtered water in those areas but the State Governments concerned as well as the Mines Boards indicate their inability to have the water works for want of finances and also on account of suitable water sites.

Shri Jnani Ram: May I know the time by which all the collieries are expected to supply filtered water?

Shri Jagjivan Ram: It is very difficult to indicate any time limit for that.

Shri Jnani Ram: Is it a fact that very often water from the mines is diverted for drinking purposes even in Government collieries?

Shri Jagjivan Ram: As it is clear from the statement, it is only in two Government collieries that this is done.

Shri Jnani Ram: May I know if complaints were filed by Bhurkunda and Pipparodi collieries about the supply of mine water as drinking water?

Shri Jagjivan Ram: I do not exactly remember about the complaints, but in some cases where the water supply from the filtered water heads is not sufficient, water from the Mines is also utilized.

Shri R. Velayudhan: May I know whether there is any specific scheme for the Government to supply filtered water to those colliery workers within a specific period?

Shri Jagjivan Ram: I have already answered that question. We have got schemes to supply filtered water in certain areas of the coal-fields but in the very nature of the works there, it is not possible to supply filtered water in all the collieries in the near future.

CINEMAS

*1982. **Shri B. R. Bhagat:** Will the Minister of Works, Production and Supply be pleased to state:

(a) whether construction of more Cinema houses in New Delhi is being considered in the development plans for Delhi;

(b) if so, what are the sites for these new cinemas; and

(c) whether construction of a nursing home and a fish market are also under consideration?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) Yes.

(b) The selection of sites for new Cinema Houses is under consideration.

(c) The construction of nursing homes is under consideration but the question of construction of a fish market in New Delhi has not so far been considered. A suitable site for a fish and other market near Jama Masjid in Old Delhi is however under consideration.

Shri B. R. Bhagat: May I know whether the scheme for constructing cinema houses has been drawn up by the Town Planning Sub-Committee?

Shri Buragohain: Yes, Sir. The Delhi Development Sub-Committee with the Chief Commissioner as the Chairman had considered certain sites in the city, namely, in the Upper Ridge Road, Vinay Nagar and Lodi Road. They have not yet come to any final conclusions.

Shri B. R. Bhagat: May I know whether this fish market and the nursing home are private-owned or public-owned?

Shri Buragohain: I do not think the Delhi Administration holds any market but certainly this will be in charge of the Municipal Committee.

Shri Kamath: Does the Prime Minister's assurance to this House and the directive issued by him to State Governments some months ago that valuable building material should not be wasted on cinema houses and luxury buildings, still operate?

The Prime Minister (Shri Jawaharlal Nehru): I hope it does, Sir. But it was pointed out to me by one or two States that certain difficulties have arisen, that is to say, none of the States wanted to spend building materials in cinema projects, but some of them were half built and quarter built and they said: these buildings

are completely useless for other purposes and so on and so forth. I gave permission to finish these buildings, of course, at the requests made by State Governments. But they have to decide for themselves if any other difficulties arise.

Shri Kamath: The question here is whether the construction of new cinema houses in New Delhi is under consideration.

Mr. Speaker: They have not yet constructed the cinema houses; they have schemes for that.

Pandit M. B. Bhargava: May I know what is the present number of cinemas in Delhi and whether that number is regarded as insufficient for the requirements of the public?

Shri Buragohain: As the question specifically related only to new construction of cinemas and others, I should like to have notice of this question. I have not got that information with me.

Dr. Doshmukh: May I know if any sites have been reserved for educational institutions in this development plan?

Shri Buragohain: That is another question. I would like to have notice of that question.

COAL DEMAND

*1983. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Works, Production and Supply be pleased to state what is the estimate of the increased demand of coal necessitated by the various development projects undertaken by the Government of India and States Governments?

(b) Will our production of coal adequately meet the increased demand?

(c) If the answer to part (b) above be in the negative, what steps are being taken to augment the production of coal?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) It is estimated that the demand for coal will increase at the rate of 0.6 million tons per year, during the next five years.

(b) Yes, Sir.

(c) Does not arise.

Pandit Munishwar Datt Upadhyay: What quantity of coal will mostly be required for those projects?

Shri Buragohain: That is a question of detail and I have not got the figures with me at the moment.

Shri T. N. Singh: Will the hon. Minister inform us as to what new collieries are planned to be opened up during the next five years so that the progressive demand may be met?

Shri Buragohain: Recently, Sir, the whole question was gone into by the Planning Commission on the basis of certain reports received from the Coal Commissioner and certain recommendations have been made by the Planning Commission and they are now under the consideration of the Government.

Shri Sondhi: Is it not a fact that there is already a surplus of about 2½ million tons of coal production in India?

Shri Buragohain: The production has to be stepped up according to the demand. Certainly in the next few years, in view of the recent pact with Pakistan, that demand will go up and therefore, we will have to step up production accordingly.

PRODUCTION OF LIVER EXTRACTS

*1984. **Shri S. C. Samanta:** (a) Will the Minister of Commerce and Industry be pleased to state how many firms are there in India which produce liver extracts both for injection and to be taken by mouth?

(b) Does this industry enjoy any protection?

(c) How much liver extracts of both kinds were imported during 1949-50?

The Minister of Commerce and Industry (Shri Mahtab): (a) 21.

(b) The answer is in the negative.

(c) Accurate information is not available, as imports of liver extracts are not separately recorded in the Import Trade Returns.

It is, however, estimated that during 1949, 40 lakh c.c.'s of injectable Liver Extracts, 2.20 lakh lbs. of Orally Usable Liver Extracts and 4.60 million capsules of Liver Extracts were imported from the U.S.A. and the U.K.

Shri S. C. Samanta: Sir, in answer to part (b) of the question, the hon. Minister said, 'No'. May I know whether this industry was enjoying any protection before?

Shri Mahtab: This matter was referred to the Tariff Board in 1947. They held a public enquiry and after taking all aspects into consideration, they did not recommend any protection.

Shri S. C. Samanta: What is the annual aggregate capacity of production of liver extracts of these 21 firms for oral and injection purposes?

Shri Mahtab: From the statement which was prepared for the Tariff Board, it is seen that the production in 1948 was 115, and in 1949, 132. The figure for 1950 is not available. This is in relation to the injectable extracts. So far as the orally usable extracts are concerned, it was 4.46 lakh lbs. in 1948, 4.69 lakhs lbs. in 1949 and in the four months of 1950, 1.06 lakh lbs.

Shri S. C. Samanta: May I know the reasons put forward by the Tariff Board for not giving protection to the industry?

Shri Mahtab: According to the Tariff Board, the fair selling price of the indigenous products was appreciably below the landed cost ex-duty of comparable imports. They have made certain other recommendations which have been accepted by the Government in toto.

Pandit Munishwar Datt Upadhyay: Could we know the location of these industries State-wise?

Shri Mahtab: I have got the list; some are in Bombay, some in Calcutta, some elsewhere. I can lay this list on the Table. [See Appendix XVIII, annexure No. 36.] There are 21 firms.

Dr. M. M. Das: May I know whether any import duty has been imposed upon the import of liver extracts and whether any restriction has been imposed upon the import of liver extracts?

Shri Mahtab: There is no restriction at present.

Dr. M. M. Das: Any import duty?

Shri Mahtab: I do not think there is any import duty.

Dr. V. Subramaniam: Is there any scarcity of raw liver to extract liver extracts?

Shri Mahtab: I am not aware; but it appears from the recommendations of the Tariff Board that they have been insisting upon some clinical arrangements for the firms where these extracts are manufactured. We have advised the State Governments to set up cold storage plants to keep the livers in proper condition before they are taken to the manufacturing firm.

VIOLATION OF IMPORT AND EXPORT REGULATIONS

*1985. **Dr. M. M. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total number of firms detected by Government for violation of Im-

port and Export Regulations during the years 1948-49 and 1949-50;

(b) the exact nature of the offences committed;

(c) whether any steps have been taken by Government against the offenders; and

(d) if so, what are they?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) The number of firms detected for violation of Import and Export Regulations during the years 1948-49 and 1949-50 was 141 and 234 respectively.

(b) The offences committed fall under one or other of the following categories:

(1) Trafficking in import and export licences.

(2) Production of forged or tampered documents.

(3) Transfer or sale of goods imported against a licence in contravention of the conditions.

(4) Continuous breach of import trade regulations by importing goods without licences.

(5) Obtaining licences fraudulently by making applications to the same or two different licensing authorities during the same period and for the same items.

(6) Obtaining licences by fraudulent means other than those specified in item (5) above.

(7) Making different applications in different capacities such as established importers, newcomers etc.

(8) Contravention of Rules and Regulations under Foreign Exchange Control Act.

(9) Offering bribes to the staff.

(10) Contravention of Export Trade Control Regulations.

(c) Yes, Sir.

(d) The offenders have been debarred from receiving import and export licences permanently or for a fixed period depending on the nature of the offence in such cases.

Dr. M. M. Das: May I know whether the maintenance of a certain required standard in our exported goods is also included in the list of conditions?

Shri Karmarkar: No, Sir, to my knowledge.

Dr. M. M. Das: May I know the number of violation of the regulations during the current year?

Shri Karmarkar: Current year, 1951 January and February?

Dr. M. M. Das: 1950-51.

Shri Karmarkar: I shall compile the information and pass it on to the hon. Member.

Dr. M. M. Das: May I know whether the hon. Minister will inform the House the names of the firms who have been convicted?

Shri Karmarkar: I am not in a position now; but there is nothing to prevent us from doing that if the hon. Member wants.

Mr. Speaker: Does the hon. Member want the names of the firms?

Shri Karmarkar: The names of all the 300 and odd firms.

Mr. Speaker: I doubt whether it should be done.

Shri Karmarkar: Then, I stand corrected, Sir.

Shri Barman: When a firm is convicted or is removed from the list, what is the procedure for bringing them back on the list? Is it the procedure that after a certain time, the firm is exonerated from the fault?

Shri Karmarkar: There is no question of exoneration. Either the bar is for a certain period or permanent. If it is for a certain period, after that period of time, the firm comes in automatically in the list of eligible firms.

Shri T. N. Singh: Is it a fact that several firms are able to get these licences irregularly due to the connivance of officials? May I know whether any cases of such connivance have come to the notice of Government and the action thereon?

Shri Karmarkar: Does my hon. friend mean by irregularity, a person getting a licence to which he is not entitled?

Shri T. N. Singh: As well as without any proper application.

Shri Karmarkar: Yes; a few cases like that have been brought to our notice.

Shri T. N. Singh: Is it a fact that some party got a licence without having made any application, and did this matter come to the notice of the Government?

Shri Karmarkar: I am not aware of any single instance where a party got a licence without making an application.

Pandit M. B. Bhargava: May I know the number of officials who were found guilty of assisting or abetting the commission of any of these offences?

Shri Karmarkar: I have not got the figures with me. The number of cases in which action was taken against officials is very small.

Shri A. C. Guha: Has the Government any information that the firms black-listed have got import licences through some other subsidiary firms or associate firms?

Shri Karmarkar: No, Sir.

Shri A. C. Guha: Has any such case come to the notice of Government?

Shri Karmarkar: We have no information.

SITE FOR THE DIPLOMATIC ENCLAVE

*1986. **Dr. M. M. Das:** Will the Minister of Works, Production and Supply be pleased to state:

(a) the total expenditure incurred up till now for developing the site for the Diplomatic Enclave in New Delhi;

(b) the number of plots developed for the construction of buildings so far;

(c) the area of each plot and its sale-price; and

(d) the number of plots which have been sold to foreign embassies up till now?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) Rs. 46,58,027.

(b) 332.

(c) The area of the plots varies from $\frac{1}{4}$ acre to 12 acres; as regards sale price, the plots will be sold to Foreign Missions at the rates ranging from Rs. 40,000 to 50,000 per acre, (depending upon the locality and size of the plot) plus 2 $\frac{1}{2}$ per cent. annual ground rent thereon. In the case of those, who desire to commute the ground rent, Rs. 40,000 per acre will be recovered in addition to the premium amount mentioned above. No rates of premium have yet been fixed for the land which will be sold to private parties.

(d) No plot has been actually sold so far, but some of the Missions have provisionally selected certain plots, for which they are expected to communicate their final decision by 15th July, 1951.

Dr. M. M. Das: May I know whether some plots have been reserved for private individuals for building residential houses?

Shri Buragohain: Except in the case of the Modern Hotel for which 17 acres have been ear-marked, no such reservation has been made for private parties.

Dr. M. M. Das: May I know whether the Government contemplates to reserve some of the plots for residential houses for private persons?

Shri Buragohain: The whole matter is under consideration. But, that would come only after the demands of the foreign Missions are met.

Dr. M. M. Das: May I know whether the Government contemplates to fix different rates of sale price for plots sold to the foreign Embassies and private individuals?

Shri Buragohain: For the private parties, they will be sold by well advertised public auction.

Shri Brajeshwar Prasad: Is it a fact that the policy of prohibition is standing in the way of construction of this hotel?

Mr. Speaker: Order, order.

Prof. S. N. Mishra: May I know whether negotiations were held with any foreign country for the exchange of land for embassy purposes?

Shri Buragohain: That is I think more than what I can say, with regard to exchange. But, as I have already said, certain foreign Missions have made provisional selections.

Shri Raj Bahadur: Sir, may I know the names of the countries which have ear-marked the land meant for them?

Shri Buragohain: They are:

The Embassy of Belgium and the land ear-marked is 8 acres.

The Embassy of the U.S.A. has 33.7 acres.

The U.K. High Commissioner has 24 acres.

The Pakistan High Commissioner has 12.6 acres; and

Australia has about the same area, i.e., 12.6 acres.

Rev. D'Souza: Sir, are Government satisfied that the response from some of the Embassies is sufficiently large and if the expectations are not fulfilled, cannot some of the conditions attached to the allotting of these plots be changed so as to provoke a larger measure of response?

Shri Buragohain: Sir, that appears to be a hypothetical question at this stage.

Shri Kamath: Sir, with regard to the countries or embassies who have been granted land in India, has India got or acquired any land in those countries on a reciprocal basis?

Shri Buragohain: Sir, I think I have already said that that is more than what I can say.

Mr. Speaker: Yes, this question is covered by the previous one.

Dr. M. M. Das: Sir, may I know whether arrangements for supply of drainage, adequate filtered water and electricity have already been made in these plots?

Shri Buragohain: Sir, only the first stage of development is being now worked out. There is still a second stage which has to be gone through for the development of these plots.

COFFEE HOUSES

*1987. **Shri R. Velayudhan:** (a) Will the Minister of Commerce and Industry be pleased to state how many Coffee Houses are run under the Coffee Board?

(b) What was the income from the Indian Coffee Houses and their expenditure in the year 1950?

(c) How many of them are self-sufficient?

The Minister of Commerce and Industry (Shri Mahtab): (a) 42.

(b) These accounts are maintained not for the calendar year but for the crop year. For the crop year 1949-50, i.e. 1st July 1949 to the 30th June 1950, the income and expenditure were as follows:

Income—Rs. 75.51,836.

Expenditure—Rs. 76.34,753.

(c) 28.

Shri R. Velayudhan: Sir, may I know whether any Coffee Houses were closed because of the insufficiency of the income at those Coffee Houses?

Shri Mahtab: I have already said that only 28 are paying and the others are therefore not paying. Some time back one of the officers of the Finance Ministry went into the accounts of some of the Houses. Of course these Coffee Houses are meant for propaganda purposes. But he has recommended that the Coffee Houses which are not paying should be closed and Government have accepted it.

Shri Lakshmanan: Sir, may I know what is the meaning of the term "self-sufficient" or "insufficient" in respect of a Coffee House?

Shri Sondhi: It means self-supporting.

Mr. Speaker: Yes, that is what is meant. It is very clear.

Shri Brajeshwar Prasad: May I know if adequate steps are being taken to maintain sanitary conditions in these Coffee Houses?

Mr. Speaker: The hon. Minister can reply to this question if he likes.

Shri Mahtab: The Coffee Houses are run by a statutory body and I should think such steps are being taken.

Shri S. C. Samanta: Sir, does the Coffee Board run coffee houses at different places in India where exhibitions are being held?

Shri Mahtab: I think they do.

TRADE BALANCES

*1988. **Shri T. N. Singh:** (a) Will the Minister of Commerce and Industry be pleased to state the Trade Balances with respect to imports and exports for the year 1950 between India and Sterling and Dollar Areas separately?

(b) Do Government propose to give similar figures relating to invisible Trade Balances?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). A statement is placed on the Table of the House. [See Appendix XIV, annexure No. 23.]

Shri T. N. Singh: With reference to part (a), may I know Sir, what are the re-exports to the sterling area as stated in the statement given by the hon. Minister?

Shri Karmarkar: They come under two heads; for separate figures under this head, I would require notice, Sir.

Shri T. N. Singh: May I know, Sir, what are the services for which receipts have been received under the heading—"invisible export and import" from the dollar area?

Shri Karmarkar: There is invisible trade both with the dollar and the soft currency areas; for instance shipping charges, insurance, tourist expenditure, reparation payments etc. they come under this head. The break-up for the dollar area and the soft currency area will be done in due course.

Shri T. N. Singh: Sir, under the receipts from the sterling as well as the dollar areas, is there any amount

which relates to the shipping-freight earning by our shipping companies?

Shri Karmarkar: Sir, I would require notice.

COAL PRICES

*1989. **Shri R. L. Malviya:** (a) Will the Minister of Works, Production and Supply be pleased to state the basis on which the existing prices of coal of different classes were fixed in different coal-fields in the country and what are those prices?

(b) What was the amount per ton added to the sale prices of coal to meet the cost of food grain concessions, provident fund and bonus to colliery labour and how was it arrived at?

(c) Have Government carried out any investigation or do they propose to investigate as to whether the additional increase in the price of coal was fully spent by the colliery owners in the concessions allowed to them as in part (b) above?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) The existing prices of coal have been fixed on the basis of production cost as disclosed by cost investigation.

A statement showing the current prices of coal is placed on the Table of the House. [See Appendix XIV, annexure No. 24.]

(b) The increase in price sanctioned was on the basis of all the concessions granted under the Conciliation Board Award and also taking into account the production cost prevailing at that time. The over-all increase sanctioned in the various fields was as follows:

Bengal/Bihar.....	Rs. 3/8/-.
Madhya Pradesh.....	Rs. 2/13/- to Rs. 3/7/-.
Assam.....	Re. 1/- to Rs. 3/8/-.
Rewa.....	Rs. 3/8/-
Talcher.....	Rs. 1/8/-.
Korea.....	Rs. 1/2/-.

(c) No investigations have been carried out, but Government are satisfied that the recommendations of the Conciliation Board Award and Fact Finding Committees have been generally implemented by the colliery owners.

Shri R. L. Malviya: Sir, are the Government aware that the coal is being sold in the market at a much lower price than the controlled price fixed by the Government?

Shri Buragohain: Sir, I am not aware of any such thing.

Shri R. L. Malviya: Are the Government aware that this is due to the savings resulting from the concessions which have been made to labour and if so, will Government make an enquiry into this matter?

Shri Buragohain: As I have already said, Government have no reasons to think that the concessions have not been implemented and the benefits have not been transmitted to the workers.

Shri R. L. Malviya: These concessions having been granted some three years back and conditions having changed a lot during these two years and more, will Government investigate the present conditions and find out why the coal is being under-sold?

Mr. Speaker: Order, order, it is making a suggestion.

REQUIREMENTS OF IRON AND STEEL

*1990. **Shri R. L. Malviya:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of iron and steel which falls short of requirement in the country;

(b) the quantity imported, the price per ton, and the names of the countries from which they have been imported; and

(c) when Government propose to undertake the two projects in Madhya Pradesh and Orissa?

The Minister of Commerce and Industry (Shri Mahtab): (a) About 1 to 1½ million tons.

(b) A statement is laid on the Table of the House. [See Appendix XIV, annexure No. 25.]

(c) As soon as funds permit.

Shri R. L. Malviya: Sir, what is the total quantity of the imported iron and steel?

Shri Mahtab: The figures are there though they have not been totalled up. It is a short list and I can read it out. They are as follows:

In 1949, from the U.K. 84,008 tons and 1,43,402 tons, U.S.A. 53,434 tons and 1,14,908 tons, Japan 795 tons.

In 1950 from the U.K. 1,83,862 tons and 59,789 tons, U.S.A. 15,581 tons and 3,900 tons, Japan 12,874 tons.

Shri R. L. Malviya: Sir, what is the difference between the price of Indian steel and the price of imported steel?

Shri Mahtab: The prices of steel imported from abroad have been given

in the statement here. The price of Indian steel is lower, but I do not have the figures here with me.

Shri Sidhva: Sir, what is the policy of the Government for the year 1951 regarding the import of steel? Do they want to purchase on their own account, as they did last year or will they issue licences for the import?

Shri Mahtab: The same procedure will be followed. But the import depends upon the availability of the goods. Government do not propose to purchase all the steel on their own account.

Shri Sidhva: But last year they bought on their own account and then sold it to the people. Do they want to follow the same procedure this year also?

Shri Mahtab: Government do not propose to purchase all on their own account. But last year some licences were granted apart from their own purchases.

Shri Jaani Ram: How much of these are diverted for agricultural purposes?

Shri Mahtab: I have given figures in the statement to show what the Government requirements are and what the civil requirements are other than Government requirement. The quota allotted for agricultural purposes is given to the Ministry of Agriculture but I have not got the figures here.

Dr. Deshmukh: With regard to reply to part (c) of the question may I know if there is any possibility of any funds being available during the current financial year for these two projects in Madhya Pradesh and Orissa?

Shri Mahtab: With regard to part (c) I can assure the hon. Member that all efforts are being made by Government either to import capital for this purpose or secure funds here.

Dr. Deshmukh: What is the likelihood of success?

Mr. Speaker: Mr. Guha.

Shri A. C. Guha: What is the installed capacity of the steel factory and how far steel production falls short of that capacity?

Shri Mahtab: The capacity of the existing factory is about one million tons. The shortage is 1 to 1½ million tons.

YARN REQUIREMENTS

*1991. **Shri Alexander:** Will the Minister of Commerce and Industry be pleased to state:

(a) the average quantity of yarn per day required by a handloom to keep it completely engaged;

(b) the average quantity received by a handloom in the year 1950 in Travancore-Cochin and Madras States respectively;

(c) the quantity of yarn of lower and higher counts applied for by Travancore-Cochin State in the years 1950 and 1951; and

(d) the quantity of handloom cloth purchased by the Government of India from Travancore-Cochin State Government in the year 1950 and what was the quantity promised to be purchased?

The Minister of Commerce and Industry (Shri Mahtab): (a) On an average about 20 lbs. per month will be the normal requirements of a handloom.

(b) The average quantity received by a handloom in Travancore-Cochin and Madras per month during the year 1950 works out to 7 and 9.7 lbs. respectively.

(c) The Travancore-Cochin Government applied for the following counts and quantities of yarn during 1950 in addition to their usual quota of yarn:

1 to 10s.....	124 bales.
11 to 20s.....	2160 bales
Over 20s.....	358 bales

(d) No purchases were made from the Travancore-Cochin Government as the samples submitted were not upto the specification, and no promise for the purchase appears to have been made.

Shri Alexander: Is it a fact that the quota of yarn allotted to Travancore-Cochin State was diverted to Madras thus causing a serious shortage of yarn in the former State?

Shri Mahtab: There are some Short Notice Questions coming up for answer today. All these questions can be dealt with then.

Shri Chattopadhyay: What is the lowest quota received by any State during the current year?

Shri Mahtab: I will give all that information in my reply to the Short Notice Questions.

Shri Alexander: In view of the serious yarn shortage do Government

propose to install some yarn-manufacturing Japanese machinery in the handloom areas?

Shri Mahtab: I can say that all steps are being taken to increase the production of yarn. There is also a very definite proposal to increase production of yarn by means of the *charka*. All these proposals are under the consideration of the Government.

LEMON GRASS OIL

*1992. **Shri Alexander:** Will the Minister of Commerce and Industry be pleased to state:

(a) the average price of Lemon Grass Oil in the respective years 1949 and 1950, the total quantity exported and the countries to which they are exported;

(b) whether any attempt is made to maintain the quality of the oil and if so, what are the steps; and

(c) whether any encouragement is given to the cultivation and production of the oil and if so, what is the nature and extent of the same?

The Minister of Commerce and Industry (Shri Mahtab): (a) (i) Average price

1949 (January to December)—Rs. 49 per gallon.

1950 (January to October)—Rs. 76 per gallon.

(ii) Total quantity exported

1949-50—7,88,199 lbs.

1950-51 (April to December, 1950)—8,81,880 lbs.

(iii) It was exported to the following countries during these two years:—

United Kingdom, U.S.A., Netherlands, France, Italy, Switzerland, Western Germany, Belgium, Australia, Canada, Japan, Ceylon, Egypt, Palestine, Kenya Colony, China, Zanzibar and Pemba.

(b) The Indian Standards Institution are drawing up a Standard Specification for lemon grass oil.

(c) In the States where this particular grass grows, the Forest Department sells the grass coupes at reasonable rates and brings new areas to the notice of the prospective distillers.

The villages are provided with a better type of still with a view to obtaining a better quality of the oil.

Steps are taken to eliminate the admixture of white grass with true lemon grass.

Shri Alexander: Is it a fact that the export of this product is controlled by a few merchants and the poor

growers are not getting any benefit out of that? If so, what steps do Government propose to take in the matter?

Shri Mahtab: This commodity is not under any control and according to our present reports it is a special concern of Travancore. If the State Government takes it up they can protect the grower.

Shri R. Velayudhan: May I know whether there is any standard required for this oil for purposes of export?

Shri Mahtab: I have already stated that the Indian Standards Institute have taken it up and are trying to specify some standards.

SHIFTING OF OFFICES FROM DELHI

*1993. **Shri R. L. Malviya:** (a) Will the Minister of Works, Production and Supply be pleased to state whether Government have completed their plans to transfer some of the offices of the Government of India from Delhi and other places and if so, what are they?

(b) How many offices have so far been shifted and to which places?

(c) How many cities have been selected by Government in the State of Madhya Pradesh for the transfer of offices and which are the offices to be shifted?

(d) Are Saugor, Jabulpore, Itarsi and Baitul, the places so selected, if so, what offices are likely to be transferred there and when?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) The matter is being examined in the light of the changed financial position and the prospective retrenchment of staff in some Ministries as a result of re-organisation.

(b) Three, namely:

(i) Office of the Surveyor-General to Mussorie.

(ii) Directorate of Seamen's Welfare to Bombay.

(iii) Development Branch of D.G.P. and T. to Jabulpore, and the fourth viz. D.A.G.P. & T.(E.P. Circle) are in the course of moving to Kapurthala to which a section of the office has moved.

(c) and (d). Only Jabulpore where the Development Branch of D.G.P. & T. have already moved as stated in Part (b) above.

Shri R. L. Malviya: What offices are going to be transferred, if any, in the year 1951-52.

Shri Buragohain: The whole matter is under reconsideration.

Shri Kishorimohan Tripathi: May I know if the office of the Oilseeds Committee is going to continue to remain in Delhi?

Mr. Speaker: I suppose it is included in the offices which are under consideration.

Shri Sidhva: May I know whether the decision taken by Government in 1950 will be revoked when the matter is reconsidered by the Government?

Shri Buragohain: As I stated, the whole matter is again being examined.

Shri Syamandan Sahaya: Do Government propose to utilise some of the big palaces in the Indian States which have now been handed over to the Government of India?

Mr. Speaker: Order, order. This question has been answered several times.

Ch. Raabir Singh: May I know whether it is proposed to give any hill allowance to the personnel of the offices which are going to be shifted to Kasauli and Dharamsala?

Shri Buragohain: No office is going to Kasauli.

Mr. Speaker: The whole question is hypothetical at this stage.

Shri R. Velayudhan: May I know whether with regard to some of the offices which had already been shifted to Dehra Dun, afterwards all the records were brought back to Delhi?

Shri Buragohain: I have already stated that the Office of the Surveyor-General has moved to Mussorie.

MIGRANTS FROM EAST BENGAL

*1994. **Pandit Munishwar Datt Upadhyay:** (a) Will the Prime Minister be pleased to state what is the number of Muslims, returning every week from East to West Bengal since 1st January, 1951 up to date?

(b) What was the total number of Hindus who migrated from East Bengal to India since 7th February 1950 up to 7th January 1951?

(c) What is the total number of Muslims who came to India from East Bengal during the same period?

The Deputy Minister of External Affairs (Dr. Keskar): (a) A statement is laid on the Table of the House.

(b) Approximately 32.79 lakh Hindus travelled by train from East Bengal to India during the period and approximately 17.88 lakh Hindus travelled from India to East Bengal by train

resulting in net influx into India of about 14.91 lakh Hindus. These travellers included migrants and others.

(c) Approximately 11.35 lakh Muslims came to India from East Bengal upto the 25th February, 1951.

STATEMENT

The number of Muslims who have travelled from East Bengal to West Bengal by train since January, 1951.

Week ending	No.
7-1-51	15,229
14-1-51	15,126
21-1-51	15,069
28-1-51	15,470
4-2-51	16,384
11-2-51	17,036
18-2-51	16,931
25-2-51	15,371
Total	1,26,616

Pandit Munishwar Datt Upadhyay: How many of the Hindus who came over here have remained and have not gone back to East Bengal?

Dr. Keskar: It is very difficult to answer that question, as there is a continuous movement and people are coming and going. It will take some time before Government is able to state the number of those who propose to remain here as migrants.

Pandit Munishwar Datt Upadhyay: May I know if quite a good number is still here?

Dr. Keskar: I said in my reply that the number is more than a million.

Pandit Munishwar Datt Upadhyay: How many Hindus and Muslims went from India to East Bengal in 1950?

Dr. Keskar: I have not got the figures for 1950 as a whole.

Short Notice Questions and Answers

The Minister of Commerce and Industry (Shri Mahtab): Sir, on the subject of yarn and cloth several Members have given notice of Short Notice Questions. I have got answers for all of them but before taking them up may I make a statement with regard to the general position?

Mr. Speaker: I think he could make it.

Shri Sidhva: Let the questions be put and then he can make a statement.

Mr. Speaker: Order, order. Let it be left to him to make a suggestion to the Chair and let it be open to the Chair to consider it.

Does the hon. Minister want to make a general statement.

Shri Mahtab: Yes, Sir. After that I will reply to all these questions.

Mr. Speaker: The statement is with reference to the points mentioned in the questions?

Shri Mahtab: Yes.

Mr. Speaker: Then the procedure which I shall follow will be to ask each hon. Member to put his question, and then all the questions can be answered together.

Shri Mahtab: Beginning with the statement.

Mr. Speaker: Yes. The hon. Minister may make his statement after the questions are put. Now, hon. Members can put their questions.

Shri Mahtab: There was a Short Notice Question tabled by Dr. Deshmukh also.

Mr. Speaker: Is it admitted for today?

Shri Mahtab: Yes, Sir.

Mr. Speaker: It is not included in my agenda. Anyway I have no objection to its being put.

Shri Mahtab: I am making a general statement before replying to the questions separately.

For the purpose of assesment of the present cloth and yarn position in the country, the year of 1948 may be considered as the peak period with regard to production of cloth and yarn. Production was the highest because of the price incentive which decontrol gave to the manufacturers, adequate supplies of cotton and absence of strikes. The average monthly production of cloth was—

	(in thousands)
1946	325,714 yds.
1947	313,498 ..
1948	359,954 ..
1949	325,850 ..
1950	305,612 ..

The average monthly production of yarn was—

	(in thousands)
1946	113,923 lbs.
1947	107,975 ..
1948	130,423 ..
1949	113,259 ..
1950	97,753 ..

The above figures will show that the production was the highest in 1948 and

it was the lowest in the year 1950 due to the following reasons:

- (1) Shortage of cotton;
- (2) Closure of several mills due to uneconomic conditions: The prices fixed under the Tariff Board formula were unremunerative to these uneconomic units;
- (3) Strikes in the textile mills.

With regard to yarn, there were some additional reasons also—namely cut in electric power, resorted to by the Madras and Mysore Governments, which reduced the working hours in the spinning mills in Southern India. Another reason was that the composite mills did not manufacture free yarn for handlooms, because of the price formula of the Tariff Board which allowed a low margin of profit on spinning head.

Although the production was the lowest, a large export market opened up for the textile goods. In the beginning there was no idea as to the proportion the export of Indian textile goods would assume. Therefore there was no restriction on export till April 1950. Then it was found necessary that heavy exports were to be restricted. Accordingly a quota of cloth at one thousand million yards were fixed for the period September, 1949 to December 1950 with free exports of fine and superfine cloth. The idea at that time was to restrict the export of medium and coarse cloth which is manufactured out of Indian cotton, and which is required for internal consumption and to encourage export of fine and superfine cloth which is usually manufactured out of the imported cotton. Similarly, the export of yarn also was allowed to a considerable extent.

On account of low production and heavy exports, the cloth and yarn position became very difficult in the year 1950. During this year, November-December were the leanest months in which cloth and yarn supply to the States was the lowest. To have an idea of the exact position, I would take the case of Bihar, for examination of the supply position of cloth, and the case of Madras for that yarn.

Quarterly quota due to Bihar on the basis of 1948 production was 68,100 bales. But in view of large production, the quarterly allotment for the first quarter 1949 was 77,554 bales. For the second quarter, 72,889 bales were allotted. For the third quarter 1949, 73,687 bales were allotted. These allotments apparently were not moving to the States each quarter. Evidently on the State's account, there

were large accumulations. This is the reason why the cut in allotments, which was gradually made since the last quarter of 1949 was not felt by the State. The allotment for the last quarter of 1949 was 52,559.

The allotment in the second quarter of 1950 was 42,480 and in the third quarter, 40,656 bales.

In the last quarter of 1950, the allotment was 25,665 bales. The despatches during December 1950 were the lowest viz. 6,280½ bales, the lowest figure on record.

With regard to yarn, the monthly quota of allotments to Madras in December 1948 was 22,500 bales per month. Since the yarn production came down considerably by about 48 per cent. in subsequent years, the equitable share for Madras became 11,700 bales per month. But Madras continued to receive much higher quotas than her equitable share, till November 1950. The average deliveries during January-August 1950 to Madras were 21,231 bales per month. In September, Madras got 18,617 bales. In October she got 13,825 bales. But in November Madras received 9,832 bales and in December, only 11,848 bales.

From these figures it will be seen that supply to Madras had been substantially reduced only from October 1950 and that too, for three months. In October last, when it was found that the supply position of cloth and yarn was difficult, effective steps were taken to make more cloth and yarn available for internal consumption. Accordingly restrictions on export of cloth was imposed and the export of yarn was totally banned. Further, more incentive was given for increased production of free yarn for handlooms. The increased price of raw cotton which was recognised by about middle of 1950 was taken into account with effect from January 1951.

As a result of all these steps, the production of both cloth and yarn has considerably increased since January. The production of cloth in January 1951 was 339,415 yds. and that of yarn 106,793 lbs. Accordingly allotment to the States have been considerably increased since January 1951. Bihar has got in January 14,634 bales of cloth as against only 6,280 bales in December 1950. Similarly Madras has got 15,407 bales of yarn as against 11,848 bales of yarn in December 1950. According to the present calculation, everything remaining normal, the States are likely to receive their quotas of yarn and cloth by the end of April to the same extent as they used to get before 1950.

Because of the tempo, of export the mills did not manufacture sufficient quantity of *dhoties* and *saries* for internal consumption. Therefore the mills have been directed in the beginning of February 1951, under the Textile Control Order, to employ a minimum of 50 per cent. to all looms of reed space between 48" and 58" for the production of *dhoties* and *saries* and to use 60 per cent. of this for production of *dhoties* only. This is sure to give an increased supply of *dhoties* and *saries* for internal consumption.

As regards the distribution of yarn to handlooms in the States there was a snag that the powerlooms remained uncontrolled. In order to make distribution of yarn smooth in the States, control has been extended to powerlooms also disabling them from remaining in a position to purchase yarn illicitly at any price they choose from the shares of handloom weavers. Free sale of one-third of production of yarn which was with the mills, has now been withdrawn. The withdrawal of the same concession with regard to cloth is now under active consideration.

From the above report, the House will see that the most difficult period has been over about two months ago, and the supply position of cloth and yarn has steadily improved since January. It is possible that distribution of the increased production is defective in some places. Both the Central Government and the State Governments are taking vigorous steps to tighten up the administration so that the benefit of the increased production may go to the people unhampered by adventures and speculators in the middle.

SHORTAGE OF YARN AND CLOTH IN MANIPUR AND ASSAM

Shri J. N. Hazarika: Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government are aware that Assam and Manipur have at present been passing through an acute shortage of cloth and yarn and the people are undergoing untold hardships so much so that no mill made cloth is available in the market, while a restricted supply is available in the black-market at a price between 60 and 100 per cent. higher than the fixed price:

(b) if so, whether Government are going to supply the full normal monthly quotas of three thousand bales of cloth and two thousand bales of yarn to the State with retrospective effect; and

(c) what were the monthly quotas of cloth and yarn supplied to the State from July 1950 to February 1951?

The Minister of Commerce and Industry (Shri Mahtab): (a) We have not received any communication from either the Assam Government or the Manipur Government reporting shortage of cloth in their zones. We have also no information that the people in those zones are undergoing untold hardships and that mill made cloth is available in the blackmarket at prices ranging between 60 to 100 per cent. over the controlled rates.

It may be stated for information that when Government permitted mills in the Union to sell one third of their production for civil consumption to buyers of their choice with effect from September 1949 onwards, we prohibited movements of such cloth to Assam through free trade channels. The reason for this was that Assam had complained of accumulations of cloth in that zone and did not want free sale of cloth to come into the zone. This prohibition operated till 31st March 1950. Likewise, Manipur had also complained of accumulations of cloth and did not procure its quota of cloth from October 1949 to September 1950.

The Government is aware that there is a general shortage of yarn in the country and that all States have been getting far less than their requirements.

(b) The mill cloth quotas of Assam and Manipur as fixed by Government in December 1948 were 4,700 bales and 280 bales per month respectively. As, however, Government are at present distributing through controlled channels only two-thirds of mill production for civil consumption, only two-thirds of the mill cloth quotas are allotted in each month, i.e. 3133 bales and 187 bales, respectively. These two-third quotas have been subjected to the general cuts applied on the cloth quotas of all zones during the months June, July, September, October, November and December, 1950. The cuts ranged between 10 and 33-1/3 per cent. of the two-thirds quotas. The present system of allotting the two-third quota will continue so long as the existing distribution policy of Government remained in force.

The position in respect of yarn supplies to the two States is given below:

The quotas fixed for Assam and Manipur in December, 1948 were 1,355

bales and 125 bales respectively. On an average Assam and Manipur had received 811 bales and 45 bales per month respectively during July to December, 1950 whereas their equitable share based on the total availability of yarn during that period would work out to 664 and 61 bales respectively. The deliveries to Manipur State had been less than their equitable share in view of the fact that Manipur State authorities had not made satisfactory arrangements to lift the yarn allotted to them in July and August. We have made an *ad hoc* allotment of 50 bales in January and 200 bales in February 1951 to Manipur on a request for additional supplies from the State authorities. It is not proposed to allot any further yarn with retrospective effect.

(c) The monthly quotas of cloth allotted to Assam and Manipur from July 1950 to February, 1951 are given below. These figures represent the net allotments, i.e., after the application of the cuts which were imposed from month to month:

Month of allotment	Quantity of mill-cloth allotted in bales	
	Assam	Manipur
July, 1950	2733	..
August, 1950	3128	..
September, 1950	2333	..
October, 1950	2510	108
November, 1950	2132	122
December, 1950	3333	135
January, 1951	2523	148
February, 1951	1403	83

The movements of cloth to Assam through controlled and normal trade channels during the period July 1950 to January 1951 are also given below. Figures for February have not yet become available. It may also be stated that separate figures of movements of cloth for Manipur are not available as under the Cotton Textiles (Control of Movement) Order, Assam and Manipur are not separate zones.

Month	Quantity of cloth moved into the zone through controlled channels.	Quantity moved through normal trade channels.
July, '50	2254½	196
August, '50	2232½	63½
September, '50	2520½	99
October, '50	2469	76
November, '50	2222	1
December, '50	935	2
January, '51	2574½	66
February, '51	Not available	

The deliveries of yarn to the two States from July to December, 1950 is shown below:

Month	Deliveries to Assam	Deliveries to Manipur
	(Bales)	(Bales)
July, 1950	615	..
August, 1950	609	..
September, 1950	838	52
October, 1950	965	35
November, 1950	741	127
December, 1950	1099	54
	4867	268

During January, 1951, Assam had received offers for 744 bales and Manipur had received offers for 25 bales against their equitable share of 610 bales and 56 bales respectively. The position in respect of offers during the month of February would be clear at the end of this month.

SHORTAGE OF YARN IN MADRAS

Dr. V. Subramaniam: (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that about 50 per cent. of the surplus yarn of India is produced in the Mills situated in the Madras State?

(b) If so, what is the reason for the acute shortage of yarn in the Madras State?

(c) Has production of yarn been affected in any way by the frequent cut of electricity to the Mills by the Government Power Supply?

(d) Has Government's attention been drawn to the statement of the South Indian Millowners *vide* page 8 of the "Hindu" dated the 20th February 1951 and the editorial in the "Hindu" dated the 21st February mentioning cases of suicides on account of unemployment due to the shortage of yarn?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes.

(b) The reasons for the acute shortage of yarn in general which are applicable in the case of Madras State also are:

(1) Fall in production of yarn due to closure of certain uneconomic spinning mills and

(2) Large unprecedented exports of yarn which were taking place during the first few months of the year;

(3) Strike in mills in Bombay;

(4) Shortage of requisite types of cotton; and

(5) Cut in electric power resorted to by the Madras and Mysore Governments which reduced the working hours in the mills.

(c) Yes.

(d) Yes. But the reports require verification for unemployment is not confined only to Madras and also Madras have got more supplies of yarn in January than they had in previous months.

HOARDING OF IMPORTED ART SILK YARN

Shri Kamath: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that imported art silk yarn is being hoarded, cornered and profiteered in by speculators in Bombay and Calcutta;

(b) the price per lb. of the imported silk yarn in December, 1950, January and February 1951; and

(c) whether it is a fact that it is not available to consumers at a fair price?

The Minister of Commerce and Industry (Shri Mahtab): (a) Government have received some complaints to this effect;

(b) The Bombay Market prices as supplied by the Yarn Merchants Association, Bombay are:

(1) December, 1950—Rs. 8/4/- to Rs. 9/6/- per lb.

(2) January, 1951—Rs. 8/2/- to Rs. 8/12/- per lb.

(3) February, 1951—Not available.

(c) All organised consumers including Associations, of handloom weavers are allowed to obtain their requirements by direct import. To meet the requirements of other handloom weavers and Mills which are not members of recognised Associations licences are issued to Established Importers on condition that they will sell the goods to actual users only. It has been found that this scheme has not worked satisfactorily as the Established Importers are demanding very high price for art silk yarn. Government are now considering ways and means to make art silk yarn available to weavers at fair price.

IMPORT OF COTTON AND ART SILK YARN

Shri Kamath: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the Minister of Commerce and Industry, during his recent visit to Madras, announced that import of cotton and art silk yarn would be allowed freely, with a view to relieving the acute shortage in the country;

(b) whether that announcement has been translated into action; and

(c) if not, why not?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes.

(b) Yes.

(c) Does not arise.

COTTON YARN FOR MADRAS STATE

Shri Kamath: Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of Government has been drawn to the speech made by the Madras Industries Minister in the Madras Legislative Assembly on the 14th February 1951 regarding the announcement of the Minister of Commerce and Industry made in Madras about the quantities of cotton yarn to be made available to Madras State in January, February, March and April, 1951;

(b) if so, whether the Madras Minister's statement is correct, and whether the promised yarn has been released;

(c) whether reports of wide-spread unemployment and deaths from starvation among handloom weavers in Madras State have reached Government; and

(d) if so, what steps Government propose to take in the matter?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes.

(b) It was stated that Madras will receive the following quotas of yarn during January to March 1951:

January 1951	..	17,000 bales
February	18,801 bales
March	19,037 bales
April	22,500 bales

Actual receipts by Madras during these months were:

January	..	15,407 bales
February	..	18,800 bales.
(Actual allocations made)		

It is expected that allocations during March and April also will be to the extent promised.

(c) Yes. But it is not understood how the situation would so much deteriorate when the supply of yarn in January is larger than what it was in December by about 4,000 bales.

(d) Following steps have been taken to improve the supply position of yarn:

(i) Ban has been placed on the export of all counts of yarn.

(ii) 66,000 bales of USA cotton have been distributed to various spinning mills for manufacturing yarn for the handloom industry.

(iii) Mills have been directed to pack at least 87½ per cent. of their free yarn production during a month.

The four per cent. cut has been restored with regard to manufacture of yarn.

Yarn position has already shown definite improvement after these steps have been taken, and the availability of free yarn during the month of January 1951 has increased to 48,000 bales as compared to 39,000 bales during the month of December 1950. During the month of February it is expected to be 50,777 bales and during the month of March, 51,000 bales. In April 1951 further improvement is expected.

SCARCITY OF Dhotis AND Saris

Dr. Deshmukh: (a) Will the Minister of Commerce and Industry be pleased to state whether the scarcity of cloth and especially dhotis and saris has been brought to his notice?

(b) Is it a fact that most of the cloth and dhotis have gone underground and are available only in the blackmarket?

(c) Is it a fact that a pair of dhotis is not available for less than Rs. 23 per pair and that in some cases upto Rs. 30 are charged for the same?

(d) Is it a fact that the scarcity is being most acutely felt?

(e) Since a large percentage of our people wears only one garment, what steps do Government propose to take to meet the situation?

(f) Will Government be pleased to make a statement?

The Minister of Commerce and Industry (Shri Mahtab): (a) to (f). Dr. Deshmukh's questions have been covered by my statement.

Shri J. N. Hazarika: In view of the shortage of yarn in the States of Assam and Manipur, in spite of what is stated by the Government of India or by the Government of Assam, will the present quota of cloth and yarn allotted to Assam be increased?

Shri Mahtab: As I have already explained, it has been increased since January and the State is expected to receive the same quota as they got in 1948 by the end of April.

Dr. V. Subramaniam: Is it a fact that though a certain quota has been allotted to the Madras State, the mills are not supplying them properly and if so, what is the action taken by Government? Will they see that the allotted quota is supplied by the mills?

Shri Mahtab: That was the complaint made by the Madras Minister and effective steps have been taken to see that the allocation made upon mills are respected by the mills and that the allottees get their quota according to the direction.

Dr. V. Subramaniam: What are the measures proposed to be taken by Government, because so many methods have already failed? What is the 'effective' steps proposed to be taken now?

Shri Mahtab: 'Effective' steps are vigorous steps by the Government of India and the Government of Madras.

Shri Kamath: Is it not a fact, Sir, that under the existing art silk yarn import restrictions, the goods (that is the yarn) can be sold only to consumers, and has it been reported to Government that this yarn is sold in the open market?

Shri Mahtab: There is no control over art silk yarn. Only import licences are given and anybody is free to sell to anybody. That is not a commodity under control. Now we are considering whether control should not be extended to that commodity.

Shri Kamath: Is it not a fact, Sir, that the Bombay Yarn Merchants Association has fixed the maximum price at Rs. 8-6-0 per lb, while the actual import price is only Rs. 5-3-0 a lb?

Shri Mahtab: It is even less than Rs. 5-8-0. I think it is Rs. 4-4-0, or something like that. That is a fact; they are doing that, because the article is not a controlled commodity.

Shri Kamath: How much of the imported yarn has been sold to consumers and how much in the open market?

Shri Mahtab: That I cannot say. I can only say to whom licences have been given. I cannot say to whom the licensees have sold the article.

Shri Kamath: Has the hon. Minister's attention been drawn to the Madras Minister's statement in the Madras Assembly that for the month of January the number of bales received by the Madras State was only 15,164 bales, while the hon. Minister here says that the number of bales received was 15,407 bales. What is this discrepancy due to?

Shri Mahtab: There is no discrepancy.

Mr. Speaker: He is pointing out a discrepancy of a few hundred bales.

Shri Kamath: It is about 300 bales.

Shri Mahtab: That is now being enquired into. Three hundred bales will not make that much of difference as the hon. Member wants to suggest.

Shri Kamath: The answer given by the hon. Minister to my question about free import of art silk yarn was in the affirmative. Am I to understand that free imports are being allowed now, and if so, what are the steps that have been taken to so liberalise the import of art silk yarn and cotton yarn?

Shri Mahtab: I am really surprised at this question. It has been said that there is free import and I do not know how it can be further liberalised.

Shri Kamath: But has it been put on the O.G.L.?

Shri Mahtab: Sir, "free licensing" is a term which is understood by everybody. If my hon. friend has any influence with the traders I think he should persuade them to come and get licences.

Shri Kamath: My point has not been answered. Has it been put on the O.G.L. or is it meant that licences are issued freely?

Shri Mahtab: Licences are freely issued.

Shri Kamath: To anybody who applies?

Shri Mahtab: Yes, according to the rules.

Dr. Deshmukh: Since it was known to the hon. Minister or his Ministry that sufficient dhotis and saris were not being manufactured, may I know what steps were being taken to see that the situation that arose would not arise again?

Shri Mahtab: As I have already stated, I have got the figures of Dhotis and Saris. It will take much time of the House if I were to give them. But I have got the full figures to show the quantity of dhotis and saris manufactured in the course of the last four

or five years. Now the production in January is really much higher than what it was in December or November. The step which has been taken will give the hon. Member and all his friends enough dhotis and saris. There is no doubt about it.

Dr. Deshmukh: May I know whether the hon. Minister is sorry for the state of affairs that existed and what steps he is going to take so that a similar situation may not recur?

Mr. Speaker: He is repeating the same question.

Shri Mahtab: This is a question of calculation. In 1950 a new situation arose because of the export position about which nobody had got any idea. Here in India nobody thought that the export market would develop to such an extent. It was a question of calculation, and nobody can give a guarantee that all calculations at all times will be correct.

Shrimati Durgabal: May I know whether it is a fact that the question of the manufacturing cost and the remunerative prices of mill-made saris and dhotis has been referred to the Tariff Board and, if so, what are the terms of reference and when is the report awaited?

Shri Mahtab: No, it has not been referred to the Tariff Board.

Prof. K. K. Bhattacharya: In view of the acute shortage of cloth—dhotis and saris—in the State of Uttar Pradesh, is the hon. Minister in a position to state whether the situation has improved since February?

Shri Mahtab: A few days ago I had a personal discussion with the hon. Mr. C. V. Gupta, the Supply Minister of U. P. and the position is improving.

Several Hon. Members rose—

Mr. Speaker: I think I must either stop the discussion or allow each Member to put one question.

Shri Syamnandan Sahaya: The hon. Minister has stated that the allocation to Bihar had gone down from 68,000 bales to 6,000 bales. May I enquire if this was the proportionate reduction in all the States in the Union or was Bihar specially selected for this reduction?

Shri Mahtab: If the hon. Member gives some time to this he will find, and I will show him the figures how there was considerable accumulation in Bihar till about the middle of 1950. Then the supply was reduced accordingly, and the lowest point was reached

in December 1950. And now, in January 1951, Bihar has more than double that quantity, namely, fourteen thousand and odd bales.

Dr. Ram Subhag Singh: May I know whether it is a fact that the Government of Bihar has reported to the Government of India, despite this steadily improved supply of cloth allocated to that State as reported just now by the hon. Minister, that the prices of cloth especially of saris and dhotis over there have gone up by about 300 per cent.?

Shri Mahtab: Even with regard to Bihar I had a personal discussion with the hon. Mr. Anugrahanarayan Sinha, the Supply Minister there and he is taking steps to see that the cloth which has been despatched to Bihar is distributed properly.

Several Hon. Members rose—

Mr. Speaker: Order, order. As I see, more than a dozen and a half Members are anxious to put questions. I should have no objection to that, and time is not really the consideration. But what I feel is that the hon. Minister has read a long statement and has given answers collectively to six questions. It would better to my mind, if the time of the House is not to be spent away, to study these and then table further questions and further in the near future, hon. Members will get an opportunity during the course of the Budget discussions. From the few questions put in I was inclined to think that questions are put without either having properly grasped the information he has given—it is too much information to be digested.....

An Hon. Member: We have grasped it very well.

Mr. Speaker: That is the opinion of the hon. Member. But mine is not an interested opinion, mine is an absolutely detached opinion about it. If it is the idea of hon. Members to put in questions I will have no objection...

Shri Sondhi: Will the statement be circulated to all Members?

Shri Mahtab: I have laid it on the Table.

Mr. Speaker: Well, if the hon. Members so like, the questions along with the answers can be circulated to Members. That will be a better way of putting questions after studying the whole thing than putting questions at this stage.

Shri Kamath: Along with the supplementary questions put and answered.

Mr. Speaker: Yes, the whole thing, with whatever supplementaries have been put in along with the answers to them might be circulated. Then, if they think that there is anything urgent on which further information is required they may table questions. And if they think that any further discussion is necessary, there is the Budget discussion coming on.

An Hon. Member: There is also the half an hour time.

Mr. Speaker: I do not know whether, within half an hour, this can be done. I think I must close it now.

Shri Ramalingam Chettiar: In respect of some of the matters stated by the hon. Minister, if an opportunity is given to me I will put two or three questions. Otherwise I am not very keen.

Mr. Speaker: I think the best course will be that these may be circulated and hon. Members may table any further questions they want to.

Dr. Deshmukh: There should be an extra day for this during the General Discussion of the Budget.

Mr. Speaker: It depends upon the agreement and wish of the hon. Members. If they want an extra day, which means not an additional day but one more day from those allotted for the general discussion, it is for them to decide. I should have no objection to that. But perhaps after going through the statement and other things they might change their mind!

WRITTEN ANSWERS TO QUESTIONS EVACUEE PROPERTY IN DELHI

*1979. **Shri Deshbandhu Gupta:** Will the Minister of Rehabilitation be pleased to state:

(a) the number of houses and shops registered as evacuee property in the State of Delhi so far:

(b) how many of these have been taken possession of by Government and allotted to displaced persons;

(c) the number of displaced families which have been accommodated in these houses; and

(d) the amount of rent collected so far and the amount of arrears?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The number of houses and shops registered as evacuee property in the State of Delhi so far is 33,526 (31,493 in urban and 2,033 in rural areas).

(b) All properties mentioned at (a) vest in the Custodian and are deemed to be in constructive possession of the

Custodian. The majority of them are in possession of displaced persons.

(c) The number of displaced families accommodated in these premises is 31,434—29,784 in urban and 1,650 in rural areas.

(d) The amount of rent collected is Rs. 51,89,913. Although the exact amount of arrears cannot be accurately determined, it may be stated that the approximate assessment of evacuee property rent is now about Rs. 4 lakhs per month. The total amount of assessment should therefore be about a crore and a half, if all recoveries could be made.

ALLOTMENT OF EVACUEE'S PLOTS IN DELHI

*1990. Shri Deshbandhu Gupta: Will the Minister of Rehabilitation be pleased to state:

(a) the number of plots of land meant for residential and business purposes left behind by evacuees in the State of Delhi;

(b) how many of them have been allotted to displaced persons and how many are lying vacant; and

(c) whether Government propose to build on same?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The number of evacuee residential and business plots of land in Delhi (including Shahdara) are as under:

Residential ..	405
Business ..	69
Total ..	474

(b) Allotted. .. 69

Occupied by displaced persons but not regularised by allotment. 212

Still subject of enquiry .. 24

Vacant 169

(c) Yes, except those which are considered unsuitable.

हाथ का बना कागज

*१९९५. श्री जांगड़े: क्या वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि:

(क) घरेलू उद्योग धंधों द्वारा निर्मित हाथ से बने कितने कागज का सरकारी कार्यों में प्रयोग करने के लिये सरकार द्वारा १९५० के वर्ष में क्रय किया गया है?

(ख) क्या हाथ से बने कागज को विदेशों में भी प्रदर्शन के लिए रखा जाता है?

HAND-MADE PAPER

[*1995. Shri Jangde: Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of hand-made paper produced by the cottage industries, that was purchased by Government for Government work during the year 1950; and

(b) whether this hand-made paper is exhibited in foreign countries also?]

The Minister of Commerce and Industry (Shri Mahtab): (a) The information is being collected and will be laid on the Table of the House in due course.

(b) The answer is in the negative.

सरकार द्वारा खादी का क्रय

*१९९६. श्री जांगड़े: वाणिज्य तथा उद्योग मंत्री बतलाने की कृपा करेंगे कि:

(क) क्या खादी की विक्री गत तीन वर्षों से मन्द पड़ती जा रही है तथा बहुत से खादी भंडारों में ऐसा कपड़ा विक्री न होने के कारण बेकार पड़ा है, तथा

(ख) क्या सरकार इस उद्योग को प्रोत्साहित करने के उद्देश्य से स्वयं खादी को खरीद रही है?

PURCHASE OF Khadi CLOTH BY GOVERNMENT

[*1996. Shri Jangde: Will the Minister of Commerce and Industry be pleased to state:

(a) whether the sale of Khadi cloth has been going down for the last three years and cloth is lying unsold in many Khadi Bhandars; and

(b) whether the Government are themselves purchasing Khadi to encourage the industry?]

The Minister of Commerce and Industry (Shri Mahtab): (a) Government have no information as there is no control on distribution of Khadi.

(b) Yes. The Government of India decided in 1949 to purchase 1/3rd of their requirements in the shape of handloom cloth including Khadi.

पेट्रोमैक्स, पिनों का आयात

*१९९७. श्री जांगड़े : क्या वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि :

(क) भारत सरकार ने पेट्रोमैक्स, पिनों, सीने की मशीनों तथा सुइयों का किन किन देशों से आयात किया है ;

(ख) उक्त वस्तुओं का योग मूल्य क्या है; तथा

(ग) क्या इन वस्तुओं को भारत में भी बनाया जाता है, तथा, यदि बनाया जाता है, तो किन किन स्थानों पर ?

IMPORT OF PETROMAX PINS

[*1997. Shri Jangde: Will the Minister of Commerce and Industry be pleased to state:

(a) from what countries the Government of India have imported petromax pins, sewing machines and needles:

(b) their total cost; and

(c) whether these articles are being manufactured in India and if so, where?]

The Minister of Commerce and Industry (Shri Mahtab): (a) Information regarding the countries from where petromax pins, and needles are imported is not readily available. Sewing machines are mainly imported from U.K., Sweden, Western Germany, Czechoslovakia, Japan and U.S.A.

(b) The cost of sewing machines imported in the years 1948-49, 1949-50 and the nine months April to December, 1950 was Rs. 1,09,90,599, Rs. 1,03,04,396 and Rs. 42,46,837 respectively.

(c) Petromax lamps, pins, sewing machines and gramophone needles are manufactured in India. Hand sewing needles are not manufactured in the country but machinery for the manufacture thereof is being imported and production is likely to start early in 1952. Petromax lamps are manufactured in Bombay and Calcutta; pins in Jamnagar and Bombay; sewing machines in Calcutta and gramophone needles in Kotagiri in Nilgiris.

AGRICULTURAL WAGES

*1998. Shri Balmiki: Will the Minister of Labour be pleased to state how

far the agricultural wages vary from State to State for ploughing, sowing and weeding wheat, paddy, sugar-cane and oil-seeds?

The Minister of Labour (Shri Jagjivan Ram): A statement showing the prevailing average rates of wages for ploughing, sowing and weeding separately for men, women and children, in the various States, as gathered from the General Village Survey, which is the first stage of the All-India Agricultural Labour Enquiry, which is being conducted in about 813 villages selected on the basis of stratified random sampling, is placed on the Table of the House. [See Appendix XIV, annexure No. 26.]

In the General Village Survey information was collected on the prevalent rates of wages for each agricultural operation in every village. Where wages were paid in kind, these were evaluated in cash at prevalent prices. Perquisites allowed, if any, were also evaluated and included. The average wage rates were obtained by "weighting" the wage rates by the number of wage quotations for each type of wage payment viz., cash with perquisites, cash without perquisites, kind with perquisites and kind without perquisites. It is not possible at present to furnish wage rates for the three operations specified by the hon. Member according to different crops.

MACHINE TOOL FACTORY

*1999. Shri Kishorimohan Tripathi: Will the Minister of Works, Production and Supply be pleased to state what has been the total expenditure incurred so far in connection with the installation of the Government owned Machine Tool Factory?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): Rs. 2,000-1-0.

INTERNATIONAL COMMODITY GROUP

*2000. Shri Rathaswamy: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that India has been invited to join the International Commodity Group to tackle the problem of scarcity materials;

(b) if so, whether Government would accept the invitation;

(c) what are the principal objects of this Group and in what way Government feel that it would be to their benefit, by joining this Group; and

(d) what are the various articles of scarcity with which this Board is to deal?

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

(b) India has accepted invitation to join two groups, viz., Group 'C'—Manganese/Nickel/Cobalt and Group 'E'—Cotton and Cotton Linters.

(c) The functions of these Commodity Groups are to examine availabilities in the International field and to recommend to Governments the specific action which should be taken to expand production of the commodities, increase availabilities, conserve supplies and ensure their most effective distribution and utilisation among the consuming countries. As India has to import most of the items covered by the Commodity Groups and as allocations will be made on the basis of production and consumption, the joining of these Groups would be to her advantage.

(d) The Groups will deal with

- (A) Copper/Zinc/Lead,
- (B) Tungsten/Molybdenum.
- (C) Manganese/Nickel/Cobalt,
- (D) Wool,
- (E) Cotton and Cotton Linters, and
- (F) Sulphur.

VISIT OF FRENCH ECONOMIC MISSION

*2001. **Shri Rathnaswamy:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the French Economic Mission has recently visited Delhi headed by M. De Saithy;

(b) if so, what are the subjects to be discussed with this mission;

(c) whether there is a programme for this Mission to visit different places; and

(d) who are the personnel of this Mission?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes, Sir. The Mission is headed by Monsieur De Saily.

(b) Development of trade and industrial collaboration between India and France.

(c) Yes, Sir.

(d) A list of members of the Mission is laid on the Table of the House. [See Appendix XIV, annexure No. 27.]

RELIEF AND REHABILITATION

*2002. **Shri Biyani:** Will the Minister of Rehabilitation be pleased to state:

(a) the amount so far spent on housing displaced persons; and

(b) the amount so far spent on supply of free rations to such persons?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Housing of displaced persons proceeded in many stages, first in tents and barracks, then in mud huts and finally in pucca constructions. It is not possible to separate the expenditure under various heads without spending considerable time and labour but expenditure on pucca houses alone is Rs. 18.87 crores.

(b) The expenditure on the supply of free rations is inseparably mixed up with the relief expenditure. It will not be possible to give this figure without spending considerable time and labour which will not be commensurate with the results obtained.

PAINT FACTORY NEAR CALCUTTA

*2003. **Shri Himatsingka:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Imperial Chemical Industries (India) Ltd., have been permitted to establish a paint factory in the vicinity of Calcutta;

(b) if so, whether it is a fact that this has been done against the wishes of the industry; and

(c) what were the considerations which weighed with Government for not accepting the recommendations of the industry?

The Minister of Commerce and Industry (Shri Mahtab): (a) M/s. Alkali and Chemical Corporation of India Ltd., which is a subsidiary concern of the Imperial Chemical Industries (India) Ltd., wanted to establish production of Nitro Cellulose Lacquers and synthetic finishes. Government agreed to this extension of their manufacturing activities.

(b) and (c). The Indian Paint Manufacturers Association represented to Government that as Indian production was adequate to meet internal demand, no foreign firm should be allowed to establish new paint factories. Nitro Cellulose Lacquers and synthetic finishes of specialised nature are, however, not manufactured in India in sufficient quantity and of the quality required by the consuming industries, and important and growing industries like automobiles, bicycles, coach building and aircraft construction have to depend to a large extent on imports for their requirements. It was accordingly decided to encourage the establishment of this capacity. Moreover, as general purposes paint materials will not be produced by this firm, the question of any competition with the Indian manufacturers does not arise.

CLOTH EXPORT QUOTA

*2004. **Shri Himatsingka:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that an export quota of only 400 million yards of cloth has been fixed for the January-June 1951 period?

(b) Does the above quota include exports of coarse and medium cloth also?

(c) Is it a fact that before announcing the quota, Government allowed business to be done and applications were entertained in the Office of the Deputy Chief Controller of Exports, Bombay, to the extent of about 1000 million yards of cloth?

(d) If the answer to part (c) above be in the affirmative, will the curtailment of the quota now result in the cancellation of foreign business?

The Minister of Commerce and Industry (Shri Mahtab): (a) Government are taking steps to restrict export to 400 million yards of cloth only for the period January-June 1951.

(b) Yes, Sir.

(c) Yes, Sir. But it was found in December that mills and exporters were abusing the pre-licensing concessions in regard to fine and superfine cloth by exporting a hybrid type of cloth the weight of which was really of coarse and medium counts.

(d) The question of accommodating the licences issued in the best manner possible is under examination.

COTTON TEXTILES AND YARN (PRICES)

*2005. **Shri Himatsingka:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government had assured the Cotton Textiles Industry that the prices of cotton textiles and yarn would be revised on 1st January, 1951;

(b) whether such a revision was made on the 1st January and if not, why not;

(c) whether the prices of cotton textiles and yarn were revised on the 20th January, 1951;

(d) whether the Tariff Board had laid down a formula in respect of revision of prices, if so, whether the formula was followed while fixing the prices of coarse and medium cloth and if not, why not;

(e) whether Government have subsequently effected a further revision of prices with effect from 1st February, 1951;

(f) whether the prices fixed cover the increased cost of raw materials and manufacturing charges;

(g) whether the Industry has made any representation to Government in respect of the prices fixed; and

(h) what action Government propose to take on the representation of the Industry?

The Minister of Commerce and Industry (Shri Mahtab): (a) No such assurance was given.

(b) and (c). The prices of cloth and yarn were revised with effect from the 1st January, 1951. The revision of prices, however, was announced on the 20th January, 1951.

(d) The Tariff Board have laid down a formula in respect of prices of cloth and yarn and this formula was followed in fixing the prices of all types of cloth.

(e) and (f). Yes, Sir.

(g) No representation has so far been received.

(h) Does not arise.

RESIDENTIAL ACCOMMODATION FOR M.Ps.

*2006. **Shri M. P. Mishra:** Will the Minister of Works, Production and Supply be pleased to state:

(a) at what stage the construction of M.Ps flats is at present;

(b) whether any flats are ready by now; and

(c) whether they will be allotted to M. Ps. for accommodation during the current session?

The Deputy Minister of Works, Production and Supply (Shri Buragohain):

(a) Construction work on the first 100 flats has already been started and 4 flats have been structurally completed, but the finishing work remains to be done. The remaining flats have been completed up to plinth level. Work on further 150 flats has just been taken in hand and foundations are being excavated.

(b) No; not ready for occupation.

(c) No. The flats are not expected to be ready, available for allotment during the current session.

DISPLACED PERSONS IN BIHAR

*2007. **Shri M. P. Mishra:** Will the Minister of Rehabilitation be pleased to state:

(a) the number of displaced persons, both from the West and East Pakistan, who have gone to the State of Bihar;

(b) how many of them have been rehabilitated so far;

(c) what part of expenditure is met from the Central Exchequer; and

(d) whether any more displaced persons are to be sent to that State?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) 63,000 approximately.

(b) About 22,000.

(c) The Centre is bearing the entire expenditure on the rehabilitation of displaced persons with the exception of expenditure on headquarters staff and losses on loans to displaced persons who were sent to Bihar before 1st January, 1950, which are to be borne in the ratio of 50:50 between the Centre and the State.

(d) This will depend upon the progress of rehabilitation in Bihar.

SHOPS IN KAMLA MARKET

*2009. **Giani G. S. Musafir:** (a) Will the Minister of Rehabilitation be pleased to state whether it is a fact that Kamla Market, being built outside Ajmere Gate, is meant for those *bona fide* displaced persons, who are already running some business at Delhi, but have not been allotted any business accommodation so far?

(b) If so, why are some shops in the Kamla Market being sold out in open auction?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The shops in Kamla Market are intended for allotment to the displaced traders evicted from Khari Baoli last year who have not been allotted any business accommodation so far. If any shops are left unallotted, the case of other displaced persons will be considered.

(b) No shops are being sold in the Kamla Market.

YARN FOR HYDERABAD

*2010. **Shri K. Vaidya:** (a) Will the Minister of Commerce and Industry be pleased to state what was the quota of yarn fixed by the Government of India for the State of Hyderabad in 1948 and whether it has been reduced later? If so, when and to what extent?

(b) Are the Government of India aware that about 75 per cent. of the handlooms in the State of Hyderabad are lying idle for want of yarn?

(c) Have the Government of Hyderabad approached the Government of India for increasing the quota of yarn?

(d) If so, what action has been taken thereon?

The Minister of Commerce and Industry (Shri Mahtab): (a) In November, 1948 the yarn quota of Hyderabad State was fixed at 3,865 bales per month. Running allocations were issued on mills to enable Hyderabad State to get full supplies against their monthly quota. Due to considerable fall in the production of free yarn by mills during 1950 these running allocations have been revised with effect from the 1st February, 1951 so as to bring them in conformity with the present production of free yarn by mills and to enable equitable distribution among the States of the supplies of yarn available for internal consumption. These revised allocations cover 68 per cent. of the yarn quotas to each State fixed in November, 1948, and in the case of Hyderabad State they cover 2,668 bales per month.

(b) No, Sir.

(c) The Textile Commissioner, Hyderabad, approached the Textile Commissioner, Bombay, in January, 1951, requesting that yarn quota of Hyderabad be increased. In February, 1951, he had also asked for an *ad hoc* supply of 1,000 bales of yarn.

(d) As the running allocations on mills for the supply of yarn to the various States were revised with effect from 1st February, 1951, to enable each State to receive an equitable share out of supplies available, it was not possible either to increase the running allocations in favour of Hyderabad State over and above the 68 per cent. of the quota or to make substantial *ad hoc* supplies to the State. During September to December 1950 deliveries of yarn to Hyderabad State amounted to 2,164 bales per month which formed 56 per cent. of its quota, while supplies of yarn available for internal consumption during this period amounted to not more than 44 per cent. of the aggregate quotas of the States.

COTTAGE INDUSTRIES BOARD

*2011. **Shri R. Khan:** Will the Minister of Commerce and Industry be pleased to state the number of meetings held so far of the All India Cottage Industries Board and the expenditure incurred on each Conference?

The Minister of Commerce and Industry (Shri Mahtab): Three meetings of the Cottage Industries Board have so far been held. The expenditure incurred in respect of each of the meetings is given below:

1st meeting —	Rs. 11,205-0-0
2nd meeting —	Rs. 3,295-3-0
3rd meeting —	Rs. 7,457-6-0

INDEXING OF CLAIMS OF DISPLACED PERSONS' PROPERTY SHEETS

*2012. **Shri Sivaprakasam:** Will the Minister of Rehabilitation be pleased to state:

(a) whether it is a fact that there was an unexpected receipt of applications for claims of displaced persons' property and the work of indexing these property sheets in office has become unusually heavy; and

(b) if so, what steps have been taken to ensure prompt disposal and to avoid unnecessary delay in dealing with their claims?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) The staff has been doubled. It is expected that the indexing of the claims will be completed during May, 1951.

DISEASES AMONG FACTORY LABOURERS

*2013. **Shri Sivaprakasam:** Will the Minister of Labour be pleased to state:

(a) whether any research work is carried on in factories to investigate the causes of various diseases that are generally prevalent among the labourers; and

(b) if so, whether the findings of these Research Officers have helped Government and the Factories to improve the health of the labourers?

The Minister of Labour (Shri Jagjivan Ram): (a) Yes. Research and investigations on certain problems relating to health, welfare and safety of workers and on industrial hygiene problems have been and are being carried out under the auspices of the Indian Medical Research Council and by the organisation of the Chief Adviser Factories.

(b) Research and investigation work into these problems was initiated only about 4 years back and at present enquiries are limited in their scope and are intended for the purpose of making an appraisal of the general conditions in factories relating to certain problems as affecting the health, welfare and safety of workers. The provisions under the new Factories Act are very comprehensive and adequately cover the measures to be taken to safeguard the health, welfare and safety of the workers. In framing the Act we have drawn freely upon the experience of the industrially advanced countries and the work done on occupational diseases and problems of industrial hygiene. The scope of the surveys that are at present being carried out here will, in course of time, be widened so as to cover investigations into problems

which are peculiar to India and of particular importance to industries in the country.

RAYON SILK

*2014. **Shri Sivaprakasam:** (a) Will the Minister of Labour be pleased to state whether Government are aware of the fact that the Rayon Silk imported from France for spinning yarn emits a most obnoxious smell quite injurious to the health of the Labourers?

(b) Has any report from the Research Officers from Madras State been received to this effect?

The Minister of Labour (Shri Jagjivan Ram): (a) In a report on the inquiry into the Prevalence of Byssinosis in the Cotton Textile Industry in South India carried out under the auspices of the Indian Medical Research Council, mention has been made by the Research Officer that certain complaints of ill-effects as a result of the work on the Rayon were made by workers of the Rayon Section. The Research Officer suggested that this might be due to the presence of free Sulphuric Acid. A sample which was received by the Office of the Chief Adviser Factories was examined, but did not give any evidence of the presence of free Sulphuric Acid. The matter has been referred by the Chief Adviser Factories to the Chief Inspector of Factories, Madras for a more detailed and thorough investigation and results are awaited.

(b) The only reference received was from the Research Officer who was conducting the inquiry under the auspices of the Indian Medical Research Council.

ALLOTMENT OF YARN TO MADRAS

*2015. **Shri Venkataraman:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of Government has been drawn to the editorial in *The Hindu* dated 21st February, 1951 reporting cases of starvation deaths and suicides by the Handloom weavers in Madras State;

(b) whether the hon. Minister, during his recent visit to Madras, had promised certain allotment of yarn to Madras for January, February and March, 1951;

(c) what allotment of yarn was made for the months of January and February, 1951; and

(d) what action do Government propose to take in the matter?

The Minister of Commerce and Industry (Shri Mantab): (a) Yes.

(b) Yes.

(c) 17,451 bales of yarn were allotted to Madras in January, 1951 and 18,801 bales in February, 1951. The actual offers made by the mills in January, were, however, for 15,407 bales.

(d) The Government of India have taken the following steps to meet the situation:

(1) Export of yarn has been totally banned with effect from 4-1-1951.

(2) Prices of yarn have been revised with effect from February, 1951. This would induce the spinning and composite mills to increase their production of free yarn.

(3) (i) Provision has been made for the import of yarn of counts 80s and 100s to the tune of Rs. 65 lakhs during the first half of 1951; and

(ii) 66,000 bales of American cotton have been supplied to the spinning mills at subsidised rates for production of yarn for the handloom industry.

(4) Mills have been directed to pack not less than 87½ per cent. of monthly production of yarn for sale in India.

(5) So far as the month of February is concerned, full quota of yarn, as agreed upon, viz. 18,801 bales is being given to Madras.

YARN

*2016. Shri Kannamwar: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the Civil Supplies Commissioner of Madhya Pradesh has recently approached the Government of India to get the yarn quota to that State increased; and

(b) if so, how much quota of yarn has been increased for Madhya Pradesh?

The Minister of Commerce and Industry (Shri Mahtab): (a) No such reference was received from the Civil Supplies Commissioner, Madhya Pradesh, but the hon. Food Minister of that State had approached the Government of India for an increase in their yarn quota, although increasing supply is being made from month to month.

(b) It has not been possible to increase the yarn quota of Madhya Pradesh having regard to the general shortage of yarn. It is, however, expected that the yarn supply position will improve by the beginning of April, 1951, when it may be possible to increase yarn supplies to all the States.

TRUSTEE COMMITTEE

*2017. Shri B. K. Das: Will the Prime Minister be pleased to refer to paragraph B(vi) of the Indo-Pakistan Agreement of the 8th April, 1950 and state:

(a) whether a Trustee Committee will be formed in Bihar to take charge of the immovable properties of migrants who have left Bihar for East Bengal.

(b) whether any computation has been made of the number of such migrants and of the properties left by them;

(c) whether any Bihar migrant has sent any representation to Government for having his property managed by the Trustee Committee that may be formed; and

(d) whether any case has come to the notice of Government in which the property of the migrant has been left undisposed of or has been in unauthorised occupation and is in need of being taken care of?

The Deputy Minister of External Affairs (Dr. Keskar): (a) Yes.

(b) to (d). Exact information has been called for from the Government of Bihar and will be laid on the Table of the House as soon as it becomes available.

MINIMUM WAGES OF LABOURERS IN GLASS FACTORIES

*2018. Shri Kannamwar: (a) Will the Minister of Labour be pleased to state what is the minimum wages of labourers in glass factories in India?

(b) Is it a fact that the minimum wages fixed by the Madhya Pradesh Government are higher than in the glass factories of other States?

(c) Is it a fact that owing to these high rates of wages in Madhya Pradesh, the glass factory owners are retrenching both the skilled and unskilled labour?

(d) What steps do Government propose to take to enforce uniform minimum rates of wages to labourers in all the States?

The Minister of Labour (Shri Jagjivan Ram): (a) to (c). Information asked for can be had only from the State Government. It is being collected and will be placed on the Table of the House in due course.

(d) The Minimum Wages Act does not contemplate uniform rates of wages throughout the country. On the other hand, it recognises that there may be variations even in different regions within the same State.

If, however, there is very great diversity, such cases could be discussed at the Central Advisory Board. This will be considered after the factual data is obtained.

FOREIGN EXCHANGE

124. **Shri Meeran:** (a) Will the Minister of Commerce and Industry be pleased to state whether there is any allocation of foreign exchange for the import of commodities placed on the O.G.L. list in the current year?

(b) What is the amount of the foreign exchange so far consumed for

the import of Penicillin and Prime-movers?

(c) What is the approximate amount of foreign exchange earmarked for the import of drugs?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes.

(b) Prime-movers worth Rs. 12,30,58,000 have been imported into India during the year 1950. As Penicillin is not specifically shown in the Foreign Sea and Air Borne Trade Account of India, it is regretted that the figures regarding actual imports cannot be supplied.

(c) Rs. eight crores have been allotted for import of drugs from foreign countries for the half yearly period January—June 1951.

Thursday, 8th March, 1951



PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

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1950-51



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PARLIAMENT OF INDIA

Thursday, 8th March, 1951

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

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

12-24 A.M.

MOTION FOR ADJOURNMENT

**CENSUS OPERATIONS IN P.E.P.S.U. AND
PUNJAB**

Mr. Speaker: I have received notice of an adjournment motion from the hon. Member Prof. Yashwant Rai:

"That the House be adjourned to discuss a matter of urgent public importance, that is, census operations in P.E.P.S.U. and Punjab, where scheduled caste people have been murdered, tortured, looted, confined within their houses, socially and economically boycotted, and turned out of their houses which have been burnt for not calling themselves as members of a particular religion or community and declaring a particular language as their mother tongue."

I should like to know what the hon. the Home Minister has to say about this.

The Minister of Home Affairs (Shri Rajagopalachari): On behalf of myself and my hon. colleague in charge of States I wish to say that for some time before and after the census a controversy has been going on in the Punjab and P.E.P.S.U. areas, particularly on the language question. A section of the Hindus have been asking people to return Hindi as their mother tongue instead of Punjabi. This has

caused resentment among the Sikhs with the consequence that both in newspapers as well as in public speeches in the Punjab strong statements and counter-statements have been made on this issue. On the 10th February an altercation occurred between a section of the Hindus and the Sikhs in a village in Jullundur district leading to a disturbance as a result of which one person was murdered. It is believed that the returns submitted on the question of the language have been incorrect in a large part of the Punjab, that is, as to the mother tongue of the persons concerned whether it is Punjabi or Hindi.

It has also been reported that strong pressure has been put on sections of the Scheduled Castes who have regarded themselves as Hindus to return themselves as Sikhs. Members of these Scheduled Castes in about a dozen villages in Jullundur are reported to have moved out to neighbouring towns and villages to escape from this pressure. The same thing is reported to have happened in some villages of the Patiala and Sangrur districts of P.E.P.S.U. Apart from the murder already referred to we have not received any reports of loot, arson or murder till yesterday. It is true, however, that Harijans in some villages were in a state of fear, and they were confined to their houses. The authorities of the P.E.P.S.U. Government have instructed the District authorities to take every precaution to prevent further disturbance or crime. It is not generally known that the census authorities cannot but record what is stated to them rightly or wrongly, but Government is likely to take steps to have sample enquiries made in order to facilitate a correct appraisal of the records as made by the census enumerators in these respects. No one need, therefore, fear any injury to their interests in the matter either of religion or of language. Those who have taken a lot of trouble to falsify records will find their attempts wholly

[Shri Rajagopalachari]

in vain, because there will be opportunity to get at the true state of facts apart from mere declarations of parties.

That is the position as to the census and the troubles referred to. I think, therefore, that there is a certain amount of exaggerated apprehension judging from the form in which the motion has been put. I think that this statement of mine should satisfy the hon. Member, and I suggest that he need not press it further.

Shri Sidhva (Madhya Pradesh):
rose—

Mr. Speaker: I am concerned with the admissibility of the motion and not with the merits.

Prof. Yashwant Rai (Punjab): Sir, in view of the assurance given by the hon. Minister of Home Affairs in his statement, I do not press my motion.

— — — — —
APPROPRIATION (RAILWAYS)
No. 2 BILL

The Minister of States, Transport and Railways (Shri Gopalaswami): I beg to move:

“That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1952, for the purposes of railways, be taken into consideration.”

[SHRIMATI DURGABAI in the Chair]

Mr. Chairman: Motion moved:

“That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1952, for the purposes of railways, be taken into consideration.”

Shri Biswanath Das (Orissa): I thank you very much for having given me the chance to have my say on this important motion which introduces a new principle into our Budget. Before I proceed further, let me refer to the discussions in the Assembly—I mean the late Central Legislative Assembly—in September 1924 when a resolution was carried in the said Assembly, separating the Railway Budget from the General Budget. In the same resolution justification for separation was laid down specifically in the sense that Government should follow a continuous Railway policy. The second

dictum that was laid down in the Resolution was that the Railways should hereafter give a definite return to the General Revenues on the money expended on the Railways. Probably the question of Railway as a utility service was not in the mind of the then Government. The idea then conceived was that the Railways in India should be run as a State commercial monopoly. That was the beginning of the separation of the Railway Budget. This continued till now and conventions after conventions have taken up the question in a variety of ways and the contributions of the Railways towards the general finances have been laid down. Especially in the last convention it was laid down that the Railways shall contribute four per cent. towards the dividend and share the net profits between the Government and itself. That in a nut-shell brings me.....

Shri Gopalaswami: May I draw the attention of the hon. Member to the fact that the last convention did not stipulate that any profits that would accrue after the payment of the four per cent. dividend should be shared between the Railways and General Revenues.

Shri Biswanath Das: Whatever may be the position, I am not very much concerned now about the profits. I have to place before you and also before Parliament certain other aspects on which I oppose this motion.

Mr. Chairman: Whatever the hon. Member wants to submit, must be relevant to the particular motion.

Shri Biswanath Das: Unfortunately a novel experiment is being proposed to be made in this connection. The hon. Minister in introducing his Budget has stated in paragraph 41 of his speech the purposes for which the enhanced fares are intended to be undertaken. The Financial Commissioner of the Railways in his Press Statement on the 22nd February, 1951, has stated that the Railways do not require money to run the show by enhancing fares. It is only the General Revenues.....

The Minister of State for Transport and Railways (Shri Santhanam): I would like to know whether the points covered during the two general discussions may again be covered in this Appropriation Bill.

Shri Biswanath Das: Certainly not.

Mr. Chairman: The points already made in the long debate on the Railway Budget need not be traversed again. If the hon. Member has got any new points which are relevant to

the particular motion under consideration, he will be allowed to have his submission made.

Shri Biswanath Das: I have got new points to adduce, but I cannot agree with the logic of my hon. friend that the points already covered in the general discussion need not be covered now. I do not know what points he refers to but this is absolutely a new motion. This has nothing to do with the general discussions. This is a Bill that has come before Parliament. It is an all-embracing one. It is absolutely a new one. I do not want to waste the time of the House, as also yours and mine, in dealing with questions which have already been dealt with, though I must admit that I was not in the House for ten long days, and do not know what all has been stated already. None-the-less, I submit that the point raised by my hon. friend has no bearing on, nor has it any basis on the procedure that has been followed either by Parliament or in this House in the course of its discussions.

Therefore, it comes to this. If the statement made by the Financial Commissioner for Railways is correct, it goes to show that the Railways themselves do not require the money for their administration and that it is the ways and means position of the general revenues that has dictated the hon. Minister of Railways to come forward before this House for fresh taxation or for the enhancement of fares. He goes further and says: "Not only that I do not want it; but my position is substantially safe and secure." He says, "What to speak of this increase; we incurred a capital expenditure of about 66½ crores and we were able to contribute 56 crores out of the current revenues." That goes to show the stability, capacity, and efficiency of our administration. This brings before the House one fact namely that the present enhancement of fares has been dictated by the Finance Ministry or the Government for the purpose of general revenues. Therefore, a very important question comes before the House and I think it unfair to this House to give this Bill a free passage, without deep thinking over this important issue whether you are going to make a State commercial concerned a hand-maid of the Finance Ministry, and thus convert a commercial State monopoly concern,—not a utility concern—into a vehicle of taxation. A decision on this question by the House is very important and necessary. It is such an important question that to give this Bill a free passage without discussion will bring in very serious complications in the future. What are the complications? We have taken to

the idea of nationalisation of all the existing important industries in this country. That is our programme; that is at least the programme and policy of the Congress Party which is the majority party.

Dr. Deshmukh (Madhya Pradesh):
Held in abeyance now.

Shri Biswanath Das: I am coming to that. It has been held in abeyance for ten years now for the time being. Even in the course of these ten years, important steps have been taken in that direction. Not only that. We are the majority shareholders in many of the important essential concerns, over and above the fact that we have started a number of organisations of a commercial nature. Is it the idea of Government that all these concerns in which we are full owners or in which we are majority shareholders should be converted into vehicles of taxation, if and when the Finance Ministry wants it so? That is the important question on which a discussion and a clear vote of this House is necessary.

I come again to the Convention. We have had Conventions. What are Conventions? Conventions are practically Select Committees of the House. The House appoints a Committee; it reviews the whole position and working of certain commercial institution and then it places certain recommendations before the House. The House discusses them and then passes a resolution. Are all these to be given the go by because the hon. Minister of Railways wants to take a definite step different from the decisions of the House?

Last Convention laid down certain principles. In the first place, it stated that every citizen of India shall be a shareholder in this commercial concern, namely, it conceded the idea that it shall be a commercial concern and that it shall give certain dividends, a certain sum of money, let me say to satisfy my hon. friends on the Treasury Benches, by way of profits. For my part, I am not satisfied with the small money that has been fixed in the Convention. Because, to me there cannot be two positions. Either you must have a utility concern or a commercial concern. If it is a commercial concern, I ask why should the dividend be a small sum? A private concern pays so much. By way of Income-tax which the Railways do not pay. Therefore, if the Railways pay seven or eight crores, it is no consolation. On the other hand, if it is a utility concern, it is otherwise. I have got my own objections to call the Railway administration and the Railway organisation

[Shri Biswanath Das]

as yet a utility service. I am not prepared to call it a utility service. But, that is a different question.

Having stated my reactions to this statement of the Financial Commissioner for Railways, I invite your attention and the attention of the hon. Minister, which brings in a curious ideology on finance. I must frankly confess that since the days of Kautilya, I have never seen such an exposition of financial exposition as I find in para. 41. Neither in the public finance of Kautilya, nor in that of Sanjaya much less in that of Kanuka do I find a similar brilliant financial exposition. The peculiar finance postulation about which I complain is this. The hon. Minister says, I am reading portions from para. 41:

"It might be pointed out that we shall not in actuality be spending immediately the additional funds that we raise."

That is, the enhanced fares that are going to be levied are not immediately required by the Railway administration.

"But those revenues will go into our earmarked funds and be held to our credit; they will also earn interest from General revenues until the latter are in a position to release them for expenditure in future. Until they are made so available, they will serve to fortify the ways and means position of the Government, and Railways should feel proud of the assistance they are able to render to General finance."

It takes my breath away to read these curious and peculiar principles of finance laid down by my hon. friend the Minister of Railways. My hon. friend here says, revolutionary; I wish they were.

This literally means, if it is rightly understood and if the people are made to understand it correctly, that the Railways want to be the money-lenders of the Government of India. That is what it reduces itself to. Therefore it is that this enhancement of fares is effected and money is being raised. We could thus enhance the fares because the Railways are a monopoly. There is no other system of railways except that of the Government of India and so the Government of India with all the prestige and all the power and influence of a Government could raise the money irrespective of whether there is need and a public

opinion behind it. Therefore enhancement of fares is done and even the fares of third class passengers are raised. Why? Because the Government of India want to be a *mahajan* and want to lend money to be returned when the ways and means position becomes better. I would beg my hon. friend the Railway Minister to quote to me—my knowledge and my sources of information are few and far between—an authority or a parallel for this sort of financing and budgeting. This, I consider, is too big a pill for the hon. Members of this House and the country to swallow. It is unfair to the hon. Members and to the country, without a clear decision of the House regarding the change of position that we have been hitherto taking, both in practice and in principle.

What are the implications? If you really want to be the *mahajan* of the Government of India, I mean money-lender—we call money-lenders by the name of *mahajan* which means big people, and it is unfortunate that in this age we should call them the big people or *mahajans*—

Mr. Chairman: The hon. Member may please resume his seat.

The difficulty of the hon. Member seems to be that he was not present here in the House when the debate started on the Railway Budget. Therefore he is making the same points which have been repeatedly made and to which the hon. Minister has also given his answers. In the light of those replies, it would be better if the hon. Member would throw some fresh light on the points, if he has got any.

Shri Biswanath Das: I am on new questions.

Let me invite the attention of the hon. Minister to the vast stock of money that we have already got on hand. We have, as closing balance about Rs. 150 crores of rupees available to help this money-lending business of the Railway Ministry. The Railway depreciation fund has a closing balance of Rs. 119.37 crores for 1950-1951 which will be the opening balance for 1951-1952, even without this enhanced taxation. The railway revenue reserve fund has Rs. 12.79 crores and the railway development fund 18.78 crores. And so all told, we have, without any recourse to this enhanced taxation as closing balance for 1950-1951 or the opening balance for 1951-1952, a sum of Rs. 150.94 crores. I do not know whether the Railway Ministers have explained why without drawing out of this money for improving the ways and means

position they have resorted to enhancement of the fares.

I would like also to submit that this position is illegal and need I say also *ultra vires*? Why? Let me refer to the relevant portion of the Constitution. In the first place I refer to article 112. This article speaks of only financial statement—the annual financial statement. It says that the annual financial statement shall be placed before the House and that has been done. It speaks of estimates of expenditure and also of estimates of revenue. I consider that the word "expenditure" means and implies not money to be used for money-lending but for its own needs.

Mr. Chairman: Which article is being referred to?

Shri Biswanath Das: I am referring to article 112 (2) and I submit that the word "expenditure" in this article means and implies money which is required for immediate use, immediate use in the year for the activities for which it is intended. And I claim that according to either the terms of the statement issued to the press correspondents by the Financial Commissioner for Railways or according to the terms of paragraph 41 of the speech of the hon. Minister of Railways, this expenditure that is contemplated is not expenditure which is contemplated under article 112 (2).

I come to article 112 (2) (b). Here again the same is repeated when it speaks of "expenditure proposed to be made from the Consolidated Fund of India". But these will be in respect of items which are non-charged.

Mr. Chairman: Article 112 (2) (b) contemplates "other expenditure".

Shri Biswanath Das: Yes, that is what I submit. This other expenditure means—charged or non-charged.

Then I come to the Appropriation Bill. This Bill should contain only money adopted by Parliament. And this has been done now.

Then I come to article 115—Supplementary, additional or excess grants. I refer to these only to show that in the Constitution they have laid down and provided for a variety of ways for getting money appropriated by the executive authority and no money shall be spent without such appropriation. You cannot go beyond what has been laid down in the Constitution for finding various ways of getting appropriations. There must be the appropriation Bill and that has been complied with. And there is the provision for supplementary demands. But what

has been done in this particular case? The Constitution has performed the difficult task of providing and devising in detail the various ways by which money could be levied, collected and appropriated out of the Consolidated Fund.

I am referring to article 119 which empowers Parliament to make its own rules of procedure in financial matters. These rules are also important in themselves inasmuch as they have their implications. Under article 267 even the Contingency Fund would not be possible without a specific mention regarding the scope connected with the fund, leaving the rest of it to Parliament. You have got two ways, *viz.*, the one that is laid down in the Constitution and the other is the power that is given to Parliament to legislate. Over and above what has been laid down in the Constitution, Parliament has powers in regard to the appropriation of money. Under articles 269 and 270 the Constitution provides various cases of taxation levy and distribution. No such levy of taxation, distribution or allocation could be made unless there is a provision in the Constitution or Parliament giving you the power for the same. I am sorry I had to go through the whole course to place before the House the necessity of either following the Constitution or taking to legislation, in order to authorise Parliament so that new ways and means could be found, if the general ways and means position of Government had to be provided from other sources by other methods and means.

There is also another course open. Until the Parliament authorises, the President is given power to make rules. I claim that no rules have been framed by the President in this regard for such appropriation or for levying taxation, collection and appropriation in the manner that is being proposed. This brings me to this fact, that the Constitution has laid down certain ways and means position for the executive Government.....

Mr. Chairman: The hon. Member can continue his speech after Lunch.

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

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

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Shri Biswanath Das: I was speaking with reference to certain articles of the Constitution and as to how a definite ways and means procedure has been laid down in it for appropriation,

[Shri Biswanath Das]

collection and levy of taxation. My submission in this regard is that it is left to the Railways to make an outright grant to the general revenues or by increasing dividend, if they so desire, in the name of profits, but on no account they ought and could give a loan to the general revenues as is proposed in the speech of the hon. Minister. In this connection I will only refer to article 299 wherein it is stated that contracts to be made for any loan have to be expressed and executed in the name of the President. Would it be and is it reasonable to expect that the President will borrow and that from himself? Therefore I appeal to the hon. Railway Minister not to put himself and the executive to that awkward and unfortunate position.

Let me here refer to the *Chambers Dictionary* with regard to the meaning of the word "fees".

Shri Santhanam: The hon. Member forgets that there is no reference to the Railway Budget in the Constitution at all.

Shri Biswanath Das: I know it—it is not necessary to remind me on that point—and yet we are having a Railway Budget. It is a part of the Consolidated Fund and practically a minor show of the General Budget. Therefore, there is no meaning in inviting my attention to it.

The *Chambers Dictionary* defines "fee" as price paid for services. If you refer to the *Encyclopædia* there it is stated that where fees are charged or levied there is a direct relation to the service rendered. I would request you and the House to consider what further benefits you have conferred on the user of the Railways to call upon him to pay more fees than he has been paying for the services rendered. In this view of the question it is unfair to call upon the Railway users to pay higher fees because you want to be a money-lender, because you want to help the ways and means position of the general revenues. The straight course is direct taxation if you can face the electorate, if you have the support of the Legislature and of the people for such taxation. That is and ought to be the proper course. Think of the repercussions of such enhancement of fees on the consumer where the State is the only monopolist that produces the article concerned. You are going to have the Sindri fertilizer factory. If you go on applying this principle what will happen to economy of production? What is going to be the effect on the internal economy or on

the agricultural economy of the country? A position such as this may be possible, is possible, in a communistic state economy where the state is practically the sole authority in which responsibility vests for production, transport and distribution of all the commodities. There, there is no other go but to have recourse to such a method. But in a mixed economy and private enterprises, I submit, the course undertaken is not only harmful to the country and its people but is also harmful to the industry itself. If my hon. friend had taken to a progressive way even in this backward trend I would have followed him. But has he done so? No. What is the justification for this increase? This is the fourth enhancement that we are having. The Britishers had two enhancement—once they enhanced the fares and then they levied a surcharge. Later we ourselves introduced an enhancement in 1948. This is the fourth enhancement, with this difference that while in 1941 you had a justification in that you were applying the principles of taxation progressively in its entirety shifting the burden from the poor to the rich. Here your justification is it is a regressive process. You are shifting the burden not from the poor to the rich but shifting in the regressive way, from the rich to the poor. My hon. friend had an illustrious and brilliant career as an official. I know of his reputation in Madras and elsewhere. I have admiration for him and personally speaking I have affection for him for the little good that he was able to do me when I had to face four prosecutions in Madras launched by the then Ministry. Therefore, let not my criticism be taken otherwise. I have nothing personal against him. I have only admiration for the brilliant career that he had. But I must plead with him and say that he has never faced an election. You are having the biggest election known to history, to be faced by most of the hon. Members in the year of grace of 1951. You have a Budget presented by one of the civilians of India—I mean my hon. friend Shri Gopalaswami Ayyangar—and supported and accepted by another civilian—civillian does not mean I.C.S.—whose talents are admired. With all my admiration, I must say that these gentlemen have not faced an election. I do not know whether they would—I would be glad if they could with a Budget such as this. I appeal to the hon. Members of this House to keep all these in view in giving their support to the Appropriation Bill.

While I speak, I speak with great concern. While I speak, I speak not

with emotion but with a feeling of disappointment. I hardly expected that on the eve of the elections without any justification and without any cause my hon. friend would come with new experiments and theories just as my hon. friend the Minister of Finance has come with his new thesis and principles. These are weighty objections and I claim that the House has a duty to consider these aspects with the responsibility that it commands.

Mr. Chairman: I must make one point absolutely clear. There is no doubt that the hon. Mr. Speaker and Mr. Deputy-Speaker have ruled that on a motion of this nature hon. Members can speak and I do not want to interfere with the right of hon. Members to speak. All the same, the House must remember that we have devoted fairly good time to the consideration of these very questions. I would therefore like that a convention should develop that those matters which the House has discussed before should not be the subject matter of discussion again. The House is fully aware that no amendment can be moved in this Bill. In view of that, I would request hon. Members not to take up the time of the House in discussing matters which have already been discussed. I would request them to be brief, because we have other legislative work also.

Shri J. R. Kapoor (Uttar Pradesh): It gives me very great pleasure to accord my wholehearted support to this Railway Appropriation Bill, because it relates to the expenditure of a Ministry which has done admirably well during the last two years. Its achievements have been great, only next if I may say so to the achievements of the States Ministry under the great leadership of the late Sardar Patel. The achievements of the States Ministry have, of course, been unparalleled and today it is a matter of great regret to us that we do not have amidst us the great Sardar Patel. But, as I have said next to the achievements of the States Ministry are the achievements of the Railway Ministry during the last two years and we certainly feel proud about it, and the hon. Minister and his gallant lieutenant the hon. Minister of State may also well feel proud of it and deserve our congratulations.

There has been all round improvement in the Railway administration. Of course, there is much scope for greater improvement, but that should not blind us to the fact that the improvement has been considerable and been visible all around. There has been less congestion in traffic. There have been better amenities provided

to the passengers particularly to the third class passengers—why should I say particularly—mainly to the third class passengers. A good deal of criticism has been levelled against the Railway administration for more amenities not having been provided and for their lapses also. I admit that so far as first and second class passengers are concerned, their amenities have been reduced, but then I for one would make no grievance of it. We cannot blow hot and cold in the same breath. If we want more amenities for third class passengers, certainly the amount that used to be spent on first class passengers and second class passengers must diminish to be diverted to third class passengers. Therefore, it is a step in the right direction that more and more attention is being paid to the amenities of third class passengers. There are now more fans in third class passenger coaches—particularly ladies compartments—than before. As for corruption, there is very much less of it now. When I talked to some business men, they told me that they have to pay now only Rs. five where previously they had to pay Rs. 100 or 200 per wagon. Formerly, it was not that they used to pay but they had to pay.

Shri Sidhva (Madhya Pradesh): Sometimes Rs. 500.

Shri J. R. Kapoor: Yes Rs. 500 also. I asked the business men why they should pay Rs. five per wagon. They told me that they have almost got into the habit of paying something to the railway servants. They almost pleaded on behalf of them, saying that the railway staff should get something for doing something. If they pay Rs. five willingly, the fault is not much of the railway people, but of the business men themselves.

Shri Sidhva: My hon. friend may not know that for every parcel booked two annas are paid to the railway people even today

Shri J. R. Kapoor: Sometimes it is two annas; sometimes it is four annas. But the business men do not mind. They say that it is a trifling sum and in return for it they get certain amenities. Some such excuse they gave me. I have often pleaded with them to stop this practice. This is the moral level to which our business men have descended. My point is that there is less in the nature extortion. Again, there is greater civility on the part of the railway staff.

As I am on this point, I may take this opportunity of expressing my

[Shri J. R. Kapoor]

appreciation of the very prompt manner in which Members of the Railway Board respond to the communications of Members of Parliament. I had several occasions to bring certain grievances of the public to the notice of the Transport Member and I would like to place on record my appreciation of the prompt manner in which those questions were looked into. I hope that this efficiency will continue to be maintained.

My hon. friend Mr. Biswanath Das made a novel point. He said that this Appropriation Bill is *ultra vires* of the Constitution. I wonder whether he was serious when speaking like that. Of course, he did not say anything substantial in support of his contention. This Bill has been brought before the House under article 114 of the Constitution which lays down that as soon as possible after the grants have been passed, an Appropriation Bill shall be brought before the House for its adoption. This Bill does nothing more than that. We had passed the grants yesterday and now today a mere formality is undergone through this Bill. Under article 114 we are being asked to pass this Bill. I do not know how it is *ultra vires* at all.

Reference was made by my hon. friend Shri Das to article 112 of the Constitution according to which he thought that the financial statement should have contained only expenditure and according to him expenditure means immediate expenditure and not—by implication he meant—deferred expenditure. I would draw my hon. friend's attention to article 112 of the Constitution wherein he will find that not only expenditure is to be shown, but receipts have also to be shown. If receipts are shown, there should be a corresponding entry on the expenditure side. There must be some item which should cover the surplus which accrues out of the revenue side. Again, I submit, expenditure should not necessarily mean immediate expenditure, but expenditure which will have to be incurred at a later date as well. All the money which will be now with the exchequer, and which may be utilised for the general purpose of the State in the shape of a loan from the railway fund, all this will ultimately be spent over the railway. It is only deferred expenditure and there seems to be no justification for raising any legal point of the nature that has been done by my hon. friend.

Not only that. My view is that the general exchequer should have benefited to a greater extent from the railway revenues. In the first place the railway revenues are treated separately. That is one thing. But then the

interest of the country is one undivided whole. Therefore, if we utilise the revenues from a particular activity of Government for the benefit of the country as a whole, there should be absolutely no legitimate grievance. But, here, what we are doing is that we are not utilising the surplus of the railway for our own purpose, but we are only taking a loan from it, as it were. But then my view is that the railways should have contributed outright more handsomely to the general exchequer. Why? My reasons are that railways are not merely a utility concern, but also a commercial concern. They should be treated as a utility *cum* commercial concern. No commercial concern can be devoid of utility. Therefore, I submit that the railways if they are to be treated both as a utility and commercial concern should be run on commercial lines, not ignoring the fact, of course, that utility must be the primary consideration. When we come to consider the question as to what should be contributed by the railways to the general exchequer, we must see that they contribute not only something in the shape of dividend as return for the capital invested but also contribute to the general exchequer something in the shape of income-tax also. If these railways were merely private limited concerns, what would have been the position? If there were profits accruing to these concerns, Government would have got income-tax therefrom. The shareholders, persons who had invested their money would also have been entitled to a reasonable amount of dividend. What do we do here? Here Government in one form is the proprietor—it is the shareholder—and in the other form it is the Government of the State. As the proprietor of the concern, it is certainly entitled to a reasonable return on the capital invested. But we are giving the Government only a dividend of four per cent. That is not a very big dividend. Many industrial concerns give that much and more dividend to their shareholders. So, four per cent. is not much too big a dividend. Over and above that, I ask in all earnestness, is it unreasonable for us to expect that railways should contribute to the general exchequer as much amount as would have accrued to it in the shape of income-tax if this concern were run as a private limited concern?

We are on the road to nationalise our industry. This railway industry is the biggest nationalised industry today. We have to set a very good example. If we do not prove through this one great nationalised industry of our country that it can bring very

substantial profits to the exchequer and can also be run efficiently, we shall be setting a very bad example and we shall be retarding the process of nationalisation of the industry in the country. After all why do we want nationalisation? Among other reasons, we want industries to be nationalised because we want the profits accruing therefrom for the general exchequer. They should not go to the private individuals. Therefore, if we show to the country that a nationalised industry does not mean additional financial gain to the exchequer much of the case for nationalisation of industry goes away. I, therefore, submit that we should consider this question very earnestly and seriously as to whether we should not ask the railways to contribute to the general exchequer something over and above this four per cent. Instead of objecting to the general exchequer drawing some advantage from the surplus funds of the railways we should wholeheartedly advocate that the railways should contribute yet more to the general exchequer.

We are sanctioning these huge sums under the Railway Appropriation Bill in the hope and belief that though they have done very well indeed in the last few years, they will do much better in the years to come. The hon. the Railway Minister gave us an assurance the other day while concluding his speech that the railways have done better last year than the year before and they will continue to do better in future. May I make a few suggestions for his consideration, so that, if he cares to adopt these suggestions, he may be able to fulfil his promise much more easily. The first suggestion is that there must be greater contact between the Ministry and the general public. Both the hon. Ministers of Railways and more particularly the Minister of State and the members of the Railway Board should tour extensively and come in contact with the general public. The hon. Mr. Santhanam set a very good example the year before by going on extensive tours. I think during the current year he could not perhaps find time to have extensive tours, as he had the year before. His extensive tours the year before had a very useful and wholesome effect. The personal contact between the Minister and the general public, between a member of the Railway Board and senior officials of Railways and the general public, particularly the commercial public, tends to resolve many a difficult problem on the spot which otherwise would take very long to solve, or which sometimes remain unsolved altogether. I know from my personal experience—

experience gained on the occasion of some meetings convened by the hon. Minister—that this personal contact has produced very good results. At my own place, Agra, I can say that ever since the visit of the hon. Minister of State more than a year and half ago, I do not find people coming before me with many grievances, particularly of any serious type, and the few grievances that they have brought to my notice, I am glad to say, could be resolved almost in no time by representation to the Railway Board.

5 P.M.

The second suggestion that I have to make is they must do their duty by the refugees. It is a sacred duty which they must perform, and perform it quickly and efficiently. There are yet I understand a number of cases of unpaid claims of railway contractors. Those claims have been lying unpaid for a very long time. Long correspondence has been going on between the Railway Ministry and the Pakistan Government, but that is hardly any consolation to the displaced persons. This correspondence may go on *ad infinitum*, I do not mind, but so far as these poor displaced persons are concerned they must be paid immediately such sums as appear to the Railway Ministry to be due to the displaced persons.

Then I would urge very earnestly on the two hon. Railway Ministers that they must do something positive and definite and effective in the matter of providing work for the displaced railway vendors. I shall say no more on this subject, for it should be obvious and patent enough to them that the hardships of these displaced vendors are great and that they deserve their immediate attention.

The next suggestion I have to make is that technical men in the railways should not be employed on non-technical jobs. I raised this point once previously also, but I am sorry to find that practically no attention has been paid to it. We are already short of technical men, engineers and such others, and I see no reason why highly qualified technical men like engineers should be absorbed in posts like Stores-in-Charge which do not require any technical skill.

One more suggestion is with regard to economy in fuel. I do not want to repeat the suggestions which have been already made by many Members, but I have one specific suggestion to make in this connection. A good deal of coal is stolen away from the railway engines and the method

[Shri J. R. Kapoor]

of stealing it away is something like this. Near about industrial towns the trains, and more particularly goods trains, are slowed down and coal is thrown out of engine on either side of the stations. This obviously is done in co-operation and in collusion with the driver, guard and the persons who steal the coal. After the coal is thrown out it is removed by these persons in collaboration with the drivers and guards. And very often big quantities of this coal are sold in the black market to the factories. I would therefore suggest that some special guard should be put up by the Railways on either side of the line near stations in big industrial towns so that this huge quantity of coal that is stolen away may be preserved for real railway use.

Dr. Deshmukh: Coal sold in the black market will be the blackest market!

Shri J. R. Kapoor: There is one more point to which I would like to refer, which perhaps may not be very palatable to the two hon. Ministers. I will be glad if I am told that the reference to this point is not unpalatable to them. I have been having a grievance on that score, and that is with regard to the treatment that they have meted out to Hindi on the railways. It almost seems—it may be unconsciously—but it does appear to me that almost an attempt is being made to hold up Hindi to ridicule. It is now our State language and I see no reason why due attention should not be paid to it. But I say it is being held up to ridicule because wherever you go you will find Hindi spellings so incorrectly written and Hindi expressions so wrongly used on signboards with the result that people begin to think that if this is the sort of mis-spelt Hindi, if this is the sort of ridiculous Hindi that is going to be used, we better not have Hindi. I had made constructive suggestions on this subject to the Railway Ministry, but I am constrained to say that these suggestions far from being heeded to—I did not find the Railway Ministry applying their mind at all to the subject and almost an attempt was made more than once.....

Shri Santhanam: I remember once Mr. Kapoor undertook upon himself to give Hindi terms for 'vegetarian' and 'non-vegetarian', but we are still waiting for them to come from him.

Shri J. R. Kapoor: That is exactly my grievance that so little attention

is paid by the Railway Ministry that they do not care to know things. Not only did I give Hindi versions of these expressions along with my friend Pandit Balkrishna Sharma long ago but I gave to the G.I.P. Railway a long list of Hindi versions of English descriptions of signboards.

Shri Sidhva: What are these?

Shri J. R. Kapoor: It extended to over forty or fifty pages. What I am constrained to say is that they were not adopted. I have no grievance that the versions I gave were not adopted but some suitable expressions should have been adopted. I once gave out the suggestion that either an expert—a special officer—should be appointed by the Railway Ministry to frame suitable Hindi expressions or even a Committee of the Members of this House might be appointed to draw up suitable Hindi expressions.

Some Hon. Members: A one-man committee!

Shri J. R. Kapoor: Even that suggestion has not been accepted so far with the result that we find ridiculous expressions on the railway signboards. It is necessary that we should have one uniform set of Hindi expressions. But what we find is that in one Railway you have *musafir khana*, in the other Railway *yatralaya* or something like that and somewhere else you find some other thing. Once in Bhopal I found that for *targhar* we had.....

Mr. Chairman: Order, order. I do not want to interrupt the hon. Member, but I see that the point he is making is very very remotely relevant to the Bill which is before the House. I would request him kindly to conclude his speech. He has taken an abnormal amount of time over this matter and I would request him to conclude his remarks soon.

Shri J. R. Kapoor: I will act according to your direction. I ventured to take this point because I thought that the expenditure that we sanction or a part of it should be well and properly spent over finding out suitable Hindi expressions. Any way, I do not wish to rub this point any more. Not only is it unpalatable to the hon. Ministers but I now find it is not very agreeable to the Chair either.

Shri Sidhva: This is not agreeable to the House.

Shri J. R. Kapoor: I am sure it could not be very much disagreeable to the House though it may be disagreeable

to my hon. friend, Mr. Sidhva, who holds his own views on this matter and which I have known very long.

I would not take up any more of the time of the House except to say that capital expenditure which can be easily avoided should not be incurred. Not only should it be deferred but it may be given up once and for all. I say this with particular reference to the question of the building up of a new Central Station at Agra. That station is absolutely unnecessary. Though the Railway Board has expressed that it has deferred the consideration of this question, I would very much wish that it should express itself definitely on the question and say that they shall not have the Agra Central Station. There are already a number of stations there and they are serving the public very well. The station Raja-ki-Mandi needs considerable improvement and may well be shifted over only a few yards towards Delhi side but there is absolutely no necessity for incurring a huge expenditure over the big Agra Central Station. There is one more reason for which I am urging this point. It is that the final decision on the subject is considerably holding up the progress of Agra Improvement Trust and once we know definitely that the project has been given up, it will help us to have a good design and master plan for the improvement of Agra. I would request earnestly the Ministry to definitely say to us that this idea of having a Central Station which will involve an expenditure of many crores of rupees has been definitely given up once and for all.

I have nothing more to add excepting on one thing, and even though it may be a slight repetition, I want to take a couple of seconds over it. An important point was raised by my hon. friend, Mr. Alagesan the other day in respect of which I had also given a cut motion, though, of course, I did not move it. It related to the question of policy as to whether senior responsible members of the Railway or even of the Government for the matter of that, should be permitted while yet in service to carry on negotiations with private concerns for new appointments after their retirement either prematurely or after attaining the age of superannuation. I do not wish to labour this point because it had been so very ably put before the House by my hon. friend Mr. Alagesan. But it is a very important point and a matter of very great policy. In the fair name of the officers themselves, in the fair name of the Government itself, I think it is time now that the Government should take a

definite decision on this subject. I for one would suggest that it should be made a definite rule that persons who are still in service should not carry on any negotiations for employment, with any private firm, before their retirement. Even after the retirement a substantial time must elapse between the time of their retirement and the time that they take up the other job. It is a matter of policy and I earnestly request the Government to give their serious consideration to it. With these remarks I support this Appropriation Bill wholeheartedly.

Shri Gopaldaswami: I do not think I shall follow the example of the speakers who have preceded me in this debate on the Appropriation Bill. I should like to say one word as regards the last point that my hon. friend, Mr. Kapoor tried to make. I had no opportunity to deal with Mr. Alagesan's speech because yesterday, I had no time, nor is it possible for me to deal with it at length now. Let me assure the House that in regard to the particular officer to whom their observations seem to have been directed.....

Shri J. R. Kapoor: My observations are not directed to any particular officer.

Shri Gopaldaswami: It arises out of a particular officer's case; no doubt the two hon. Members stated the general considerations which should be kept in view. There are very well-considered rules on this subject applying to Government servants in regard to that particular matter, rules which are calculated to ensure the avoidance of whatever evils the two hon. Members wish to avoid in the particular case out of which these observations have arisen. I am here to tell the House that all those rules were strictly and rigidly conformed to, so that hon. Members may rest satisfied that there are not only rules on the subject which are of the healthiest description, but they have been followed in entirety in the particular case.

Shri Sidhva: May I ask whether there are any rules by which an officer in service can also negotiate with private firms?

Shri Gopaldaswami: There are no rules to that effect, but if he has to negotiate, he has got to get the permission of those in authority. If he gets that permission, he is perfectly entitled to do so.

[Shri Gopaldaswami]

A number of points have been raised in the course of the three or four speeches, to which we have listened. I think you drew the attention of hon. Members to the irrelevancy of certain of the points, which they raised. I am sure that you restricted yourself only to certain points. With regard to many other points also, you must have felt that they were equally irrelevant to the particular debate. If I proceed to answer every one of the points that were raised, that would mean a tacit admission on my part that those points were relevant to the debate. Therefore, I do not propose to deal with them.

There is, however, one matter about which my hon. friend, Mr. Biswanath Das with great emotion, particularly about his relations with me and so on, thought that I had gone astray after all these years of public work behind me, that I was trying the experiment on principles and so on. It is a pity that he was not present during the six day debate that we had on the Railway Budget. If he had listened to that debate, he would have found that every one of the points he raised had been satisfactorily dealt with either by myself or by other hon. Members of the House. There are however one or two points which he did raise. One was that he thought that the Railway Budget in certain of its aspects was *ultra vires* of the Constitution. It would take a long time to deal with this matter at some length and expound the Constitution to this House. I can only assure him and hon. Members in the House that if it so happens that a writ is applied for against Parliament for having voted this Railway Budget as it is, apart from the legality or the appropriateness of such an application for a writ, I may here assure the House that I shall go to court and successfully defend myself and Parliament.

With regard to another point there was one thing which rather appealed to me.....

Shri Biswanath Das: On a point of personal explanation.....

Shri Gopaldaswami: There is no question of personal explanation. There was one thing about which I was rather cut up when he mentioned that. He seemed to feel.....

Shri J. R. Kapoor: Is it not the privilege of an hon. Member of this House that when he wishes to offer a personal explanation, any hon. Member who is on his legs must yield?

Mr. Chairman: The hon. Minister is not giving way and there is no occasion for personal explanation at all in this case.

Shri Gopaldaswami: I was referring to a somewhat emotional point which my hon. friend, Mr. Biswanath Das raised. He seemed to be under the fear that possibly his voting for this Appropriation Bill might jeopardise his chances or the chances of other candidates at the coming General Elections. I would tell him that this particular Budget is not going to jeopardise anybody's chances. If this Budget is properly interpreted to the electors and if the electors have followed the debates in this House, as they surely have done, I should rather think that the hon. Members who support this Budget will have a thumping success at the Elections.

Shri Sondhi (Punjab): Do not go to that length.

Shri Gopaldaswami: My hon. friend, Mr. Jaspat Roy Kapoor raised another large question about the income-tax payable on Railway income. That is a very large issue. I am willing to join hands with him at the proper time; but certainly that is not relevant to the present occasion because we are only passing the Appropriation Bill. The proper time when he could have raised that issue was when we passed the Convention last year. If he wants.....

Shri J. R. Kapoor: I raised it then also.

Shri Gopaldaswami:to reopen that so far as this very important question is concerned, he is welcome to do so and I am willing to give battle to him.

Shri Sidhva: Four per cent. is more than enough.

Shri Biswanath Das: On a point of personal explanation. My hon. friend spoke of a writ. Would he also advance me my expenses? I will try. Secondly, he spoke of my chances. I am not the least afraid of my chances. I can come if I ever care to come despite this Budget being smashing.

Mr. Chairman: There is no point of personal explanation in this at all.

Shri Gopaldaswami: So far as I am concerned, I realise.....

Mr. Chairman: Now, I shall proceed to put the motion to the House.
The question is:

“That the Bill to authorise payment and appropriation of certain

sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1952, for the purposes of railways, be taken into consideration."

The motion was adopted.

Clauses 1 to 3 were added to the Bill.

The Schedule was added to the Bill.

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

Shri Gopalaswami: I beg to move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

TAXATION ON INCOME (INVESTIGATION COMMISSION) AMENDMENT BILL.

The Minister of State for Finance (Shri Tyagi): I beg to move:

"That the Bill further to amend the Taxation on Income (Investigation Commission) Act, 1947, be taken into consideration."

The Bill is in the hands of hon. Members. There is no change in any of the principles of the Bill or in the policy underlying the Bill. The only little change that is sought to be made is in regard to the time limit.

Shri Kamath (Madhya Pradesh): A little louder, as when you were this side. I cannot hear.

Shri Tyagi: I am at a little distance from my hon. friend, and so he is not hearing.

Shri Kamath: I am the loser.

Shri Tyagi: The only amendment suggested is that in sub-section (3) of section 4 of the Taxation on Income (Investigation Commission) Act, 1947, for the words and figures "may extend its term of appointment for any period upto the 31st day of March 1951", the words "may, if it thinks fit, extend its term of appointment from time to time" be substituted.

At this stage, I do not think I have much to say. It has been a practice in this House for Members from the Government Benches, when they move Bills, to take into account either the

lobby talk or the Press comments on the principles of the Bills, and discuss in advance the objections which were raised either in the lobby or in the Press. I do not want to make any such forecast. I do not know what would be the type of criticism against this small change in the Act.

Shri Sondhi (Punjab): Small?

Shri Tyagi: Of course, it is small.

I think most of what I have to say has been stated in the Statement of Objects and Reasons. I am glad that as far as the Statement of Objects and Reasons for this Bill is concerned, it is practically complete. It gives a complete picture of what the Commission has done, and the change that is being sought to be made has been fully explained, and my work has become very easy. Even then, to such of the hon. Members who have not read it or who want to have a fresh knowledge of the work of this Commission and the results, I would just quote one or two figures.

The House will recollect that the original Act was passed in the Budget session of 1947. It was at the end of 1947 that the Commission was appointed and it started work in 1948. It took practically one full year for them to investigate the two functions that were allotted to the Commission. One function was to examine the present law of Income-tax and suggest to Government changes in the law and improved methods so that there may be the least chance of evasion of tax in the country. They had to report to us on the evidence that they obtained. They have made a very good report. That report has been published and perhaps it is in the hands of hon. Members. Government is drafting a Bill on the lines of the recommendations made by the Commission and some of the recommendations are under active consideration of Government. I hope that before this session is over, we shall probably be in a position to place before the House the new Bill.

Shri Sondhi: Bull or Bill?

Shri Tyagi: I said Bill: my hon. friend has taken it to be bull.

The whole of 1948 was devoted by the Commission to the investigation of the existing law, procedure of assessment, etc. They did not devote themselves fully to the other function that was assigned to them, namely of investigating evasion of Income-tax, etc. That work could not be started immediately after the Commission was appointed because, for that work also, some important preliminaries had to be undergone. For instance there was the work of selecting the officers of

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the Income-tax Department and deputing them to various places, and then there was the work of contacting the agencies like the railway booking offices. Registrars of Joint Stock Companies, Banks, Insurance Companies and so on from where clues could be had or proofs collected of the evasions and the manner in which these evasions were made. These contacts had to be established. The Commission devoted enough time and attention to this work of establishing these contacts with these agencies which were their sources of information. Practically the whole year was devoted to this fact-finding work and the work of organizing the machinery.

There is the general criticism in the papers that so much time has been spent and only few cases could be examined by the Commission. And people ask, what has the Commission been doing? Why such a small number of cases has been investigated? There is that kind of criticism. It is only by way of giving a short answer to that kind of criticism that I submit that time was taken up because the Commission wanted to carry out in right earnest and in all seriousness the work which was allotted to them.

An Hon. Member: When did they start that?

Shri Tyagi: They started actual work at the end of 1948.

[SHRIMATI DURGABAI in the Chair]

And then it was not a sort of cursory investigation or proceedings that the Commission carried out. In fact, as the whole House knows, the Commission is composed of experienced persons with very high reputation in the whole country. They are responsible persons. I am not here to defend the Commission against any criticism. For there can be no genuine criticism.

In the Statement of Objects and Reasons are given the number of cases disposed of either on investigation or settlement.

Dr. Deshmukh (Madhya Pradesh): Somebody else has given; you have yet to give.

Shri Tyagi: That is right. Whatever someone else has given I give. I should be sorry if my hon. friend takes objection to that, but he must be accustomed to take from me also.

I have here with me further figures of cases settled on a settlement basis

and up to the 20th February the number of such cases is 388 and the concealed income involved is Rs. 12,08,43,374 and I shall give the amount of tax involved also. I may inform the House that there are two types of cases. In one type the parties themselves come out and confess their hidden incomes, though it is not a complete confession, generally. Even after this confession, the Commission takes up the papers and examines them and if in the course of such examination further amounts are found out, then there are further confessions—not by force, of course, but they are voluntary confessions, frank voluntary confessions. And then the final figure of assessment is arrived at. In such cases, although they are decided more quickly, as there is less of fact-finding, still it takes some time as the confessions are not always complete or in one instalment. Every time they seem to be rather halting in their attitude even in confession. Even so, it is good that they come out and confess as it makes the work easy and this gave the persons concerned also some dignity in the eye of the nation. Well, such cases are termed as settled cases and the other type is called the investigated cases. Even in the former cases, the money finally decided to be recovered is not realised immediately. The Commission makes a sort of compromise and realises the amount in easy and small instalments. That is another reason why the assessed income-tax could not be immediately realised. The total assessment involved in settled cases comes to Rs. 4,70,15,452/15/- up to the 28th of February, 1951.

Shri Hussain Imam (Bihar): Will he please repeat the figure?

Shri Tyagi: Up to the 28th of February, 1951 the assessment on settled cases is Rs. 4,70,15,452/15/-.

Pandit Thakur Das Bhargava (Punjab): It will be very convenient if the hon. Minister could give year by year the figure of amounts which have been so far realised.

Shri Tyagi: Well, this is the income-tax due to be realised from the cases which were settled. Besides these there are the investigated cases and the sum to be realised in their case is Rs. 2,37,00,000. The total sum to be realised is between Rs. seven to eight crores. Out of this amount only Rs. 90 lakhs have been realised. When we compare this assessed tax with the sum actually realised, it shocks not only hon. Members of Parliament but

even the public at large, and they ask why the amount is not realised forthwith. Well, the House will realise that this money is not hidden in a lump-sum in a pit as thieves hide their treasures under the ground which could be dug out and taken.

Shri Sidhva (Madhya Pradesh): Then where is it?

Shri Tyagi: This money is being used in various ways. It has been used in buying shares in some cases, by *binami* transactions, or invested in some industry or in some trade. In most of the cases, the money has been put into some business or industry, may be not in the name of the assessee but in the name of some other person or concern or in some nick-name.

Shri Sidhva: Did you recover tax on that?

Shri Tyagi: That money wherever it is employed must bring in tax. If it brings income then it brings income-tax.....

Shri Sidhva: Then you have no case.

Shri Tyagi: Supposing my friend Mr. Sidhva has one crore which has not been taxed or tax has been evaded for one year, he may pass on that money to another man, and next year if the money earns income the tax will have to be paid, but it does not mean that Mr. Sidhva will be exonerated of the tax due on him. If tax is evaded for five or six years, then it would be a loss to the Government. (*Inter-ruptions.*) I would request my friends to treat me as their own still. So the money is not mostly lying quite idle, in a treasure chest or in a pond where it can be impounded. It has to be found out. Those persons who had hidden this income did not know that a day would come when they would have to vomit it out all of a sudden. They have spread the money over in such a manner that even if they of their own accord want to bring all this money together so that they can pay the tax to which they have been assessed they cannot do it, unless they absolutely ruin themselves or sell themselves. Nobody wants to sell himself so cheap. So it is not easy to bring to the Government treasury in lump-sum all the income-tax to which one has been assessed by the Investigation Commission. Even in the case of ordinary income-tax Government find it very difficult to make the full realisations in lump-sums. So there are lapses and balances every year. Therefore I request the House not to criticise me on account of this big gap between the assessed income-tax and realised tax.

I might also inform the House that over and above the 388 cases which have been reported by the Commission there are about 227 other cases, which I put under the category of socially-important cases. They are important cases and some of them might be quite sensational too.....

Shri Hussain Imam: May we know some of the names?

Shri Tyagi: The cases must be reported to me first. I have only got the information, not the report.

Shri Sidhva: What is meant by 'socially-important'?

Shri Tyagi: Socially important cases mean such cases which pertain to parties which are socially well known in the country. Very soon I shall be in a position to give their names to the House. I am expecting to receive them as finalised by the Commission, at any rate before the end of this year and all these cases will be before the House.

Shri Hussain Imam: Calendar year or financial year?

Shri Tyagi: Some of these persons have already admitted very substantial concealment of income.

Shri Sidhva: Let us know their names.

Shri Tyagi: It is not possible for me to give the names: I have not got them. My colleagues in the Cabinet, myself and the Commission are fully satisfied that whatever best could be done towards the realisation of these balances has been done. What best could be done in terminating the cases has been done and the Commission is doing very satisfactory work. That is the opinion on this side of the House and I hope the other side agrees too.

I have already given some of the reasons for the delay. There are some other reasons for the redress of which I have come before the House. It is our belief that much of the delay has been caused because a date had been fixed for the Commission's life. The assessee think that if they could delay till the last date of the life of the Commission, then the Commission will be no more and none will have a right to investigate their income. Therefore there has been a tendency on the part of assessee to delay the proceedings of the Commission. One of my hon. friends here suggested that when we extend the life of this Commission we might fix a date. We have already before us the bitter experience of fixing a date. When a date is

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known the assessees try to reach that date somehow or other without feeling the pinch of the Commission. If we now fix another date it means that we will be giving them another chance. They will somehow or other make delays and try to prolong the proceedings before the Commission. Therefore I do not want to have any date fixed, and I would request the House to give power to Government to fix the date as and when they think necessary. Whenever they think that the Commission is not necessary, they will terminate it. Government does not want to waste public money. If the Commission does not earn anything, what is the use of keeping the Commission? Therefore the suggestion is that we do not fix a specific date, but leave it to the discretion of the Government. Then the assessees will know that by following such delaying tactics they will not make themselves safe from the hands of the Commission.

I have nothing more to say, except a word to the assessees. If they want to take advantage of this occasion they can come forward and confess before the Commission. The assessees are being treated most respectfully and no hardship is imposed on them. Their cases are tried in such a manner as it is done in a High Court. Even after the decision of the Commission the assessees can take legal points to High Courts for purposes of clarification. They have the fullest freedom which a citizen of this country could have to go on resisting taxation. We do not want to curtail their liberties but my only appeal to them is that since ultimately they have to pay the tax due to Government it is better that they confess to the Commission their concealed incomes. The practice of the Commission has been to assess to the extent of only 66.5 per cent. such of those who confess: otherwise it is up to 92 per cent. Besides they are given the facility of payment in instalments. Under these circumstances if the House gives an extension to the life of the Commission in the manner we have suggested, it will act as a moral deterrent on those assessees: they will then come forward and confess their concealed incomes, thus making our task easy.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Taxation on Income (Investigation Commission) Act, 1947, be taken into consideration."

Shri Kamath: On a point of clarification, may I know whether among

the disposed of cases are the four cases mentioned in the resignation letter of the then Finance Minister Mr. Shanmukham Chetty, and in connection with which he resigned two and a half years ago?

Shri Tyagi: Those cases probably have not been disposed of. During the course of the debate I will get exact information which I will give to the House. If Members surprise me with questions I will have to take time for getting the material to reply.

Pandit M. B. Bhargava (Ajmer): What is the total expenditure incurred by Government so far on this Commission?

Pandit Thakur Das Bhargava: The realised income-tax may also be stated.

Hon. Members: That is Rs. 90 lakhs.

Mr. Chairman: I think the hon. Minister could give the figure about the expenditure incurred so far. He can also state the amount realised so far.

Shri Tyagi: I have already stated that we have collected Rs. 90 lakhs and I hope the House will not treat this occasion as a question hour.

Pandit Thakur Das Bhargava: We have listened to the speech of the hon. Minister with rapt attention. Two questions were addressed to the hon. Minister very pertinently: one was what has been the expenditure over this Commission, and the second was with regard to the realised income. The first question relating to the expenditure incurred over this Commission is most pertinent and I do not think the hon. Minister has not been furnished with this information. I would beg of him, if the information is not with him, kindly to furnish it to the House as soon as possible.

When in 1946 or in 1947 this Bill was introduced in the House, those of us who were then Members will remember that these three Bills together were regarded just like atom bombs in the commercial world of India. As a matter of fact, the Bill before us was divided into two parts: one part related to finding out how the evasion of tax took place and whether the ordinary law was adequate to prevent evasion and secondly, some specific cases were to be inquired into. The real object was to realise money from tax evaders. At that time when the sponsor of the Bill, the hon. Mr. Liaquat Ali Khan, made his speech he was not clear in his mind as to how this Commission would work.

He only said he wanted to know how many people in this country had grown rich so suddenly. He said he could not understand how titles to large properties passed and how transactions involving lakhs of rupees took place. That was the reason given by him. At the time when this Bill was debated for the first time in this House, I submitted that this was a still-born piece of legislation. In fact, the original Bill, as it was placed before us, was of such a nature that it was impossible to work it. But my statement was not accepted at the time and for a year or so the Bill remained a dead letter. Nothing absolutely was done because the Bill was wholly unworkable. Ultimately in 1948 it was realised that unless and until the Commission was given more powers of investigation it would not be able to work. And in 1948 certain amendments were placed before this House. They were of a very drastic nature. In the first place the original idea of the Bill was that it was the Government who would first of all make investigation and then if satisfied that evasion had taken place would refer the cases to the Commission. Then and then alone could the Government refer the cases to the Commission. But actually this did not take place. Government did not make any enquiry but referred the cases direct to the Commission. Therefore, a Bill was brought to legalise this action. Also, the powers of the Commission with regard to referred cases were greatly enhanced and they were given power to investigate cases which came to their notice during the investigation of referred cases. With regard to those powers the Government of India became almost *functus officio*. They could not withdraw some of the cases from the Commission.

The House will remember that I put a question to the hon. Finance Minister of the time in regard to the number of cases which they contemplated to investigate. In fact, I very vigorously attacked the Bill because I thought the Commission was given powers of such a drastic nature that it would produce great uneasiness in the country. To allay my fears the hon. Finance Minister stood up and said that I need not feel afraid and that at the most only a dozen cases will come before the Commission. That was the statement made in this House by the hon. Finance Minister.

An Hon. Member: When?

Pandit Thakur Das Bhargava: Probably it was in 1948. This is not the first time that I am bringing this matter before the House. I quoted
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from the speech of the hon. Finance Minister when that last amending Bill came before the House. Now that that promise stands violated I do not know how we can confide in the statements of the hon. Ministers when those statements made in this House are not stuck to. Instead of a dozen cases we have got 1,390 cases before the Commission.

The Deputy Minister for Food and Agriculture (Shri Thirumala Rao): Is it the hon. Member's contention that if more evaders are detected they should be let free?

Pandit Thakur Das Bhargava: What I am submitting is that when an hon. Minister makes a statement before this House he should make a statement which he wishes to stand by. He should not make statements as occasions arise and give them the go-by later. I do not think the hon. Minister is defending this sort of a practice. If it were allowed it would introduce such an amount of uncertainty in this House and people will begin to have so much lack of confidence in statements of hon. Ministers that I think it would be an evil of the greatest magnitude. When I speak on this Bill I am always accused of representing the tax-evaders. I have withstood that accusation. I do not mind if I am thought like that but if the insinuation.....

Shri Tyagi: Will my hon. friend clarify where lies the breach of the promise? In what manner was the promise broken?

Pandit Thakur Das Bhargava: If my hon. friend just keeps his soul in patience I am coming to that. As a matter of fact, my hon. friend has perhaps forgotten that when the amending Bill was introduced for the second time, very great exception was taken in this House so far as the amendments were concerned. The amendments sought to make the Commission the complainant, the investigator and the judge, all three combined in one. That was the great point of attack which was taken up by me in this House and it was in reply to that the hon. Finance Minister said that as a matter of fact it would be confined only to twelve cases. Is it clear now? Does my hon. friend contend that the hon. Finance Minister should not have made that statement, or having made it should not the entire Government stand by it? That is my question. I submit that Government have got absolute right to proceed against those people who have evaded income-tax, but the point of attack is that we want the ordinary law of the land

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should be made use of and persons proceeded against under the ordinary law. Who was at fault in 1947—and even now—in not proceeding under the income-tax laws? How do these evasions take place? This is not a question asked by me today—it is a question which was asked by an hon. Member of the House—who was then an ordinary Member like my friend Mr. Tyagi. It was the hon. Shri Sri Prakasa who put this question to the hon. Mr. Liaquat Ali Khan. He asked "How did you bring this Bill? Has the ordinary law failed?" And I am putting the very same question to the hon. Minister in charge of this Bill.

4 P.M.

Does my hon. friend contend that the ordinary law of the land is not enough to catch the tax evaders and recover the tax from them? My contention is that the ordinary law of the land has not been taken full advantage of and the entire conception behind this Commission was mischievous. When the ordinary law is sufficient, why should we prostitute the law of this country by giving unheard-of powers to this Commission, which one hon. Member described as 'Star Chamber methods'? My hon. friend Mr. Tyagi stated that these persons have been treated in a respectable fashion. They are allowed to go to the High Court, he said. They are allowed to have lawyers, he said. I have read the two reports for 1949 and 1950 giving a list of the tax evaders. It is like Miss Mayo's story. Miss Mayo spoke of physical wrecks. In these two reports, you read of moral wrecks. I do not see any reason why these persons should be respectfully treated. Does the hon. Minister only want to realise the taxes from them and otherwise treat them respectfully? I would have liked that according to the law of the land these persons should have been put in prison. They should not have been treated in this way—being permitted to go to the High Court in their Rolls Royces. This is not the way of dealing with persons who are guilty of gross crimes. They should have been sent to jail. Under the ordinary law, power is given to certain courts to fine them. Why should not these persons be fined to the extent they can be fined under the ordinary law? The way in which you treat these tax evaders encourages them to evade taxes. Instead of putting the blame on those who oppose the Bill, I would rather say that it is they who allow these people to roam about and also treat them respectfully—it is such people who are really responsible for this tax evasion. After going

through these two reports, I am not convinced about the utility of the continuance of this Commission. It is true that they have amassed material which may be useful. I do not want to say that their work should be finished at once, but I have no hesitation in saying that it is very wrong to give them this *carte blanche* and also give them an indefinite lease of life. It is true that some persons may be hoping that on the 31st March 1951 this Commission will cease and their necks would be out of the noose, but ultimately this Commission has to go. I do not know how long it can go on. Unless you dispense with the Commission, this law will be perpetuated. The whole thing was expected to be finished by 1950. It was extended up to 1951. But the position according to the Government was that on the 31st March 1951 these cases would have been finished. But what do we find? Judging from the number of cases which yet remain to be decided, I think the whole thing is not going to be finished even in five years at the rate at which we are going. The continuance of this Commission is producing more evil in this country that it seeks to remedy.

It has been said by the hon. Minister that the realisations are not good and the reason given is that the tax evader has not put his money in a pit or pond for him to put it before the Commission. At the time when this Bill was brought, I remember one of the hon. Members said that they would be able to realise something like Rs. 500 to 600 crores and Government were thinking of realising even a greater amount. At that time, I predicted that in the first instance this Bill would not work. That was at the introduction stage. Then in 1948 when the amendments were being considered, I submitted that the Bill would work but that the Commission should be divided into two parts—one an investigation part and another an assessment part—and I wanted more powers to be given to the investigation side, so that everything which it was possible to unearth could be unearthed. At the same time, I submitted that if you went on with this Commission, you would not be able to get a good amount of money. I stick to that opinion even now. What, after all, is the amount of money that we have realised? What is the proportion between the amount realised and the amount spent on the Commission?

Shri Tyagi: The total expenditure on the Commission is Rs. 20,51,040.

Shri S. N. Sinha (Bihar): Is it for one year or for the full period of four years?

Shri Tyagi: That is the entire amount spent on the Commission so far.

Pandit Thakur Das Bhargava: So, over Rs. 20 lakhs have been spent on the Commission and Rs. 90 lakhs have been realised. In the balance, you have to take other things also. Those are that the country's system of income-tax has been prostituted to an unrecognisable extent. The officers have been invested with arbitrary powers and I shudder to think what will happen to us if these powers were to be assimilated in our judicial system. Then again, dishonesty has been increased a good deal. Capital has become more shy and if all these years the Commission would not have been in existence I have no doubt that we would have got much more by way of taxation than we have now got through this Commission. What is this Rs. 90 lakhs?

Shri Tyagi: That taxation has not been seized. It is realised in the other corner. This is normal taxation.

Pandit Thakur Das Bhargava: I am extremely sorry that the hon. Minister chooses not to understand me. If all the money which these persons had, which was underground and which had been invested in diamonds worth Rs. 2,000 a tola, if this money had not been withheld from this market and invested in the industries of this country, the amount of income tax realised would have been much more than has been the case as a result of the efforts of this Commission. At present, the capital has become shy and all our industries and trades are being starved. Every day we are hearing that the Government of India is floating a loan, but that the loan is not being subscribed. If only you consider the entire circumstances that happened during and after the war, you will come to the conclusion that it was a mistake to have appointed a Commission of this nature. Whenever a case goes before the Commission, what happens? They go through the account books of the past ten years. I know some hon. Members say why should not a thief who committed theft ten years ago be caught now and sent to jail. That is entirely a different matter. What I want to ask is why was not the income of ten years back collected till now. No income-tax officer ever issued any notice to them; they were never called; their accounts were not checked. With what face can one ask them to produce accounts of ten

years so that you may charge income-tax now? Is it fair, is it just? Many of the people who had huge incomes in 1940 have now become paupers. How are you going to realise the amount due from them now? My humble submission, therefore, is that even now if the Government only allowed businessmen to put their money in business on certain terms, Government's loans would have been subscribed in full.

More than that these persons who come within the clutches of this Income-tax Commission feel very badly. Even the murderer is to be hanged according to certain procedure. Even the murderer of Mahatma Gandhi was tried according to the ordinary law of the land. The height of civilisation in a particular country is judged by the manner in which it treats its criminals. What have you done in this Commission? Unheard of powers have been given to the Commission. A High Court Judge has been made the hangman himself; he is the plaintiff, he is the judge—he is everything. My hon. friend the Minister says that these persons do not come before the Commission. Does the House know what are the powers of this Commission? If an assessee is summoned before the Commission, and in the course of two days they put two thousand questions to him, and yet, in respect of one question he says that he does not want to answer, the Commission can put an indefinite amount of fine on him; his entire property can be confiscated. This is your present law and yet you say people refuse to come before you. If people refuse to appear the Commission has got the power to make any order which they please. These are the powers given here. I am not for one moment disputing the fact that when you have put a date, that is, 31st March 1951, people may be running away from such a Commission. Wisdom has dawned on you after four years. Why did you put that limit in 1948? Does it not happen that in regard to every measure you put a date? My humble submission is that after all the patience of the country must not be tired out. You have been invested with these powers for such a long time; you have utilised these powers. You have found out that the exercise of these arbitrary powers cannot milk money from persons who do not want to pay. Now what is happening? We find from the report of the Commission—copies of which have been kindly supplied to us by the Ministry of Finance—that some of these tax dodgers are alienating their properties—they are transferring them to other people. So, they want more power, so that these people could be roped in. They want more power—as in America—so that Banks may be

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asked to supply all information. Is it realised what is the effect of all these laws upon the industry, upon the trade of this country? After all there are several ways of doing a thing. If you proceed in this manner, it is possible you may be able to realise, a crore or two, or say at the most ten crores. But do you realise the harm that you cause by this means? I do not for a moment mean to say that these tax evaders should not be brought to book. I rather want that the manner in which they should be brought to book should be certainly different. I want each of them should be proceeded against under the criminal law and sent to jail. No sort of quarter should be given to them. But at the same time it is idle to think that by the civil process of realising the tax you will be able to realise the amount or teach them a lesson.

Now, what happens. I have been a practitioner in the law courts for a very long time. I know that in this country there was not much of forgery. But since this Commission has come into existence, since the income-tax courts have begun to look at matters in this manner every day even ordinary income-tax assesseees have begun to keep two sets of books. Every day these books are written and produced before the income-tax officers. What are you coming to? Your system is bad; your income-tax officers are not sympathetic towards the public. They do not realise the difficulties of the public. When an assessee appears before the authorities, he thinks that he has to save himself from a tyrant. The income-tax officer in his turn thinks that he should mulct the assessee. It is the duty of every citizen of this country to pay the taxes honestly and any person who does not pay is certainly a traitor to the country. But at the same time it is the duty of the Finance Ministry and the Income-tax officers to behave sympathetically and charge what is due. According to me there is such a rich harvest in the whole of India that the income-tax of this country can at least be increased by at least 25 per cent.—I am putting a very modest figure. If there is a good and efficient machinery the harvest is there. But there is nobody to reap it. (Shri Ramaswami Naidu: Does it rot, or is it being stolen?) I am sorry I am not able to hear my hon. friend. You have not got trained income-tax officers, they do not work well; they do not know their business. In cities like Bombay and Calcutta even a betel-seller has got taxable income. But those people are not taxed.

According to me, your income-tax can be increased by at least 25 per cent. if you have got an efficient machinery. But the difficulty is that you focus your attention on this Commission. You invest them with these powers and you do not care for the rest.

This is not all. I know how the income-tax cases are decided. There is an officer called the Assistant Income-tax Commissioner, who is a real judicial officer. It is he who decides cases rightly. But there is another who acts like a ghost. He calls the income-tax officer, settles with him in regard to big cases what is to be the assessment behind the back of the assessee and the income-tax officer who is a subordinate has to carry out his orders. This is the manner in which you want to work your machinery. How can you inspire confidence?

Shri Tyagi: Is it about any particular officer?

Pandit Thakur Das Bhargava: I am not in the habit of talking about particular officers. It is about the system and the machinery that I am complaining. I am only pointing out that the income-tax law as you have got it even now is sufficient to pursue the tax evaders and realise the tax from them. But the difficulty is after having sat over the matter for full ten years, you want to rake up old cases of 1942 and 1943. Does my hon. friend know that even now the arrears in his Department are so large that cases of the past five or six years are still pending and assessment has not taken place? My humble submission is that the whole machinery of the department is—I do not want to say rotten—not properly looked after. Since my hon. friend is there, to look after this, let us hope he will overhaul the whole machinery and leave this Commission to be taken charge of by his senior colleague. Such an arrangement will be very good for us as well as for the Income-tax Department. Both will be benefited. We want to pay taxes; rightly and we want that Income-tax officers should behave rightly by the assesseees.

I have digressed a bit from my point. I was submitting that in all conscience if you want that the people may live quietly after the attainment of *Swaraj*, (An Hon. Member: Where is *Swaraj*?) if you want that the commercial community may heave a sigh of relief, if you want that the concealed treasures which you imagine are still with them should be ploughed back into industries, it is time you look into the matter of the Commission

also. I have been a very bad critic of this Income-tax Commission. Not because I do not want that the money should be realised from these persons. Not that I want that these persons may rest in peace and may devour all their ill-gotten wealth. I am fully anxious that the money that they have got should come into the market, it should not be beneficial for them to conceal that money which they have got. But is it not true that many persons have sent their money abroad? Is it not true that many persons have got their money still in the pond or in the pit? Previously, before the States were merged with us, many persons just sent their money to the States. Now that they have come with us this game is no longer open. All the same they take good care to see that the money does not come in the market. It will be very beneficial for us that this money should come to the market. After all these four years and more I am in favour of a general amnesty for others. I do not want that the big social important tax dodgers about whom my hon. friend was talking should not vomit out, in his own words, what they have got. But if we give these powers and allow the exercise of these powers by the Commission for a long time, all these Income-tax officers will be, I should say, so corrupted with this power that it will be difficult for you to continue to have an efficient source to ensure the exercise of normal powers of the Income-tax Officers in regard to the cases of mass assesseees.

I do not want to go further into this matter, nor is it my business now to tell the House how strongly I feel in this matter of the Commission, because after all I am also agreeable to give one year more to this Commission, not because I consider it right to give it but I consider it expedient to give it. Since they have taken so much pains and given so much thought and used so much of the money of this country—they have got officials all over—they should be allowed their way for one year more.

I cannot close my speech without referring to the efforts of this Commission in regard to the other work which they have been pleased to do. They sent suggestions to the Ministry some of which came before us in the form of a Bill previously, and I understand another Bill is coming. All these efforts made by this Commission are worthy of praise. The suggestions which they have given for tightening some of the laws so that tax evasion may not take place in future, will come before us and we will bestow upon them the care that they deserve. I am thankful to the Commission for

all that. I am not finding fault with the Commission. It is only the will of this Government, and if the Government takes it into its head to use the Commission this way the Commission is not to blame. I want to complain against the imagination of those who think that through this way they will be able to effect the purpose which they and many of us have in common. We are in common in thinking that these persons should not escape and that they should disgorge themselves and give all that is due to us. We are all at one on that matter. But I object to the manner in which it is done. You will not succeed in the manner in which you are pursuing in this matter. You will never succeed. In regard to the settlement for which my hon. friend takes so much credit, it was because we suggested so many times that provision for settlement be made that it was so made, but even in regard to these settlements it has not been a very successful affair. Even if you get all the crores of rupees it is not worth the trouble you have taken. We must realize the circumstances. When there is an atmosphere in which many persons have taken to committing crimes and the Government of the day was itself supine in preventing crime, it is a time when amnesty is the last word. I would beg of this Government to consider and review from this point of view the circumstances after one year. After that you must consider that in regard to evasion of incomes, say, up till at least 1947, all the "un-referred" cases are dropped. With regard to the rest of the cases you can even now proceed under section 34, ask them to file returns and if they fail to do so you can certainly prosecute them and send them to jail. I want that such persons should be sent to jail and that all the money due from them should be realized by way of fines and not through this Commission.

Prof. K. T. Shah (Bihar): I heard the hon. Minister who sponsored the Bill with great interest, and particularly his remark that we should still continue to treat him as one of our own, presumably on this side. I felt, however, when I heard of his appointment as a Minister of State in the Ministry of Finance that we had lost from this side a fearless soldier and a stalwart fighter, but I have yet to watch how he shapes as a Commander on the other side. It is because of this that I have not offered my congratulations yet to the hon. Mr. Tyagi and trust that I would be justified hereafter, after appreciating his work, to do so. Today, however, I am not in a position to offer those congratulations. Lest any false hopes be raised, may I say that the performance I have witnessed

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so far does not encourage me to prepare my those congratulations, which, I trust, one day I may be honestly able to present to him who has been, out of the House and privately, a very dear friend of mine.

Shri Sondhi: That is not his baby.

Prof. K. T. Shah: I know. But as he has adopted it he must stand by it. The law of adoption prevails in this country even more strongly than elsewhere, and I trust the hon. Minister will not be offended if I say that, having adopted the baby, he should take care to see that it is not exposed to very grave faults.

Shri Tyagi: I am willing to adopt the father as well.

Prof. K. T. Shah: Well, adoption of father is not according to law, but if you choose a respectable person I shall not object.

In this connection, while speaking on this Bill may I point out that I have ventured to give notice of an amendment that I trust will come up for consideration in due course? At the same time, for the moment I cannot help feeling that there is great force in all the arguments that my hon. friend Pandit Thakurdas Bhargava has just urged. It is very unfortunate that we should have had to adopt such a measure, to pass a special law, and set up a special body for what is obviously a happening against the law. Therefore it gives the suggestion that we are compromising with fraud, that we are accepting those who have deceived the Government, defrauded the exchequer and we are treating them even as something creditable, something praiseworthy, when they come forward under the tool of this law to settle the case, so to say, out of court and compromise on a much smaller sum perhaps than may be due from them on a strict interpretation and application of the law.

It may perhaps be within the recollection of many hon. Members of this House that on the occasion when in 1948 this Bill was presented before the House, I had occasion to mention that very substantial personages had managed to escape from being included in the list of cases that were to be referred to the Commission. Those at that time were not mentioned but the subsequent events that led actually to the resignation of the then Finance Minister and sponsor of the Bill could not be unknown to the Members of this House and therefore, I need say no more than add that even the so-called socially respected people that the hon.

Minister referred to will still, I hope, be included and made to disgorge that which they have kept away from the treasury and which are its just dues. While very high estimates were made of the likely crores of which this exchequer had been defrauded by these tax evaders—and people had not been afraid to put the estimate at Rs. 100 crores, 500 to 800 crores of rupees perhaps—I plead guilty myself to the suggestion that according to my own calculation too, the amount ought to have been much higher than the answers to several questions in this House on the subject have disclosed it to be. I had occasion in those years, particularly in the three years, to make some calculations about the transactions, for instance, in the city of Bombay in the three or four very highly organized exchanges, like that of the Stock Exchange, that of the Bullion Exchange, that of the Cotton Exchange, the Seeds Exchange and so on and I merely calculated the amounts of price rises or differences from time to time from settlement to settlement and I came to the conclusion that the amounts which escaped taxation must be very considerable indeed. In my own opinion, it could not have been less than Rs. 500 crores. According to the answers as I have just mentioned, which were given in this House to questions on the subject, it seems that not more than Rs. 96 crores or perhaps Rs. 100 crores was the total income, according to these investigations, estimated as liable to taxation, and the likely taxation to be obtained from that would be about Rs. 50 crores or somewhere near that. This may not seem to be too large a sum which would necessitate putting on our statute book a piece of legislation that will forever stand as a monument of our desire to put up with fraud, and of our being compelled to compromise with deceit and loss of revenue of the kind that has occurred.

I am not satisfied, speaking for myself, with the estimates that the Commission have made for reaching everybody who ought to have been brought within the net. I am also not sure that the nearly 1,400 cases that are said to have been referred are all that should have been referred. In fact, according to the information I had at that time, at the commencement of their operations the Commission seem to have circularized almost every director of every company, of any importance in the leading cities of Bombay or Calcutta, and called upon the aid even of banks to produce statements of accounts or estimates of their assessable income. These, I fear, did not however materialize to the

extent that the Commission might have anticipated, or others enthusiastic like myself might have calculated.

Be that as it may, whether or not the number is as much as has been referred to or less, the point that was made by my hon. friend, Pandit Bhargava requires really very serious consideration. If a Minister solemnly tells the House that the total number of cases to be referred would be a dozen or 30 or somewhere of that size, and eventually we find that the cases sought to be brought within the compass of this measure come to as many as 1,400 then I think the House has good cause to enquire about the accuracy of the Ministerial information but which convention holds we cannot question. I am not sure myself whether that particular figure was mentioned by the then Finance Minister as a sort of an assurance from Government, whether it was implied that no more than the number stated would be brought before this semi-tribunal but even if it was a mere *obiter dictum*, if it was a passing suggestion, a reply on the spot to a question suddenly put, even then I think that this disproportion suggested by the total number revealed as necessary to be referred to the Commission and that same number then estimated by a responsible Minister is too large to be ignored.

I should not be understood to say that we should stand by the number mentioned by the then Finance Minister or that the people who have been subsequently found to have avoided taxation should be excused. I am not saying that. All I am saying is that those who are in charge of the administration of our finances, those Ministers who are responsible for placing before us dependable information, seem not to be equal to the mark and at least in this case they have given us information which is perfectly misleading. That in itself is a serious matter.

The Minister of State for Transport and Railways (Shri Santhanam): I suggest that when such remarks are being made, the original reference also must be cited for the benefit of the House. I remember to have been a member of the Select Committee in 1948 and at that time neither I nor any member of the Select Committee had the least knowledge that the number of cases to be referred was to be limited. I remember that we put the date as the 30th June 1948 in order to give full facilities to the Government of India to search all cases and refer them to the Commission and so I think it is not fair to suggest about something which happened in 1948. I do not exactly remember this. We

must be more precise before general charges are brought.

Pandit Thakur Das Bhargava: This matter did not happen in the Select Committee. It was on the floor of this House that the assurance was given.

Shri Santhanam: I would like to know whether it was on the final reading after coming from the Select Committee. I do not know whether it was in the opening speech or when it was passed by this House. Was it the intention of the House or was it the understanding of this Parliament that only so many cases would be referred? At least that was not the intention of the amending Bill which we passed here.

Mr. Chairman: I think the hon. Member was referring to the speech of the then Finance Minister.

Shri Sidhva: That is a fact.

Prof. K. T. Shah: I for myself am not against the actual reference being called upon and I am sure Pandit Thakurdas Bhargava will be in a position to quote the exact words later on. The principle mentioned by the hon. Mr. Santhanam is perfectly sound and I entirely agree with him that when remarks of this character are made, actual reference should be placed before the House. As perhaps he would recollect and you would recollect, only a few minutes ago, I said, for my part I do not myself recollect whether it was in the nature of a solemn assurance given to the House or an implication that no more than this could be done or whether it was an *obiter dictum*. But I hope the House will agree with me that this disparity here disclosed is very considerable and ought to set people to furious thinking. That is all I ask you. I also add that it is not my intention—certainly I have never stood for those concerns—that those who have cheated the exchequer should escape scot free.

However, the evil of tax evasion is by no means a new one. Particularly so in this country, where, in the past, at any rate, under an alien Government, a hated foreign imperialism, it was held almost like a virtue, like a point of honour for people to avoid paying to the outsider any more than what one would compulsorily be made to pay. This evasion has, thanks to the period of the war and the laxity that came during it, increased very substantially. It may be within the recollection of many hon. Members of this House that I was responsible to bring forward a private Member's Bill here in this House suggesting the maximum penalty of law for those who

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were found guilty of such evasion or black-marketing. It was not more than perhaps twelve months ago that that Bill was before the House. The then hon. Finance Minister gave an assurance that a suitable measure would be brought forward, though not accepting exactly the maximum punishment as I had recommended in my Bill, but so increasing the punishment on tax evaders, and also utilising the various devices of social opprobrium and ostracism and social disapproval, that the authors of such cheating would think twice before they indulge in these practices. The happenings since then, however, do not encourage me to feel that those words are being carried out. We still find very highly placed personalities bestowing their countenance upon those who, in the public mind, are really suspected of having evaded taxation on a very large scale, and who still shine as ornaments of society, and the socially respectable class of which the hon. Minister spoke while he was moving the consideration of the Bill. We should make up our minds to see that we shall visit with the utmost vigour all our displeasure, and that society will not tolerate such pests or anti-social enemies.

Avoiding taxes and cheating the public is such an enormous thing that no punishment, whether it takes the form of social disapproval or of legal penalty could be too great. Then and then only, we would be safe from the ravages of such anti-social elements. I for one would have no hesitation in prescribing even the maximum punishment under the law, the death penalty if necessary, for those who have been tried and found guilty of such offences. That however, is a matter still awaiting decision at the hands of Government whether the penalty should take the form suggested in my Bill or the form that the hon. Minister had promised us.

What I want now to say, however, is that evasion of taxation still continues. It has been facilitated in a manner by the weakness, laxity, and insufficiency of the machinery for collection. That was referred to also in the speech of my hon. friend Pandit Thakur Das Bhargava. There was during the war years a growing laxity of control; there was during the war years a rapidly increasing taxable amount, which was concealed and which therefore could not be assessed. More than that, there was inability on the part of the Government machinery to send out the forms, to serve notices, to make assessments as diligently and efficiently as was possible before the war, and

as could be desired. A good part of the trained and experienced personnel was taken away for rationing work; a good part of the trained and experienced staff had to be diverted to the other newly created War Departments of the day. That is an expiation, not a justification, I admit. But, still, here is one explanation which shows that for years together, many assesseees or would-be assesseees did not receive at all the notice that is usually their due, and which has to be served, according to the promise given by an earlier Finance Minister, upon the assesseees, who were at that time in existence at that time on the rolls, and who though not served with those forms, were by public notification required to submit their forms.

The failure or laxity to serve notices on the assesseees that might be, for years together, from 1945-46, to my knowledge, right up to perhaps 1948-49, accumulated a large amount of likely dues from likely assesseees, which, however, in the years of depression that followed after the war or owing to a sort of panic that followed the Budget of 1947-48, either went underground or in some other form escaped. I am now not able to say how much of that income has been concealed and is still awaiting to be made available for taxation and how much of that has changed hands or has been converted into forms which it would be impossible to bring under taxation. But, whatever that may be, the fact, I think, will have to be faced that a considerable amount of income which was in its origin, at the time when it first accrued, liable to taxation, has, for the reasons that I have spoken about, escaped being properly taxed. I am not saying that the intention to evade was not there, I am only saying that the failure of the machinery or weakness of the machinery, for whatever reason it might have come about, was also helpful and was a contributory cause in making this evasion more easy. You are now waking up; you are getting aware for a variety of reasons that there is or should be such an income which has, in the first instance, escaped taxation and that we must now devise means by which that concealed income or evaded tax could be collected.

Now, some figures have been placed before the House, to show what the extent of the evaded income is, the extent of work done in the year or two or three years that the Commission has been in existence and what we could expect if the life of the Commission is extended in the manner suggested by this amending Bill. It is

obvious that out of something like 1390 cases, even according to the latest figures given by the hon. Minister, about 388 cases only have been investigated or settled, that is just about a quarter of the total. The hon. Member who spoke before me was perfectly justified in saying that at this rate, the Commission may not be able to finish its work and will not escape the difficulties and consequences for perhaps the next five or seven or ten years. The difficulties of the Commission are indicated in their first report. Their present report also lays emphasis on the inherent difficulties and hardships in carrying out its work. There must, therefore, be found some way for expediting the work, if we are to continue the life of this body. I for one am not convinced that it would be right and proper to give an extension of the kind that the hon. Minister demands in his amending Bill. That almost makes it a perennial and perpetual corporation or body which, apart from anything else, will constitute a stigma on the name of this country. I do not wish to let it be said for eternity that we should have a body like this, obviously, professedly, admittedly, intended to scrutinise and search for offenders and try to collect taxes from evaded income. If at all, and I agree it is, necessary to extend the life of this body, I should take the utmost precaution possible to see that it does not have, at least without the authority of Parliament, a longer duration than is indispensable, and that simultaneous attempts be made, steps be taken to see to it that its work is expedited and results achieved as soon as may be practicable.

I have therefore suggested, and I would earnestly invite the hon. Minister to consider it, that the life period of this body should be fixed at a certain maximum. My hon. friend Pandit Thakur Das Bhargava has suggested eight years. He too, however, much he may dislike the Commission and the method of its work, is not against giving some extension of life to it, if only because we have to face actual facts. And under the actual facts, we would be doing more harm than good if we bring the life of this body suddenly to an end. That should not be. I would suggest, when the time comes for amendments, that the life should not be extended beyond two years, at least by the Central Government. If even then, an extension becomes necessary, let us have another opportunity in this House to consider the desirability and the necessity for giving a further period of life to this body. But here and

now at this very moment to give a sort of *carte blanche* regarding this question, as the amending Bill seeks to do, is highly undesirable and I trust Government would accept the suggestion that the life of the Commission should not be indefinitely extended from time to time as the Bill requires.

Further, it is not enough merely to fix a period for the operation of this Commission. That might lead and very likely too, to a feeling in the minds of the would-be assesses, that dilatory tactics might help, that reluctance to bring forward the accounts or disclose their earnings might help, and the attempt to challenge and defy the Commission to do their worst or the Government to do their worst might continue, and they may also use influence in very high quarters to see to it that either their names are withdrawn—though I think now that is not legally possible or to see to it that their business affairs are concluded as quietly as may be. Now, in order that this difficulty may not occur, in order that further extension of time should not lead to increased laxity in the administration of the Commission, I should very much wish that some steps be taken, some positive injunction be given to the Commission to so arrange its work, so order the various assesses in the several groups that, at any rate, the most important and the tall poppies are brought under the axe and their cases are disposed of not later than one year from the date of the present extension. The House will be in a position to judge whether, after that experiment, it would be worth while continuing the work of this Commission and if further powers or further incentives are necessary for the Commission, as in one of their reports they have suggested, if the House approves, the same may be given. But for the present, however, for us to say that the life of the Commission should be extended as the Central Government may think fit, from time to time, is an invitation not only to the perpetuation of such a body which I regard is a stigma on the Statute Book, but it is also, in my judgment, putting an undesirable power in the hands of the Central Government, both to favour those who may be its supporters or favourites from the point of view of party capital or voting, and to penalise those who might be against them. I would, therefore, not leave the power to the Central Government in any case. I would like to reserve this power to this House. At some stage, in my opinion, not later than two years, this legislation must come up for review, and further

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extension may be given if it is considered necessary by the House then. For my part I cannot help expressing that at the end of two years at any rate, from now, it would not be necessary for us to extend the life of this Commission. I hope we will amend our ordinary income-tax law and improve our income-tax collecting machinery in such a way that the need for such continuance may not be there.

The method by which we can improve the machinery has been suggested also in the report of the Commission itself, and I think it may not be out of place to refer at least to one device by which we may be able, perhaps to increase collection and the disposing of these cases. The suggestion has been put forward that rewards may be offered to those who would help the Commission to unravel the secrets, to disclose the various devious ways in which the work of the Commission is hampered and the dilatory tactics, or the defeating tactics, the frustrating tactics of the would-be tax-payers succeed. For my part, when I first read this suggestion, I felt a little repugnant, because that would mean setting up a race of informers, those who would carry tales, those who would even indulge in blackmailing and thereby perhaps bring more harm and greater demoralisation in the country than would otherwise be the case. I felt that rather than secure a few more rupees for the treasury by the help of such informers, by such blackmailers, if I may say so, it would be just as well for us to write off this as a bad debt and make up our minds that we must turn over a new leaf and start afresh. On the contrary, however, reading over the authorities that have prevailed in our country from time immemorial, particularly the *Artha Shastra* of Kautilya which I had occasion recently to study again, I feel that it is not utterly impossible or inadvisable to think of this device more seriously. After all, the secrets are not easy for the layman or merely judicially trained people to unravel as easily as those seasoned in the business might be able to do.

Shri Sondhi: Set a thief to catch a thief.

Prof. K. T. Shah: I said that once and the House took objection. I am not going to walk into the trap. Well, this suggestion has been made by the Commission themselves and we have also the very high and respectable

authorities who think that we may give effect to this if you really desire that this evil should end. There is, as I have already said, considerable danger in resorting to this as it is a double-edged weapon. It may be poisoned and it must only be used under expert advice and with the greatest care to see that it is not misused. There is something to be said for it on very high and unimpeachable ground and on the practice in this country and the practice elsewhere also, in modern times as well as in olden days. Those who have eluded the tax gatherer or have evaded payment or have concealed their income, they are liable to be punished. It is a sort of punishment, if you like, on the evader if from his amount you pay the informer. I am sorry to have to use the word. Perhaps that would be inevitable. You may camouflage it by some more polite expression, but in essence, the function would be that of an informer. I am aware, and I repeat that there is the danger to which this sort of informer service is open. But if it is a fact that if you reward those who give substantial legal evidence or substantial clues against people of this kind, you are able to unravel these secrets and devices, then I think it would not be so wholly condemnable to have recourse, under proper safeguards to such expedient as this, to such a device as this.

Mr. Chairman: It is now five o'clock. I would like to know whether the hon. Member is likely to finish soon.

Prof. K. T. Shah: I am afraid I will require about ten to fifteen minutes more.

Mr. Chairman: The hon. Member has already taken a sufficiently long time.

Prof. K. T. Shah: But the subject matter is also of sufficient importance. I do not intervene so frequently in the debates here. I trust in view of the importance of the subject and perhaps in view of what I have said, you will permit me to continue tomorrow.

Mr. Chairman: Before the House adjourns for the day I would like to give an opportunity to the hon. Minister, as he wants to clear up some misunderstanding.

5 P.M.

Shri Tyagi: A reference was made to the commitment of the Finance Minister that only a few cases were to be taken if the amending Bill was

passed. In order that the misunderstanding may not create much mischief overnight, I want to read the relevant passage from his speech:

"It is not possible for me to say how many, but it will be a comparatively small number and I personally would be glad even if a dozen of them could be brought to book. So no apprehension need be entertained that an honest, innocent or poor man or the middle class man will be subjected to any harassment at all."

That was his commitment.

Pandit Thakur Das Bhargava: May I request the hon. Minister to read three or four lines above that? It reads like this:

"My friend Pandit Thakur Das Bhargava thought that every

small man would be harassed. I might give him the most categorical assurance that it is our intention to place before the Commission only a few selected cases relating to the very top men in the business."

Further on he says.

"It is not possible for me to say how many, but it will be a comparatively small number and I personally would be glad even if a dozen of them could be brought to book."

The wording is "glad even if a dozen."

Shri Tyagi: I gladly own the remarks. There is nothing wrong.

The House then adjourned till a Quarter to Eleven of the Clock on Friday the 9th March, 1951.

