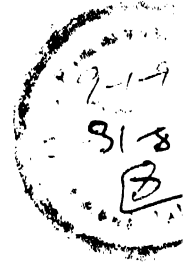
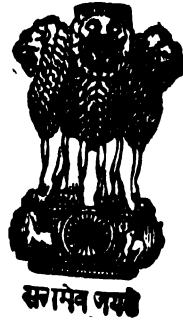


Thursday, 26th April, 1951



PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VII, 1951

(2nd April to 16th May, 1951)

Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

CONTENTS

Volume VII—From 2nd April to 16th May, 1951

	<i>Columns</i>
Monday, 2nd April, 1951—	
Oral Answers to Questions	2751—2795
Written Answers to Questions	2795—2814
Tuesday, 3rd April, 1951—	
Oral Answers to Questions	2815—2842
Written Answers to Questions	2842—2848
Wednesday, 4th April, 1951—	
Oral Answers to Questions	2849—2878
Written Answers to Questions	2878—2894
Friday, 6th April, 1951—	
Oral Answers to Questions	2895—2928
Written Answers to Questions	2928—2944
Saturday, 7th April, 1951—	
Oral Answers to Questions	2945—2971
Written Answers to Questions	2971—2986
Monday, 9th April, 1951—	
Oral Answers to Questions	2987—3012
Written Answers to Questions	3013—3030
Tuesday, 10th April, 1951—	
Oral Answers to Questions	3031—3061
Written Answers to Questions	3061—3072
Wednesday, 11th April, 1951—	
Oral Answers to Questions	3079—3108
Written Answers to Questions	3109—3132
Thursday, 12th April, 1951—	
Oral Answers to Questions	3133—3162
Written Answers to Questions	3162—3172
Saturday, 14th April, 1951—	
Oral Answers to Questions	3173—3204
Written Answers to Questions	3204—3212
Monday, 16th April, 1951—	
Oral Answers to Questions	3213—3242
Written Answers to Questions	3242—3254
Tuesday, 17th April, 1951—	
Oral Answers to Questions	3255—3286
Written Answers to Questions	3287—3300
Wednesday, 18th April, 1951—	
Oral Answers to Questions	3301—3330
Written Answers to Questions	3330—3344

Thursday, 19th April, 1951—		
Oral Answers to Questions		3345—3372
Written Answers to Questions		3372—3380
Friday, 20th April, 1951—		
Oral Answers to Questions		3381—3408
Written Answers to Questions		3408—3412
Saturday, 21st April, 1951—		
Oral Answers to Questions		3413—3446
Written Answers to Questions		3447—3452
Monday, 23rd April, 1951—		
Oral Answers to Questions		3453—3481
Written Answers to Questions		3481—3502
Tuesday, 24th April, 1951—		
Oral Answers to Questions		3503—3532
Written Answers to Questions		3532—3546
Thursday, 26th April, 1951—		
Oral Answers to Questions		3587—3615
Written Answers to Questions		3615—3636
Friday, 27th April, 1951—		
Oral Answers to Questions		3637—3666
Written Answers to Questions		3666—3670
Saturday, 28th April, 1951—		
Oral Answers to Questions		3671—3702
Written Answers to Questions		3702—3704
Monday, 30th April, 1951—		
Oral Answers to Questions		3705—3733
Written Answers to Questions		3733—3750
Tuesday, 1st May, 1951—		
Oral Answers to Questions		3751—3782
Written Answers to Questions		3782—3794
Wednesday, 2nd May, 1951—		
Oral Answers to Questions		3795—3826
Written Answers to Questions		3826—3840
Friday, 4th May, 1951—		
Oral Answers to Questions		3895—3926
Written Answers to Questions		3926—3930
Saturday, 5th May, 1951—		
Oral Answers to Questions		3931—3964
Written Answers to Questions		3965—3970
Monday, 7th May, 1951—		
Oral Answers to Questions		3971—4007
Written Answers to Questions		4007—4020
Wednesday, 9th May, 1951—		
Oral Answers to Questions		4061—4093
Written Answers to Questions		4093—4102

Thursday, 10th May, 1951—	
Oral Answers to Questions	4103—4132
Written Answers to Questions	4132—4140
Friday, 11th May, 1951—	
Oral Answers to Questions	4141—4170
Written Answers to Questions	4170—4180
Saturday, 12th May, 1951—	
Oral Answers to Questions	4181—4212
Written Answers to Questions	4212—4216
Monday, 14th May, 1951—	
Oral Answers to Questions	4217—4245
Written Answers to Questions	4245—4254
Tuesday, 15th May, 1951—	
Oral Answers to Questions	4255—4285
Written Answers to Questions	4285—4292
Wednesday, 16th May, 1951—	
Oral Answers to Questions	4293—4320
Written Answers to Questions	4320—4328

CORRIGENDA

In the Parliamentary Debates (Part I—Questions and Answers) Third Session of Parliament (Second Part), 1951,—

In Volume VII—

1. No. 1, dated the 2nd April, 1951,—

(i) कालम २७८२, पंक्ति ३, “हम” के स्थान पर “इस” पढ़ें ।

(ii) - کالم ۲۷۸۳ نہجے سے سطر ۸ میں ”بھی“ کے بجائے ”اسی“ پڑھیں۔

(iii) Col. 2807, line 30 for “Archaeological” read “archaeological” and line 5 from bottom for “Ttransport” read “Transport”.

2. No. 7, dated the 10th April, 1951,—

(i) कालम ३०३२, नीचे से पंक्ति ४ “बगैहर” के स्थान पर “बगैरह” पढ़ें ।

(ii) Col. 3055, lines 16 and 17 for the word “Consituation” read “Constitution”.

3. No. 8, dated the 11th April, 1951,—

कालम ३१२५, नीचे से पंक्ति ९ “यागिज्य” के स्थान पर “वाधिज्य” पढ़ें ।

4. No. 11, dated the 16th April, 1951,—

(i) Col. 3230, line 27 from bottom for “ment” read “meant”.

(ii) Col. 3244, line 23 insert “of” after the words “abolition of any”.

(iii) कालम ३२५१, नीचे से पंक्ति २ “श्री जागडे” के स्थान पर “श्री जापडे” पढ़ें ।

(iv) Col. 3254, line 14 for “yards” read “years”.

5. No. 12, dated the 17th April, 1951,—

Col. 3267, line 24 for “clerllago” read “clerkage”.

6. No. 13, dated the 18th April, 1951,—

(i) Cols. 3301 & 3302, lines 22 from bottom and 24 respectively for the words “statu- tary” and “statutory” read “statuary”.

(ii) Col. 3330, line 21 for “landing ” read “landed”.

(iii) Col. 3340, lines 16 and 18 for “manzas” read “mouzas”.

7. No. 15, dated the 20th April, 1951,—

Col. 3402, line 2 from bottom for “Curch” read “Church”.

8. No. 16, dated the 21st April, 1951,—

Col. 3447, for the existing line 24 substitute “ship Scholarship ; and ”

9. No. 17, dated the 23rd April, 1951,—

(i) Col. 3478, line 27 from bottom for “so” read “of”.

(ii) Col. 3491, between lines 4 and 5 from bottom insert new line “and (iii) Raw materials during the period October 1950 to February”.

10. No. 19, dated the 25th April, 1951,—

(i) Col. 3548, for the existing line 20 from bottom substitute “satisfaction of Members. It is the”.

(ii) Col. 3556 for the existing line 1 from bottom substitute “Indian Rupee or Sterling ?” and for line 26 from bottom substitute “meet for the first session. Accord”

- کالم ۳۵۱۳ نہجے سے سطر ۱۱ و سطر ۲۲ کے بجائے ۲۲ سطر پر ۲۲ پڑھیں۔

11. No. 20, dated the 26th April, 1951,—

(i) Col. 3621, line 7 from bottom for the figures “1,420” read “41,420”.

(ii) Col. 3626, line 1 for “condeming” read “condemning”.

12. No. 22, dated the 28th April, 1951,—

Col. 3687, line 26 for “complete” read “compete”.

13. No. 26, dated the 3rd May 1951,—

Col. 3881 for the existing line 17 from bottom *substitute* "and Supply (Shri Gadgil):(a) 105".

14. No. 27, dated the 4th May, 1951,—

Col. 3925, line 25 from bottom for "fireman" read "firman".

15. No. 30, dated the 8th May 1951,—

(i) Col. 4041, for the existing line 15 from bottom *substitute* "(c) No, as none is considered neces-".

(ii) Col. 4042, line 31 *insert* "such" before the word "circums-".

16. No. 31, dated the 9th May, 1951,—

Col. 4087, line 21 for "Rama" read "Rana".

17. No. 32, dated the 10th May, 1951,—

(i) Col. 4124, line 20 from bottom for "member" read "number".

(ii) Col. 4129, line 21 for the words "having come" read "coming out of", lines 6 & 8 from bottom for the figure "1.4.51" read "15.4.51", and for "15.4.51" read "1.4.51" respectively.

- (iii) कालम ४१३३, पंक्ति १२ "नियम" के स्थान पर "नियंत्रणों" पढ़ें ।

18. No. 33, dated the 11th May, 1951,—

(i) Col. 4150, line 10 from bottom for "of" read "to".

(ii) Col. 4161, line 17 for the figure "85" read "185".

(iii) Col. 4162, line 24 for "in view of" read "in lieu of".

19. No. 36, dated the 15th May, 1951,—

(i) Col. 4270, line 30 for "pait-mixture" read "paint-mixture"

(ii) कालम ४२८८, पंक्ति २८, "*२९५" के स्थान पर "२९५" पढ़ें ।

(iii) कालम ४२८९, नीचे से पंक्ति १९, "बद्य" के स्थान पर "लाद्य" पढ़ें ।

PARLIAMENT OF INDIA

The-Speaker

The Honourable Shri G. V. Mavalankar.

The Deputy-Speaker

Shri M. Ananthasayanam Ayyangar.

Panel of Chairmen

Pandit Thakur Das Bhargava.

Shrimati G. Durgabai.

Shri Prabhu Dayal Himatsingka.

Sardar Hukam Singh.

Shri Manilal Chaturbhai Shah.

Secretary

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

Assistants of the Secretary

Shri A. J. M. Atkinson.

Shri N. C. Nandi.

Shri D. N. Majumdar.

Shri C. V. Narayana Rao.

GOVERNMENT OF INDIA

Members of the Cabinet

- Prime Minister and Minister of External Affairs—The Honourable Shri Jawaharlal Nehru.**
Deputy Prime Minister and Minister of Home Affairs and the States—The Honourable Sardar Vallabhbhai Patel.
Minister of Education—The Honourable Maulana Abul Kalam Azad.
Minister Without Portfolio—The Honourable Shri C. Rajagopalachari.
Minister of Defence—The Honourable Sardar Baldev Singh.
Minister of Labour—The Honourable Shri Jagjivan Ram.
Minister of Communications—The Honourable Shri Rafi Ahmad Kidwai.
Minister of Health—The Honourable Rajkumari Amrit Kaur.
Minister of Law—The Honourable Dr. B. R. Ambedkar.
Minister of Works, Mines and Power—The Honourable Shri N. V. Gadgil.
Minister of Transport and Railways—The Honourable Shri N. Gopalaswami Ayyangar.
Minister of Industry and Supply—The Honourable Shri Hare Krishna Mahtab.
Minister of Food and Agriculture—The Honourable Shri K. M. Munshi.
Minister of Commerce—The Honourable Shri Sri Prakasa.
Minister of Finance—The Honourable Shri Chintaman Dwarkanath Deshmukh.

Ministers not in the Cabinet.

- Minister for the purposes of agreement between the Prime Ministers of India and Pakistan of the 8th April, 1950—The Honourable Shri C. C. Biswas.**
Minister of State for Transport and Railways—The Honourable Shri K. Santhanam.
Minister of State for Information and Broadcasting—The Honourable Shri R. R. Diwakar.
Minister of State for Parliamentary Affairs—The Honourable Shri Satyanarayan Sinha.
Minister of State for Rehabilitation—The Honourable Shri Ajit Prasad Jain.
Deputy Minister of Communications—Shri Khurshed Lal.
Deputy Minister of External Affairs—Dr. B. V. Keekar.
Deputy Minister of Commerce—Shri Dattatraya Parasahuram Karmarkar.
Deputy Minister of Defence—Major General Himatsinghji.
Deputy Minister of Works, Mines and Power—Shri S. N. Buragohain.
Deputy Minister of Food and Agriculture—Shri M. Thirumala Rao.

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

3587

PARLIAMENT OF INDIA

Thursday, 26th April, 1951.

*The House met at Half-past Eight of
the Clock.*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

STATE CONCERNS

***3508. Dr. Ram Subhag Singh:** (a) Will the Minister of Works, Production and Supply be pleased to state whether it is a fact that the Government of India have decided to run State concerns on commercial lines?

(b) If so, do Government propose to have all the State concerns registered as private companies under the Indian Companies Act?

The Minister of Works, Production and Supply (Shri Gadgil): (a) Government have decided that a private limited company or companies constituted under the Indian Companies Act will be the proper form of organisation for the undermentioned Government industrial undertakings:

- (i) The Fertilizer Factory at Sindri.
- (ii) The Penicillin Factory near Poona.
- (iii) The Dry Core Cable Factory at Mihijam.
- (iv) The Machine Tool Factory at Jalahalli.

(b) No, Sir. The exact form of management will depend upon the nature of the undertaking. For example, the enterprises for the manufacture for sale of articles or services could be suitably organised as Joint Stock Companies. But the powers and functions which a company can perform may be inadequate for certain types of undertakings such as (i) public utility undertakings, (ii) enterprises which involve exercise of powers which can only be conferred by legisla-

58—P.S.D.

3588

tion, (iii) enterprises which not being commercially self-supporting, have to be financed by regular grants from Government, etc. For this class of undertakings, the constitution of statutory corporations may be preferable.

Dr. Ram Subhag Singh: What are the reasons for Government's decision to run these State concerns on commercial lines?

Shri Gadgil: The policy of the Government in the matter of industries has been laid down some two years ago. Industries are divided into three sections. Section 1 deals with industries of national importance and in their case the ownership and management will rest with Government. Section 2 deals with industries which may be run by private enterprise under State regulation. Section 3 deals with industries which are entirely free for private enterprise.

Dr. Ram Subhag Singh: In view of Government's decision to run these concerns on commercial lines, may I know whether this will affect the nationalization programme of key industries?

Mr. Speaker: How will it affect when they have laid down clear classifications?

Shri Sidhva: In view of the recommendations of the Salt Export Committee and the Salt Advisory Committee to entrust the Government Salt Works to private companies, may I know whether Government have come to any decision on this matter?

Shri Gadgil: The matter is under consideration.

Shri T. T. Krishnamachari: Has the attention of the hon. Minister been drawn to a statement made by Mr. K. C. Neogy, a former Commerce Minister of this Government, in regard to an offer made to him of the Chairmanship of the Sindri Factory and of the subsequent change in the terms of the offer by Government; if so, has the hon. Minister anything to say about it?

Shri Gadgil: That question was once asked and I gave the answer. However, I may state that when the offer was made the final decision of Government had not been arrived at about the particular form in which the organisation of the Sindri Factory should be. Thereafter, it was decided that in view of the finances involved there should be greater control over the Company, whatever the nature of it may be. Obviously, this was not to the liking of my hon. friend Mr. K. C. Neogy. He however suggested the constitution of an Advisory Committee and that suggestion is under consideration.

Shri Goenka: May I know if the policy of the Government is to run these institutions departmentally and not as autonomous bodies as was decided in the Industries Committee some two years ago?

Shri Gadgil: The experience of having autonomous Corporations has not been very happy or satisfactory. In the light of that experience, it has been decided by Government that there should be less autonomy and more financial control. Like any other person, Government is also learning from experience.

MAINTENANCE ALLOWANCE TO DISPLACED PERSONS

*3509. **Dr. Ram Subhag Singh:** Will the Minister of Rehabilitation be pleased to state:

(a) the expenditure incurred every month on paying maintenance allowance to aged displaced persons and minors from West Pakistan; and

(b) the number of recipients of such allowance?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) As the maintenance allowance scheme caters for displaced persons who are aged, infirm, widows, unattached women and minors, no separate figures are available for 'aged' and 'infirm' displaced persons only. The total amount sanctioned per month for all eligible displaced persons goes on increasing, depending on the number of applications sanctioned each month. According to the number of applications sanctioned upto 28th March, 1951, the total expenditure per month comes to Rs. 2,97,388.

(b) The total No. of displaced persons of all categories for whom maintenance allowance has been sanctioned was 13,383 on 28th March, 1951.

Dr. Ram Subhag Singh: May I know whether maintenance allowances are given to the displaced persons from

East Bengal also as are given to those from West Pakistan?

Shri A. P. Jain: That scheme is not applicable there, because displaced persons from East Bengal are in possession of their properties. They can derive benefit from them. The condition of displaced persons from West Pakistan is quite the other way.

Shri Chattopadhyay: What is the rate of maintenance allowance for majors and minors?

Shri A. P. Jain: There is no distinction of major and minor. The maintenance allowance is met from the income derived from urban immovable property which the applicant had in West Pakistan.

Pandit Munishwar Datt Upadhyay: Is there any age-limit for entitling a person to get the maintenance allowance, or is there any medical certificate required for this purpose?

Shri A. P. Jain: In the case of an old person, it means a person who has exceeded the age of 60 years. In the case of infirm, in most of the cases it depends upon the visual look of the person. Of course, no certificate is insisted upon.

Shri Sidhya: In regard to widows, is there any distinction made or do all widows get this allowance irrespective of special qualifications?

Shri A. P. Jain: This maintenance allowance is meant for persons who have no means of livelihood, who are indigent and who need help.

DRY BATTERIES

*3511. **Shri S. C. Samanta:** (a) Will the Minister of Commerce and Industry be pleased to state the types of dry batteries that are at present manufactured in India?

(b) Have any developments in the technique of dry battery manufacture taken place in recent years and if so, what are they?

(c) What are the tariff protections enjoyed by the industry?

The Minister of Commerce and Industry (Shri Mahtab): (a) (1) Batteries for flash lights.

(2) Batteries for cycle lamps and lanterns.

(3) Batteries for telephones.

(4) Inert cells and lac elements for telephone and signalling equipments.

(5) Radio batteries, high tension and low tension, for broadcasting receivers.

(6) Battle batteries for Defence Services.

(b) Yes. A new technique has been evolved for the manufacture of dry batteries known as the layer built batteries. These batteries are superior in performance and have a long cell life.

(c) This industry is protected by a tariff duty of 30 per cent. *ad valorem* on imports with effect from April, 1948.

Shri S. C. Samanta: May I know whether any firm that was manufacturing dry batteries in Baroda was closed in 1949?

Shri Mahtab: I want notice of the question. In fact, in the list of firms manufacturing batteries I do not find this Baroda factory.

Shri S. C. Samanta: Is it a fact that the National Carbon Company Limited and Estrella Batteries Limited were brought under statutory control in 1942 and their whole output was taken over by the Government?

Shri Mahtab: This very question was put to me last time with regard to dry batteries. I do not understand what is meant by bringing these factories under statutory control. The same law that applies to all other industries applies to this industry. I do not understand the difference between statutory and the other kind of control.

Shri S. C. Samanta: May I refer the hon. Minister to the I. and S. Bulletin of April—June, 1950, in which this statutory control has been referred to?

Mr. Speaker: He can enquire from the hon. Minister later on.

Shri S. C. Samanta: May I know what sort of batteries are required for or are used by the Army and what improvement has been made in those batteries?

Shri Mahtab: I have said that these are battle batteries for the Defence Services. I do not really know the difference between this and the other type of batteries.

Pandit Munishwar Datt Upadhyay: How many hours' life of these batteries is used for radio?

Shri Mahtab: I am sorry I cannot answer that question.

सेठ गोविन्द दास : हिन्दुस्तान में इस तरह की बैटरीज का कितना खर्चा है

और इनमें से कितनी यहाँ बनती हैं और कितनी बाहर से आती हैं ?

[**Seth Govind Das:** What is the total requirement of such batteries in India and of these how many are manufactured here and how many imported from abroad?]

Shri Mahtab: The total requirement is about 200 million cells. The total capacity of production is about 230 million cells, but the production average is about 137 million cells.

Shri A. C. Guha: May I know the fair selling price of indigenous batteries and the price of imported batteries.

Shri Mahtab: The exact figure is not with me. But when it was enquired into by the Tariff Board it was found that the prices of imported batteries are lower and besides that there is a prejudice against the locally manufactured batteries.

Shri Raj Bahadur: May I know when the question of affording protection to this industry was last examined by the Tariff Board and whether that protection has proved adequate?

Shri Mahtab: As I said, the protection was given in 1948 and up till now there has been no complaint.

CLAIM APPLICATIONS

*3512. **Shri B. R. Bhagat:** Will the Minister of Rehabilitation be pleased to state:

(a) whether it has been decided to permit the filling of a claim on transactions which remained incomplete due to non-confirmation by the Custodian of Evacuee Property or some other legal bar;

(b) if so, how and to whom the applications for claims are to be made;

(c) the last date for making such applications; and

(d) the number of applications made so far?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) to (c). A copy of a Press Note issued in this connection is placed on the Table of the House. [See Appendix XXIII, annexure No. 1.]

(d) Only 10 such applications have been received.

Shri B. R. Bhagat: May I know what is the prescribed fee in the case of claims applications?

Shri A. P. Jain: The prescribed fee varies from Re. 1 to Rs. 10 according to the value of the property claimed.

Shri B. R. Bhagat: What is the total value of such incomplete transactions?

Shri A. P. Jain: I have not got the total, but it would be less than Rs. 20 lakhs.

Shri B. R. Bhagat: Have claims applications for all incomplete transactions been preferred, or are there certain cases in which claims have not been filed?

Shri A. P. Jain: The notification was issued and everybody was at liberty to apply. If people have not chosen to apply, we would be in order to presume that nobody is left out.

SOCIALIZED HEALTH SERVICE SCHEME

*3513. **Shri B. R. Bhagat:** (a) Will the Minister of Rehabilitation be pleased to state whether a Socialized Health Service Scheme is being organized in Faridabad?

(b) If so, how many persons are covered in this scheme?

(c) What is the number of Health and other Centres to be organized under this scheme?

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

(b) About 25 thousand today and fifty thousand ultimately.

(c) Five Health Centres and one General Hospital.

Shri B. R. Bhagat: What is the cost of this scheme?

Shri A. P. Jain: The cost of this scheme for 1951-52 is:

Hospitals and health centres—
Rs. 3,32,230.

Public Health and Sanitation—
Rs. 1,65,332.

Shri B. R. Bhagat: Is any tax or levy made to meet the cost of the scheme?

Shri A. P. Jain: The hon. Member appears to be unaware of the position. Faridabad is a township where displaced persons are rehabilitated; so no question of imposing a tax on them arises for the time being.

SURVEY OF INDUSTRIES

*3514. **Shri B. R. Bhagat:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether a comprehensive survey of industries has been undertaken in Delhi;

(b) if so, under whose auspices the survey has been undertaken;

(c) the aim and purpose of the survey; and

(d) the number and nature of factories so surveyed?

The Minister of Commerce and Industry (Shri Mahtab): (a) and (b). A survey of industries in Delhi was undertaken in 1945 and a fresh survey of both big and small industries is being conducted since 15th November, 1950, both under the auspices of the Chief Commissioner, Delhi.

(c) The object of the present survey is to collect latest information about the development of industries in the State, changes effected by the influx of organised and cottage industries following the partition of the country and the problems facing the industries.

(d) About 2,500 big and small factories and industrial concerns are likely to be surveyed. A statement is laid on the Table of the House showing the names of the industries under survey. [See Appendix XXIII, annexure No. 2.]

Shri B. R. Bhagat: May I know whether any information regarding the structural or economic unit of industry in Delhi has been made available as a result of this survey?

Shri Mahtab: As a matter of fact the survey has not yet been concluded. I expect when the report is published it will contain the information required by the hon. member.

Shri B. R. Bhagat: Then on what basis is the list of industries to be surveyed prepared?

Shri Mahtab: The list will show the type of industries to be surveyed. It will be seen that it contains not only large scale industries but also small scale industries.

Shri B. R. Bhagat: May I know whether any survey has been done with regard to the categorisation of different industries, big, medium or small industries, in Delhi?

Shri Mahtab: The programme of survey includes that and when the survey is completed all this information will be available.

Shri B. R. Bhagat: By what time will the survey be completed?

Shri Mahtab: As early as possible.

Shri Deshbandhu Gupta: May I know what really is the object of the survey?

Shri Mahtab: The object is to know the exact position and try to improve it.

Shri Deshbandhu Gupta: Is it a fact that the Government of India have decided that large scale industries are not to be put in Delhi?

Shri Mahtab: There has been no decision to that effect.

The Minister of State for Rehabilitation (Shri A. P. Jain): There are four questions on resettlement in today's list which are more or less overlapping. If you will permit me, Sir, I can read out the answers to all the four questions, after they have been put by the respective hon. Members and let there be supplementaries on all the questions. The questions are: 3515, 3518, 3541, and 3542.

Mr. Speaker: Hon. Members may put those questions.

ALLOTMENT OF SHOPS AND HOUSES IN GANDHIGRAM

*3515. **Shri Sidhva:** (a) Will the Minister of Rehabilitation be pleased to state how many allotments of shops and residential quarters have been made in Gandhigram (Kandla)?

(b) Have they all been given to displaced persons and if so, displaced persons coming from which part of Pakistan?

(c) Is it a fact that before allotting these shops and houses, the Sindhu Resettlement Corporation demanded purchase of shares from displaced persons?

(d) Has any Vocational Training Centre been opened in Gandhigram and if so, what are the conditions of appointment for displaced persons?

(e) How much money has been sanctioned for the displaced persons in Kutch for rehabilitation purposes?

(f) How much relief and what relief have the displaced persons now in Kutch received from Government and other sources?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) and (b). 2,395 houses and 153 shops and other commercial premises have so far been constructed and allotted. Except for about 400 houses which have been temporarily allotted to Government servants engaged in Port Development Scheme, almost all the other allotments have been made to displaced persons from Sind.

(c) No.

(d) Yes. A Vocational Training Centre for the training of overseers, sub-overseers, carpenters, mechanics and fitters has been opened in Gandhigram. Displaced persons have to produce certificates of academic qualifications, age, domicile, etc. Candidates for the overseer's course have to be at least Matriculates.

(e) Rs. one lakh have been sanctioned for rural loans and Rs. two lakhs for urban loans for 1950-51.

(f) (i). In 1949-50 Rs. 88,650 were granted to 124 displaced persons as loans (rural and urban).

(ii) Twelve displaced persons have been sanctioned monthly maintenance allowance.

INVESTMENT ON SINDHU RESETTLEMENT CORPORATION

*3518. **Prof. K. T. Shah:** (a) Will the Minister of Rehabilitation be pleased to state what amounts have been advanced, or invested, by (i) the Government of India; (ii) the State Government, or the previous Ruler of that State; and (iii) by the public at large in or outside the State in the Sindhu Resettlement Corporation (Gandhigram) in Kutch, since the formation and registration of that Corporation?

(b) What is the total capital, authorised, issued, subscribed, and paid-up of this Corporation, and how much of that has been subscribed to and paid up by (i) the Government of India; (ii) the Government of the State, or the previous Ruler; and (iii) the public including the organisers and Directors of that Corporation?

(c) What concessions have been granted by the Government of India, or the Government of that State or its previous Ruler, by way of free or cheap land or otherwise, to the Sindhu Resettlement Corporation in Kutch, and what is the estimated price of the same?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) and (b). A statement is placed on the Table of the House. [See Appendix XXIII, annexure No. 3.]

(c) The terms on which the land has been given to the Corporation have yet to be finalised. It is not possible to estimate the price of the land.

SINDHU RESETTLEMENT CORPORATION

*3541. **Dr. Deshmukh:** (a) Will the Minister of Rehabilitation be pleased to state the subscribed capital of the Sindhu Resettlement Corporation?

(b) Who constitute the Board of Directors and what is the amount of shares they have purchased?

(c) What is the number of Government Directors?

(d) When did the Corporation start functioning and what is the work they have done so far?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Rs. 150 lakhs.

(b) A statement is placed on the Table of the House. [See Appendix XXIII, annexure No. 4.]

(c) Four.

(d) The Corporation was incorporated on 26th January, 1948, and received its certificate for commencement of business on 17th May, 1948. Regarding the work done, attention is invited to the reply given to part (c) of Starred Question No. 2344 answered by me on 20th March, 1951.

BAIRAGARH TOWNSHIP

*3542. **Dr. Deshmukh:** (a) Will the Minister of Rehabilitation be pleased to state the date on which the Bairagarh township was opened for displaced persons?

(b) What was the number of displaced families admitted to this township?

(c) How many of them are living in the barracks formerly used as a camp for Prisoners of War?

(d) What is the amount spent on repairs to these barracks?

(e) How many new houses have been constructed and at what cost each?

(f) Is this township intended for permanent rehabilitation of displaced persons?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Bairagarh camp (not township) was opened on 23rd September, 1949, when the first batch of displaced persons was sent to Bhopal.

(b) 2,308 families were admitted of whom some have left. The present number is 2,068 families.

(c) All the families are living in the Prisoners of War barracks which were reconditioned by Government.

(d) Rs. 3,85,123/2/1 were spent on repairs and reconditioning of these barracks.

(e) 290 single-roomed tenements are under construction. Cost of each tenement is Rs. 1,050 approximately.

(f) It was so intended, but it is felt that all the displaced persons may not be able to find opportunities of gainful employment there and therefore the

question of constructing houses for some of them nearer the town of Bhopal is being examined.

Shri Sidhva: What is the current year's programme regarding the building of shops and houses in Gandhigram and what is the amount to be spent for that?

Shri A. P. Jain: The construction of the houses in Kandla has been completed. Altogether 2,500 houses were to be built. But this year we have sanctioned an amount of Rs. 25 lakhs which is to be distributed for private construction at the flat rate of Rs. 2,500 per unit. The rest of the finances will have to be provided by the person himself.

Shri Sidhva: As regards (d), that is Vocational Training Centres opened, may I know how many displaced persons have been trained and whether they are employed within that colony or whether they have been given service elsewhere?

Shri A. P. Jain: That centre has been opened recently. I am not quite sure whether any students have really been trained and sent out—may have been, but I am not sure.

Prof. K. T. Shah: May I ask whether all the capital sought to be subscribed and paid up has been utilised in construction of the houses and other objects of the Corporation, or has any part of it been deposited in or advanced to any bank, and what is the position of that bank?

Shri A. P. Jain: Well, I have not got the full accounts before me, but I should believe that a substantial portion of it has been invested in the construction work.

Prof. K. T. Shah: Is it a fact that a considerable sum has been advanced to a bank which has failed?

Mr. Speaker: I think this question was fully discussed last time when the Exchange Bank question came on.

Prof. K. T. Shah: May I then enquire as to the amount of capital advanced by Government and what security Government has taken for the repayment of capital and interest thereon?

Shri A. P. Jain: In the first place the buildings that have been constructed, in the second place the Rs. 50 lakhs that has already been subscribed by shareholders, in the third place the contingent liability of another Rs. 50 lakhs that they are liable to pay on the unpaid portion of the shares, and lastly any other shares that would be subscribed.

Prof. K. T. Shah: Do I understand then that the houses and other assets of the Corporation are so much security to the Government for their advances?

Shri A. P. Jain: Well, our loan of one crore and ten lakhs has the first priority on them.

Prof. K. T. Shah: Therefore it is a mortgage—the entire assets of the Corporation?

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

Prof. K. T. Shah: As regards the 15,000 acres of land that has been given, may I know whether that is land in private possession or it is all public land that is given to them, and if it is in private possession what is the prevailing price of similar land round about?

Shri A. P. Jain: This land was given by the Rao of Kutch. I am not sure whether the entire land was owned by the Kutch State or whether some portion was in private possession and acquired. But at any rate it was given by the Rao of Kutch and we have confirmed that transaction.

Prof. K. T. Shah: May I ask whether there is any information with the hon. Minister with regard to the nature of that land when it was given—whether it was public land (not the private property of the Rao) or whether it was acquired and paid?

Shri A. P. Jain: I think the States Ministry will be in a better position to answer that question.

Dr. Deshmukh: Referring to my question No. 3541, may I know if the Corporation's capital at the present moment is sufficient, or have they asked for any more capital?

Shri A. P. Jain: There is no such thing as sufficient or insufficient. Sufficient or insufficient is in relation to the conditions that prevail, and as and when the township develops more and more capital will be got. Maybe that one day the capital of this Corporation may have to be enlarged. For the time being the Corporation with its own funds and the funds that we have placed at the disposal of the Corporation is able to carry on its work.

Dr. Deshmukh: With regard to the next question No. 3542, I think the answer to part (f) was in the affirmative. If that is so, may I know, if the township is intended for permanent rehabilitation, what additional sum of money would be required for this purpose, and is there any scheme for this

that has been prepared, for making the township permanent?

Shri A. P. Jain: The township is meant to be permanent. The houses that are built there are permanent and the residents of the township will find employment in the Kandla port and all the allied things that develop in the Kandla port.

Dr. Deshmukh: Does not this refer to Bairagarh township?

Shri A. P. Jain: We are talking of Starred Question No. 3542.

Shri Sidhva: Yes, and it refers to Bairagarh. It should not have been mixed up with Kandla.

Shri A. P. Jain: I am very sorry. In fact we found that at Bairagarh perhaps the means of livelihood were not so extensive and now we have decided that for quite a large number of these families out of these 2,068 we shall build houses near Bhopal.

Shri Sidhva: In reply to part (c) of my question No. 3515 the hon. Minister answered in the negative, that is to say no demand for a share is being asked from a displaced person before a shop or house is allotted. May I know whether his attention has been drawn to a letter by the management of the Gandhigram asking a displaced person who made an application that he must first purchase the share and, if not, will he make an enquiry into the matter?

Shri A. P. Jain: My attention has been fully drawn to it. But that letter has been countermanded. A reference was made to the Chief Commissioner of Kutch, and the Chief Commissioner of Kutch, after enquiring from the Corporation has intimated that the letter issued by the Corporation was based on incorrect facts and that no share need be acquired before the allotment of the houses there.

बाबू रामनारायण सिंह : अमी उत्तर में कहा गया कि कहीं कहीं पर निर्वासित लोगों से उनकी योग्यता के सम्बन्ध में सर्टिफिकेट मांगे जाते हैं। तो बहुत से लोग ऐसे होंगे जिन के सर्टिफिकेट खो गये होंगे। मैं जानना चाहता हूँ कि उनके सम्बन्ध में क्या होता है ?

[Babu Ramnarayan Singh: It was stated a short while ago in reply to a question that at some places qualification certificates are demanded from

the displaced persons. May I know what will happen to those persons who may have lost their certificates?]

श्री ए० पी० जैन : मुझे बहुत खेद के साथ यह कहना पड़ता है कि माननीय सेन्वर ने इस प्रश्न के उत्तर को समझने का प्रयत्न नहीं किया क्योंकि जो युवक ट्रेनिंग सेन्टर में भर्ती होने जाते हैं और जिनके लिये एन्ट्रेंस पास होने की जरूरत है, वह एन्ट्रेंस पास हैं या नहीं इसके लिये जो प्रमाण हो सकता है उसको हम कबूल कर लेते हैं, जिसके बारे में यह मालूम नहीं होता कि वह पढ़ा लिखा है या नहीं उससे दो चार प्रश्न पूछने के बाद उसको भर्ती कर लिया जाता है। इससे ज्यादा कोई सर्टिफिकेट जरूरी नहीं है जिसे किसी गवर्नमेन्ट ने या और कानूनी संस्था न उसको दिया हो।

[Shri A. P. Jain: I regretfully submit that the hon. Member did not try to follow the answer of this question. Those youths who seek admission to the Training Centre have to be atleast Matriculates. Whatever proof they give of having passed the Matriculation Examination is usually accepted by us. In case of no proof being available, they are admitted after being asked a few questions. Apart from this no other certificate granted either by the Government or by any educational institution is essentially required.]

SHORTAGE OF OFFICE ACCOMMODATION IN DELHI

*8516. Pandit Munishwar Datt Upadhyay: Will the Minister of Works, Production and Supply be pleased to state:

(a) how many Government offices are short of accommodation in Delhi; and

(b) what Princely Houses have been occupied by the Government offices and on what terms?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) and (b). A statement is laid on the Table of the House. [See Appendix XXIII, annexure No. 5.]

Pandit Munishwar Datt Upadhyay: May I know what are the charges for

the maintenance and repairs of these Princely buildings in which the offices are accommodated and what is the tax that the Government has to pay?

Shri Buragohain: We have taken five Princely Houses for accommodating offices of the Central Government. In two cases we are paying rent and the houses have been taken on lease and in three other cases, the arrangement has not yet been finalised, Sir.

Pandit Munishwar Datt Upadhyay: May I know whether the accommodation is at all suitable for the offices? They were buildings meant for military officers.

Mr. Speaker: The pressure on accommodation is so great that if the Government were to wait for the suitability of the accommodation, the offices will never get any.

Shri Buragohain: The House is well aware that attempts were made and are now being made to shift some of the offices to places where accommodation suitable for offices are available. But recently reluctance has been shown by the various Ministries owing to the fact that the very move will involve extra expenditure in the form of transportation charges and travelling allowances etc. In the light of this, the matter is being reconsidered.

Shri Deshbandhu Gupta: May I know whether Hyderabad House is one of the five houses referred to by the hon. Minister and whether it is a fact that the Ministry of External Affairs was billed for Rs. 20,000 for two months for the stay of His Highness the Maharaja of Nepal?

Shri Buragohain: With regard to the latter part of the question, I should like to have notice and with regard to the first part of it, a portion of this House is used by the External Affairs Ministry for housing their External Publicity Division and that is only as a temporary measure.

Shri Deshbandhu Gupta: What is the monthly rent paid?

Shri Buragohain: As I stated already, it is one of the three houses for which the arrangement has not yet been finalised.

گھانی جی - ایس - مسافر : کیا

سنگرل گورنمنٹ کے کچھ آفس یا ان

کے کچھ بورڈنگ اکوموڈیشن کی کسی

کی وجہ سے دہلی سے باہر بھیجے جا رہے ہیں؟

[**Giani G. S. Musafir:** Are some offices of the Central Government, or some portions thereof, being shifted to places outside Delhi on account of the shortage of accommodation?]

Shri Buragohain: This question was answered sometime ago in this House and some offices were actually sent out of Delhi.

Shri E. Velayudhan: May I know whether there was any proposal for the purchase of any of these Princely Houses by the Government of India?

Shri Buragohain: That question was considered but it is felt that with the cost involved perhaps new houses could be built with more suitable accommodation.

Shri Jnani Ram: May I know how many other Princely Houses are proposed to be taken?

Shri Buragohain: There are certain other houses taken for other purposes, namely, for residential accommodation and for instance, locating Government hostels and certain others have been taken for diplomatic missions.

Pandit Munishwar Datt Upadhyay: May I know why all these offices having been accommodated for a long time the terms have not yet been settled? May I know if there is any hitch on the part of the owners of these Princely buildings?

Shri Buragohain: With regard to the ownership, that is a matter which should properly be addressed to the States Ministry as to whether the houses are the personal property of the rulers or of the States concerned.

Pandit Munishwar Datt Upadhyay: I wanted to know why this delay has happened in the settlement of terms.

Shri Buragohain: There is no particular hurry in this matter.

Shri Deshbandhu Gupta: May I know whether one of the Princely Houses is allotted to the Circuit Bench for their High Court?

Shri Buragohain: One house is being allotted for the Circuit Bench.

Mr. Speaker: I am going to the next question.

PROVIDENT FUND AND BONUS OF COLLIERY LABOUR

*3517. **Dr. V. Subramaniam:** (a) Will the Minister of Labour be pleased to state whether it is a fact that

Provident Fund of the Colliery labour is with Government in the form of stamps and the bonus amount is not with Government?

(b) Is there any finalised scheme regarding payment to the employee by Government of the Provident Fund due to him, when he leaves the mining industry once for all?

(c) Is there any minimum period of service which he has to put in to get his employer's contribution?

The Minister of Labour (Shri Jagjivan Ram): (a) The Coal Mines Provident Fund is administered by a Board of Trustees consisting of representatives of Government, employers and employees. The subscriptions to the Fund are realised by means of stamps which are sold to the colliery owners through selected treasuries and post offices. The money collected by treasuries and post offices is realised monthly and invested in Government Securities, National Savings Certificates, etc. The yield on the securities etc. is distributed to the subscribers annually by way of interest. Government is not directly concerned with the money. The bonus is distributed to the employees by the colliery owners direct.

(b) Yes. The accumulation in the Fund is payable (i) on permanent retirement from service in the coal mining industry at any time after the attainment of the age of 50 years and (ii) on retirement on account of bodily or mental infirmity. Besides, the Board of Trustees may permit a member who has not attained the qualifying age of 50 years to withdraw his money if he has migrated from India for permanent settlement abroad, or he has not been employed in any coal mine for a continuous period of not less than one year immediately preceding the date on which he makes an application for withdrawal, or in the case of a member employed on fixed term of contract, he does not continue to work in the coalfields under the expiry of his contract.

(c) Yes. A member who retires after attaining the age of 50 years should have put in at least 5 years of service before he can get the employer's contribution. No minimum period of service is, however, necessary for getting the employer's contribution in the case of members who joined the membership of the Fund before the 30th September, 1948 or who die while in service or who are forced to retire on account of permanent and total incapacity for work in the coalfields due to bodily or mental infirmity.



सेठ गोविन्द दास : इस प्रकार की व्यवस्था जो अर्भी माननीय मंत्री जी ने बताई सब कोयले की खानों में है या कुछ ऐसी खानों में है जहाँ ऐसी व्यवस्था नहीं है ?

[Seth Govind Das: May I know whether such conditions exist in all the collieries or there are some where such conditions do not exist?]

श्री जगजीवन राम : यह व्यवस्था प्रायः सभी कोयले की खानों में है ।

[Shri Jagjivan Ram: Such conditions generally exist in all the collieries.]

Shri A. C. Guha: May I know what is the total amount collected for the Provident Fund and the Bonus Fund during the last two years?

Shri Jagjivan Ram: Up to the end of January, 1951, a sum of Rs. 173 lakhs had accrued to the fund on account of Provident Fund. As regards bonus, since the introduction of the bonus scheme in 1947 to the end of September, 1950, a sum of Rs. 1,53,79,831 has been paid to the colliery employees as bonus.

Shri A. C. Guha: I wanted to know how much was collected for the Bonus Fund?

Shri Jagjivan Ram: My hon. friend is confused perhaps. Bonus Fund is not collected. The bonus is distributed by the employers direct to the employees who qualify for that and I have given the figure that a sum of Rs. 1,57,79,831 has been distributed as bonus to the employees.

Shri Jnani Ram: May I know the number of collieries which have not contributed to the Provident Fund?

Shri Jagjivan Ram: There are a few and I understand we are taking legal action against them. Some of them are being prosecuted.

Shri R. Velayudhan: What is the respective contribution by the Government, by the colliery owners and by the employee himself in this respect?

Shri Jagjivan Ram: I would refer my hon. friend to the Bonus and Provident Fund Act.

Shri Sidhva: The hon. Minister promised to this House that he would bring forward a Provident Fund Bill for all employees. May I know when is it likely to be introduced?

Shri Jagjivan Ram: I think I gave in answer to a question that the scheme was recently examined at the Labour Ministers' conference and the details are being worked out in the Department in consultation with the various Ministries concerned.

Shri A. C. Guha: Is the Government satisfied that the bonus money collected according to the rate of cess authorized by the Government has been fully paid to the employees?

Shri Jagjivan Ram: Again I would refer the hon. Member to the Act. According to the Act, certain conditions are laid down which should be fulfilled before a worker qualifies himself for the bonus and the figure is quite encouraging. Quite a number of them have qualified themselves for the bonus. There was some increment in the price of coal due to the award of the Conciliation Board and that element was taken into consideration; that increase is not fully distributed to the workers because only a percentage of them qualify for bonus and they only get it and not all the workers.

STATUTORY DEVELOPMENT BOARDS

*3519. Shri Krishnanand Rai: Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have finalised their scheme of setting up Statutory Development Boards for starting industries in various local regions of the country;

(b) whether the financial aspect of the above scheme has also been finalised; and

(c) if so, when is the scheme going to be acted upon?

The Minister of Commerce and Industry (Shri Mahtab): (a) to (c). The way in which industries can be developed with due regard to regional requirements, resources and facilities is being actively considered by Government and it will be announced at a very early date.

Shri Krishnanand Rai: May I know whether the Industry Ministry has submitted any proposal or scheme before the Planning Commission for regional development of industries in the country?

Shri Mahtab: I have been carrying on discussions with the Planning Commission on this matter.

Shri Krishnanand Rai: May I know whether any detailed survey or examination exists to know the relative advantages of the different local

regions for specific types of industries in the country?

Shri Mahtab: All the State Governments have their own general survey and reports also. But the kind of survey which is required for making a detailed plan does not exist today. Therefore, we are taking the first step to make a detailed survey of the several typical regions to know how the resources of that particular region could be developed.

Shri Krishnanand Rai: By what time does the Government expect to launch this scheme?

Shri Mahtab: I think we will have the report of the survey in about two months.

Shri R. Velayudhan: May I know whether the State Governments are in agreement with the regionalisation of the development of industries?

Shri Mahtab: Not only the State Governments, but all reasonable thinking people are in agreement with this.

Shri B. R. Bhagat: May I know whether the Government has submitted to the Planning Commission any blue-prints on this matter?

Shri Mahtab: It is now under preparation.

ACCIDENTS IN MINES

*3520. **Shri P. Kodanda Ramiah:** Will the Minister of Labour be pleased to state:

(a) how many accidents have taken place in Mines in India during the years 1949 and 1950; and

(b) what steps have been taken to prevent them?

The Minister of Labour (Shri Jagjivan Ram): (a) 227 fatal and 1,524 serious accidents during 1949 and 235 fatal and 1,973 serious accidents during 1950. The figures for the year 1950 are not final as information from certain quarters is still awaited.

(b) Frequent surprise inspections are being made by the inspection staff of the Mines Department. Steps are also being taken to amend the Indian Coal Mines Regulations, 1926, and the Indian Metalliferous Mines Regulations, 1926, with a view to ensuring a greater measure of safety in mines.

Shri Chaliha: What is the number of accidents State-wise and may I know whether there were extensive accidents in Assam?

Shri Jagjivan Ram: I have not got the figures State-wise. I have got figures year by year.

Pandit Munishwar Datt Upadhyay: What is the amount of compensation that has to be paid for injuries in these accidents?

Shri Jagjivan Ram: I will refer the hon. Member to the Workmen's Compensation Act.

AMERICAN PEACE TREATY WITH JAPAN

*3522. **Shri Kamath:** Will the Prime Minister be pleased to state:

(a) whether the Government of the United States of America have kept India informed about their recent negotiations or talks through Mr. Dulles with the Japanese Government, about an early peace treaty with Japan; and

(b) at what stage the matter rests?

The Deputy Minister of External Affairs (Dr. Keskar): (a) and (b). No. But Mr. Dulles discussed during last autumn the question of a peace treaty with Japan with representatives of the member countries of the Far Eastern Commission, of which India is one. These talks were informal and confidential and our views were communicated through our Ambassador in Washington.

A draft treaty prepared by the United States of America, has recently been received by us for comments. This is at present being examined.

Shri Kamath: Is there any proposal before Government for the termination of India's state of war with Japan even before the conclusion of a peace treaty as has been done in the case of Germany, and if not, what are the reasons for adopting a different course in the case of Japan?

Dr. Keskar: The Government of India is not adopting a different attitude with regard to Japan as contradistinct from Germany. The state of war in Germany could be terminated when the occupying authorities in West Germany allowed it to be done. The same thing can be said with regard to Japan.

Shri Kamath: Is Government considering the Japanese peace treaty in isolation or as a part of the general settlement in East Asia?

Dr. Keskar: That is one of the questions which will be discussed in the negotiations that may take place regarding the terms of the treaty that has been received from the U.S.A.

Shri Kamath: With regard to the draft treaty received by the Government from the Government of the United Kingdom and U.S.A., is there any truth in certain Press reports that the Government of India is opposed to Japanese re-armament in spite of the fact that some of her neighbours are armed and are even increasing their armaments?

Dr. Keskar: The Government of India's general views with regard to Japanese re-armament are well known and the Prime Minister has once or twice expressed them openly in interviews with foreign correspondents.

Shri Kamath: Not in this House, Sir.

Mr. Speaker: Order, order. The hon. Minister.

Dr. Keskar: As I said, Government of India's general views with regard to Japanese re-armament are well known and the Prime Minister had expressed them in interviews with foreign correspondents. But, what our attitude will be with regard to the draft treaty with Japan regarding Japanese re-armament, I think it would be a little premature to say anything about it at this moment.

Shri Kamath: May I submit, Sir, the views are not so well known.

Mr. Speaker: Order, order. He has said that it is premature to discuss it on the floor of the House.

Dr. Ram Subhag Singh: In view of the fact that the U.S.A. is carrying on peace talks with Japan with a view to facilitating the Pacific Relations system, may I know the attitude of our Government in regard to having an early peace treaty with Japan?

The Prime Minister (Shri Jawaharlal Nehru): As you just pointed out to the House, Sir, it is very difficult for us to discuss this matter which is in the course of consideration by various Governments. It may be embarrassing for us and for other Governments if we go into further details in regard to this matter.

Shri Kamath: Is it a fact . . .

Mr. Speaker: I am going to the next question.

JUTE, COTTON AND RICE FROM PAKISTAN

*3524. **Shri B. K. Das:** Will the Minister of Commerce and Industry be pleased to state the amounts of jute, cotton and rice received from Pakistan in accordance with the February Trade Agreement?

The Minister of Commerce and Industry (Shri Mahtab): According to the reports received by Government up to the 18th April, 1951, the amount of jute received in India from Pakistan under the Indo-Pakistan Trade Agreement of February, 1951 is 3,05,908½ maunds. There has been no import of cotton so far from Pakistan. Shipments of rice from that country up to the end of March, 1951, under the Agreement amounted to 93,000 tons.

Shri B. K. Das: I could not catch the first part of the answer about jute.

Shri Mahtab: The amount of jute received in India from Pakistan under the Indo-Pakistan Trade Agreement of February, 1951, is 3,05,908½ maunds.

Shri B. K. Das: What are the reasons for this short supply?

Shri Mahtab: Probably there is some misunderstanding about these maunds. Five maunds make one bale. Out of the Government stock of Pakistan, India has to get 3½ lakh bales up to the end of June. The remaining 6½ lakh bales will be purchased by the merchants on their own account. That was the arrangement. From that total, receipts up to now are: 2,64,277 maunds out of 3½ lakh bales on Government account, and 41,631½ maunds out of 6½ lakh bales on merchants' account. Now, recently, there has been some shortfall. That is due to transport difficulties and various other normal difficulties. There has been a perfect understanding between the two parties in this matter.

Shri B. K. Das: May I know what steps are being taken by the Government to remove the difficulties in the transport of the jute?

Shri Mahtab: Difficulties are sought to be removed by mutual discussions. Recently we had a meeting in which these difficulties were discussed and we are taking steps to remove them.

Shri Goenka: Out of the 3.5 lakh bales of jute to be delivered to this country within six weeks, according to the hon. Minister's statement only 55,000 have been delivered. May I know whether this is only a short or small decline from the amount specified in the terms of the Agreement?

Shri Mahtab: The question can be put by the end of June. By June end we expect to have the full supply, namely 3.5 lakhs of bales.

Shri Goenka: But is it not a fact that according to the terms of the Agreement 3.5 lakhs of bales have to be delivered within six weeks and that period of six weeks has already expired?

Shri Mahtab: That is not correct. The Agreement is that by the end of June we will have this 3.5 lakh bales.

Shri Himatsingka: Is it the end of June?

Shri Mahtab: I think it is the end of June.

Mr. Speaker: On a previous occasion also this point was made clear, I think.

Shri S. C. Samanta: May I know how much of the goods mentioned by the hon. Minister has been carried into India by air?

Shri Mahtab: I do not think the goods have been carried by air.

Shri A. C. Guha: What is the price at which the jute is received on Government account and what by private negotiations?

Shri Mahtab: The price on Government account is Rs. 34 Pakistani rupee per bale. The price on private merchants' accounts I do not have.

Shri Goenka: Is it not the fact that 30th June is the date by which the whole quantity of 10 lakh bales was to have come and the period within which the 3.5 lakh bales were to be delivered was six weeks after the date of the Agreement?

Shri Mahtab: It may be; I do not exactly remember. The Agreement is before the House and what the hon. Member says may be correct. But I do not understand the point which is sought to be made out.

Mr. Speaker: The point is that there has been a breach of Agreement and what steps Government are taking on this matter.

Shri Mahtab: Government do not think there has been a breach of Agreement.

Mr. Speaker: That is a different matter. I am only stating the point.

Dr. Deshmukh: But, Sir, more than one commodity is concerned here and we . . .

Mr. Speaker: May be, but the point is very clear.

The Deputy Minister of Commerce and Industry (Shri Karmarkar): May I clarify the position? According to the terms the time for delivery of 10 lakh bales is up to the end of June and not within six weeks. Out of 10 lakhs, 3.5 lakh bales are on Government account and 6.5 lakh bales on private account. But the whole quantity of 10 lakh bales should be delivered within the 30th of June.

There is no stipulation to have the jute earlier.

Mr. Speaker: And so there is no mention of six weeks according to the Agreement?

Shri Karmarkar: No, Sir.

Dr. Deshmukh: About cotton the hon. Minister said that no cotton was imported. In view of the scarcity of cotton in India, may I know the reasons why we have not obtained any cotton from Pakistan?

Shri Mahtab: With regard to cotton, the Government of Pakistan has no destinational quota and at present India is free to buy any quantity it likes. But India does not buy because of the high prices ruling there. Whenever Pakistan fixes any destinational quota, they have agreed to give a quota of 4 lakh bales to India.

Dr. Deshmukh: At what price?

Shri Mahtab: Any merchant can buy it at any price he likes. By saying that it is free, I do not mean that the Government will purchase the cotton.

LABOUR DISPUTES

***3525. Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Labour be pleased to state whether cases of labour disputes in 1951 relating to "Central Sphere" undertakings are on the increase or decrease as compared to the record of 1950?

(b) Is the loss in man-days on the increase or decrease?

The Minister of Labour (Shri Jagjivan Ram): (a) and (b). During the year 1950, there were 120 industrial disputes which resulted in the loss of 7,86,049 man-days. The number of disputes and the number of man-days lost during the first two months of 1951 were 27 and 28,057 respectively. The figures for the corresponding period of 1950 are 14 and 26,856.

As the strike statistics are now available only for the first two months of 1951, it is not possible to make a comparison between the record of strikes in 1950 with that of 1951.

Pandit Munishwar Datt Upadhyay: How many cases were settled amicably and how many by arbitration, in 1950?

Shri Jagjivan Ram: I have not got the figures with me here; but I may refer the hon. Member to the recent issue of the Indian Labour Gazette, a copy of which is available in the library of the House.

Pandit Munishwar Datt Upadhyay: May I know in how many cases the

claims of labour were wholly or partly accepted and in how many cases were they found to be baseless?

Shri Jagjivan Ram: In all disputes there are a number of points. And whenever there is an adjudication or conciliation, on some points the award is favourable to the workers and in some it is favourable to the employers. So it cannot be said definitely in how many they were favourable to one side and in how many to the other. I may say that on the totality, the awards go generally in favour of the workers.

COAL MINE LABOUR

*3526. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Labour be pleased to state whether there has been increase in the number of labourers employed in coal mines in India?

(b) What is the increase in production of coal from this increased labour?

The Minister of Labour (Shri Jagjivan Ram): (a) No.

(b) Although there was a decrease of 15,256 in the number of persons employed during 1950 in coal mines as compared to 1949, there was an increase in the output by 111,203 tons in 1950.

Pandit Munishwar Datt Upadhyay: May I know whether the introduction of the Provident Fund and bonus schemes has attracted a larger number of workers to the industry?

Shri Jagjivan Ram: It may not have attracted a larger number, but it has certainly stabilised the labour force.

Shri Rathnaswamy: May I with your permission, Sir, take up my question No. 3528 first and then my question No. 3527?

Mr. Speaker: He may take up, put his question No. 3528, and he may not put his question No. 3527, and it will not appear in the proceedings at all.

Shri Rathnaswamy: I shall first put No. 3527, Sir.

Mr. Speaker: All right.

MADRAS EMPLOYMENT EXCHANGE

*3527. **Shri Rathnaswamy:** Will the Minister of Labour be pleased to state:

(a) how many applications were registered by the Madras Employment Exchange during the last year and how many of them were provided with jobs; and

(b) how many of them were skilled workers and how many unskilled?

The Minister of Labour (Shri Jagjivan Ram): (a) 28,128 applicants were registered during 1950 by the Employment Exchange at Madras and 3,611 placed in employment during the same year.

(b) Of those registered, 39.5 per cent. were unskilled persons and the remaining 60.5 per cent. belonged to skilled trades and professions. Among those placed the corresponding percentages were 35.4 and 64.6.

REQUISITIONING OF HINDU HOUSES IN EAST PAKISTAN

*3528. **Shri Rathnaswamy:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that Hindu houses are being requisitioned in Jessore district (East Pakistan) by the local authorities;

(b) if so, whether Government have any information about the number of houses requisitioned so far; and

(c) whether any action has been taken in the matter and if so, with what result?

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

(b) 303 houses are said to have been requisitioned since partition, of which 73 were requisitioned during 1950-51.

(c) Our Minister of State for Minorities has been in correspondence with the Pakistan Central Minister regarding this matter. The Pakistan Minister, while agreeing that every attempt should be made to derequisition as many of the houses as possible, has pointed out the difficulty of doing so in towns such as Jessore where there has been a very large increase of population within a short period. As a result there was a scarcity of accommodation which Government had to meet by requisitioning private houses.

Shri Rathnaswamy: May I know the purposes for which the Government of Pakistan requisitioned the houses of the Hindus there?

Dr. Keskar: It is not possible to go into the details. I do not think even that the purposes were gone into in detail. I may inform my hon. friend that during the visit of our Central Minister for Minorities who toured that area, he visited the town of Jessore where the requisitioning had taken place and he discussed with the authorities there the means for derequisitioning as many of the houses as possible. During these discussions

the Pakistan authorities while promising to derequisition as many as possible said that it would be difficult to derequisition the majority of the houses immediately.

Shri Rathnaswamy: Is there any truth in the Press report that certain Hindu firms or their factories had been taken over by Pakistan and may I know whether any compensation was given to those parties who were affected?

Dr. Keskar: I am unable to reply to the question: it does not pertain to this question. I remember that once I replied to a question regarding a particular factory. If my hon. friend wants any more information I would require notice.

WRITTEN ANSWERS TO QUESTIONS

DISPOSALS ORGANISATION

***3510. Pandit M. B. Bhargava:** Will the Minister of Works, Production and Supply be pleased to state:

(a) the approximate value and quantity of goods still awaiting disposal at various centres;

(b) the total expenditure incurred on the Disposal Department during the year 1949-50; and

(c) what is the estimated expenditure to be incurred on this Department during the year 1951-52?

The Minister of Works, Production and Supply (Shri Gadgil): (a) Goods available for disposal on 1-3-51—

Surplus stores—Book value
Rs. 40.87 crores approx.

Salvage and Process Scrap—
3.749 Tons. (No Book values).

(b) The total expenditure incurred on the Disposal Organisation during 1949-50 was Rs. 2,04,67,972/-

(c) The estimated expenditure for 1951-52 is Rs. 41,60,000/-

FRENCH COURTS (APPEALS)

***3521. Shri Hanumanthalya:** (a) Will the Prime Minister be pleased to state whether it is a fact that the French Courts of Causation at Paris has rejected the appeals of persons sentenced in 1948 in Mahe?

(b) What are the offences alleged against them, and what are the sentences passed on them?

(c) Are Government contemplating to take any effective steps to get the said prisoners released?

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

(b) The alleged offences were rebellion, arson, looting, destruction of public records, theft of arms, illegal arrest and wrongful confinement. Of the fifteen persons who were in French custody at the time of trial; four were released, and eleven sentenced to various terms, ranging from two to five years rigorous imprisonment with or without fine extending to 1,000 francs. Those tried *in absentia* were awarded harder sentences ranging from five years simple to twenty years rigorous imprisonment with or without fine.

(c) The Government can only take such steps as are in accordance with International usage. It is not possible for the Government of India to interfere in the affairs of a territory under Foreign jurisdiction.

ACCOMMODATION FOR GOVERNMENT EMPLOYEES

***3523. Shri Kshudiram Mahata:** Will the Minister of Works, Production and Supply be pleased to state:

(a) the number of Government residential accommodation in New Delhi and Old Delhi areas separately for the Government of India employees;

(b) the number of requisitioned residential accommodation for Government of India employees in Old Delhi and New Delhi areas separately; and

(c) whether any residential accommodation in Old Delhi has been given to the employees in New Delhi and if so, their number?

The Minister of Works, Production and Supply (Shri Gadgil): (a) New Delhi 13,178; Old Delhi 1,181.

(b) New Delhi 328; Old Delhi 46.

(c) No such allotment was made but 26 employees who secured allotment in Old Delhi have since been transferred to New Delhi.

TATA'S SCHEME FOR STEEL PRODUCTION

***3529. Dr. V. Subramaniam:** (a) Will the Minister of Commerce and Industry be pleased to state whether the "Tata Iron and Steel Co." have finalised their proposals for expansion of their steel production and if so, what will be the increase in the output of steel and what kinds of steel will they produce?

(b) What is the programme of Government for increased steel production next year?

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

(ii) 181,000 tons in the following categories:

Railways and Structural	25,000
Plates	40,000
Sheets	6,000
Merchant Products	15,000
Wheels, Tyres and Axles	5,000
Skelp	72,000
Other categories	18,000

(b) No appreciable change in internal production is expected as the expansion programme of the producers is not expected to be completed till the end of next year.

TRADE WITH INDONESIA

***3530. Shri Lakshmanan:** Will the Minister of Commerce and Industry be pleased to state:

(a) the chief items of export and import under the recent Trade Agreement signed between India and Indonesia;

(b) whether any price has been stipulated in respect of copra and coconut oil to be imported into this country and if so, what are the prices; and

(c) what quantity of copra and coconut oil has so far been imported pursuant to the Agreement?

The Deputy Minister of Commerce and Industry (Shri Karmarkar):

(a) The chief items of export are cotton piecegoods, knitted goods, agricultural machinery, cement, lac including shellac, tobacco, jute goods, etc. and the chief items of import are palm oil, copra, coconut oil, spices including betelnuts, tin, tapioca, maize, teakwood, raw hides and skins etc.

(b) No price has been stipulated in respect of copra and coconut oil to be imported under the Agreement.

(c) No imports of copra and coconut oil have been recorded during the months of November, 1950 to February, 1951 at the ports of Calcutta, Bombay and Madras. Figures for later months are not yet available.

REBATE IN IMPORT DUTY

***3531. Shri Lakshmanan:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government give any rebate in import duty on articles used in any industry the manufactured product of which has an export market;

(b) whether this rebate is uniform in all cases or varies from article to article;

(c) what is the amount of rebate that Government have given on this account in the financial year 1950-51; and

(d) to what extent this rebate system has stepped up the export of the products of the concerned industry during the period?

The Deputy Minister of Commerce and Industry (Shri Karmarkar):

For the sake of convenience I am answering parts (a) and (b) together. A full rebate of the imports duty paid on raw materials which are used in the manufacture of products which are exported, may be allowed if such manufacture takes place in a manufactory in Customs bond subject to such rules and conditions as the Central Board of Revenue may prescribe. Where manufacture is not conducted under customs surveillance the question whether a rebate on any raw materials used in the products that are exported should be granted is, on application, considered by Government on the merits of each case. Such rebates are not statutory but *ex gratia*. The amount of the rebate is determined according to the circumstances of each case.

(c) The information asked for is being collected and will be placed on the Table of the House in due course.

(d) While rebates are designed to promote export trade, the effect cannot be assessed during a period of controls exercised on the articles in India as well as in the countries of destinations.

PRODUCTION CAPACITY OF INDUSTRIES

***3532. Shri A. C. Guha:** Will the Minister of Commerce and Industry be pleased to state:

(a) the installed production capacity of the following industries: (i) iron and steel; (ii) cement; (iii) textiles; (iv) paper, (v) coal; (vi) sugar; and (vii) jute; and

(b) the actual production in each of these industries during the last three years, viz. 1948, 1949 and 1950?

The Minister of Commerce and Industry (Shri Mahtab): (a) and (b). A statement is laid on the Table of the House. [See Appendix XXIII, annexure No. 6.]

STREPTOMYCIN AND CHLOROMYCETIN

***3533. Shri Jnani Ram:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of Streptomycin and Chloromycetin annually manufactured in India; and

(b) the quantity annually imported into India?

The Deputy Minister of Commerce and Industry (Shri Karmarkar):

(a) The manufacture of these two drugs has not so far been established in India.

(b) The following quantities were imported during the period January-December, 1950:

Streptomycin	33,22,000 gms.
Chloromycetin	2,87,100 bottles (12 Capsesals).

POWER-DRIVEN PUMPS

*3534. **Shri Jnani Ram:** Will the Minister of Commerce and Industry be pleased to state the number of power-driven pumps manufactured in India in the year 1950-51?

The Minister of Commerce and Industry (Shri Mahtab): Nearly 35,000.

CEMENT (PRICE)

*3536. **Shri Rudrappa:** Will the Minister of Commerce and Industry be pleased to state:

(a) the controlled price of cement in South India; and

(b) the controlled prices of cement in other parts of India?

The Minister of Commerce and Industry (Shri Mahtab): (a) and (b). The controlled price of cement is uniform for all parts of India. This price is Rs. 82/8 per ton f.o.r. destination for all factories except for the three new factories viz. M/S. Shree Digvijay Cement Co., Ltd., Sika, M/S. India Cements, Ltd., Tinnevely and M/S. Travancore Cements, Ltd., Kottayam, for which a special price of Rs. 90/- per ton has been allowed for a limited period.

PURCHASING ORGANISATIONS

*3537. **Shri Sidhva:** Will the Minister of Works, Production and Supply be pleased to state:

(a) the total cost of establishment of Foreign Purchase Departments in the High Commissioner's Office in London and in the Ambassador's Office in U.S.A.;

(b) whether the recommendations made by the Estimates Committee that all foreign purchases should be made through local Indian agents of foreign manufacturers have been examined;

(c) whether it is contemplated to start a States Purchase Corporation and if so, what stage the scheme has reached;

(d) whether it is a fact that a Representative of the Ministry admitted, during the course of evidence before the Estimates Committee, that the offices of D.G., I.S.D., London, and India Supply Mission, Washington, needed pruning to a great extent; and

(e) if so, whether Government have examined and taken any steps in this direction?

The Minister of Works, Production and Supply (Shri Gadgil): (a) The total cost of establishment of the India Store Department under the High Commissioner for India, London, and the Supply Mission under the Indian Ambassador in U.S.A. for the year 1950-51 and the provision made in the budget for the year 1951-52 is as follows:

	1950-51 (Revised Estimates)	1951-52 (Budget Estimate)
	Rs.	Rs.
India Store Department, London.	38,41,000	38,55,000
India Supply Mission, Washington.	21,22,800	20,31,100

(b) Yes. This recommendation has already been given effect to in the majority of cases, except for certain special stores where the demands have to be cross-mandated to the Purchase Organisation abroad.

(c) This question is under the consideration of the Government of India.

(d) Such evidence is confidential, and is only the personal opinion of one individual officer out of many.

(e) The staff position in both the foreign Purchase Organisations has been reviewed from time to time. Recently the High Commissioner for India, London and the Indian Ambassador in U.S.A. have been requested to look personally into the working of the Purchase Organisations under their administrative control and intimate the result to the Government of India. The possibility of pruning the staff will be considered on receipt of their reports.

TRADE COMMISSIONERS

*3538. **Shri Sidhva:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of Government has been drawn to the suggestion made by the Estimates Committee that selections of Trade Commissioners and commercial representatives be made from among persons

having technical knowledge and a suitable cadre formed; and

(b) if so, what steps have been taken to implement these suggestions?

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

(b) The Committee's suggestions in this regard are under examination.

PROFITS FOR CLOTH DEALERS

*3539. **Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that the Government of Bihar had recommended to the Government of India to increase the margin of profit for cloth dealers from 14 to 20 per cent.?

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

INDUSTRIAL TRIBUNALS

*3540. **Dr. Deshmukh:** (a) Will the Minister of Labour be pleased to state the number of Industrial Tribunals set up by the Central Government working in the country?

(b) When were these Tribunals created and how many of them are likely to be made permanent?

(c) What is the expenditure incurred on each of them per annum since their establishment?

(d) What are the number of disputes dealt with by each one of them and how many have been decided?

(e) How many were decided in favour of employers and how many in favour of employees?

The Minister of Labour (Shri Jagjivan Ram): (a) The Central Government have set up two Standing Industrial Tribunals, one at Dhanbad and the other at Calcutta.

(b) The Tribunal at Dhanbad was created in February, 1948, while the one at Calcutta was set up in August the same year. The question of making the two Tribunals permanent has not yet been taken up.

(c)

	Industrial Tribunal, Dhanbad	Industrial Tribunal, Calcutta
	Rs.	Rs.
1948-49	1,420	14,257
1949-50	29,715	52,268
1950-51	24,000	57,400

(d) (i) Thirty-nine disputes have been referred to the Industrial Tribunal, Dhanbad; awards have been given in 29 cases.

(ii) Ten disputes have been referred to the Industrial Tribunal, Calcutta; awards have been given in 6 cases. One of the adjudications pending before the Calcutta tribunal is a composite one involving a large number of individual cases relating to several banks and their employees.

(e) It is not possible to give precisely the number of disputes decided in favour of employees or employers. When a dispute is referred to a Tribunal for adjudication the terms of reference comprise all the items under dispute and in most of the cases the awards are partly favourable to the employees and partly to the employers.

RUBBER

*3543. **Shri M. V. Rama Rao:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have any estimates of the expected increase in the production of rubber in India during 1951-52 and the succeeding years;

(b) whether Government have any programme for building up reserves of rubber stocks in India;

(c) if the answer to part (b) above be in the affirmative, the particulars of the programme; and

(d) if the answer to part (b) above be in the negative, what is the policy of Government towards Rubber Planting in India?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) The estimated production of rubber in India during 1951-52 and subsequent years is as follows:

1951-52	16,500 tons
1952-53	17,600 tons
1953-54	18,600 tons
1954-55	19,300 tons

(b) No, Sir.

(c) Does not arise.

(d) Government had set up a Development Committee to go into the question of making India self-sufficient in rubber. This Committee recommended the creation of a development fund for helping the producers to step up production. This question was referred to the Indian Tariff Board, whose report is now under examination.

ARTICLES USED FOR TYRE MANUFACTURE

*3544. **Shri M. V. Rama Rao:** Will the Minister of Commerce and Industry be pleased to state:

(a) the names and proportions of constituents other than rubber which

are used in the manufacture of rubber tyres;

(b) the quantities of these other constituents which are produced in India and the quantities which are imported from elsewhere;

(c) the value of the other constituents imported by the tyre-manufacturers in 1949 and 1950;

(d) whether any import duty is levied on any of these other constituents and if so, the amount of duty levied or paid in 1949 and 1950; and

(e) whether Government have at any time examined the actual cost of production of tyres by cost-accounting or other enquiry and if so, when and how?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). A statement is laid on the Table of the House. [See Appendix XXIII, annexure No. 7.]

(c) Information is not readily available, as separate statistics are not maintained in regard to the import of raw materials required by the tyre industry.

(d) Yes, Sir, on some of them. Information in regard to the amount of duty levied or paid is not readily available, as separate statistics are not being maintained.

(e) No, Sir.

RUBBER

*3545. **Shri M. V. Rama Rao:** Will the Minister of Commerce and Industry be pleased to refer to the replies and statements furnished in answer to my Starred Questions Nos. 2393 and 2394 asked on the 20th March, 1951 regarding rubber and state:

(a) whether the average value per ton of rubber imported during July, August and September, 1950 is recorded in the accounts maintained by the Rubber Board and if so, whether a copy of the statement containing the information will be placed on the Table of the House;

(b) whether the tyre prices actually paid by dealers are recorded in the accounts of the Rubber Board and if so, whether a copy of the statement containing the information for the years 1948, 1949 and 1950 in respect of which a statement has been furnished in reply to Starred Question No. 2394 will be placed on the Table of the House; and

(c) what is the basis on which rubber production in India is estimated and what is the material on the basis of which the estimate for 1951-52 has

been made while increasing the tyre prices?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). The answer is in the negative.

(c) Rubber production in India is estimated on the basis of:

(1) actual production returns received by the Indian Rubber Board from estates;

(2) estimates for small estates and small holders, which fail to submit returns, on the basis of returns received from other similar estates.

The estimate for 1951 was based on the figures furnished by the Indian Rubber Board.

EAST AND WEST BENGAL BOUNDARY

*3546. **Shri B. K. Das:** Will the Prime Minister be pleased to state:

(a) what mutual transfer of areas has been decided upon or effected between India and Pakistan in the course of the work of demarcating the boundary between East and West Bengal;

(b) in which place or places a divergence between the boundary as described in Annexure A and as delineated on the map in Annexure B of the Radcliffe Award has been detected and how it has been reconciled;

(c) whether it is a fact that the map used by Sir Cyril Radcliffe has been found to be a wrong map; and

(d) if so, whether a correct map is being followed in the work of demarcating the boundary between the two Bengals?

The Deputy Minister of External Affairs (Dr. Keskar): (a) As a result of the demarcation of the West-East Bengal boundary made so far, an area of 517.96 acres in the Betai-Bhatupara sector has been transferred from East Bengal to West Bengal and Mauza Joynagar with an area of 567.23 acres from West Bengal to East Bengal.

(b) Detailed information in this connection is being collected and will be laid on the Table of the House as soon as it is received.

(c) No.

(d) Does not arise.

ALUMINIUM

*3547. **Dr. M. M. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantities of aluminium produced in the country during each



of the last three years and the respective quantities imported from abroad; and

(b) the value in Indian currency of each year's import?

The Minister of Commerce and Industry (Shri Mahtab): (a) and (b). A statement is laid on the Table of the House. [See Appendix XXIII, annexure No. 8.]

PRODUCTION AND EXPORT OF CLOTH

*3548. Shri Krishnamand Rai: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that more cloth was exported in 1950 than in 1949 and if so, to what extent;

(b) whether it is a fact that cloth production in the country in 1950 was less than in 1949 and if so, to what extent;

(c) whether the ceiling of cloth export is fixed with consideration to production or other factors also and if so, what are the other factors taken into consideration; and

(d) whether Government have changed their policy of cloth export for the year 1951 in view of the shortage of cloth in home market and if so, in what way?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes, the increase was to the extent of 653 million yards.

(b) Yes; there was a drop of 239 million yards.

(c) Yes. The other factors taken into consideration while fixing export quota are domestic requirements, the necessity to earn foreign exchange and to retain markets for Indian cloth built in the past.

(d) Yes. Export policy has been tightened and licences are now issued within a definite ceiling. The quantum of exports fixed for 1951 is less than the quantity exported in 1950 by about 170 million yards.

EXPERT COMMITTEE (PRINTING)

*3549. Shri Jangde: Will the Minister of Works, Production and Supply be pleased to state:

(a) the number of times the Expert Committee (Printing) met and the number of times the Chairman was present;

(b) how many of the Presses were visited by the Chairman himself; and

(c) whether it is a fact that machines of a particular German firm only were recommended by a member of

the Committee condemning U.K. machines as not being up-to-date?

The Minister of Works, Production and Supply (Shri Gadgil): (a) The Committee met 12 times and the Chairman attended 7 meetings. The members of the Committee also visited Government of India and private Presses on six occasions.

(b) The Chairman visited the New Delhi Press only.

(c) Yes.

GERMAN PRINTING MACHINES

*3550. Shri Jangde: Will the Minister of Works, Production and Supply be pleased to state:

(a) whether in the opinion of the Expert Committee, the German made printing machines fitted with automatic feeders are considered to be the modern and up-to-date machines and the U.K. machines are not considered as modern and up-to-date, and if so, what are the reasons;

(b) whether Government propose to consult experts before accepting the recommendations for the machines of a particular German firm; and

(c) whether Government asked one Mr. K. P. Dar, a member of the Expert Committee (Printing) U.P., to examine the recommendations regarding purchase of German machines made by Mr. Rauleadar, a Member of the Expert Committee (Printing) appointed by the Government of India and if so, what were the views of Mr. Dar?

The Minister of Works, Production and Supply (Shri Gadgil): (a) No.

(b) Government do not propose to purchase all printing machines from a particular German firm and therefore the necessity of consulting experts in the matter does not arise.

(c) Mr. Dar was requested to advise Government regarding reorganisation of the Government of India Presses. He has recommended *inter alia* that all printing machines should not be purchased from one country or one firm.

असम से निष्कासित व्यक्ति

*3551. श्री जंगड़े: क्या प्रधान मंत्री

यह बतलाने की कृपा करेंगे कि उन व्यक्तियों की योग्य संख्या क्या है जो असम से अत्याधुनिक आयातों निष्कासित

अधिनियम के पारित होने के समय से मार्च १९५१ तक आसाम से निष्कासित किये गये हैं ?

PERSONS EVICTED FROM ASSAM

[*3551. Shri Jangde: Will the Prime Minister be pleased to state what is the total number of persons evicted from Assam since the passing of the Eviction of Undesirable Immigrants from Assam Act, up to March, 1951?]

The Deputy Minister of External Affairs (Dr. Keskar): 354.

REQUISITIONED BUILDINGS

*3552. Shri Deshbandhu Gupta: Will the Minister of Works, Production and Supply be pleased to state:

(a) the number of houses de-requisitioned in Delhi during the last year;

(b) the number of houses which have been under requisition in Delhi for more than four years; and

(c) the principle followed by Government in de-requisitioning houses?

The Minister of Works, Production and Supply (Shri Gadgil): (a) 109.

(b) 236

(c) Government's policy in this respect is one of progressive derequisitioning as was announced in the Press Communique, dated the 24th January, 1951.

IMPERIAL PREFERENCE

*3553. Shri A. C. Guha: Will the Minister of Commerce and Industry be pleased to state:

(a) the articles in which India is giving preference to Britain and/or her colonies according to the terms of the Indo-British Trade Pact of 1939;

(b) which of these articles are enjoying protective tariff in India; and

(c) what are the articles of Indian manufacture or production which enjoy preference from the U.K.?

The Deputy Minister of Commerce and Industry (Shri Karmarkar):

(a) to (c). I would refer the hon. Member to the Indian Customs Tariff (33rd Issue) and the Indo-U.K. Trade Agreement of 1939, which contain all the required information. Copies of these publications are available in the Library of Parliament.

COCA-COLA

*3554. Shri Bhanu: Will the Minister of Commerce and Industry be pleased to state:

(a) how much dollar currency was allowed to Coca-Cola Company in 1950; and

(b) whether any dollar currency is allowed to any other aerated water manufacturer?

The Deputy Minister of Commerce and Industry (Shri Karmarkar):

(a) Rs. 2,30,480.

(b) Information is being collected and will be laid on the Table of the House.

ESTIMATE FOR SINDRI FACTORY

*3555. Shri Kamath: Will the Minister of Works, Production and Supply be pleased to refer to his reply to the debate on the Demand for the Ministry of Works, Production and Supply and state:

(a) whether an estimate for the Sindri Fertiliser Factory has been prepared; and

(b) if so, whether it has been placed before the Standing Finance Committee and communicated to the Estimates Committee?

The Minister of Works, Production and Supply (Shri Gadgil): (a) and

(b). Yes, Sir. I propose to place the estimate before the Standing Finance Committee shortly.

PETITION FROM SINDHI DISPLACED FAMILIES

*3556. Shri Kushiraman: Will the Minister of Rehabilitation be pleased to state:

(a) whether it is a fact that Government have received a petition from 100 Sindhi displaced families expressing their desire to return to Pakistan provided their homes and properties are returned to them; and

(b) if so, what steps have been taken or are proposed to be taken in this regard?

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

(b) The Government of Pakistan have expressed their willingness to grant resettlement facilities only to those persons who migrated from West Pakistan between the 1st February and 31st May, 1950. The Sindhi Panchayat Gwallor, from whom the petition was received, has been requested to indicate the dates on which the families migrated to India. The matter will be taken up with the Government of Pakistan on receipt of a reply from the Panchayat.

AMARDA CAMP

*3557. **Shri M. Naik:** (a) Will the Minister of Rehabilitation be pleased to state the number of displaced persons that have been accommodated in the Amarka Displaced Persons Camp in the District of Mayurbhanj in Orissa?

(b) How many of them are in receipt of doles and how many have been supplied with permanent or quasi-permanent occupations?

(c) What portion of the original displaced persons have so far been rehabilitated?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) 6,426.

(b) On 10th April, 1951, 6,322 persons were on doles. 104 persons are temporarily employed in and around the camp.

(c) 3,614.

DISPLACED MUSLIMS IN ASSAM

*3558. **Maulvi Wajed Ali:** (a) Will the Minister of Rehabilitation be pleased to state whether it is a fact that large number of such returning Muslims have not been able to cultivate lands, for want of loans, cattle, seed, grains etc. and are in dire distress?

(b) If the answer to part (a) above be in the affirmative, do Government propose to advance sufficient loans and grants immediately, for the benefit of these persons?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) No. In fact about 80 per cent. of returning Muslim migrants have not only been restored their houses and lands but also given rehabilitation loans aggregating Rs. 22.68 lakhs up to February, 1951.

(b) Does not arise.

CIGARETTE-PAPER FACTORIES

*3559. **Shri Sohan Lal:** (a) Will the Minister of Commerce and Industry be pleased to state how many cigarette-paper producing factories are running in India to day?

(b) What is the paid-up capital of each factory separately?

(c) What is the estimated production and consumption of this paper in India at present?

(d) what was the value of imports of this paper in the years 1948, 1949 and 1950 respectively?

The Deputy Minister of Commerce and Industry (Shri Karmarkar):

(a) Two.

(b) M/s. Tribeni Tissues—Rs. 1.3 crores.

M/s. Bengal Paper Mills—Rs. 15 lakhs.

(c) The production was 300 tons only during 1950, but it is expected to be much more during this year, as Messrs. Tribeni Tissues have recently come into production.

The consumption is roughly 1,800 tons per annum.

(d) Information is not readily available, as statistics of import of cigarette paper are not maintained separately. The value of licences issued was as follows:

1948	Rs. 35,92,839
1949	Rs. 6,54,694
1950	Rs. 14,49,349

GRANTS TO STATES FOR EDUCATION OF DISPLACED PERSONS

*3560. **Shri S. V. Naik:** (a) Will the Minister of Rehabilitation be pleased to state what are the amounts granted to different States towards education of displaced persons during the years 1948, 1949 and 1950?

(b) What is the approximate number of students who have benefited from these grants?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) and (b). The information is being collected and will be placed on the Table of the House in due course.

TOUR OF U.S.S.R. BY INDIANS

*3561. **Shri Kamath:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that the U.S.S.R. Society for Cultural Relations, and the Union of Soviet writers have invited twenty-four Indians to tour the U.S.S.R.;

(b) if so, whether the invitation has been accepted;

(c) the date of the proposed visit to U.S.S.R., together with the names and qualifications of those who will undertake the tour; and

(d) the aims and objects of the tour?

The Deputy Minister of External Affairs (Dr. Keskar): (a) Government have seen reports to this effect. They have not been officially informed nor consulted.

(b) to (d). Apparently the invitations are personal and have been extended directly to the individuals concerned. Government have no further information.

**ALLOCATION TO MADHYA PRADESH BY
TEXTILE COMMISSIONER**

*3562. **Shri Kannamwar:** (a) Will the Minister of Commerce and Industry be pleased to state whether Government have received any representation from the Madhya Pradesh Cloth Importers' Association stating that the Madhya Pradesh State has lost over 17,000 bales due to faulty system of allocation by the Textile Commissioner, Bombay?

(b) If so, what steps do Government propose to take in the matter?

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

(b) Due to the reduced availability of cloth during the year 1950 every State including Madhya Pradesh has received less than the quota fixed in 1948 and it would not be possible to make good the backlog. The Government have, however, taken the following steps to increase the availability of cloth to the States including Madhya Pradesh:

(i) Export quota of cloth has been curtailed;

(ii) Mills have been directed to earmark 90 per cent. of their packings for internal consumption;

(iii) In order to make more *dhoties* and *saries* available, mills have been directed to utilise 50 per cent. of their wide looms for the manufacture of these sorts.

COTTAGE INDUSTRIES

*3563. **Babu Gopinath Singh:** Will the Minister of Commerce and Industry be pleased to lay on the Table of the House a statement giving the following information separately, for the years 1948-49, 1949-50, and 1950-51:

(i) budget grant for Cottage Industries;

(ii) the amounts distributed to various States and Organisations for development of Cottage Industries;

(iii) whether the distribution of the amounts mentioned in part (ii) above was made with the approval of the Cottage Industries Board or whether it was made by Government without reference to the Cottage Industries Board; and

(iv) whether the amounts referred to in part (ii) above were given in respect of any approved schemes and if so, who approved these schemes?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): A statement is laid on the Table of the House. [See Appendix XXIII, annexure No. 9.]

COTTAGE INDUSTRIES EMPORIUM

*3564. **Babu Gopinath Singh:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that the Central Cottage Industries Emporium stocks only superior quality goods of high prices and that ordinary and cheap quality products of cottage industries which are largely required by the middle and lower middle classes are not available?

(b) Do Government propose to take any steps to avoid the recurring loss of Rs. 2,000 per month on the Emporium?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) It is true that the Emporium generally stocks superior quality goods, but all the goods are not of such high prices that they are beyond the reach of the middle and the lower middle classes. The question of stocking and selling utility goods is under consideration.

(b) The whole matter has recently been considered by the Executive Committee of the Cottage Industries Board and their recommendations are being examined by Government.

MAINTENANCE OF RESIDENTIAL QUARTERS

*3565. **Babu Gopinath Singh:** (a) Will the Minister of Works, Production and Supply be pleased to state the reason for the expenditure to the extent of 90 per cent. of the annual income from residential quarters being incurred by the Government of India on the maintenance of such quarters?

(b) What is the normal percentage allowed by the Income Tax authorities and Municipal Boards for annual repairs and maintenance of buildings?

(c) Do Government charge any amount from the occupants of residential quarters for the services of *malles* deputed to look after their lawns and gardens?

(d) If so, what is the usual rate and is it sufficient to cover the pay and allowances of *malles*?

(e) If no charge is being made, what are the reasons for allowing free services of *malles*?

The Minister of Works, Production and Supply (Shri Gadgil): (a) As the hon. Member is aware, the annual income from residential quarters is not necessarily the maximum income that is realisable, as the rent recovered from Government servants is in many cases a concessional rent, being limited to 10 per cent. of the emoluments of the occupant concerned. In view of this, the proportion that the expenditure on maintenance bears to such income may be comparatively high. Even so, I am having the matter further examined to ascertain what this proportion is normally, and whether there were any special reasons for this proportion being about 90 per cent. in the year 1949-50, as the hon. Member has presumably based his question on the reply I gave to a question of his on the 26th March last.

(b) The Income Tax authorities allow 16 2/3 per cent. of the annual letting value of the property and the Municipal Committees in Delhi State 10 per cent. of the gross annual rent, for the purpose.

(c) No; except in the case of the occupants not entitled to the concessional rent.

(d) In the case of non-entitled persons, the garden charges are recovered at a flat rate of Rs. 48/8/- per acre for lawns and Rs. 6/- for maintenance of paths etc. and these are sufficient to cover the pay and allowances of *malies*.

(e) So far, Government have taken the view that the rent realised from Government servants should equitably cover not only the rent of the bare house, but of the house situated and maintained in the midst of appropriate surroundings, lawns and garden. Further, it has been the view of Government that being the capital city, it is desirable to maintain the parks, lawns, hedges, etc., in New Delhi at a certain standard and that therefore Government should appropriately accept the responsibility for their maintenance.

PENICILLIN FACTORY

***3566. Prof. S. N. Mishra:** Will the Minister of Works, Production and Supply be pleased to state:

(a) the original estimate for starting a Penicillin factory in India?

(b) whether the original estimate has undergone revisions and if so, to what extent?

The Minister of Works, Production and Supply (Shri Gadgil): (a) Rs. 90 lakhs on account of capital cost.

(b) Yes. The revised estimate is Rs. 278 lakhs but both the original and the revised estimate include estimates for setting up production of sulpha drugs and an anti-malarial drug also.

RADIO MANUFACTURE

***3567. Prof. S. N. Mishra:** Will the Minister of Commerce and Industry be pleased to state:

(a) the amount of capital invested in the radio-manufacturing industry in India;

(b) the names of firms engaged in radio manufacture; and

(c) the output of radio-receivers in 1950?

The Minister of Commerce and Industry (Shri Mahtab): (a) Government have no information.

(b) A statement is laid on the Table of the House. [See Appendix XXIII, annexure No. 10.]

(c) 43,500 approximately.

EVACUEE PROPERTY

242. Shri Kamath: Will the Minister of Rehabilitation be pleased to state:

(a) the total number of claims that have so far been registered in respect of evacuee property left behind in West Pakistan by displaced persons, together with the total number of properties and their value to which the claims relate;

(b) the number of Claims Officers that have been appointed;

(c) the procedure prescribed for verification of those claims;

(d) when the work of verification is expected to be completed; and

(e) whether the problem of settlement of evacuee property is under discussion between the Governments of India and Pakistan, and if so, on what lines?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Attention of the hon. Member is invited to my answer to part (b) of Starred Question No. 1309 by Shri Sidhva on the 9th February, 1951. The position has not substantially changed since then.

3635

Written Answers

26 APRIL 1951

Written Answers

3636

(b) 132 Claims Officers have so far been placed in position.

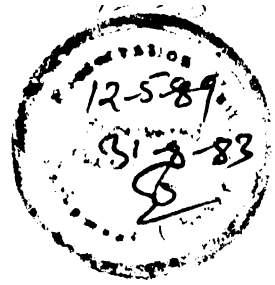
(c) The procedure of verification is as laid down in The Displaced Persons (Claims) Act, 1950.

(d) Attention is invited to my reply to part (e) of Starred Question No.

3020 by Shri Raj Kanwar on 11th April, 1951.

(e) The hon. Member's attention is drawn to the reply given by me on the 9th February, 1951 to part (a) of the Starred Question No. 1309 by Shri Sidhva. Since then there has been no further development in this matter.

Thursday, 26th April, 1951



PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

VOLUME X, 1951

(31st March, 1951 to 20th April, 1951)

Third Session
of the
PARLIAMENT OF INDIA

1950-51

THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers.)
OFFICIAL REPORT

7514

7515

PARLIAMENT OF INDIA

Thursday, 26th April, 1951

*The House met at Half Past Eight
of the Clock.*

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

9-32 A.M.

BUSINESS OF THE HOUSE

Shri Kamath (Madhya Pradesh): On a point of procedure, Sir. The Deputy Minister in answer to my starred question No. 3522 regarding the Japanese Peace Treaty did not give certain information to the House, because the Prime Minister had expressed his views thereon time and again to foreign correspondents. So far as I am aware there has been no official or press note on the subject. It is difficult for all of us to keep pace with the interviews given by the Prime Minister to foreign correspondents. May I request you to give a ruling or let us know whether certain matters which have been disclosed to foreign correspondents or some correspondents could be withheld from the House just on that ground?

Mr. Speaker: The hon. Member has very probably misunderstood the whole position. One of the principles on which questions are allowed or disallowed is that matters, information about which can be had from records, need not be put in the House at all. If it is published in interviews or if the press gave publicity to these interviews... (*Shri Kamath:* Even reports of interviews?) Let not the hon. Member argue while I am giving my ruling. Such questions really should not be put at all. Unfortunately it is our experience that such questions are 78PS.

put. But every time it is not possible for the Chair to disallow such a question or for the Minister to say that the information is published elsewhere. It is for Members themselves not to put questions of that type in order to save the time of the House which can be better utilised for eliciting information on other questions. For example, if such questions had not taken up our time, the last question could have been better dealt with through supplementaries but unfortunately more information through supplementary questions could not be had. So I do not think any point arises. The Minister himself is the best judge.

Shri Kamath: The Prime Minister himself has told us that he had often been misreported by correspondents.....

Mr. Speaker: He can verify that from the Prime Minister..... (*Shri Kamath:* Very strange.) The hon. Member is not in order in passing remarks of that kind. (*Interruption.*) Whatever it may be it is no use raising it here.

ELECTIONS TO COMMITTEES

- I. CENTRAL ADVISORY BOARD OF EDUCATION.
- II. GOVERNING BODY OF THE INDIAN COUNCIL OF MEDICAL RESEARCH.
- III. STANDING FINANCE COMMITTEE.

Mr. Speaker: I have to inform the House that up to the time fixed for receiving nominations for the Central Advisory Board of Education, the Governing Body of the Indian Council of Medical Research and Standing Finance Committee, one nomination in the case of the first, two nominations in the case of the second and one nomination in the case of the last were received. As the number of candidates is equal to the number of vacancies in each of these Committees, I declare the following Members to be duly elected:

- I. *Central Advisory Board of Education.*—Shrimati Sucheta Kripalani.

[Mr. Speaker]

II. *Governing Body of the Indian Council of Medical Research.*—
Dr. K. V. Thakkar and Dr. Devi Singh.

III. *Standing Finance Committee.*—
Shri V. Kodamdarama Reddy.

BENARES HINDU UNIVERSITY
(AMENDMENT) BILL

مولانا : جناب میں تحریر کرتا

کرتا ہوں کہ ایک بل پیش کرنے کی اجازت دی جائے جو اس غرض سے تیار کیا گیا ہے کہ بنارس یونیورسٹی ایکٹ سنہ ۱۹۱۵ء میں اور ترمیم کی جائے۔

[The Minister of Education (Maulana Azad): I beg to move for leave to introduce a Bill further to amend the Benares Hindu University Act, 1915.]

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Benares Hindu University Act, 1915."

The motion was adopted.

مولانا آزاد : میں بل پیش کرتا

ہوں۔

[Maulana Azad: I introduce the Bill.]

FINANCE BILL—concl'd.

Mr. Speaker: Mr. Deshmukh.

Shri J. N. Hazarika (Assam): Sir, will no more Members be allowed to speak before the hon. Finance Minister replies?

Mr. Speaker: The hon. Member has perhaps not read or is not very conversant yet about the rules of procedure. The hon. Finance Minister is now replying and there will be no further debate now on the consideration motion; but the Bill will come before the House again in the clause by clause stage, when hon. Members will have opportunity, provided there is time, to make speeches. And there is guillotine at one o'clock. Whatever has remained undisposed at one o'clock will have to be put to the vote of the House.

Shri J. N. Hazarika: The hon. Speaker has disallowed questions on the ground that those aspects had already been discussed on the Finance Bill.....

Mr. Speaker: Hon. Members must cultivate the habit of putting forward short arguments limiting themselves only to certain aspects of the vast administration of Government and try to speak only on those aspects. If every hon. Member wishes to speak on the whole field of administration it will be impossible to give chances to every one. If the hon. Member himself were to sit in the Chair he will realise what a difficult thing it is.

Shri Hussain Imam (Bihar): The fact that many of the amendments are not going to be moved should be able to afford more time.

Mr. Speaker: If the amendments are not going to be moved the House is going to get the chance again when the clauses come up for consideration. This is a peculiar Bill inasmuch as it makes provision for the financial needs of the Government and therefore every subject is open for discussion again.

Pandit M. B. Bhargava (Ajmer): Will the third reading of the Bill be guillotined?

Mr. Speaker: If the amendments are taken up till one o'clock. Fortunately there is a terminus here, so that hon. Members may satisfy themselves till one o'clock.

The Minister of Finance (Shri C. D. Deshmukh): In view of the time at my disposal I do not propose to be so bold and sweeping and imaginative as many of the hon. Members have been in discussing the Finance Bill. I shall convey to the Ministries concerned several grievances that have been mentioned such as those by Mr. Ghule and Thakur Krishna Singh in regard to their local administrations and I am sure that those grievances will receive sympathetic consideration.

As regards the general remarks made by Mr. Brajeshwar Prasad, I view the geo-political field as being more dangerous than a mine field. It is all well trodden ground by those who are well qualified to tread it and the House has generally endorsed the lead that has been given in this matter by the Prime Minister. Therefore it is not necessary for me to devote any observations to that particular subject.

One of the most important questions that has been referred to is the question of the cash balances. Mr. Shiva Rao

and one or two other Members complained that the Select Committee were not aware of the state of the cash balances and had they been so aware then perhaps they might have gone further than they have in providing relief in various taxation measures.

As was pointed out yesterday, that is not quite correct. Mr. Hussain Imam took the earliest opportunity of drawing attention to the cash balances and I gave an explanation. I wish to bring the figures up to date because I do regard this matter as a very important one. I will try to give the latest appreciation of the position in regard to the closing balance on the 31st March, 1951. The latest information from the Reserve Bank indicates that the closing balance will be Rs. 160 crores.

Shri Hussain Imam: So I was right.

Shri C. D. Deshmukh: I am always ready to acknowledge any error that has crept into my observations unlike many other Members. As I said, the latest information is that the closing balance will be Rs. 160 crores against Rs. 95 crores taken in the revised estimate. The breakdown of this improvement is as follows:

(1) Investment by State Governments	Rs. 6 crores.
(2) Less drawing by the High Commissioner, London	„ 13 „
(3) Less payment of food bonus to States.	„ 4 „
(4) Improved recovery of food dues from States.	„ 0 „
(5) Less loans to States for rehabilitation	„ 3 „
(6) Better investment in treasury savings deposits	„ 2 „
(7) Improved collection of customs revenue.	„ 0 „
(8) Less expenditure on Defence	„ 0 „
(9) Other heads	„ 7 „

Now, that makes a total of Rs. 65 crores. As far as I can see, item (1), that is to say "Investment by State Governments" is a temporary benefit because it is in the shape of treasury bills and in the course of the year they may want their money back. Then, as regards items 2, 3, 4, 5 and 8, as I explained last time they mean no more than a carry forward of expenditure from last year to this year. Item 2, "Less drawings by the High Commissioner", probably involves payment for

food. "Less payment of food bonus to States" may mean that it may have to be paid during the course of this year. "Improved recovery of food dues", is like expenditure; if something has been recovered in one year then obviously you cannot recover the same thing in the current year. "Less loans to States for rehabilitation", that again is an item which I have no doubt they will draw upon in the course of the year. Now, all these items which therefore do not represent any permanent improvement, aggregate to Rs. 46 crores and to that extent we may reasonably expect that our position in this year's Budget will be affected. That leaves Rs. ten crores, "Improved collection of customs revenue". Well, we were very pleasantly and agreeably surprised by the spurt in the customs revenue in the last two months. As estimators we can only take the last ten months' actuals which are known to us and add the average for the next two months and then arrive at an estimate, and that was the process followed. Anyway there is this improvement—whether it will continue during the next year or not is more than one can say. I believe it is a platitude that estimates of revenue will always be underestimates and estimates of expenditure will always be overestimates no matter how precise or careful you may try to be.

Dr. Deshmukh (Madhya Pradesh): To what extent?

Shri C. D. Deshmukh: It is very difficult to say but those are natural tendencies and it is no use blinking your eyes to them. All I say is that the revenue estimator has to take into account all kinds of contingencies. As a matter of fact, even now it has happened that there has been a restraint on buying in certain quarters in regard to our jute goods, and therefore it may be that the next two months' figures may not be as good as those we have taken for the purpose of our estimates. Anyway, I leave the matter there. As I have assured the House before, I have tried to make the best estimate possible and as I have also pointed out we always recognise that there is room for improvement and if there is any scope for improvement then we will try to improve our estimates. Then, as regards item 8, "Other heads", (Rs. seven crores), I have not got a breakdown, so I take it that it may resolve itself into some kind of improvement. As against that there may have been unforeseen expenditures. So, I do not think the figures that I gave out last time will possibly be much different. There might be an improvement of ten or twelve crores and I do not think that that figure is very far out.

[Shri C. D. Deshmukh]

This is only one of the considerations—it was a very forceful consideration in the beginning, in the sense that if we did not have any cash balance to speak of, well, then taxation was absolutely imperative on that ground alone irrespective of anything else. But what I claim is that the present taxation is needed on two other important grounds: One is to counter inflation and the second is to finance our development programme, or rather the first stage of our six-year development programme. In regard to inflation, all dispassionate economists have come to hold the view that the principal factor in the inflationary situation during the last three years has been the deficit financing of Government expenditure. There is a certain amount of truth in this although we pointed out that our total deficit over the last three years was about Rs. 170 crores as against a balance of payment deficit of about Rs. 500 crores. In one sense, therefore, we were not positively inflationary, but we failed to be disinflationary. On the other hand, we must also remember that much of the expenditure incurred by Government was on development and all investment of this kind is inflationary in the sense that no matter how well-gearred your economy may be it takes some time before your ship comes home and in the meanwhile production has not kept pace with the purchasing power. Therefore, one has to take care of the immediate and short-term effects of investment expenditure and if Government were to absorb any of the foreign exchange which should otherwise go to the private sector, then to that extent we fail to cope with the current inflation and it might have been certainly very desirable if we had been in a position to set aside for the private sector the Rs. 170 crores which we used up for our own expenditure. To that extent there might have been more goods had they been available from foreign countries and had release of sterling been of comparable magnitude. If all these 'ifs' had been satisfied then I should say that it might have been much more satisfactory if we could have spared for the private sector whatever balance of payments deficit that we have. But what is true in theory does not always happen in practice. In any case, on the whole, giving a judgment on the last three years' happenings one might say that Government's investment expenditure and the way in which it has been financed has not been positively inflationary to any significant extent. Well, we want to continue on the same lines. This year, as I said, our total deficit is likely to be of the order of Rs. 80 crores *minus*

that ten or twelve crores of that improvement; so you might reduce it to Rs. 70 crores. Well, certain changes have been made in the Finance Bill and also in the increase in the railway fares, so that it may be that the total money that we shall raise will be less than what we calculated and that will neutralise the surplus of Rs. ten or twelve crores to that extent.

But by and large, our situation will not be very much different from what we anticipated for the purpose of the Budget. I think the final result might be—and one can hardly afford to be a prophet in matters like these—that instead of ending the year with a cash balance of Rs. 43 crores, we may reach a cash balance of about Rs. 50 crores or may be Rs. 55 crores. Anyway, those sums are not extravagant. That is from that point of view, but what I regard as the much more important point of view is this, that we are taking a six-year view of this Budget. It is not as if we are living from year to year and just trying to see whether the year's accounts are balanced or are not balanced or are well balanced or are ill balanced. This is actually the first of the six years which were covered by the Colombo Plan or any other Plan which the Planning Commission may bring out. It is somewhat unfortunate that the Budget should have come before the Planning Commission could complete their deliberations and bring out their report. It is not their fault, because it is the most complicated business and if they do bring out the Plan with in the next two or three months—and I think I can say as a member of the Commission that they have done extremely well—we must consider its implementation. But if that Plan had been before the House, the House would have been quite convinced that something has to be done in order to finance development. Either you give up the whole idea of planning for development or develop the country. Either you just live for the day or you say, "Well, we will make a brave effort to develop the country". If you come to the latter conclusion, then I think taxation is inescapable, whether it is this year or the next year or the year after next. Taxation is completely inescapable and I do not think that the order of taxation that is proposed is excessive for the purpose. As Pandit Kunzru pointed out, the Colombo Plan states that we shall have to raise our own resources by about Rs. 380 crores, taking the resources of the Centre and the States together. Assuming that about two-thirds of this at least belongs to the Centre, that gives you Rs. 40 to 45 crores and that is what we shall be

raising by the taxation measures that the House will have adopted today. Therefore, the House would have given signal proof of their complete agreement with the view that we cannot sit still and that we must find the resources to develop the country, however great a sacrifice this may involve. Reference has been made to this country going around and asking for help and so on, but self-respect and dignity demand that whether help is likely to come from outside or not, we must make our own efforts to raise resources in the country.

Pandit Kunzru (Uttar Pradesh): Did the hon. Minister say that the taxation already proposed by him would enable him to get in future between Rs. 40 and 45 crores?

Shri C. D. Deshmukh: No. Rs. 40 or 45 crores a year. Multiplied by six years, this will give you about Rs. 270 crores and that is only from the Centre. This is a very rough calculation. Some of the export duties may not prove permanent. I am only giving a dimensional idea of the problem and if there are deficiencies or excesses in regard to the target, then we should have to adjust from year to year.

Pandit Kunzru: No, but does my hon. friend mean that the taxation proposed this year would in future yield between Rs. 40 and 45 crores, or does he mean that he would have to impose additional taxation to the tune of about Rs. 40 crores next year?

Shri C. D. Deshmukh: I do not think any additional taxation will be necessary except for purposes of adjustment. It may be that we may be able to reduce some of the taxation. It may be that some small changes would have to be made elsewhere. I take it that it would not be our intention to go back on the railway fares or on some of the other things that we have introduced. On the other hand, some of the surcharges may be taken off. It all depends upon how the year turns out. But the point I am making is that there is nothing wrong in making a beginning with raising money for development purposes. Then the point has been made by Prof. Shah that it is wrong to tax the present generation for the future generation's benefit. I say that once you admit that development is necessary and desirable then there is no way in which the present generation can escape this burden. It may be that if you do not tax, then probably you will have to have deficit financing and deficit financing is a very untidy and disorderly way of taxing people. It simply means that the poor are driven to the wall and the rich

are made richer and the poor made poorer. There is no discrimination and you are left with no choice. Government takes the money in the way of higher prices. On the other hand, a taxation measure allows you some kind of choice. You may from time to time review the situation and that would be very much easier in a few months' time when the results and revised figures of the national income would be in our hands. Once we know what the total national income is and how it is distributed, then will be the time for us to see if there is anything very wrong in our present structure of taxation.

That brings me to the next point, that is, the Taxation Enquiry Committee. I think it will not be very fruitful to have a Taxation Enquiry Committee unless you have the basic data that would be required by such a Committee. I cannot imagine what a Taxation Enquiry Committee will do if it does not know what is the national income and how it is distributed among the various sectors of the community and unless we lay down some machinery to find out how from time to time the taxation measures affect the distribution of income or the shift of income from one sector of the community to another, there would not be much point otherwise. So I think as soon as we get the first figures of the National Income Committee, in the light of the completion or otherwise of those figures, we shall take up seriously for consideration the question of promoting an investigation into this question. What machinery should be employed is rather difficult to say at the moment. I myself have been toying with the idea that perhaps the new Finance Commission may be able to undertake this, with suitable assistance in the way of assessors. That will depend upon the qualifications which the House approves for the members of the Finance Commission and the personnel that we succeed in getting for the Commission. Anyway, these are problems which will fall to be considered shortly, that is to say, within the next three months or so. I assume that the House will find time to pass the Finance Commission Bill in this session. I think that that is all that I shall say on this very important aspect of cash balances and their bearing on inflation, development and so on.

The next issue that was raised, also by Shri Shiva Rao, was in regard to economic survey, annual administration reports, personnel, office efficiency, works committees, Whitley Councils and the need for statistical observation. All these are very valuable ideas and to the extent to which it is

[Shri C. D. Deshmukh]

feasible I certainly agree with him that something should be done on those lines. Actually, so far as the economic survey is concerned, it is not as easy as apparently the hon. Member thinks. There also, you must have certain statistics and I believe that you cannot produce a survey such as is produced in the United Kingdom unless you have figures of national income. So that unless you have in your hands the results of the National Income Committee's deliberations as well as the results of the National Sample Survey, nothing could be done. Once we have those results in our hands, it may be possible for us to try and attempt something in that direction. The hon. Member complained about the lack of suitable personnel to assist the Finance Ministry. I do not think that that idea is quite correct. In the Reserve Bank, during the last three or four years a very competent machinery has been developed for studying these economic questions and they have some very able economists assisted by very bright youngsters who have studied economics. Therefore, we constantly draw upon that fund of competence. The Finance Ministry itself has only a small cell. There is also the organisation of the Economic Adviser to Government which it will be our attempt now to review from time to time. So, I do not agree that we are as badly off as the hon. Member was inclined to think.

10 A.M.

As regards the Whitley Councils, I believe we have made some kind of beginning already. The Pay Commission had already made a recommendation in that regard and the Home Ministry have collected certain preliminary material on the subject and they are now considering the recommendation as part of the Reorganisation Scheme. Meanwhile, in certain Ministries, staff committees comprising of both the officers and the staff are already functioning. The main objects of this committee are to provide means of personal contacts between officers and the staff and to encourage the staff to take keen interest in the work and to enable them to put forward suggestions for ameliorating the conditions under which they work and for improving the standards of work. In our own Ministry, the Ministry of Finance, such committees have been functioning in both the Departments, and in the Economic Affairs Department, particularly, the committee is presided over by the Secretary himself. I may add that I have attended a meeting of the committee myself and

I know what valuable work that committee is doing.

I come now to the various complaints in regard to inadequate provision, as for instance by Mr. Shiva Rao in regard to industrial housing, by Dr. Thakkar in regard to scheduled castes and scheduled tribe areas, by Dr. M. M. Das in regard to Education and Health and by Mr. Sarangdhar Das in regard to health insurance and minimum wages for agricultural labour and so on. Now the provision reflects the list of priorities that have been drawn by the Government within the limits of their resources. These priorities are stated most exhaustively. We started discussing them, I remember, in June 1950, and ever since then we have been going over the ground again and again. We had the advantage of the advice of the Planning Commission. But if we do find that there is an improvement in the resources, then it should be possible to find the money for some of these allegedly neglected subjects, provided the Government as a whole come to the conclusion that they deserve high priority, on the advice of the Planning Commission. I myself have gathered the impression that the House is favourably inclined to making additional provision for Education and Health schemes, but it is difficult for me to gauge the opinion of the House, when an hon. Member said that the Education and Health Ministries should be abolished and should be replaced by two peripatetic Ministers.

Shri J. R. Kapoor (Uttar Pradesh): We never said that 'Education' should be replaced.

Shri C. D. Deshmukh: I am glad to hear that he does not want the subjects to be abolished, but only the Ministry. But how that work is to be carried on is not quite clear to me. But that apparently is a minor point. I am, therefore, comforted, judging from the general applause which has greeted these observations, that the House would be in favour of increasing the provision for Education, Health and also for scheduled tribes and castes. I might add that I myself am very sympathetic to these things, because, sincerely speaking, they do not make a very large demand on the total resources available and it should be possible not to stint them.

Dr. Deshmukh: Give five crores.

Shri C. D. Deshmukh: I would not like to venture on any figure. But I have given an indication of my own attitude on the subject and we shall try and pursue this matter a little further in the light of such improve-

ment in our resources as we find from time to time.

Now I come to the next point and that is multi-purpose projects, control of expenditure and so on. Now in regard to control of expenditure I have already said a great deal. We are trying to improve it, especially in the light of such failures as are noticed from time to time and failures there always will be in such a big organisation which is taking on wider and wider scope of work as a modern democratic Government.

I am very sorry that the hon. Member Mr. Shiva Rao misunderstood certain remarks which I made in the course of my speech. I did say 'captious' criticism. But the 'cap' in that 'captious' was not meant for him. So he need not wear it. I was rather annoyed—to speak the truth—at certain remarks made outside that the Indian Government has frittered away all the balances and has started very ambitious schemes which are showing no results. I only expressed my surprise that anyone should expect big hydro-electric schemes to show results within one or two years. It is not like an automatic machine where you press a button to get water or food. They take years to mature. So, my remarks were really directed against those critics and not against the hon. Member and I generally do not regard any of his observations as being every likely to be captious.

Now, there is also the suggestion that the Ministry of Natural Resources and Scientific Research should be assisted by a Board of Advisers and Engineers and I shall convey that suggestion to that Ministry.

There was a question raised—I think by Pandit Kunzru—about the audit of the accounts of the High Commissioner's Office in the United Kingdom. Well, I had occasion to explain what the situation was in the course of my answer to some questions and I can only say that the Comptroller and Auditor-General is completely seized of the situation. He could not have helped hearing something about what was said in regard to the purchase of jeeps and I have no doubt that he is looking into the affair. I believe that the Public Accounts Committee's report for 1948 is due to be submitted to the House very shortly and it may be that it will contain some observations. I do not know—I have not seen the report itself—but I believe he is looking into some of these things and the House then will have an opportunity of his mature and completely dispassionate judgment in the affair. I need not, therefore, say anything more on the subject now.

Then questions were raised about the character of the Income-tax administration. There were one or two cases cited—I do not know whose cases they were. But if hon. Members who drew attention to them will let me have the details, perhaps it may be possible for me to look into them and see if there has been any failure on our part. At any rate, I do not think the situation is as bad as is made out to be. I am rather in a difficult position in this matter. If I discourage complaints, then it may be that those who are not doing their duty are encouraged; if on the other hand, I give too much importance to them, then those who are trying to do their duty get discouraged themselves. But both myself and my hon. colleague are very well aware of the need for improving the relation between the assessee and the Income-tax Department and we are bending every effort to that purpose. I realise that it is no use answering charges and saying that this or that accusation is not well-founded. The fact remains that certain people are under the impression that they do not get a fair deal from the Income-tax Department. It should be our object to remove that impression, that is to say, to carry conviction to the assessee that they are going to be well-treated. And I propose to do that.

Then there was some question about the status of Assistant Commissioners. That is not such a simple question as Pandit Bhargava thought. They have a sort of double duty—they are both inspecting officers as well as appellate officers, and sometimes there is an interchange between them too. But here again the general impression that the C. B. R. interferes and issues a flood of circulars directed against the assessee, I think, is completely unfounded. I have not got the statistics here, nor have I the time to quote them, but I have seen the statistics myself which show that in a large majority of cases the Assistant Commissioners upset the judgments of the Income-tax officers. And that shows it is not as if the Income-tax officers take all their orders from the Assistant Commissioners. If any Member is interested I would request him to visit the C. B. R. and to see the figures for himself. I am quite sure my hon. colleague will be prepared to show the figures to him. If a group of Members is interested I would invite them to have a little conference with my hon. colleague who is now in direct charge, and I am quite certain we shall be able to iron out any differences in this matter and we may institute a common effort to improve the administration of the Income-tax Department.

[Shri C. D. Deshmukh]

The next question is about inflation and prices. Mr. T. T. Krishnamachari has hinted at some radical remedies. How desperate the remedies should be depends on your diagnosis of how desperate the situation is. I myself do not consider that the situation is quite so desperate and I have not lost heart myself. There is a sort of strange concatenation of circumstances which has descended on us at the moment, but I think things cannot be very much worse, they must improve. I think the king-pin of all this is the supply of food. We are trying to procure food from all over the world and as soon as that starts coming, that is to say from the end of June, the situation should start improving. I do not agree with the thesis that it is monetary inflation that is causing all this inflation. I have looked into this problem. The money supply has increased by 2.6 per cent, while the index number of wholesale prices as compared to the beginning of 1950 has gone up by over 12 per cent. From this it would appear that the main reasons for the rise in prices are non-monetary. During the last war when large amounts of money were created, the main contributing factor to inflation was truly the monetary factor. But since then the position has radically changed. The money factor now remains more or less constant—subject to the correction that has been made by Mr. T. T. Krishnamachari—apart from small variations about which there is a dispute. On the other hand, owing to the greater effective demand for capital goods, consumer goods and industrial raw materials as well as food all over the world, there has been a world-wide rise in prices of such goods, especially after the Korean war. I am sorry it is a platitude, but it has to be stated again and again. The real factor contributing to the rise in prices, I maintain, therefore has been the international factor, and therefore it is to that extent beyond the control of this Government alone. There are countries which exert great pressure on prices because of their buying policy and their capacity to buy, and I think that is recognised in those countries themselves, and there are proposals to appoint Price and Wage Stabilisation Boards and to take other measures. To the extent to which their measures are successful I think we shall be obtaining relief.

Another way in which it might be possible to alleviate the situation is by way of capital goods and consumer goods from abroad. It may be

that we might get some such aid under the Colombo Plan which might ease the situation, however slightly, and that is all I think that one can attempt to do at the moment, apart from the action which I have already indicated on the monetary front, namely the present taxation, which I am quite convinced will help.

There was some reference to the actual distribution of taxes. Well, that point I should have taken up together with the appointment of the Taxation Committee. I do not think our ratio of direct and indirect taxation compares very badly with the ratio obtaining in other countries, if we take into account the fact that some of our indirect taxation is due to export duties which do not bear on the common man, and if we take into account the fact that this is a poor country. Taking all these factors into account, as I can see things, at present the indirect taxation is not unduly heavy. But, as I said, all these are questions which it is for the Taxation Enquiry Committee, or whatever body is charged with that function, to go into.

Pandit Kunzru has referred to the failure of our borrowing programme and he has ascribed that to lack of confidence in Government's policies. I do not believe that is a right diagnosis at all. The loss of confidence may account for non-investment in the private sector, but so far as Government is concerned I am not aware that anything has happened that has damaged Government's credit or has raised doubts about the profitability of its schemes. After all, the bulk of the money that we are spending is on large hydro-electric projects of which India has had very considerable experience. India has the largest irrigated area in the world, and we know far more about irrigation and about actual distribution of irrigation than most other countries, although we may not know everything about high dams and so on and so forth. And technical assistance is available whenever we need it. Therefore, I cannot see any reason why the public should come to the conclusion that our projects are not going to be successful. It may be that they will cost a little more than what the estimates suggest. But that is only saying in other words that inflation has not still been brought under control. But so far as the nature of our projects is concerned I do not think there is any need for the public to fight shy of investing. Actually, as soon as a certain issue appeals to the public it starts subscribing to it. Take for

instance the Treasury Deposit Certificates which were instituted in last February. So far we have collected about six crores which I think certainly does not show that the common man, I mean the small man—because there is a limit of twenty-five thousand on it—is afraid of putting money into Government ventures. Or take the State Governments. Last year some money was found by the local people for local projects. How the borrowing is to be improved is a matter which I have no time to go into now. There are very many factors involved in it. It is the rate of interest which people expect from time to time; it is.....

Pandit Maitra (West Bengal): What is the position with respect to the National Savings Certificates?

Shri C. D. Deshmukh: Well, I expect altogether an improvement of twelve crores on thirty-one crores. That includes these new Treasury Deposit Certificates as well as the National Savings Certificates as well as some of the other Postal forms. And I should be surprised if that estimate is not exceeded, judging from the progress of the Treasury Deposit Certificates.

Shri Hussain Imam: May I know what is the rate of interest which the hon. Minister allows on these certificates?

Shri C. D. Deshmukh: Three and a half per cent. free of tax for the small man with a limit of Rs. 25,000.

Then I think it was Mr. Alva who complained about the choice of the purchases. He wanted more milk. That is a very natural kind of desire, but in these matters we are guided by the recommendations of the Planning Commission and if the Planning Commission should say: "Let all our purchases be such as will give you more milk and honey", then we shall adopt them.

Some other Members complained that Government had no plan at all and that the purchases were started without any plan. It is true that purchases were started without a plan three years ago. Obviously that is why we appointed a Planning Commission. Instead of the Government being thanked for appointing the Planning Commission, we are blamed for having started something three years ago. We have taken notice of the fact that an un-planned economy is not a very good thing for a country and that one ought to have some orderliness in the progress. Therefore, it is wrong to say

that Government have no plan. Government are very much aware of the necessity of having a plan.

Another hon. Member referred to the bank award and he said that the strike in the Punjab National Bank is due to the fact that Government have not made up their mind yet as to what they will do in regard to the situation that has been created by the Supreme Court's judgment. The facts are that in any case such a situation would have arisen. I do not know whether the hon. Member who has espoused the interest of the bank employees only lately according to his own statement is aware of all the facts. So far as A class banks, that is the most important banks are concerned, the award already ended in February 1951. So even if the Supreme Court had not said anything about it, the award would have come to an end and there might have been a dispute. Some banks would have gone back on the pay scales. They have a legal right and whether they would be justified or not, I cannot say.

[SHRIMATI DURGABAI *in the Chair*]

I would like to add that some of the other parts of the award only go up to August and it is only a few. That is to say the pay scales and allowances of C class banks which go on till February 1952. So in the course of things, these awards are only for a limited period and as soon as they end situations may arise which might lead to disputes. To what extent disputes will develop, depends on both the attitude of the employers as well as the attitude of the employees. If there are disputes, then it is the duty of Government to refer the disputes to another Tribunal. So the situation with which we are faced would have arisen in any case and we are devoting attention to it. There is only one factual correction which I would like to make for the hon. Member's information. He was under the impression that the strike was due to the Punjab National Bank going back on some of the things which had been settled by the award. That is not the fact. The Punjab National Bank according to my information have made no change in the pay and allowance conditions pending a decision by the Government. I believe, therefore, that the statement which was issued by the bank authorities that the strike was due to some employee going on leave without permission and so on, that is correct. I have not the time to verify any further.....

An Hon. Member: That is the last straw.

Shri Hussain Imam: Do Government propose to use the conciliation machinery for the settlement of this dispute?

Shri C. D. Deshmukh: That is asking for a decision when the Government as a whole are seized of the matter and are likely to take a decision within the next, I should say, week. I would like to be conservative in these estimates.

Shri Hussain Imam: As you are in the expenditure and income side.

Shri C. D. Deshmukh: I think I have referred to the general matters within the next, I should say, week. I turn to the particular matters that were raised such as the duty on motor vehicle parts. That is a matter which will come up during the course of the debate on the amendments.

Then there was some reference made to the unwisdom of levying surcharge on imports. Everyone else seems to be satisfied that they are reasonable but that point was raised by Pandit Kunzru. Anyway the structure of our import duty is such that if an imported commodity is essential then the rate on it is very, very low so that a surcharge of five per cent. on a low rate does not amount to very much.

There was some reference again of an almost sentimental kind to the role of the tobacco users. Somebody exhorted me not to kill the golden goose. I say that it is not my intention to strangle the golden weed as hon. Members will have already seen from the Select Committee's report. So I think I that have been raised in the course that have been raised in the course of the debate and I would therefore commend my motion.

Shri Jhunjhunwala (Bihar): The hon. Minister has tabled an amendment regarding the non-resident assesses in clause 3. I would like to know what are the reasons for it, so that when I move my amendment I could meet his point.

Shri C. D. Deshmukh: I was under the impression that some hon. Members wished to make statements on that, although the hon. Member might not be willing to move his amendment. Therefore, I was reserving my remarks for a reply to a similar question that might be raised by some

other person. I think it would be better if I dealt with it in the course of the discussions on the amendment. Briefly I may say that last year we undertook to have this matter examined and a Committee was appointed. The Committee came to certain conclusions. They examined the actual motor parts that have been manufactured; they transferred some items from the higher duty to the lower duty groups and the report of the Committee has not been examined thoroughly by the Ministries concerned. Now I was faced with this situation: here was a chance of making a reduction at least on the basis of the Committee's report in the duty on some of the articles. I am told that would result in a relief of about Rs. 270 per vehicle. So the view that I took was that it was best to include that in this Bill, leaving it to the Commerce and Industry Ministry to study the thing properly in consultation with the Finance Ministry and to come up later by means of a Tariff Bill. Now in that there may be changes which would reflect their mature decision on the subject and to the extent to which the changes are made the provisions made in the Finance Bill would be repealed but the only alternative to that is either making changes which are not backed by any Government deliberations and accepting them in a hurry, which I think is a very undesirable course, or to drop the provision altogether. Now if you drop the provision altogether, you deny a relief which is *prima facie* necessary according to the recommendations of the Committee.

Shri Joachim Alva (Bombay): rose—

Mr. Chairman: Further points can be cleared up on the clause by clause consideration. I do not want any hon. Member to take up the time of the House.

The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1951, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Clause 2.—(Income-tax and super-tax).

Mr. Chairman: Which of the hon. Members are moving their amendments? I see some amendments on clause 2.

Shri Sarwate (Madhya Bharat): I move my amendment which stands thus.

Mr. Chairman: He may formally move the amendment. After all the amendments to clause 2 are moved the general discussion may follow.

Shri J. R. Kapoor: On all the clauses?

Mr. Chairman: On clause 2.

Shri Sarwate: I beg to move:

To sub-clause (1) of clause 2, add the proviso:

"Provided that this sub-section shall not apply to territories included in and forming part of States, mentioned in Part B of Schedule 1 of the Constitution."

What my amendment seeks to do is that the surcharge now proposed should not be levied from the assesses or incomes accruing in Part B States. I move this amendment because I think it is in the spirit of the policy which has been followed at present by the Government of India with regard to Part B States in the matter of Income-tax. The House may well recollect that last year the Part B States were financially integrated with the rest of India. There is a general impression that by this integration, the rest of India stands or stood to lose. This is incorrect, because most of the States or Unions of States which have been included in Part B, had large sources of income and comparatively the expenditure on collection of the money was small. Thus, there was a net gain to the rest of India or the federal finances by the integration. I will give one or two instances. In Mysore, the net gain was 269 lakhs; in Saurashtra, the net gain was 232 lakhs. In Rajasthan, the net loss was 23 lakhs; in Madhya Bharat it was 45 lakhs and in PEPSU, it was 36 lakhs. These figures will show that whereas the gain is to a large extent, the loss is to a small extent. I do not mean to lodge any complaint on that account, because in the financial integration and in the measures which have been taken, those States which stood to lose were given relief by the Central Government by suitable grants. What I want to show is that there has not been a loss to the Government or the federal finances by this integration as a whole.

From the Governments of these Part B States, I shall now turn to the people. In some of the States there was no Income-tax levied. But there were some customs duties which were levied in those States which went to a very great extent to make up the revenues of those States. As a

result of the financial integration, the people in the Part B States have now to pay Income-tax. The customs duties have not been abolished because the Financial Integration Committee stated that if these customs duties were all at once abolished, there would be such a gap between the income and expenditure in those States as would be hard to fill up. Therefore, the Committee suggested that for a number of years, five years in some cases, four in others, after the financial integration, these duties should be gradually abolished. Therefore, the present position is that the people in these Part B States have to pay customs duties which the people in the rest of India have not got to pay. They have to pay the import duties which the Government of India levies at the ports. In addition to those duties, they have also to pay the inland customs duties. Thus, the duties are two-fold in Part B States: one federal and one State. This is the peculiar situation. In addition to that, they have also to pay the Income-tax levied all over India. Therefore, the Krishnamachari Committee suggested that the Income-tax rates in those States where there was no Income-tax should be at a certain lower level and for two years, this scale should not be disturbed. That is to say, they were given relief not as a special concession, but because they were paying certain other taxes which were not levied elsewhere in the rest of India. Therefore, my suggestion is that taking into consideration all these circumstances, it behoves us to see and it is also in the spirit of the policy which has been so far followed, that the additional tax burden on the Part B States, so far as Income-tax is concerned, should be the lowest, that is, it may continue at the level that is obtaining in Saurashtra, which was thought to be within the means of the people in the Part B States. The Krishnamachari Committee report contains a table showing the rates of Income-tax payable by the Part B States. Government accepted that recommendation and issued what is called Part B States Taxation Concession Order, 1950. This main principle has been laid down in para 5 of this Order. Whatever be the amount of Income-tax and Super-tax in the rest of India, the difference between that amount and the amount of taxes which are to be levied according to this Order in Part B States, should be written off as a rebate. This is the principle. I admit that technically speaking, this Order would not apply to the present case: because the words there in the Order of 1950 are 'In-

[Shri Sarwate]

come-tax and Super-tax'. The word "surcharge" is not there. Otherwise, there would not have been any necessity to bring in my amendment. I appeal to the hon. Finance Minister to consider whether it is fair and consistent with the policy, to levy this surcharge on Part B States. In view of the fact that they have to pay Income-tax plus inland customs duties, the policy so far has been to give them relief because of the peculiar circumstances and peculiar situation which require a peculiar treatment also. The Surcharge should not therefore be levied in the Part B States as they stand on an entirely different footing and different considerations apply to them.

Further, it has been revealed in the reply of the hon. Finance Minister that there has been an improvement in the cash balances. If my amendment is accepted, the loss would be about, according to my rough calculation, one crore or 75 lakhs. The whole income from this surcharge is estimated to be six crores and taking into consideration the proportion between the B States and the rest of India I think it may not be more than 75 lakhs or one crore. I submit the Finance Minister could very well forego the income from this surcharge from the Part B States, and show this concession or consideration to the Part B States people. People in Part B States have been suffering on account of economic political drawbacks. They have also been suffering on account of certain policies. I have very good reason to say that the burden of taxation or incidence of taxation is higher in their case than in the rest of India because they have to bear the rest of India taxation plus their particular taxation. For instance, in Madhya Bharat, the inland customs revenue comes to about 1.3 crores. I would request to the Finance Minister to take all these circumstances into consideration, and show this gesture and accept my amendment.

Mr. Chairman: Amendment moved:

To sub-clause (1) of clause 2, add the proviso:

"Provided that this sub-section shall not apply to territories included in and forming part of States, mentioned in Part B of Schedule 1 of the Constitution."

I would like to inform hon. Members that there is a guillotine to-day at one o'clock and so I would request

them to take little time on clauses which are comparatively not of great importance.

Dr. Deshmukh: I will take the least amount of time as I always do in fact.

I have only just two points to make. The first is about the Insurance (Amendment) Bill I have given notice of and introduced. It refers to the difficulties experienced by the Insurance Companies. There has certainly been a very drastic amendment of the Insurance Act recently and the result is that life insurance companies have found themselves to be greatly handicapped. Under the proposals now made, it will be found that the mutual insurance companies have been given two annas rebate, that is, the rebate so far enjoyed has been maintained. But in the case of the other life insurance companies it has been reduced to 1½ annas and I very strongly urge that there is very little justification for this. There was an examination by the Income-tax Investigation Commission into the question of assessment of insurance companies, especially of life insurance companies and they have made certain recommendations. I am sorry to say that instead of accepting the other recommendations only this recommendation was accepted by the hon. Minister, that is, to reduce the rebate from two annas to 1½ annas. This is bound to hit the companies very badly. I say so because if you compare the rate of taxation borne by insurance companies with those of other companies it will be found that the increase of taxation on insurance companies has gone up by as much as 21 per cent. as against five per cent. in the case of other companies. In 1949-50 the rate was 60 pies in the case of insurance companies, in 1950-51 it was 54 pies and in 1951-52 it is 65.4. In the case of other companies, along with the super-tax it was 84 pies in 1949-50, 78 pies in 1950-51 and 83.4 pies in 1951-52. So I urge that there is every reason to continue the relief which has been given to the insurance companies so far. In fact, in the year 1950-51 it was more or less understood when the rate was raised to 54 pies, that it would never go beyond 48 pies. But the result of the present proposal would be to worsen the condition of the life insurance companies very much. There are already three factors which work to their detriment. There is the increased expenditure; then there is the fall in their incomes from interest on investments and thirdly the depreciation of the values of their investments. If in addition to these, the taxation is raised, then

I am sure they will suffer. Insurance business has now been brought under very good control and it should be the policy of the Government to encourage the companies especially because ours is one of the most badly insured nations of the world. Moreover, our companies have to compete with very well established foreign firms with huge assets and large accumulation of funds. This our companies find it very difficult even under the present conditions to do. If there is to be this additional burden, the result would be that our Indian companies would suffer and would not be able to maintain their business even at the present level. Therefore, I very strongly suggest not only that the rebate should be continued as it is to all the life insurance companies but the difficulties from which they suffer may also be removed. Steps may also be taken at as early a date as possible to examine the points mentioned in my amending Bill because it is not possible for a private Member to get a chance of having his Bill passed in this House with limitation on time available to private Members. A Government Bill drafted on the necessary lines may please be brought in as soon as possible and passed, or my own accepted wholly.

Shri Hussain Imam: I wish to oppose the increase in the taxation proposed in this clause and I do so because I believe there is no need for any such increase. My arguments I have explained on former occasions and so I will not go into details but only state here one or two points. I will first point out the fallacy in the argument of the hon. Minister. In his estimate of the income from customs and income-tax, he has not indicated how much he expects as betterment. The betterment stated was based on the facts as they were when the Budget was presented on the 28th of February. To-day he has stated that he expects a betterment of Rs. ten crores from customs in the last year.

Shri C. D. Deshmukh: I did not say that that would be the betterment from customs. I said there was a betterment on customs from Rs. ten crores and it may be that at the end of the year you will find that the total resources have improved by about Rs. ten crores; but not necessarily from customs.

Shri Hussain Imam: I personally believe that he is, as usual, very very conservative and cautious. He has evidently forgotten that the duty on Hessians which was Rs. 300 for six months is now Rs. 1,500. That is the

first factor which he seems to have forgotten. I should not say forgotten, because he knows it, but he has not, I would say, chosen to take the House into his confidence and told us how much he expects. Secondly, the duty on jute sackings had also been increased from Rs. 80 to 150 and from this year it is Rs. 350 and this increase had been effective only for five months of the last year. And you had seven months in which the income was not increased. I do concede that due to the fact that there are other competitors in the field we may have a little reduction in the amount of export. But I do feel that even that will be counterbalanced by the other factors. I therefore, feel that there is ample justification to think that the income from exports and imports would be more in the neighbourhood of Rs. 175 crores and not Rs. 150 crores unless there are upsetting factors like a war or some such thing which none of us can predict. Therefore, I say that he could very well bank on this improvement in his income and so there should not be any need for any additional taxation on companies or on individuals.

I make this suggestion because after all is said and done, we have to induce the people to go in for private investments. How can you induce private investors to invest their money in industries if they do not feel secure that they will get a good return? The hon. Minister stated that his small savings scheme is proving a good success. Why? That is because they are given interest of 3½ per cent. free of income-tax. On the 10th of March I urged the floating of bearer bonds income-tax free, with three per cent. interest. If he does that, I am sure the hon. Finance Minister will get more money than he wants. The incidence of income-tax in the case of ordinary persons has risen to 4½ annas in the rupee and in the case of persons of higher incomes it may be as much as 12½ annas in the rupee. Where is the advantage for a man with big money to invest in Government security? If he dabbles in shares or in the black-market not only does he get a bigger profit but profit free of income-tax. Why allow profits in the black-market when you can very easily take the money and give them a reasonable profit of three per cent. free of income-tax. That is why I have suggested bearer bonds.

A part of the money that comes from the companies may be invested in improving the condition of the companies. Even last time I had re-

[Shri Hussain Imam]

ferred to the fact that Government is very parsimonious and the administration of the Companies Act is lacking in many essentials due to faulty personnel and economy in expenditure. A source which is giving you so much income can only prosper if there is full checking on its working. We have been told times without number that even the existing law is not utilised to its full. There was the case with regard to the Income-tax Investigation Commission about which he had kept mum. We asked whether he was going to reveal the names of those who have defrauded the shareholders of their money. That is a very important question on which the House feels rather strongly. Those who cheated the Government, as far as the Government is concerned, Government has got its pound of flesh: but what about the shareholders? They go without any relief and are they going to make any payment to the shareholders or make any honourable amends? How can this be in a democratic State? A democratic State must feel that the interest of the Government and the people are one and the same. If that is so, are we doing the proper thing by the shareholders?

One of the reasons why there is no investment in the industrial sector is the bad management. Even during the time the Company Law Committee has been in existence we came across instances in which perfectly good managing agents had been and were being ousted by interlopers, by people who cornered shares. A big industrialist, who is honoured in India—I will not mention his name—in his evidence said that today it is not a question of terminating the managing agents but of protecting the good managing agents. Those who have dabbled in the blackmarket and have got the money go in for these things. There are other historic instances. There is the instance of the Bharat Bank which has transferred all its assets and liability to depositors to the Punjab National Bank. Although the name is Bharat Bank, they have ceased to be a bank and have become a kind of investment company. There are other instances. Mr. Shankariah is the chairman of the shareholders of one of the companies, which was floated for some object and above three crores were taken from shareholders. The whole amount is now a loan to some companies under the same management. Things are getting from bad to worse. Unless the Government wakes up and does something immediately the position of the

companies in India will become very bad. Just now there is an instance of a jute company in Calcutta, about which a meeting is being held today and the company is being forced to be managed by others.

The Minister of State for Finance (Shri Tyagi): On a point of order. This is hardly relevant to the clause under discussion. The subject of the Punjab National Bank or other companies transferring their assets here and there is hardly relevant to clause 2.

Mr. Chairman: It is a general discussion on the clause and he is not speaking on any amendment.

Shri Tyagi: It must pertain to the subject of the clause under discussion.

Mr. Chairman: Perhaps he is trying to establish some connection.

Shri Hussain Imam: I was mentioning that you are taking large income from companies as such; and the protection of the companies is your duty. Today a meeting is being held through which a jute company is being forced, by cornering of shares, to lease out the company to another company under the same directorate. The other company has got no managing agents but a group of managing directors. The company is being forced—in spite of the managing agents' best efforts, because the others have been able to corner the shares—to lease out the company at a sum less than the last year's income. A very well known company of Bombay has had its managing agents discharged practically due to cornering activities. I only wish to draw the attention of the Finance Minister to the fact that conditions of company administration are getting from bad to worse and Government seems to be content with taking its pound of flesh in the shape of income-tax and doing nothing to protect the interests of the shareholders. I therefore appeal to the Finance Minister to do something immediately to save the companies and their good managing agents and stop the bad managing agents from taking possession of companies to the detriment of the shareholders.

Shri T. T. Krishnamachari: (Madras): I have only one narrow point to make and that is with reference to sub-clause (4) of clause 2 and the objection raised by my hon. friend Dr. Deshmukh. Before I meet that point I would like to say that I am very happy that the Select Committee has thought fit to distinguish between a mutual company and a

shareholders' company in the matter of the rebate to be given on Income-tax. I think that is as it should be, because the whole question of the income of an insurance company is arrived at by the valuation of its assets and the surplus resulting therefrom. Ordinarily the surplus of an insurance company comes from the fact that the premium which a person who insures pays is loaded by what is called bonus loading. The money is collected from the person who insures and there may be other incidental funds on account of investment, so much so that there is a certain amount of surplus when the valuation is made. If it happens the entire surplus goes to the benefit of the person who insures. I would join with Dr. Deshmukh in pleading with the Finance Minister that the rebate should be two annas and not reduced to $1\frac{1}{2}$ annas. But since it happens that a portion of the surplus goes to the shareholders, for what purpose I do not know, but that is the practice and that is the main reason why the Taxation Investigation Commission has recommended that the insurance company need not be given special treatment, because what is really intended to be a sort of encouragement to the person who insures, at any rate a part of it, is being diverted for the benefit of the shareholder, who otherwise gets his dividend also...

Dr. Deshmukh: The share of the shareholders in the profits is so small.

Shri T. T. Krishnamachari: The benefit may be ten per cent. of the surplus but if it happens that the share-holding of the company is Rs. 80,000—as I know the case of one company—and the amount of business it does runs to several crores, and likewise the funds at its disposal run to several crores, the shareholder gets no doubt the ten per cent. out of the surplus that is actually earned by the bonus-loading on the insurance premium.

I might in all humility mention that I am familiar with this question and therefore I think that if any rebate is given at all to shareholders concerns, it is an *ex-gratia* rebate and there is no justification for it, unless these companies are going to mutualise so that the person who insures would be benefited entirely. As it is, it is an *ex-gratia* payment and if a moiety of the $1\frac{1}{2}$ annas goes to the shareholders it is not justified under the circumstances. The differentiation that the Select Committee has made, which I believe the Finance Minister has accepted, is a proper one. Any future

amendment of the Concession to Insurance companies should proceed on these lines rather than take a retrograde step of treating all companies, mutual and share-holding, alike.

11 A.M.

I therefore oppose the proposition put forward by Dr. Deshmukh though he has not put it in the form of an amendment.

श्री भट्ट : माननीय सभा नैत्री जी, इस विषय पर ज्यादा बोलने की जरूरत नहीं है, लेकिन मैं माननीय वित्त मंत्री जी का ध्यान इस तरफ खींचना चाहता हूँ कि केन्द्र की तरफ से जो पिछड़ी हुई जातियाँ हैं या पीछे रहने वाली जो रियासतें हैं, प्रदेश हैं, उनको रक्षण दिया जाता है। उद्योगों को भी इसी तरह से रक्षण दिया जाता है। और १९४८-४९ में जो कृषणमाचारी कमेटी ने सुझाव रखा था वह भी इसी दृष्टि से, इसी निगाह से रखा था, क्योंकि यह रियासतें अभी अभी शामिल हो रही हैं और वहाँ कई तरह के कर वगैरह थे - और और जो बातें थीं उन से उन पर ज्यादा बोझ न पड़े, अभी भी उन पर ज्यादा बोझ है। इसी दृष्टि से उन्होंने यह सुझाव था कि फिलहाल हम यह सुझाते हैं कि :

"We think, however, that the immediate application of the full Indian rates in areas in which income-tax is not now levied or in which the rates are low, will give rise to difficult problems both to the Governments and to private interests."

यह उन का वाक्य है और इस वाक्य के आधार पर उन्होंने जो सिपारिशों की थीं—और जिन सिपारिशों को सरकार ने मान लिया है उन का मकसद हमारे माननीय वित्त मंत्री जी अच्छी तरह से समझते हैं। अगचें जैसा मेरे मित्र श्री सरवते जी ने कहा, उस बकत सरचार्ज (surcharge) की कल्पना भी

[श्री भट्ट]

नहीं थी। लेकिन यह तो नयी कल्पना अब आ रही है जिस से कि केन्द्र का खजाना बढ़ता रहे और केन्द्र की तरफ़ से जो दूसरे काम होने वाले हैं वे अच्छी तरह से होते रहें। इसलिये यह सर-चार्ज की बात उस समय नहीं आई। लेकिन अब सरचार्ज को देखें और उस के लक्ष्यार्थ को भी ध्यान में रखें, नाट दी लैटर बट दी स्पिरिट (not the letter but the spirit) को ध्यान में रखें तो मैं मानता हूँ कि हमारे माननीय वित्त मंत्री जी इतने उदार हैं और वह इस बात को समझते हैं कि वे जरूर इन पिछड़े हुए भागों को इस तरह की राहत देंगे तो उस में उन्हें कोई दिक्कत नहीं होगी।

मैं और दलीलों को पेश नहीं करना चाहता हूँ। लेकिन मैं फिर से उन का ध्यान इसी तरह आकर्षित करना चाहता हूँ कि यह एक मामूली चीज है। पचास साठ सत्तर लाख रुपयों की चीज है और उस में अगर आप इन को बढ़ावा देने की दृष्टि से और उत्तेजना देने की दृष्टि से ऐसा करेंगे, जिन के ऊपर अभी भी बोझ ज्यादा है उन का बोझ कम करेंगे, तो जिस भावना से यह रिपोर्ट रखी गई थी उसी भावना का आप समर्थन करेंगे और ज्यादा नहीं करेंगे। इतनी विनती करते हुए आप के द्वारा मैं उन से, माननीय वित्त मंत्री जी से, अर्ज कर रहा हूँ कि वह इस चीज पर ध्यान दें और और करें और अगर हो सके तो इस में राहत दे दें।

(English translation of the above speech)

Shri Bhatt (Bombay): In spite of the fact that there is no necessity of speaking much on this subject, I would like to draw the attention of the hon.

Minister to a few facts. The Centre gives protection to the backward tribes and undeveloped States and areas as in the same way, protection is also provided to the industries. In 1948-49 the Krishnamachari Committee had recommended not to put any more burden on these integrated States as they were already overburdened. With this view they had recommended:

"We think, however, that the immediate application of the full Indian rates in areas in which income-tax is not now levied or in which the rates are low, will give rise to difficult problems both to the Government and to private interests."

That is what they had recommended. The hon. Minister of Finance quite understands what these recommendations, which have been accepted by the Government, mean. As my friend Shri Sarwate said, at that time any proposal to levy a surcharge was beyond imagination. But now such a surcharge is being proposed to be levied so that the Centre's funds may continue to grow and other schemes that are to be taken up by the Centre may also continue to be properly implemented. Taking into considerations the spirit and not the letter, behind the provision of this surcharge, I feel that the hon. Minister of Finance will be liberal enough to see that relief is given to these backward areas. I think it will not be difficult for him to do.

I do not wish to argue any more. But I would once again like to urge upon him that it is an ordinary thing for him to do so. It is a question involving no more than sixty to seventy lacs of rupees. If he is just kind enough to take it into consideration with a view to encouraging and heartening them, their burden will be lightened and the sense with which the report has been submitted will also be duly appreciated. Having submitted so much, I take the opportunity of requesting the hon. Minister of Finance to pay his early attention to this fact and, if possible, provide them with relief.

Shri C. D. Deshmukh: All the arguments that have been advanced by Shri Sarwate have really no bearing on this problem as to whether we should continue with this proposal to levy a surcharge on the people in Part B States. If the validity of those arguments were to be accepted, then none of these taxation measures should apply to them, not even the surcharge on import duties. That is

to say, the proposition is that because they believe that they are handicapped by the financial settlement and so on, there should be a discrimination in their favour from the rest of the States of India. That I think is a very wrong approach to the problem. The thesis of this Budget is that leaving other things as they are, for development purposes the people of the country ought to bear certain additional burdens principally for development projects and so on, and it would not do to concede the proposition that in one-third of the country people should be exempted from this particular sacrifice. That sacrifice in itself is a very moderate one, namely, five per cent. surcharge on the income-tax; and the income-tax payable by the people in the Part B States is in many cases at power levels than what is payable by people in the rest of the Union. Therefore, to that extent the fact that they have to pay customs duties over a certain period of time has already been taken into consideration. In other words, we cannot consider here the general validity of the financial arrangements made with Part B States in deciding whether they should or should not be subject to the five per cent. surcharge. So I regret very much that I am not able to accept his amendment.

Similar remarks apply to the observations made by Shri Gokulbhai Bhatt. If there are certain factors to be taken into consideration, especially the backwardness of these areas, then I think they ought to be taken into consideration in the financial settlements that are being negotiated—some of them have already been made—with many of these States. Considerations like those that he has advanced would be valid there but I do not think they are valid in considering the effect of clause 2.

Then I come to Dr. Panjabrao Deshmukh's observations. In part they have already been answered by Shri Krishnamachari. The proposal in the Finance Bill has been criticised on two grounds: one, that the other proposals of the Income-tax Investigation Commission to reduce the taxation on life insurance companies have not been implemented, and secondly, that the reduction in the rebate is in excess of what is warranted by the Commission's recommendation. As regards the first criticism, the House is aware that it is our intention to bring forward an Income-tax (Amendment) Bill, and although I am not at liberty to give out the probable contents of that Bill before it is introduced, the hon. Member would probably be

78 PSD

justified in expecting that some attempt will be made to implement the remaining recommendations of the Commission through that Bill rather than here.

Shri Sondhi (Punjab): Why increase the taxation on insurance companies?

Shri C. D. Deshmukh: There are two different kinds of reliefs. There are some kinds of reliefs which might be provided for in the Income-tax (Amendment) Bill.

The other criticism is also not justified. I have got here certain elaborate calculations. I do not know whether I should go into them, but the result is that what we are doing today more or less leaves the insurance companies where they are. The Commission's recommendation was that the rebate of two annas in the rupee should be withdrawn in respect of the portion distributed as dividend, that is in respect of Rs. ten which is the amount to be distributed as dividends on a surplus of Rs. 100. Therefore it is our duty to assess the rebate so that we get back twenty annas. As the assessable income is Rs. 40 the effect is the same as if the rebate on super-tax on the assessable income of Rs. 40 is reduced by half an anna, and that is what is proposed in the Finance Bill. I have got the detailed calculations here and I shall be able to satisfy the hon. Member that the insurance companies are more or less left in the situation in which they would have been before.

Dr. Deshmukh: They are in need of certain assistance at the moment.

Shri C. D. Deshmukh: Well, that I have not denied. As I said there are certain other measures which are contemplated and which will be brought forward before the House in due course.

Then I come to the speech made by Mr. Hussain Imam. He refuses to pay any consideration to the arguments advanced by me from time to time and keeps on repeating what he has said before. He has also the habit of saying that the House feels strongly in favour of whatever he has to urge.....

Shri Hussain Imam: Not always—on some points.

Shri C. D. Deshmukh: He is the best judge of what he feels. I cannot correct his own impressions. I think one has to be conservative in making estimates of duties like the jute export duty. Even now, as I said in the course of the speech I made just now,

[Shri C. D. Deshmukh]

there has been a certain reduction in the purchase made in certain countries of our raw jute manufactures and if the international situation is likely to reflect itself in revenue estimates more conspicuously, it is in export duties of this kind. In any case, whether the requirements of this particular year warrant taxation or not is a point which I have dealt with at some length in the course of my speech and I do not think it will serve any useful purpose if I were to traverse the same ground once again. Another instance of Mr. Hussain Imam's disregard of what is said is furnished by what he said in our keeping mum in regard to the disclosure of the assesseees who have been assessed for concealed incomes by the Income-Tax Investigation Commission. The whole of that point was gone through in the course of the debate on the extension of the period for the Commission and I gave reasons. Those reasons may not appeal to Mr. Hussain Imam, but they are there and we as revenue collectors feel that it might produce unfavourable consequences on the collections that we may be able to make through the operations of the Commission if we adopt the course that he has suggested.

Shri Syamnandan Sahaya (Bihar): Is there nothing in some reports of Government where the names of the persons from whom taxes are collected are published? What is the secrecy?

Shri C. D. Deshmukh: There is such a thing as section 54 of the Income-Tax Act unfortunately, and under it we are not at liberty to disclose the names. There is the provision in the Taxation on Income (Investigation Commission) Act, with regard to the holding of open sessions in certain cases, but it is not for the executive to suggest to this Commission presided over by an eminent judge as to what procedure they should adopt within the limits of the law under which they are operating. It may be that in certain cases they might still decide to operate under that particular provision, in which case I take it that the public will know what is being done, but as a general proposition I am reluctant to accept the suggestion that Government should start publishing the names of persons who pay income—do concede the validity of the point that Mr. Hussain Imam has made that sometimes the shareholders are left in the dark. That again is a point which I think we shall be able to tax or fail to pay income-tax or who are penalised because they have suppressed this or that information. I

take care of in the Bill which we are trying to draw up for the amendment of the income-tax law. We shall try to find out some means of passing on to the shareholders the knowledge that is essential for their purpose. That is not a promise.

Shri Hussain Imam: At least you are convinced.

Shri C. D. Deshmukh: I think something has to be done. I do believe that a shareholder sometimes gets a raw deal. The hon. Member is a member of that Committee investigating company law, and indeed I think he is a bit premature in putting forward these criticisms here, because we are awaiting all his considered and mature recommendations after the Committee as a whole have considered these matters.

Shri Hussain Imam: I am just giving information that we get by personal knowledge or from the papers.

Shri C. D. Deshmukh: It may be that the expert committee may have some observations to make and if they also find themselves in agreement with the views expressed by Mr. Hussain Imam, then that certainly will reinforce his recommendation for the consideration of Government. I believe that those are all the points that have been raised.

कंठिन ए. पी. सिंह : माननीय अर्थ मंत्री जी यह टैक्स के सम्बन्ध में जो तमाम भारतवर्ष के लोगों में समानता चाहते हैं, तो क्या मैं उन से यह पूछ सकता हूँ कि जहाँ तक राजनैतिक अधिकार देने का प्रश्न उठता है, तब यह समानता तमाम भारतवर्ष के लोगों के साथ एक सी क्यों नहीं बरती जाती, और पार्ट सी स्टेटस के लिये क्यों नहीं समान अधिकार दिये जाते हैं, जब कि टैक्स उन से भी समानता के आधार पर लिया जाता है ?

श्री सी. डी. देशमुख : यहाँ तो सिर्फ आर्थिक समानता पर ही विचार हो रहा है, और जो दूसरी बातें ह, उन पर विचार तो दूसरी जगह, दूसरे स्थान और दूसरे काल में किया जायेगा ।

श्री जे. आर. कपूर : आप ने समानता का रास्ता खोल दिया है।

[Capt. A. P. Singh (Vindhya Pradesh): In view of the fact that the hon. Minister of Finance wants the taxes to be imposed on the basis of complete equality, may I ask why such an equality is not being taken into consideration inasmuch as the political rights of the people are concerned and why no equal rights are provided to Part C states too when they are required to pay equal taxes?

Shri C. D. Deshmukh: The subject under consideration covers only financial equality and so far as other things are concerned, they may be considered at some other place and on some other occasion.

Shri J. R. Kapoor: You have opened the path of equality.]

Shri Sarwate: On a point of clarification. May I know from the hon. Minister whether the rates which have been given in the Part B States Order, 1950, would continue this year?

Shri C. D. Deshmukh: There is no intention to make any change in the basic structure as it is applicable either by the last arrangement or by special orders that are issued with regard to income-tax in Part B States.

Pandit Thakur Das Bhargava (Punjab): Since the Schedules form part of clause 2, may I suggest that we take up the amendments to the Schedules now?

Mr. Chairman: The Schedules will come in their own course. Does Mr. Sarwate want to press his amendment?

Shri Sarwate: I beg leave of the House to withdraw it.

The amendment was, by leave withdrawn.

Mr. Chairman: The question is: "That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2. was added to the Bill

Clause 3.—(Amendment of section 17, Act XI of 1922)

Shri Jhunjunwala: I beg to move:

In clause 3, in clause (b) of the proposed sub-section (1) of section 17 of the Income-tax Act, 1922, for "applicable in the case of an individual to the slab next to the slab exempt from super-tax, or the super-tax" substitute "of six annas in the rupee".

Mr. Chairman: Is the hon. Minister accepting the amendment?

Shri C. D. Deshmukh: No, Madam. But I would like to explain the situation. So, let him make his speech.

Shri Jhunjunwala: I am somewhat at a disadvantage because the hon. Minister has not told us at any stage the reason which has led him to propose the amendment to give relief to non-resident assesseees. I shall give the House the reasons for moving my amendment. In my opinion, there can be only two reasons for the hon. Minister's action. One is that these assesseees while filing their returns do not show their world income. Therefore the hon. the Finance Minister has thought it fit to rope in those assesseees by realising at least some amount from them. As I had stated in my speech when I was speaking on the Finance Bill when it was being sent to the Select Committee, the amendment which the hon. Minister has brought is that so far as the distinction regarding the charge of income-tax between the British non-residents and the other foreign non-residents is concerned, that has been done away. With and both the British non-resident assesseees and the non-British non-resident assesseees have been placed on the same footing. This is regarding income-tax and is only in the fitness of things: I welcome it.

Now, the other question is regarding super-tax. As I said before, these assesseees have been up till now evading payment of super-tax and the hon. the Finance Minister has thought it fit to rope in these assesseees, by making it compulsory to pay the super-tax applicable in the case of an individual next to the slab exempt from income-tax. This figure comes to three annas in a rupee.

The other alternative which the hon. the Finance Minister has given to these assesseees is that if they show their world income in that case it will be permissible to the assesseees to make a choice as to whether they will pay the minimum super-tax or the super-tax as will be applicable to the world income. In that speech of mine, I had pointed out to the House that the assessee will never choose such tax which will be higher. He will always choose the lower tax. As such, I had pointed out that if the Indian income of such an assessee is Rs. 50,000 and his other world income is Rs. two lakhs and both combined his world income comes to Rs. 2,50,000, in that case in the payment of income-tax there will be a difference of about Rs. 11,500. If

[Shri Jhunjhunwala]

he will have to pay on the basis applicable to the world income, he will have to pay Rs. 11,500 more and if he chooses the other alternative which has been given to him to choose, that is the minimum super-tax of three annas, in that case he will have to pay Rs. 11,500 less. Certainly, as an assessee, he will choose to pay the lesser amount.

Now, my amendment to this is that in place of three annas it should be raised to six annas, so that we can get something more. Here it is that I wanted to know—and I want to know now—from the hon. the Finance Minister as to what his intention is—whether he wants to give relief to such assessee, or to take from them as much income-tax, not exceeding the super-tax realisable under the present law made by the British Government which was made applicable to them then and which is applicable to them even now. If the intention is to realise from them the amount of tax which they are liable to pay under the existing law, in that case I would suggest that the figures three annas in a rupee should be raised to six annas. My reasons for this increase is that in that case while submitting their world income when they will have an opportunity of choosing between the two, if the rate of six annas is more, that is, if they will have to pay more under the rate of six annas, they will have the choice to pay the income-tax under the existing law and we shall get the tax which is really realisable from them under the existing law. But the hon. the Finance Minister does not accept my proposal. I am really at a loss to understand why he does not. We are not charging him more. We are giving him the option to choose between the two. For his introducing this amendment the only other conclusion to which I can arrive at is that he is either giving them relief or giving them some concession. I have my own ideas as to why he is giving this concession. It is for this reason that I wanted to know in the very beginning as to why the hon. the Finance Minister had introduced this amendment. Presumably it is to attract foreign capital. If it is to give concessions, then the hon. Minister should have told the House and told us as to what has led him to give that concession, what it is that we are going to get in return for this concession and for this relief which we are giving to these assessee. If it is not that, in that case I would like to know from the hon. Minister why he is not prepared to accept my

amendment of six annas. As I have said before, by introducing this amendment we are not charging them more. We are giving them a choice. It will be for them to choose whether they want to pay according to the applicability of the world income or the applicability of the slab system. We are not doing any injustice to them.

As a matter of fact, I should have plicability of the world income or the be eight annas six pies, but when I thought that the hon. the Finance Minister will be reluctant to accept even six annas I did not propose eight annas six pies. In respect of the loss which we shall incur by the introduction of this amendment, as I said in the beginning, the proper figure cannot be arrived at. If it can be found, it is by the Finance Minister and his Department. But from whatever I have heard and from whatever I have come to know after consultation with persons who are connected with the Income-tax matters, the loss in revenue which we shall incur in this will be to the extent of about 1½ to two crores of rupees. But, as I have said, I cannot vouch about this figure. Therefore, so far as the first point is concerned I shall request hon. Members to consider as to what can be the difficulty in the way of accepting this amendment of mine. This is a very fair amendment. We do not want to charge anything more from them. We are giving them the choice: either you pay what is reasonably due from you under the existing law, or it may be the other thing. So this is very fair and I would request the hon. Members of the House to give their due consideration to it and to say while voting as to what is reasonable.

Then there is the other point, that is of giving a concession to the non-resident assessee. That, as stated before, I presume, is for inviting foreign capital. That may be one of the reasons for giving this relief. But this is a background which I have not been able to understand up till now. This is not only an isolated instance. There are many instances in which we go and give relief, give concessions in advance, in the hope that something will be done for us. But the result is that they do not do it. I do not for a moment question the honesty or the good intentions of those who think like that. They are fully justified in thinking like that, according to their background. But the results have proved otherwise. I had introduced a similar amendment regarding the sterling and dollar companies—on super-tax. Here I would request those hon. Members who may think that I

am rubbing this point again and again to take a charitable view of my doing so, as I am opposed to the background of the policy followed, that is, of going away in the hope of getting something which is not materialised, and secondly, because this involves more or less a sum of five or six crores of rupees from them, and that means a great thing to a poor country like ours. My object in bringing that matter in is.....

Mr. Chairman: May I know which is that similar amendment? May I suggest that the hon. Member has made his point quite clear and if he gives an opportunity to the hon. Minister he may like to clear up the matter, so that some of the conclusions which he is arriving at may be cleared up?

Shri Jhunjunwala: As I said in the very beginning, I wanted to know from the hon. the Finance Minister as to what the background for this is and as to why he has brought an amendment of this nature.

Mr. Chairman: But he has not been given an opportunity as yet to explain.

Shri Jhunjunwala: He should have explained in his reply to the speech which I had made. As such I have simply to proceed on guess-work. After all, if you give me an opportunity of giving a reply to the statement he may make, in that case I can stop here. Otherwise I should have the opportunity of explaining to the House as to what the background is and whether we are getting any return by this. If I am convinced by the reply of the hon. Minister that we give this concession and in return we get this, that will give me a consolation that the amendment which I am proposing is wrong and that we are getting a greater thing in return. But as I shall not be having any other opportunity of explaining my point of view, I am taking this opportunity. If the hon. Minister had given.....

Mr. Chairman: My complaint is that the hon. Member should not repeat—not that I want to deny an opportunity to the hon. Member to explain his point fully. He is at perfect liberty to explain his point at any length.

Shri Jhunjunwala: I have not repeated a single thing. But I was pointing out this anomaly, that we have lost five or six crores of rupees in the hope that we shall get foreign capital. But we are not getting any foreign capital, and we are losing our tax. As I was saying, I would request hon. Members to be charitable to me when I am bringing that point. When I tabled that amendment it was said that we are not in a position to realise the super-tax, that the share-

holders are not filing their returns and therefore we are not getting our super-tax and that it is for this reason that we are removing that clause and that in exchange we are putting one anna more in the corporation tax, and that thereby we shall get something in return. The same argument was given by the then Finance Minister at that time, that we want to rope in those assesses who do not file their returns. But if it is our intention that we should try to get as much income-tax as is reasonably due from them under the law which was made by the British Government, I would say that we should take the strictest measures to get their returns. If in place of one anna we had put in three annas or four annas, then it would have shown them the way and we could have got more tax from them and they would have been taught to file their returns and give us the actual, reasonable amount which was legally due from them. As I said, we do not want to charge them more; we want to charge what is just actually due from them.

Now I come to the question of concession. At the outset I might say that I shall give them as much concession as they want, if at all they bring their foreign capital, if at all they can meet the demands of our country. Not only this concession, but I shall go to the limit of requesting the Finance Minister and the House that even if we have to exempt them from all taxes we shall do it, provided they meet our requirements, provided they start the industries which are so badly required in our country. Let us make a sort of arrangement with them for a particular industry or for particular things—"you start this industry and we shall exempt you from such and such taxes". I have no objection to that but we simply go on giving them concessions and in the end we do not get anything. You might have seen that in the case of jute export as a philanthropic move—that is what the hon. Commerce Minister himself said—we directioned our jute at a low rate to them apart from the black-market-ing done by our own people. As I said we directioned our jute at a lower price and thereby we lost Rs. 100 crores. We directioned these things to the Americans. In what hope, I do not know. When the officials of the Government went to Calcutta and they consulted some people, they were asked: "Why are you doing like that? Our country can get more money". And the reply that they got from the officials was: "There is some higher politics involved in it....."

Mr. Chairman: May I know whether the hon. Member is speaking on the

[Mr. Chairman]

amendment? If he is speaking on this amendment, I think the scope of the discussion is limited to the amendment.

Shri Jhunjunwala: I am speaking exactly on the amendment and not a point outside it, here or there.

Shri Tyagi: May I know if the hon. Member has moved his amendment or he is only making remarks on it?

Shri Jhunjunwala: If the hon. Minister has heard me, I have moved my amendment and I have explained what my amendment is and I have also explained the background which has led the hon. Minister.....

Mr. Chairman: I am afraid he is going into broader questions and the whole aspect of this subject. His scope is limited only to the wording of this amendment.

Shri J. R. Kapoor: Perhaps the absent-mindedness of the Treasury Benches is inducing him to emphasize his point. My hon. friend the Minister of State does not know whether he has moved his amendment or not.

Shri C. D. Deshmukh: The hon. Member has been speaking so long that one has failed to notice whether he did move his amendment or not. It was such a long time.

Shri Jhunjunwala: That is unfortunate but I have to place my point. What I want to bring to the notice of this House is that we are giving the non-resident foreigner concessions but when our time comes and when we are starving for food, the U.S.A. whom we gave Rs. 100 crores by way of contribution in the price of jute for higher politics, they are now humiliating us by asking us so many questions when we are in need so badly of food grains which they will prefer to burn because of so much surplus rather than give us and this is the result of our misplaced philanthropy. If we had charged proper price for our jute goods this question of begging Americans would not have arisen.

Shri Sondhi: Is that also in the amendment?

Mr. Chairman: I do not like any interruptions because we have to get through a large volume of work.

Shri Sondhi: He is talking of Americans. Where do they come in?

An Hon. Member: It comes. It is quite relevant.

Shri Jhunjunwala: What I was saying is that before this amendment is rejected, I would request hon. Members not to give me permission to withdraw my amendment, unless all the hon. Members are convinced that by foregoing this concession either we are getting something or we are getting a higher amount of tax under the present law.

Mr. Chairman: Amendment moved: In clause 3, in clause (b) of the proposed sub-section (1) of section 17 of the Income-tax Act, 1922, for "applicable in the case of an individual to the slab next to the slab exempt from super-tax, or the super-tax" substitute "of six annas in the rupee".

Shri C. D. Deshmukh: I must make it clear at the outset that I oppose this amendment. The hon. Member has made some calculations in regard to the possible loss based on some conversations he is supposed to have had with some personnel of the Income-tax Department. I do not know whom he has been interviewing but if he had told me that he intended to do that.....

Shri Jhunjunwala: I did not say 'the Income-tax Department' but the high placed Income-tax practitioners who are conversant with the income-tax business both inside as well as outside.

Shri C. D. Deshmukh: If it is the Income-tax practitioners, I think he went to the wrong place. If he had asked for my advice, I would have asked him to see the Chairman of the Central Board of Revenue or my hon. colleague and the House might have been spared a great deal of this eloquence. (*Interruption*) I am only saying that he must not base his arguments on consulting somebody who has nothing to do with framing of these estimates.

Shri Jhunjunwala: I have discussed this with important sources and have placed the matter before the House. In the absence of any assistance from the Income-tax Department to get the figures by such questions in Parliament resulting in reply that figures are not easily available we have to try to get from and rely on such sources and responsible persons as are available to us and these informations come out approximately true. It is now for the hon. Minister to say as to what the actual loss is.

Shri C. D. Deshmukh: I only suggested a better source. I would now like to go into the details of this rather complicated technical matter. I will first deal with the existing basis of the

liability of a non-resident to income-tax. At present a non-resident British subject is liable to income-tax on his Indian income at the rate applicable to his world income and any other non-resident is liable to income-tax at the maximum or standard rate. All non-residents, whether British subjects or not, are liable to super-tax on their Indian income at the rate applicable to their world income. This is the position in law. But in fact, the position is as follows:

A non-resident can be assessed direct but being outside India we are not in a position to enforce the law rigidly except with his goodwill and co-operation or he can be assessed through an agent in India but the agent can only know the income which the non-resident receives through that agent. The agent himself cannot know the non-resident's world income. By and large a recovery of tax from a non-resident is made by deductions of tax at source, that is to say, taxation at source. Whenever a person makes a payment to a non-resident, that is in the way of interest, royalty etc., he is required to deduct income-tax at source at the maximum rate, that is four annas in the rupee or 25 per cent. Otherwise the amount paid may not be allowed to him as a deduction in his own assessment or he may be treated as an agent of a non-resident. So to avoid this situation, he deducts income-tax at 25 per cent. If the amount paid by him exceeds Rs. 25,000, then he is required to deduct super-tax also with reference only to the amount paid by him as he cannot know either the non-resident's world income or any other Indian incomes of the non-resident. I notice, Madam, that the hon. Member is not listening at all.

Mr. Chairman: Will the hon. Member listen to the remark made by the Finance Minister? The hon. Member asked for an explanation but he is not now listening to it.

Shri Sondhi: That was his grouse with you also. He is only reciprocating that.

Shri C. D. Deshmukh: Taxation at the source occurs in the case of shareholders of a company in respect of dividends paid by a company distributing dividends in India. The Income-tax, but not Super-tax which is a Corporation tax, which is paid by a company appropriate to the dividend is regarded under the law to have been paid by a share-holder. As regards Super-tax, the dividend paying company will deduct the Super tax from the dividend only if the amount is in excess of Rs. 25,000. The upshot of

the whole is that though in law a non-resident is liable to be charged on the basis of his world income, in fact, we recover tax practically with reference to his Indian income by deduction or taxation at source, and a large number of non-residents paid Income-tax only at the maximum rate of 25 per cent., and with the surcharge the rate will be 26.25 per cent. The average rate of 26 per cent. is reached on earned income of about Rs. 40,000 and on unearned income of about Rs. 36,000. Non-resident British subjects, whose world income was less than Rs. 36,000 could apply for and obtain a refund of the Income-tax paid at source. We naturally did not hear of persons with income exceeding Rs. 36,000.

Coming to the proposed provision, the maximum rate of Income-tax of 25 per cent. plus a flat rate of Super-tax of three annas plus a surcharge of five per cent. brings the flat rate to nearly 46 per cent. This flat rate of 46 per cent. is reached at the level of about Rs. 80,000. The effect is that a large majority of investors receiving interest, dividends or other chargeable income, who had not been claiming refund on the basis of their world income will be made to pay some additional tax, and persons with a world income higher than Rs. 80,000 naturally will not come to our knowledge and may escape some Super-tax. That is no worse than the state of affairs today. But if their Indian income is higher than Rs. 75,000, that is to say, if they are beyond this group of Rs. 36,000 to 75,000, then, they will pay Super-tax at the slab rates and pay a higher amount than the Super-tax at the flat rate of three annas. Therefore, on the whole, our estimate is that the proposed provision will bring under full charge a large class of non-residents who derive income in India and who were escaping with light Income-tax only at the maximum rate. Therefore, far from there being a loss, there is likely to be a gain in revenue. This is what the proposed provision in the Bill seeks to achieve. Logically speaking, the same result could be achieved obviously by putting a higher surcharge as a flat rate. But, then, there is the possibility of a great many people looking at the thing somewhat irrationally and deciding to get out of Indian investments. After all, it must be remembered that all this is deducted at the source, and that every man who has paid a tax will have to send an application for a refund and would have to establish a case and may have to wait for years. Therefore, many of them might decide not to have anything to do with Indian investment. I myself feel that that is a real danger and therefore in the first

[Shri C. D. Deshmukh]

year in which we are trying to effect some improvement on the existing situation, I think it is our duty to exercise a certain amount of restraint. It has been represented to me that even the present proposal will lead to a certain amount of dis-investment. I do not know. I believe that it is moderate and that it should not. But, we shall have to watch the course of events. That is all that there is with regard to the background of this proposal.

Shri Jhunjunwala has made certain calculations. But, those calculations are theoretical. He gave an instance of a non-resident having an Indian income of Rs. 50,000 and a world income of two lakhs, with a total income of 2½ lakhs. Before I go forward, as a parenthesis, I might say that I could not answer him because I did not have the time to reply last time when he made these observations. As you are aware, I am only given an hour or so to reply to about 20 speeches of 15 minutes each, each of them containing an accusation.

Shri Kamath (Madhya Pradesh): Each of them?

Shri C. D. Deshmukh: Most of them; though interspersed with compliments, bulk of it is accusation. It is quite impossible to deal with them in the short time at my disposal. Otherwise, I should have made reference to this in the course of my speech.

To resume, at flat rates, this man with an Indian income of 50,000 and a world income of Rs. two lakhs, with a total income of Rs. 2½ lakhs, he will pay Rs. 21,875 plus surcharge of one-twentieth, a total of Rs. 22,968 as against a tax of 69 per cent, that is to say, Rs. 34,500, payable at the rate applicable to 2½ lakhs. In theory it is correct. On the existing basis, Super-tax would have been deducted at the source on a dividend of Rs. 50,000. On this basis, he will have paid Income-tax, Super-tax and surcharge amounting to Rs. 16,496 only. In other words, in such cases what we really get is Rs. 16,496. We have no means of getting at the additional income. The Department would have never come to know of the foreign income of two lakhs. So, while Mr. Jhunjunwala thinks that we are losing a tax of Rs. 11,000 in such cases, we maintain that we practically gain the difference between 22,968 and 16,496, that is Rs. 6,500.

Shri Jhunjunwala: This is on the presumption that they do not get a

return of their world income. You may compel them to give a return and make them pay higher, though not to the extent as is reasonably due from them.

Shri C. D. Deshmukh: The other point is, in compelling them to pay a higher tax, you get into the danger of scaring away all possible and actual investors. Anyway, these are the considerations that have appealed to us and I have put them before the House.

I repeat that I am not able to accept the amendment moved by Mr. Jhunjunwala.

Mr. Chairman: May I know whether the hon. Member is satisfied or he is pressing his amendment?

Shri Jhunjunwala: If the House gives leave, I shall withdraw the amendment.

The amendment was, by leave, with drawn.

Mr. Chairman: The question is:

“That clause 3 stand part of the Bill.”

The motion was adopted.

Clause 7.—(Amendment of Act I of 1944 etc.)

Shri Tyagi: I want to make one request. In view of the pressing demands from hooka smokers and a majority of Members of the House, we are inclined to agree to reduce the duty on hooka tobacco from seven annas to six annas. This pertains to clause 7.

Shri Kamath: Did the hon. Minister say that a majority of the Members are hooka smokers?

Mr. Chairman: When one hon. Member is on his legs, he should not be interrupted thus.

Shri Kamath: He was not distinctly audible.

Shri Tyagi: I am afraid the guillotine may be applied at one o'clock and we may not be able to reach this clause. Again, there is another amendment. If the House accepts this reduction of duty from seven annas to six annas on hooka tobacco, we have to refund the higher duty we have collected already. So, my hon. and senior colleague has given notice of another amendment enabling Government to refund the excess duty we have already collected. I therefore submit that if the House agrees, clause 7 may be taken up first.

Shri Sidhva (Madhya Pradesh): Why return? Do not refund anything.

Mr. Chairman: May I know whether it is the desire of the House to take up clause 7 in preference to other clauses?

Hon. Members: Yes.

Shri Sondhi: No refund.

12 Noon.

Shri Tyagi: What I said includes chewing tobacco also.

Mr. Chairman: Then I take it that is agreed to take up clause 7 now. There are a number of amendments to this clause. Members wishing to move them may take them as moved.

Mr. Chairman: Amendment moved:

(i) In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco," for entry No. 6, substitute:

"(6) if other than flue cured and not otherwise specified—six annas".

(ii) In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco", against entry No. 6, in column 2, for "seven" substitute "six".

(iii) In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco" for entry No. 8, substitute:

"(8) Stalks and other refuse of tobacco, crushed and uncrushed, intended for use in hookah tobacco.—One anna".

(iv) In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco", against entry No. (5), in column 2, for "fourteen annas" substitute "twelve annas".

And there is also the amendment standing in the name of the Finance Minister.

Shri Tyagi: Yes, No. 37.

Shri Syamnandan Sahaya: But that amendment has to be moved only after the reduction from seven annas to six annas has been moved and accepted.

Shri Tyagi: That is not so. Since the date of the introduction of the Bill collections were made at certain rates, which the Select Committee has now changed. Even if the reduction now

proposed in regard to hookah tobacco is not accepted, we have to refund the difference between the rates of the Bill as introduced and Bill as amended by the Select Committee.

Shri C. D. Deshmukh: I beg to move:

Renumber clause 7 as sub-clause (1) of that clause, and after sub-clause (1), as so renumbered, insert:

"(2). The amendments made in the Central Excises and Salt Act, 1944, by sub-section (1) shall be deemed to have had effect on and from the 1st day of March, 1951, and accordingly—

(a) refunds shall be made of all duties collected which would not have been collected if the amendments had come into force on that day, and

(b) recoveries shall be made of all duties which have not been collected but which would have been collected if the amendments had so come into force."

Mr. Chairman: Amendment moved:

Renumber clause 7 as sub-clause (1) of that clause, and after sub-clause (1), as so renumbered, insert:

"(2). The amendments made in the Central Excises and Salt Act, 1944, by sub-section (1) shall be deemed to have had effect on and from the 1st day of March, 1951, and accordingly—

(a) refunds shall be made of all duties collected which would not have been collected if the amendments had come into force on that day, and

(b) recoveries shall be made of all duties which have not been collected but which would have been collected if the amendments had so come into force."

Now clause 7 and the amendments are open for discussion.

Shri Syamnandan Sahaya: So far as my amendment is concerned, it looks as if it is going to be a bloodless victory as the Government has already announced that they are willing to reduce the duty even farther than the recommendation of the Select Committee, and bring it down from seven annas to six annas. And so, I think wisdom seems to have dawned on the Government and I must congratulate them on this though it has come to them a little late.

Shri Sidhva: Why late? They are even prepared to refund what has already been collected.

Shri Syamnandan Sahaya: The reasons for such a reduction need not be gone into now because of the shortness of time and also because the purpose has already been served by the Government agreeing to reduce the rate of tax.

I would like to invite the attention of the House to the other amendment standing in my name. It reads as follows:

In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco," for entry No. 8, substitute:

"(8) Stalks and other refuse of tobacco, crushed and uncrushed, intended for use in Hookah tobacco.—One anna".

As it is, we have only the word "stalks" in the clause and I do not know whether the word "refuse" has been omitted on purpose and if so whether now refuse will be taken under the item of unspecified tobacco. If that be so, then the duty on this will also go up to six annas. My amendment is that if the tobacco is other than flue cured and not otherwise specified, then the rate should be six annas. Now, if the hon. Finance Minister has full knowledge about this part of tobacco production he must be aware that it is really screenings mixed with earth that is termed as 'refuse' and it is used only for the purpose of mixing it with third class hookah tobacco. He will therefore appreciate my suggestion that it will not be fair to treat this on the same lines for the purpose of taxation as good tobacco leaf. In fact, if this item is supposed to be included in the item of "Not specified" and is to be charged at the rate of six annas, my apprehension is that the Government would really lose even the one anna tax on this which they otherwise would get. Surely no manufacturer is likely to pay seven annas per pound for what is termed refuse in the previous Act. If we refer to previous Finance Bills, it will be found that refuse has been classified with "stalks". I therefore see no reason why the hon. Finance Minister should exclude it from this item and include it in the higher taxation group.

Shri Tyagi: It comes under the item "Not specified".

Shri Syamnandan Sahaya: If that is so, then my apprehensions are justified. I would therefore request the hon. Finance Minister to examine the question very carefully, for no one is going to pay seven annas for screenings and sweepings and earth, when the only purpose is to mix it with bad quality hookah tobacco. And in this matter the whole House expects—and here I may claim to speak for the whole House—something from the rural Minister about this rural amenity of which we heard him speak so much when he was sitting on this side of the House. We would like to know if he has now decided to tax heavily hookah tobacco which as he very well knows, is the only amenity or luxury, if you like to call it so—if it is a luxury at all—that the rural population has. I will particularly entreat him and appeal to him as also request him to entreat on our behalf his senior colleague to have "refuse" included in the item with stalks.

I have not been able to follow why this sudden change has been introduced. I feel that in this matter the Government has been wrongly advised by their tax collectors. I do not charge the Government with any bias either in favour or against anybody. They have no such bias but they really go by the information which their tax collectors give them. I do not know why in the case of hookah and chewing tobacco the tax was originally raised by 100 per cent. If you now include refuse in item 6 as against 8 you are raising the tax in this case from one to six annas, an increase of 600 per cent.

Mr. Chairman: I would request the hon. Member to be brief. There are about 50 Members who want to speak on this amendment.

Shri Syamnandan Sahaya: I will be very brief. I will therefore suggest that this matter should receive the careful consideration of the Finance Minister. This "refuse" is actually sweepings and screenings and you will not be able to recover six annas from this. It will be thrown away and nobody will buy it after paying six annas a lb. So far as the agriculturist is concerned he will not get anything out of it: it is not worth the tax and the manufacturer will be hard put to it to pay six annas per lb. Therefore this matter should be carefully considered and should be included with stalks as had been done previously. After all, considering the items of increase in taxation an increase on one variety

of tobacco from one to six annas is an unreasonable increase and I hope the hon. Minister will agree to the suggestion made.

Shri Khandubhai Desai (Bombay): Clause 7 is under discussion. The reduction of the tax on tobacco used in *hookah* from seven to six annas has been accepted by the Government and therefore this is not the stage at which I should go into the question of the merits. But there is one point to which I would draw the attention of the Finance Minister.

The incidence of taxation on those who smoke *bidis* and those who smoke *hookahs* requires consideration, if not this year at least next year, because I feel that two-thirds of the tobacco used is for *hookah* and one-third is for *bidi* but the taxation on both is the same. It means that the incidence of taxation on a *bidi* smoker is nearly double the incidence of tax on a *hookah* smoker. That is the point I am placing before the Finance Minister. This whole question of excise duty is open for discussion and I would therefore crave your indulgence for five or six minutes.

It is well known that the excise duty is now playing a very important part in our taxation system. A few years ago excise was practically nil but during the last 3½ years the excise has come up to a substantial figure of 84 crores per year. Sugar, cloth, matches, etc. pay excise duty and the total revenue from it is to the extent of 25 per cent. of the whole taxation. Till then income-tax, super-tax and customs duty were playing a most important part. Those two systems of taxation up to now had received the attention of the revenue department and probably the system and structure of the collection as also the proper incidence of taxation on individuals may have been looked into during the last so many years. But as far as excise is concerned it is a new taxation and therefore it requires very close scrutiny, because in the years to come this is going to play an important part, and as such any *ad hoc* taxation on this account is likely to be unjust to the people.

It should be known to the House that the excise duty is a general levy on the daily necessities of life and the poorest man as well as rich pay it. Equity is not there, because the rich or the poor man has to pay the same amount of duty on consumption. It is an equality of tax on inequality of income and therefore it is inequitable.

This duty has also to be looked at from another point of view and that is the sales tax. Every State is relying more and more upon the sales tax and now that excise is playing such an important part the time has come for the Finance Ministry to look into the whole question of the incidence of taxation as it arises out of the excise duty.

It is a very simple tax, easy to collect and evasion is little. Without looking into the incidence which falls on the poorest man in the country the collection department will be always very quick, whenever there is a deficit, to rely on this tax alone. Therefore, if I may, I would suggest to the Finance Minister to place before the House as early as possible the incidence of the excise duty on the various items of the family budget of an average family, in relation to the capacity to bear this burden.

Not only that, but he has also to take into consideration the sales tax which is there on all the items on which an excise duty is levied. I have taken a few minutes of the House to place before it the new structure of taxation that is evolving itself in this country during the last three or four years. Of course the answer will be that the National Income Committee is going into the question. They will find out what is the total *per capita* income and its distribution among the different sections of the society. But the time has now come when no further excise duty on the necessities of life should be levied, unless the incidence of these duties is made available to the House. I have something to say on the question of the export duty but there is no time and that will not be coming up before the House, as this item has been given priority.

Before I sit down I would like to say that the excise duty on cloth, particularly after the prices have been increased during the last fortnight, is going to weigh very heavily on the consumer. I would suggest that the export duty on cloth may be increased in order to reduce the excise duty on cloth, because according to my own rough calculation, the profits from the export of cloth, even on a very conservative estimate, this year would not be less than 20 crores, in addition to the normal profits which the industry is going to make. I hope the hon. Minister will look into the question whether it is possible to mop up the extraordinary profits on the export of cloth and bring them to the exchequer, instead of leaving them into the coffers of those who are making huge profits.

Shri Raj Bahadur (Rajasthan): The hon. Member who has just resumed his seat seems to be labouring under the impression that there is a great lack of rationalisation so far as the ratio between the duty on *bidis* and the duty on *hookah* tobacco goes. He seems to think that the incidence of taxation on the *bidī* smoker will be much higher than on the *hookah* smoker. Let me only try to inform him as to what has been the progressive increase in the taxation so far as these two items are concerned. I am not going to enter into lists or enter into a competition or challenge with my hon. friend.....

Shri Khandubhai Desai: On a point of explanation. I am not asserting one way or the other. *Prima facie* something has come to my notice, so I only want the Finance Minister to examine the position.

Shri Raj Bahadur: And I say *prima facie* that it is not tenable. The fact is that whereas in 1943-44 the *hookah* tobacco was charged only one anna per pound, *bidī* and snuff tobacco were charged six annas per pound. Now from one anna in 1943-44 the duty on *hookah* tobacco is proposed to be raised to six annas, whereas in the case of *bidis* it was raised from six annas to twelve annas and is now proposed to be raised to fourteen annas. If you calculate it you will find that whereas it comes to hardly 15 per cent. increase in the case of *bidis*, it will come to 50 per cent. if this amendment is accepted. So the complaint made by my friend is hardly justified. I may also point out that so far as my part of the country is concerned *hookah*, and so far as the south is concerned *cheroots*, are the means of popular recreation for the producer. The pity is that very few of us realise how much he has to pay on what he produces. It has been calculated that the incidence of taxation per acre of tobacco would come to Rs. 251 on the basis of figures, that I have got for the year.....

Mr. Chairman: May I suggest that since this position is accepted by the Government it is not necessary that we should have further arguments on it to induce the Finance Minister to accept the position?

Shri Raj Bahadur: I bow down to your ruling and resume my seat.

Shri Naziruddin Ahmad (West Bengal): I have a different amendment. It is different from what is being accepted.

पंडित मुनीश्वर दत्त उपाध्याय : अभी हमारे सामने इस हाउस (House) में माननीय मंत्री जी ने बताया कि वह छः आना कर का जो रेट (rate) है उसे स्वीकार करेंगे और इस पर बड़ी खुशी हुई। हम ने समझा कि बड़ी चीज मिली, बड़ी रियायत हुई। लेकिन दर असल आप देखें कि क्या रेट था और अब कितना हुआ है तो यह साफ़ ज़ाहिर होता है कि इस में जो इज़ाफ़ा हुआ है, इस रेट में, वह ५० फी सदी का इज़ाफ़ा है। चार आने से छः आने किये गये हैं। लेकिन हम देख रहे हैं कि किस होशियारी के साथ यह बजट हमारे सामने आया। बजट को देखने से, बावजूद इस के कि काफ़ी टैक्स (taxes) लग रहे थे, जान यह पड़ता था कि कोई खास बात नहीं है, या तो नशे की चीज़ों पर टैक्स लगाया गया है या बड़े बड़े इनकम टैक्स वगैरह लगे हैं, इन का आम जनता पर कोई असर नहीं पड़ता है। बजट की शकल देखने पर ज़ाहिरा ऐसा लगता था। लेकिन जब बजट हमारे सामने आया....

मिस्टर चैयरमैन : आप बजट पर बोल चुके हैं।

पंडित मुनीश्वर दत्त उपाध्याय : यह उसी का जुजब है, मैं बजट पर बोल नहीं चुका हूँ। यह बात भी बजट का ही जुजब है और इसी पर मैं निवेदन कर रहा हूँ। इस तरह से फिर बजट में जब हम दूर तक गये तो दूर तक जाने पर देखा कि यह तम्बाकू पर जो टैक्स लग रहा है, हुक्के पर जो टैक्स लग रहा है, बीड़ी पर जो टैक्स लग रहा है, यह टैक्स ऐसा टैक्स है कि जिस का हमारे शरीर से शरीर नो आदमी

गांव में रहते हैं, किसान और मजदूर, उन के ऊपर दर असल इस टैक्स का असर पड़ेगा। और धीरे धीरे हम लोगों की सब की समझ में यह बात आई कि दर असल यह तो ज्यादाती है कि हम इतना बड़ा टैक्स उन गरीब आदमियों पर लगा दें जो कि टैक्स नहीं बे सकते। और यह एक ऐसा टैक्स है जिस से कि वह किसान बच भी नहीं सकते। यह ऐसा टैक्स नहीं है जिस को कि किसान टाल सके क्योंकि इस टैक्स से तो उन का ऐसा सम्बन्ध है कि उन के सामाजिक जीवन से इस की बड़ी घनिष्टता है। उन के सामाजिक जीवन में जो एक दूसरे के साथ व्यवहार है उस व्यवहार में इस हुक्के का बहुत बड़ा स्थान है। जो मनुष्य उन के सामाजिक जीवन में शामिल होता है या सामाजिक जीवन से निकाला जाता है, किसी जमाअत से, तो वहां या तो हुक्के से लगाया जाता है या हुक्के से स्वारिज किया जाता है। तो जान पड़ता है कि सामाजिक जीवन से इस हुक्के का, तम्बाकू का इतना बड़ा घनिष्ट सम्बन्ध है। यह एक ऐसी चीज है जिस को वह अपने सामाजिक जीवन में हरगिज नहीं छोड़ सकते हैं। उस चीज पर इतना टैक्स लगाया जाय कि उस में ५० फ्री सदी का इजाफ़ा हो, यह मेरी समझ में खासा बड़ा टैक्स है और जिस का असर इन गरीबों पर पड़ रहा है। लेकिन पहले टैक्स को काफ़ी बढ़ा कर ७५ फ्री सदी तक बढ़ा हुआ रख कर फिर सिलेक्ट कमेटी (Select Committee) से आने पर इसको ५० फ्री सदी मान लेने पर हम इस ज्यादाती को इस तरह मानने पर आ गये हैं कि जो ५० फ्री सदी का इजाफ़ा हो रहा है उस पर बड़ी खुशी जाहिर कर रहे हैं! मैं

समझता हूँ कि यह इजाफ़ा भी काफ़ी ज्यादा है। अगर हम इस को देखें तो मालूम होगा कि पहले सन् १९४३ में केवल एक आना टैक्स था, उस के बाद दो तीन दफ़ा में दो आने और चार आने हुआ और अब छः आने हो गया, डेढ़वा हो गया, ५० फ्री सदी और बढ़ गया। तो मैं यह निवेदन करूंगा कि यह जो टैक्स इस तरह हुक्के के तम्बाकू पर लग रहा है यह वाकई उन गरीबों पर लग रहा है जिनके ऊपर कोई टैक्स नहीं होना चाहिए।

Shri J. R. Kapoor: Let us not now at last in deference to the sentiments of our Sikh brethren further advertise the benefits of *hookah*. We may proceed to other more important clauses.

पंडित मनींदर दत्त उपाध्याय : मैं नहीं समझता कि इस हुक्के का स्थान जो लोगों के सामाजिक जीवन में है उस के कहने में किसी को दुःख होने की जरूरत है।

दूसरी बात जो बीड़ी के सम्बन्ध में है उस पर भी मैं एक मिनट का समय लेना चाहता हूँ। बीड़ी के टैक्स का भी बहुत कुछ गरीबों से ही सम्बन्ध है और बीड़ी में जो इजाफ़ा हुआ है, बीड़ी के टैक्स पर जो इजाफ़ा हुआ है वह भी ऐसा इजाफ़ा है कि जिस का असर हमारे जो गरीब मजदूर लोग हैं छोटे छोटे काम करने वाले गरीब लोग हैं, उन पर पड़ता है। यह लोग बीड़ी पीते हैं।

[MR. SPEAKER in the Chair]

अब बीड़ी के मैन्यूफ़ैक्चर (manufacture) पर से, बीड़ी के बनाये जाने पर से, टैक्स तो हटा दिया गया लेकिन इस से बह फ़ायदा नहीं हुआ, इस से बह कमी नहीं

[उद्धित मन्त्रीश्वर दत्त उपाध्याय]

हुई जिस से कि बीड़ी सत्ती मिल सके, हमारे काम करने वाले मजदूर भाइयों को, क्यों कि अब भी बीड़ी पर जो टैक्स है वह टैक्स काफी है जिस से बीड़ी की कीमत बहुत कम नहीं हो सकेगी।

इसके अलावा एक दिक्कत इस के सम्बन्ध में और भी है जिस पर मैं निवेदन करना चाहता हूँ। वह यह है कि यह जो कायदा बनाया गया कि बीड़ी बनाने के क्राबिल जो तम्बाकू हो उस पर टैक्स लगे इस के बारे में मैं आप को बताता हूँ कि यह बहुत बड़े झगड़े की जड़ है, बहुत बड़े गोलमाल की जड़ है। इस में न मालूम लोगों की तरह तरह के नाजायज फायदे उठाने की कितनी गुंजायश होती है। तो यह तय करने में कि कौन तम्बाकू बीड़ी के क्राबिल है और कौन तम्बाकू बीड़ी के क्राबिल नहीं है बहुत बड़ी दिक्कत होगी इस में बहुत काफी एडमिनिस्ट्रेशन (Administration) की दिक्कत होगी। मेरी समझ में यह बिल्कुल स्पष्ट है, इस पर बहुत जोर देने की जरूरत नहीं है। मुनासिब तो यह था कि एक आम रेट सब तम्बाकू पर रख दिया जाता। लेकिन उस आम रेट के रखने पर जान पड़ता है कि यह जो छः आने कम कर के बताया जाता है यह भी शायद सम्भव न हो सकेगा, जैसा अभी माननीय मंत्री जी ने बताया था। तो अगर यह सम्भव नहीं होता है कि हुक्के पर छः आने लग सकें और नीबत यह आता है कि छः आने के बजाय आम रेट रखने पर ८ आने लग जाते हैं तो इस से तो यही अच्छा है कि छः आने ही रहे, जो कि उन्होंने मान लिया है। इस से नीचे लौटने की सम्भावना मालूम नहीं होती है। फ्लैट रेट

(flat rate) चाहे हो या न हो, यह रेट मेनटेन (maintain) किया जाय। लेकिन जैसा मैं ने कहा इस से एडमिनिस्ट्रेशन में दिक्कतें पड़ेंगी, इस बात के तय करने में दिक्कतें पड़ेंगी कि कौन बीड़ी के क्राबिल तम्बाकू है और कौन नहीं है। इस से बहुत से कर्मचारियों को नाजायज फायदा उठाने का मौका मिलेगा और जिस करप्शन (corruption) से हम बच सकते थे वह करप्शन इस से बढ़ेगा। तो जो फ्लैट रेट का तरीका था वह हम इस वास्ते नहीं स्वीकार कर रहे हैं कि उस के स्वीकार करने में जो-रेट बंधेगा वह इतना ज्यादा होगा कि जिस से बीड़ी बहुत मंहगी हो जायेगी, बीड़ी और तम्बाकू बहुत मंहगी हो जायेगी और फिर गरीबों के लिए मुश्किल हो जायेगी कि वह उस का प्रयोग कर सकें, जिस का प्रयोग उन के लिए बहुत आवश्यक है।

इस सामाजिक जीवन के अलावा मैं देखता हूँ कि देहात में खेतों में काम करने में, कारखानों में काम करने में भी इस तम्बाकू का एक बड़ा स्थान है। थोड़ी सी तम्बाकू हुक्के में पी लेने के बाद, बीड़ी पी लेने के बाद वह लोग फिर रिफ्रेश (refresh) हो जाते हैं, काम करने के लिए। इस वास्ते उस का एक स्थान है। इसलिए मैं निवेदन करूंगा कि उन के जीवन के साथ यह पैवस्त है, यह उन के जीवन का एक अंग हो गयी है। इसवास्ते इस में जहां तक हो सके यह टैक्स कम ही लगाया जाय। तभी मेरी समझ में उन को इस से कुछ फायदा हो सकेगा।

बस इतना ही मुझे निवेदन करना था। इस के अलावा जो बिल (Bill) के और आइटम्स (items) हैं उन को मैं पूरे तौर पर सपोर्ट (support) करूंगा।

(English translation of the above speech).

Pandit Munishwar Datt Upadhyay (Uttar Pradesh): The hon. Minister has just stated that he will accept the rate of As. 6 and we all felt pleased over it. We thought it was a great concession and we have obtained something really big. But, if you really look into the matter you will find that the increase which has been effected comes to about 50 per cent. It has been raised from four annas to six annas. The Budget has been presented before us in a masterly way. In spite of the many taxes which were included in the Budget, apparently it seemed that nothing significant has been done. Either heavy duties have been imposed on the intoxicants or the rate of income-tax has been enhanced and these do not affect the common man. This impression was created on the first glance of the Budget. But when the Budget came before us.....

Mr. Chairman: You have already spoken on the Budget.

Pandit Munishwar Datt Upadhyay: This is a part of that; I have not completed my speech on Budget as yet. This is also a part of the same Budget and I am speaking on it. But when we thoroughly examined the Budget we found that the tax which has been imposed on tobacco, *hookah* tobacco, and *biri* etc. really affects a good deal of our poor villagers and labourers. And slowly we realised that in fact it was just like inflicting a punishment on our poor people by imposing such a heavy tax on them. The nature of the tax is such that the poor people cannot avoid it. It is such a tax that if the cultivator even wants to avoid it he cannot do so as it forms an important link in his social life. The *hookah* occupies a prominent place in the daily social life of the cultivator. If anybody is admitted into their social life, he is offered a *hookah* in the first instance and if anybody is excommunicated from their social life, the *hookah* is the primary thing of which he is deprived of. Thus it is apparent that *hookah* or tobacco occupies a prominent place in the social life of our poor men. They can never discard it from their daily life. The imposing of a tax on it to such an extent that it increases its price by 50 per cent., is really putting a heavy burden on them. In the first place the tax had already been imposed at such a high rate that the price had increased by 75 per cent. but on the recommendations of the Select Committee it has been reduced to 50 per cent. and it seems that we are pleased with it. But I think this

increase is also sufficiently high. If we look back, we will find that in 1943 it was one anna only and subsequently it was increased to two and then to four annas. Now it has been enhanced to six annas, i.e. an increase of 50 per cent. Therefore, I suggest that this tax on *hookah* tobacco is really a tax on those poor people who should not be taxed.

Shri J. R. Kapoor (Uttar Pradesh): Let us not now at last in deference to the sentiments of our Sikh brethren further advertise the benefits of *hookah*. We may proceed to other more important clauses.

Pandit Munishwar Datt Upadhyay: I do not think that there is any need of anybody feeling hurt if the importance of *hookah* in the social life is explained.

I would also like to take a minute on the question of *biri*. The *biri* tax has also to do a great deal with the poor people. The increase in the tax on *biris* adversely affects our workers and poor people. They are the people who smoke *biris*.

[MR. SPEAKER in the Chair]

Now, the tax has been abolished on the manufacture of *biris* but it has not resulted in anything good. It has not reduced the prices. The tax on *biris* is still very high and it will not result in substantially reducing their price.

I will mention one more difficulty regarding it. It has been laid down that the tax should be realised from that type of tobacco from which *biris* are manufactured. But I may tell you that it is bound to create many difficulties. There is every possibility of people taking undue advantage of it. It will be another problem to judge whether a particular tobacco is fit for *biri* manufacture or not. It will call for lot of administrative work. I think it is sufficiently clear and I need not dilate upon it. It would have been better had the tax on tobacco been imposed at a uniform rate. But as the hon. Minister has just stated that even this rate of six annas would not be possible should the uniform rate be imposed. But if the rate increases to eight annas by imposing the uniform rate on *hookah* tobacco, then it is better that it should remain at six annas which he has already accepted. I think, there is no possibility of its being reduced. Whether there is any possibility of some flat rate or not but this rate should be maintained. But it will have its own difficulties. There will be administrative difficulties. It will be a problem to judge which tobacco is suitable for the

[Pandit Munishwar Datt Upadhyay]

manufacture of *biris* and which not. This will afford ample opportunities to the employees of taking undue advantage and it will increase the corruption from which we want to escape. Therefore, we are not accepting the flat rate because it will result in the enhancement of the tax which will consequently increase the price of *biris* which our poor people would hardly afford to pay though it is an essential thing for them.

Apart from these social practices, I find that tobacco occupies an important place in the fields and the factories. The cultivators and the labourers feel refreshed after smoking tobacco or *biris*. Therefore, it occupies a place of its own. It has become a part of their daily life. Therefore, as far as possible less tax should be imposed on it. Only then, I think, they will get some relief.

That is all I had to say. I will support all the other items of the Budget.

Mr. Speaker: Before we proceed further, I would like to know how much time the hon. the Finance Minister will take. If we do not reserve time for him and the discussion on this clause goes on till one o'clock, he will have no chance to reply as the guillotine will be applied at one.

Shri C. D. Deshmukh: I shall require about ten minutes.

Mr. Speaker: That means he will begin at 12.50.

Shri T. T. Krishnamachari: Since clauses 4, 5 and 6 have been passed over and clause 7 has been given priority, why not we finish this clause and take up the other ones?

Pandit Thakur Das Bhargava: The guillotine may not be applied at one; it may be applied at 1.15.

Mr. Speaker: That is not possible. It is a mandatory rule under the financial provisions and we cannot make it lax. From 1.15 someone may suggest that we may go on till two. The guillotine is definitely at one as I announced yesterday and also this morning.

Shri Chattopadhyay (West Bengal): There has been sufficient discussion on this clause. Why not put it to the vote?

Mr. Speaker: If that is the desire of the House, the Finance Minister may reply and then I shall put the amendments.

Shri Naziruddin Ahmad: I have one amendment, No. 2 in list 2. If it is acceptable, then I need not speak; if it is not acceptable, then a debate must be had.

Mr. Speaker: Is the hon. Minister prepared to accept it?

Shri C. D. Deshmukh: No, Sir.

Shri Kumbhar (Bombay): I have to ask for an explanation before the hon. Finance Minister replies.

According to his amendment there will be a refund of some taxes already collected. I want to know whether there will be some retrospective recovery of some taxes; for instance *bidis* tobacco now will be taxed at 14 annas, that is, six annas more than the original proposals. If so, from whom will that extra tax be recovered? Will it be recovered from the manufacturer of *bidis* or from the original tobacco merchant?

Shri C. D. Deshmukh: The question has arisen as a result of the changes, how the provisional collection of taxes made during the interim period from 1st March, 1951 till the passing of the Finance Act, 1951 is to be finalised. We first assumed that as the changes in the system of taxing *bidis* were an integral proposal, the refund to the assessee should only be the net amount, that is the difference between 14 annas rate proposed in the Finance Bill as amended by the Select Committee and the gross amount of the leaf and manufactured tobacco duties on *bidis*. The Ministry of Law, when they were consulted, were of the opinion that the entire duty collected on the manufactured product, *bidis*, snuff, and pipe tobacco, would have to be refunded since the duties on these products have been removed by the Select Committee and since they were entirely new taxes imposed by the Finance Bill, read with the declaration under the Provisional Collection of Taxes Act, 1931. So, despite the fact that the original intention was to split the duty on the unmanufactured tobacco into a duty on the manufactured product and a duty on unmanufactured leaf, it has been held by the Ministry of Law that for the purpose of the Provisional Collection of Taxes Act it is not possible to regard the two duties as part and parcel of a single proposal and that they should be regarded as two distinct taxation measures. Inasmuch as the Provisional Collection of Taxes Act provides only for refunds of duties collected in

excess, the result would be that refunds will have to be made to the extent that individual rates have been brought down by the Select Committee's amendments or as a result of the present proposals, as against the original Finance Bill. On the other hand, in consideration of the withdrawal of the manufactured tobacco duties on *bidis*, and as the Select Committee have recommended enhancement of the duty on unmanufactured tobacco capable of being used in the manufacture of *bidis* to 14 annas per pound, it is considered that the effective rate would be only the reduced rate of eight annas as contained in the original Finance Bill. At present there is no legal authority for recovering the additional six annas per pound till the new rate comes into effect on the ratification of the amended Finance Bill by the House and the President. In regard to duty already collected on *bidis*, including the leaf duty as well as manufactured tobacco duty, we cannot deny full refund of the manufactured tobacco duty which would average to eight annas per pound on the basis that the assessee would alternatively be liable to pay the difference between eight annas and 14 annas or even the difference between eight annas and twelve annas, that is, the rate in force for 1950-51 which was replaced by the rate in the Finance Bill, 1951. In the circumstances which are somewhat unprecedented and exceptional the remedy lies in incorporating a suitable provision in the Finance Bill itself, giving retrospective effect from the 1st March, 1951 for all the amended provisions relating to tobacco, so that refunds will be made on all amounts realised in excess of the amended rates and recoveries can also be effected on all amounts short-collected in view of the rates revised in the upward direction in the amended Bill. Now, the first part is nothing more than the natural consequence of the application of the Provisional Collection of Taxes Act. The second is a provision of a special character, and that is why it is necessary to introduce it here by way of an amendment in the Finance Bill.

As regards amendment No. 31, my colleague has already indicated that we are prepared to accept it.

Then I turn to the speeches made by some of the hon. Members, in particular to the point so eloquently urged by Mr. Sahaya. So far as the formal amendment is concerned I must reject his appeal, and I would try and explain the reason. It was advisedly that the definition of 'stalks' in the tariff was sought to be restricted. The

original tariff heading as it stood before 1951 included in the same category other refuse tobacco intended for use in the preparation of any form of manufactured tobacco. Now, this was a source of perpetual abuse and put unnecessary opportunity for corrupt practices in the hands of officials as well as assesseees. A concession is already available for tobacco unfit for human consumption, namely, that it could be destroyed or used for agricultural purposes, without recovery of duty. The price of refuse tobacco is only a fraction of the price of good tobacco. Whatever the owner of such tobacco can get is a sort of additional earning or a sort of by-product, so far as his costs are concerned. So long as such tobacco dubiously called refuse tobacco is capable of being used in the manufacture of *hookah* mixtures or for *bidis* of cheaper varieties, there is no reason at all why it should not pay the same rate of duty as other tobacco going into the manufacture of this article, that is to say the unspecified list. And it is with that object that the definition was narrowed down to 'stalks' only. Although the amount of tobacco cleared as 'stalks' under the old system seldom exceeded 25 million lbs. a year, with the new rates of duty which are higher than under the old tax structure, a greater margin is allowed for the person who could attempt to clear by doubtful means useful tobacco as refuse, and the loss in revenue would extend to lakhs unless this source of leakage is checked. But I take notice of the difficulties pointed out by the hon. Member and I should be prepared to ask the Department to watch the situation, especially the application of the definition "capable of being used" and to take such executive action as they feel would meet the situation.

Now I come to the observations made by Mr. Khandubhai Desai. I am quite neutral in regard to this *hookah-phukka* business. In other words, I am indifferent as to whether it is *hookah*, *furka*, *thukka* or *surka*. It is all the same to me. I am content with the present state of affairs. I would only like to add one thing more, and that is most people thought that there was rather a wide discrepancy between the rates on tobacco, chewing tobacco and *hookah* and *bidis*. That is to say the relation was as of four to twelve. Under the new rates it will be five to 14 and to that extent perhaps we have moved in the direction indicated by Mr. Khandubhai Desai. He then referred to the excise duty on cloth. From an economic point of view, I think we ought to be able to find out what is the incidence of various duties on the cost of living and with such statistical

[Shri C. D. Deshmukh]

resources as we have, we might as a matter of interest take up this matter and I shall see what can be done.

Then I do not propose to make any remarks in regard to the export duty on cloth. It is always dangerous to make remarks in advance of action, if any. As regards the excise duty on cloth, I have examined the position because this is not the first time that the matter has been mentioned by the hon. Member and I find that the duty is one quarter of an anna per yard. A yard of cloth costs from twelve annas to one rupee and the *per capita* available is at present less than ten yards and the incidence of the tax must be scarcely $2\frac{1}{2}$ annas per head and ten annas per family per year. Our only fear is that if we remove this altogether—because there is no scope for modification and if any modification is to be attempted, it has to be removed—then as in the case of the salt tax a portion of the duty will not benefit the consumer but might go to the mills and the middlemen and that principle is not stopping us from proceeding further with the consideration of this matter. Now that a point has been made, we shall be watching the situation throughout the year. He made also some reference to watching the export duty, I think, in connection with the same subject, namely export duty on cloth. That again, in view of the powers that have been vested in us is a matter to which we have to pay constant attention and from the point of view of not only mopping up profits as between producers and others but also from the point of countering inflation, it is necessary that we arrange our export duties so that excessive purchasing power does not get into the hands of people and we shall not lose sight of that objective.....

Dr. Deshmukh: Do it quickly.

Shri C. D. Deshmukh: I think I have covered all the points. I do not know what sort of reply I should give to Pandit Munishwar Datt Upadhyay. The principal object of his observations was to urge a flat rate instead of the present rate. After very mature consideration, we have come to the conclusion that a flat rate would not be in the interests of revenue and after all this is a Finance Bill. As regards the working of the formula I think the arrangement that we are proposing is an improvement on the present arrangement and we certainly believe that we shall be able to work it with fair satisfaction.

Saikh Mohiuddin (Bihar): Is it not a fact that due to the tax on *bidi* tobacco, the price of *bidi* has been increased and this realized money would be returned to *bidi* manufacturers? In that case would not the big manufacturer be benefited at the cost of consumers?

Shri C. D. Deshmukh: That may be so, but I do not know how one can get out of the situation.

Shri Sidhva: The refund should not be given. Actual smokers.....

Mr. Speaker: Order, order. That is not the way to proceed.

An Hon. Member: The matter is important.....

Mr. Speaker: The matter is undoubtedly important but there is a certain procedure. Lot of people should not stand up together. Only one hon. Member should stand at a time. There are only ten minutes now. The best course, if Members want information, is to put such questions for explanation as they may like, instead of carrying on a discussion and passing remarks. If that is not accepted, I will put the clause and the amendments to the House.

Shri Kumbhar: I understand from the reply of the hon. Minister that the retrospective recovery of six annas on *bidi* tobacco will be made. The question that I put was whether the recovery of the tax will be made from the manufacturer of *bidis* or from the original tobacco dealers?

Shri Tyagi: We have to refund the money to the *bidi* manufacturers from whom we have realized the duty. We have already realized something in the shape of manufactured tobacco duty and that has to be paid back to them. We realised a duty on tobacco leaf to the extent of eight annas only. On that account we have also to realise from them at the rate of six annas more to make it 14 annas. That will not be realised from the *bidi* manufacturers, because *bidi* manufacturers do not generally purchase it from warehouses. It is the business-man who purchases from the warehouse. He pays the duty to us. So, we shall realise this balance of six annas from that very business-man who comes to purchase. And under the Sale of Goods Act, he will realise from his customers, that means, *bidi* manufacturers.

Shri Sidhva: What is the difference between actual realisation and refund? That is not stated. It is so inequitable that the refund will go to the merchant whereas the actual smoker who has paid more does not get the benefit. Therefore.....

Mr. Speaker: The hon. Member may put a question.

Shri Sidhva: I want to know what is the difference: how much they will refund and how much they will realise from the increase? I wanted to know that if it is possible to give.

Mr. Speaker: Is it possible to calculate and state?

Shri Tyagi: It is not possible for us to give exact figures. In fact, the tax was on the private manufacturer who has transferred to some other party. In fact, the smokers were not taxed. It is the manufacturer that has been taxed (*Interruptions*).

Mr. Speaker: Order, order. The hon. Members may ask questions.

Dr. Deshmukh: May I know if there is any legal obstacle in stopping this refund? Suppose the House decides not to refund because it is not going to go back to the persons who have actually paid it, but to middlemen, would it not be possible to refuse refund?

Mr. Speaker: I think the hon. Minister has already clarified the position.

Shri C. D. Deshmukh: I think it is obligatory under the law. Otherwise, we shall have recovered under it.....

Dr. Deshmukh: We will ratify the action.

Mr. Speaker: Even for that, Parliament has to enact a law. It cannot do it by a vote.

Shri Hussain Imam: There is an important point which arises out of this. Many of the duties in excise and customs have been varied by this amendment. Duties have been increased; duties have been decreased. For instance, petrol duty has been decreased from 20 per cent. to 15 per cent. or whichever is higher. The question is a major question whether refund is going to be given to those who have already paid it or as a profit to somebody who does not deserve it. This is a matter which requires clear thinking. What I suggest is let us pass

this Act as it is. The hon. Minister should tell the House some time afterwards what the position is and if there is need, we may amend this portion relating to refunds, after a great deal of thinking. It is not a thing which could be decided on the spur of the moment as it has been brought in. Government will decide what measures should be adopted. This is a matter which should be considered coolly whether there should be refund, whether surcharges that we are going to make by increased taxation should not be made effective as from this date and not from the 1st of March. I submit this for your consideration.

Shri T. T. Krishnamachari: There seems to be a lot of confusion. Tax collected under the provisions of the Provisional Collection of Taxes Act has to be refunded if that tax is not ratified by Parliament. In fact, the hon. Minister has put in a clause for refund merely to regularise the procedure which will be inevitably legal on the part of Government. There is no question of who is being benefited. The refund has to be made. There is absolutely no option.

Mr. Speaker: I will put the question now. We will first take up the amendments to clause 7.

Shri Sonayane (Bombay): Before you proceed, Sir, I want to ask one question. Under clause 7, entry (4), the charge is nine annas. Tobacco used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes is charged at nine annas, while tobacco which is capable of being used for the manufacture of *bidis* is charged at 14 annas. Why this difference? Tobacco for *bidi* is charged at 14 annas and tobacco for cigarettes is charged at nine annas. I would like to know the reasons for this difference.

Shri Tyagi: We are realising at a very high rate from manufactured cigarette tobacco, the duty being about rupees seven per pound or even more.

Shri S. C. Samanta (West Bengal): May I know from the hon. Finance Minister whether in his opinion this tobacco used for *bidi*, chewing and *hookah*, is an article of luxury or near-luxury as was mentioned in.....

Mr. Speaker: Order, order. The hon. Member is going into something which is not very pertinent at this stage.

Ch. Ranbir Singh (Punjab): May I know, Sir, whether even now, at this late stage, it is possible to accept an amendment to the amendment, stating that till this date the tax may be charged at the present rate and from to-day onwards the new rate may be put in force?

Shri C. D. Deshmukh: I do not think that is possible unless you alter the provisions of the Provisional Collection of Taxes Act.

Mr. Speaker: All these difficulties have arisen because I believe hon. Members have not properly appreciated the opinion of the Law Minister on this question.

Shri Sidhva: We appreciate it, but we can change the law.

Mr. Speaker: Well, till the law is changed it has to be respected as it is. Now I shall put the amendments to the House and there are many of them.

Hon. Members: But they were not actually moved. They were taken as moved.

Shri Syamnandan Sahaya: But I moved mine.

Shri Naziruddin Ahmad: And I would like to have my amendment put to the House.

Mr. Speaker: Very well. I shall put it to the House.

The question is:

In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco", against entry No. (5), in column 2, for "fourteen annas" substitute "twelve annas".

The motion was negatived.

Mr. Speaker: Now amendment No. 30 in the list.

The question is:

In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco", for entry No. 6, substitute:

"(6) if other than flue cured and not otherwise specified—six annas."

The motion was negatived.

Mr. Speaker: And what about amendment No. 31?

Shri C. D. Deshmukh: I am accepting amendment No. 31, Sir.

Shri Syamnandan Sahaya: But how can that be, Sir? My amendment which has just now been negatived is the same as amendment No. 31. —If there are two amendments in identical terms and one of them is rejected, the other also falls through.

Mr. Speaker: That 'if' is there. The amendments may be similar in substance, but there may be difference in the wording.

Shri Syamnandan Sahaya: No, they are identical, Sir.

Shri Hussain Imam: And one of them is rejected, the other also falls through.

Mr. Speaker: There may be difference so far as wording goes.

1 P.M.

Shri Syamnandan Sahaya: It is absolutely identical and there is not one word of difference.

Mr. Speaker: Is the hon. Member prepared to have it in terms of amendment No. 31?

Shri Hussain Imam: The House having once rejected the amendment, it cannot be accepted again.

An Hon. Member: It is reopening the whole thing again.

Mr. Speaker: It is not a question of reopening it. There is still a procedure for it and that is the House may ask for a division or I may give a division. My decision is based on the voice of the House.

An Hon. Member: We should not have a division again.

Mr. Speaker: I can call for the voices again. I might again put amendment No. 30 to the House.

Shri Tyagi: The purpose of the two amendments being the same I have no objection to accepting it (*Interruptions*).

Mr. Speaker: Order, order. I am putting to the House amendment No. 30, having once put it.

The Minister of State for Parliamentary Affairs (Shri Saiya Narayan Sinha): If there is no objection what will happen to amendment No. 31?

Mr. Speaker: There has been a confusion worse confounded, because of so many different suggestions coming at the same time. In order to obviate the difficulty the procedure I am going to follow is that I put amendment No. 30, because I have once put it to the House. Because the language of amendment No. 31 is preferable to the Finance Minister, in putting amendment No. 30 again I shall put it with the reservation that the language will be amended in the language of amendment No. 31. That will solve the difficulty. I shall therefore put the revised amendment of Mr. Sanaya in the language of amendment No. 31.

The question is:

In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco", against entry No. 6, in column 2, for "seven" substitute "six".

The motion was adopted.

Mr. Speaker: Now amendment No. 34 of Shri Sahaya.

The question is:

In part (b) of clause 7, in the proposed item No. 9 of the First Schedule to the Central Excises and Salt Act, 1944, under the heading "I. Unmanufactured tobacco", for entry No. 8, substitute:

"(8) Stalks and other refuse or tobacco, crushed and uncrushed intended for use in Hookah tobacco—One anna".

The motion was negatived.

Mr. Speaker: Now the amendment moved by the Finance Minister.

The question is:

Renumber clause 7 as sub-clause (1) of that clause, and after sub-clause (1), as so renumbered, insert:

"(2) The amendments made in the Central Excises and Salt Act, 1944, by sub-section (1) shall be deemed to have had effect on and from the 1st day of March, 1951, and accordingly—

(a) refunds shall be made of all duties collected which would not have been collected if the amendments had come into force on that day, and

(b) recoveries shall be made of all duties which have not been collected but which would have been collected if the amendments had so come into force."

The motion was adopted.

Mr. Speaker: Have Government to move any other amendments to any of the clauses?

Shri C. D. Deshmukh: No, Sir.

Mr. Speaker: The question is:

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

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Clauses 4, 5, 6, 8 and 9 were added to the Bill.

Mr. Speaker: We will now take up the First Schedule.

Pandit Thakur Das Bhargava: With your permission, Sir, I will just move the amendment and say only this much that I move the amendment.

Mr. Speaker: No, no. That was why I enquired as to whether Government had to move any amendments.

The First, Second and Third Schedules were added to the Bill.

Clause 1 was added to the Bill.

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

Shri C. D. Deshmukh: I beg to move:

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

Shri Hussain Imam: On a point of order, may I draw your attention to the fact that this Bill has failed to give two essential things.....?

Mr. Speaker: Order, order. No discussion now, and it is not a point of order.

Shri Hussain Imam: I want your ruling.

Mr. Speaker: Nothing now. The gullotine has been applied.

The question is:

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

The motion was adopted.

The House then adjourned till Half Past Eight of the Clock on Friday, the 27th April, 1951.