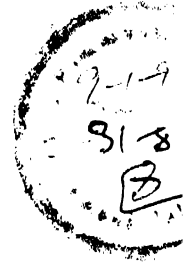
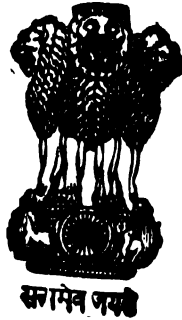


Saturday, 14th April, 1951



# PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

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VOLUME VII, 1951

(2nd April to 16th May, 1951)

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Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

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## 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 “बगैरह” 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 सापडे” 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 “Cureh” 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 ۲۶ کے بجائے ”د طور پر“ 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 ।

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PARLIAMENT OF INDIA

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*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.

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## 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**

3173

3174

**PARLIAMENT OF INDIA**

*Saturday, 14th April, 1951.*

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

[MR. SPEAKER in the Chair]

**ORAL ANSWERS TO QUESTIONS**

**SMUGGLING OF DIAMONDS**

\*3098. **Dr. Ram Subhag Singh** (a) Will the Minister of Finance be pleased to state whether it is a fact that a packet of Christmas cards received at Bombay Foreign Post Office contained diamonds worth Rs. 150,000?

(b) If so, what was the name and address of the sender, and to whom was that packet addressed?

The Minister of State for Finance (**Shri Tyagi**): (a) Some uncut diamonds of the value of about Rs. 1,50,000 were found packed in a bundle of blank invitation cards which arrived by registered parcel post in December, 1950.

(b) Enquiries are being made about this unauthorised importation and accordingly it would not be expedient to disclose this information at this stage.

**Dr. Ram Subhag Singh**: May I know whether any smuggling of this kind has also been detected at any other post office of this country?

**Shri Tyagi**: Not of diamonds; but through the post office there are some such smugglings done.

**Shri T. Husain**: Was it the first instance that happened through the post office?

**Shri Tyagi**: Yes; about diamonds this was probably the first.

**Dr. Deshmukh**: Since these were Christmas cards, evidently, this must have been discovered in the month of  
32 P.S.

December. Has there not been sufficient time to investigate into the details of the names, etc.?

**Shri Tyagi**: I have got the name; as I said, if I disclose the name at this stage, it will impair the enquiries which are going on.

**Shri Chattopadhyay**: May I know whether the packet was insured or not, and if so, for what amount?

**Shri Tyagi**: As I have said, it was a registered packet. I can say it came from Mombasa.

**ALL-INDIA INSTITUTE OF PUBLIC HEALTH  
AND HYGIENE, CALCUTTA**

\*3099. **Prof. S. N. Mishra**: Will the Minister of Health be pleased to state:

(a) the stage at which the scheme to develop and extend the work of the Maternity and Child Health Centre of the All-India Institute of Public Health and Hygiene in Calcutta in collaboration with U.N.I.C.E.F. is at present; and

(b) whether the enlarged institute will be open to students from other Asian countries?

The Minister of Health (**Rajkumari Amrit Kaur**): (a) The scheme has been approved by the Standing Advisory Committee of Parliament for the Ministry of Health and by the Standing Finance Committee. Official Standing to the scheme will be issued shortly.

(b) Yes.

**Prof. S. N. Mishra**: May I know the amount granted by the U.N.I.C.E.F. and the contribution to be made by the Government of India for this purpose?

**Rajkumari Amrit Kaur**: The cost of the scheme is estimated to be 90 lakhs, spread over a period of five years. This will be shared equally by the U.N.I.C.E.F. and the Government of India.

**Prof. S. N. Mishra**: May I know what are the international obligations

on the Government in connection with this institution

**Rajkumari Amrit Kaur:** The institute will give instruction without charging any fees to 250 students in all from outside India for a period of one academic year in each case or its equivalent in student years. There are no international obligations except that it will be an International Training Centre.

**Prof. S. N. Mishra:** What would be the procedure for selecting the students: whether they will be selected by the U.N.I.C.E.F. or by the Government of India?

**Rajkumari Amrit Kaur:** The selection for Indians will be made by the Government of India.

**Shri Sohan Lal:** How many students will be accommodated in this institution?

**Rajkumari Amrit Kaur:** I could not tell you to day. It will have to be in progressive stages, as we progress with the buildings etc.

**Shri T. Husain:** May I know whether this Institute will include training for family planning?

**Rajkumari Amrit Kaur:** The question is not relevant; this is an institute for training personnel in maternity and child welfare.

#### ANAESTHESIA

\*3100. **Prof. S. N. Mishra:** Will the Minister of Health be pleased to state:

(a) whether the scheme for starting post-graduate Courses in Anaesthesia in some of the medical colleges in the Country is ready; and

(b) if so, the Colleges selected for the introduction of such Courses?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) There is no such scheme under consideration at present.

(b) Does not arise.

#### SCHOOL OF FOREIGN LANGUAGES

\*3101. **Prof. S. N. Mishra:** Will the Minister of Defence be pleased to state:

(a) whether Government have any scheme for the expansion of the School of Foreign Languages;

(b) the number of officers, Civil and Military, who are at present on its rolls; and

(c) the strength of the teaching staff?

**The Deputy Minister of Defence (Major-General Himatsinghji):** (a) Yes.

It is proposed to utilise the school for Hindi classes also.

(b) 523, of which 457 are Civil and 66 Military.

(c) A Director and 8 Lecturers.

**Prof. S. N. Mishra:** May I know whether there is any co-operation between the School of Foreign Languages and the private Institute of Foreign languages in New Delhi?

**Major-General Himatsinghji:** No, Sir. This Institution is working as a Government concern.

**Prof. S. N. Mishra:** What are the nationalities represented on the teaching staff of this school?

**Major-General Himatsinghji:** There are six languages: French, German, Russian, Chinese, Persian and Arabic. All the eight Lecturers except the Director are foreigners. I can give details of each Lecturer if required.

**Prof. S. N. Mishra:** May I know whether the Military Attaches who are appointed are also required to be qualified at this Institute?

**Major-General Himatsinghji:** Yes, Sir. There are three classes of qualifications: (i) preliminary, (ii) advanced, and (iii) interpretorship. Most of the Military officers try to become interpreters in foreign languages.

**Dr. Deshmukh:** May I know whether it is proposed to add Russian as one of the languages taught here?

**Major-General Himatsinghji:** It is one of the six languages already taught in the school.

#### GRANTS TO NON-GOVERNMENTAL INSTITUTIONS

\*3102. **Shri S. C. Samants:** Will the Minister of Education be pleased to state:

(a) the amount of grants made towards the development of non-governmental educational institutions in India in the years 1948-49 and 1949-50;

(b) how much in the form of (i) capital grant, (ii) recurring grant, (iii) non-recurring grant and (iv) loans; and

(c) what are the conditions on which grants are given to these non-governmental institutions?

میںسٹو آف ایجوکیشن (مولانا آزاد):

(اے) اور (بی) ایک اسٹیٹمنٹ ہاؤس

کی تہیل پر رقم دیا جاتا ہے۔

(سی) پہلی اپریل، ۱۹۵۰ء

کو شہری کمیسو واؤ کے سوال نمبر ۱۳۱۳

کے جواب میں جو کچھ دیا جا چکا ہے،

آئیہیل ممبر اسے دیکھ لیں۔

[The Minister of Education (Maulana Azad): (a) and (b). A statement of all grants and loans paid to non-governmental educational institutions by the Ministry of Education is laid on the Table. (See Appendix XXI, annexure No. 41.)

(c) Attention is invited to the reply given by me to Starred Question No. 1314 asked by Shri V. C. Kesava Rao on the 1st April, 1950.]

Shri S. C. Samanta: May I know whether these grants are given direct or through the State Governments?

Maulana Azad: Direct.

Shri S. C. Samanta: May I know how many of these institutions are receiving the grants *status quo*, how many have been debarred, and in how many cases grants have been suspended?

مولانا آزاد: یہ میں ابھی نہیں بتا سکتا۔

[Maulana Azad: I cannot give this information at this time.]

Thakur Lal Singh: May I know how much of this grant is being given to Part C States?

مولانا آزاد: آئیہیل ممبر اگر اس

اسٹیٹمنٹ کو دیکھنے کی تالیف گوارا

کریں گے جو ہاؤس کی آئیہیل پر رکھ دیا

کہا ہے تو ان کو جواب مل جائے گا۔

[Maulana Azad: If the hon. Member would take the trouble of looking into the statement that has been placed on the Table of the House, he will get this information.]

#### I.C.S. AND ARMED FORCES OFFICERS

Prof. K. T. Shah: Will the Minister of Home Affairs be pleased to state:

(a) how many members of the former Indian Civil Service or officers of the Armed Forces holding King's Commission (i) retired voluntarily from service under the Government of India since 1st September, 1946, and (ii) what was the amount of compen-

sation, gratuity, commuted pension or other such indemnity granted or paid to such personnel retiring and retired, and

(b) how many officers of the Indian Civil Service or of the Armed Forces holding King's Commission have opted for service in Pakistan since the 15th of August, 1947 and the amount of pension charge borne at present by the Government of India under the Sterling Balances Settlement of July, 1948?

The Minister of Home Affairs (Shri Rajagopalachari): (a) Two statements showing the (i) number of officers who retired voluntarily from service since 1st September, 1946 and (ii) the amount of compensation, gratuity etc. paid to them are laid on the Table of the House. [See Appendix XXI, annexure No. 42.]

(b) It is presumed that the hon. Member wants to know the number of officers who opted for service in Pakistan after the 15th August, 1947. The answer is nil.

The liability of the Government of India for the pension charges has not been affected by the Sterling Balances Settlement of July, 1948. The initial liability of pensions in respect of officers who retired on or before the partition was accepted by the Government of India subject to final adjustment with the Government of Pakistan. The total amount of pension charges so borne by the Government of India is not readily ascertainable.

Prof. K. T. Shah: In the statement supplied, it is stated:

"The amounts of compensation sanctioned shown in column (3) of the statement relate to those granted to the Indian officers of the I.C.S. who offered to continue in service and whose offers were not accepted by Governments in India."

May I know the reasons why they were not accepted?

Shri Rajagopalachari: There were several officers. I am sorry I cannot state the reasons now. But, it is to explain that the amounts refer only to these officers that I have put it in. If any question is asked as to why the services of the people who offered to stay here were not accepted, it would be a matter for enquiry and answer.

Prof. K. T. Shah: The number stated here comes to 250 or so. May I enquire what was the total number of officers out of whom these wanted to retire prematurely?

Shri Rajagopalachari: I would require notice.

**Prof. K. T. Shah:** May I know whether any of these officers who have retired have since been employed in any capacity?

**Shri Rajagopalachari:** There is another question on that subject, if the hon. Member will wait for that.

**Shri Dwivedi:** Sir, in the statement attached to the reply of the hon. Minister, the number of officers who retired since 1st September, 1946 has been given. But the statement does not mention how many of them retired voluntarily and how many retired after the maturity of their services. I want to know how many retired voluntarily.

**Shri Rajagopalachari:** Since 1st September, 1946 there was no question of voluntarily retiring. Every retirement would be voluntary. If the difference is between premature retirement and retirement at the stated time, I would like the hon. Member to give notice of a separate question because it is not possible to find out these numbers from 1946 September, without specific examination.

**Shri T. Husain:** How many of these officers were Europeans and how many Indians?

**Shri Rajagopalachari:** The statement is restricted to Indian officers, because the information about the non-Indian officers who retired prematurely it is difficult to ascertain because those papers are retained by the British Government.

**Prof. K. T. Shah:** Sir, may I point out that in the second part, the statement says:

"No information is available as to the compensation paid to non-Indian officers who retired prematurely; the responsibility for payment in such cases rests with the British Government."

May I know Sir, whether this is not a charge on the Indian revenues? I mean the pensions of those officers who had served here?

**Shri Rajagopalachari:** Regarding the compensation paid to those non-Indian officers who retired prematurely, the responsibility for payment rests with the British Government.

**Mr. Speaker:** No. The hon. Member wants to know whether the pensions paid to these officers are not a charge on the Indian revenues.

**Shri Rajagopalachari:** I think I should get notice before I can answer.

**Sardar Hukam Singh:** May I know the number of officers who opted for Pakistan in the first instance and then preferred to stay in India?

**Shri Rajagopalachari:** Sir, if all these things are very important now to understand, I request notice may be given.

#### RESEARCH CENTRE OF PALI LANGUAGE

\*3104. **Dr. Ram Subhag Singh:** Will the Minister of Education be pleased to state whether the Government of India propose to establish any research centre of Pali language?

ملسٹر آف ایجوکیشن (مولانا آزاد):

نہیں۔ اس طرح کا کوئی کام ابھی گورنمنٹ کے سامنے نہیں ہے۔

[The Minister of Education (Maulana Azad): The Government of India have no such proposal under consideration at present.]

**डाक्टर राम सुभाग सिंह:** क्या यह सही है कि नालन्दा में एक पाली भाषा की संस्था स्थापित करने के लिए बिहार सरकार ने भारत सरकार के सामने एक योजना उपस्थित की है ?

[Dr. Ram Subhag Singh: Is it a fact that the Government of Bihar has submitted a plan to the Government of India for setting up an institution of the Pali Language at Nalanda?]

مولانا آزاد: میں اس کا جواب

نہیں دے سکتا۔ اس کا تعلق بہار سے ہے۔

[Maulana Azad: I am not in a position to answer it. The matter relates to the Government of Bihar.]

**Shri A. C. Guha:** Sir, may I know whether there is any University in India which has a course for research in Pali?

**Mr. Speaker:** That is too wide a question to be put.

**Dr. Deshmukh:** Sir, may I know whether Government at any time have taken any steps to encourage the study of the Buddhistic religion?

مولانا آزاد: آنریبل ممبر صاحب سے

اتفاق کوئی ہے کہ بہت سے کام ابھی

میں جن کو ایلیکٹریج کرنا چاہیے۔  
 مگر گورنمنٹ آف انڈیا کا یہ حال ہے کہ  
 جو کام سب سے زیادہ ضروری ہیں جیسے  
 پیسک ایجوکیشن، سوشل ایجوکیشن  
 وغیرہ۔ ان کو ابھی تک پوری طرح  
 ایلیکٹریج نہیں کر سکی ہے۔

[Maniana Azad: The hon. Member would agree with me that there are many things which should be encouraged. But the condition of the Government of India is such that they have not been able to give full encouragement even to the most important works such as Basic education, the social education and the like as yet.]

#### GOLD SEIZED FROM HAJ PILGRIMS

\*3105. Dr. Ram Subbag Singh: Will the Minister of Finance be pleased to state the total quantity of gold seized from Haj Pilgrims in the year 1950?

The Minister of State for Finance (Shri Tyagi): The total quantity of gold seized from Haj pilgrims in the year 1950 was 938.86 tolas.

Dr. Ram Subbag Singh: May I know what action has been taken against those Haj Pilgrims who were detected?

Shri Tyagi: Notices have been issued to those pilgrims to present themselves and to defend their cases. We are investigating and the cases are proceeding.

Shri T. Husain: May I know whether these pilgrims were taking gold out of India or bringing gold into India?

Shri Tyagi: They were bringing it into India.

Shri Dwivedi: Has there been any case of double punishment against a person who smuggled gold from Pakistan into India, I mean punished by a fine for the smuggling and at the same time prosecuted in a court of law?

Shri Tyagi: If there is any such case which has come to the notice of the hon. Member, and if he will bring it to my notice also, I shall try to do the needful.

#### REVIEW OF BOOKS BY A.I.R.

\*3106. Shri A. C. Guha: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether any books are reviewed by the All India Radio Stations;

- (b) if so, books in what languages;  
 (c) whether foreign publications are also reviewed; and  
 (d) if so, publications of what countries?

The Minister of State for Information and Broadcasting (Shri Diwakar):

(a) Yes.

(b) In all the Indian languages mentioned in the Constitution except Kashmiri and Sanskrit; and in some other languages such as English, French and Arabic.

(c) Yes.

(d) No countries have been specially marked for this purpose.

Shri A. C. Guha: Has there been any ban on English books published in India?

Shri Diwakar: There is no ban at all. On the other hand 38 such books published in India were reviewed.

Shri A. C. Guha: Only 38? Were they from the Delhi Station only or from all the Stations?

Shri Diwakar: The figure is for all the Stations.

Shri A. C. Guha: How many books in Indian languages were reviewed in 1950 and in what languages?

Shri Diwakar: Books in Indian languages are also reviewed; but for the number of books in each language, I would require notice.

Shri Dwivedi: May I know whether a book entitled "Ten Years in Delhi" by one Handa, a Government employee was reviewed from the All India Radio and whether the book contained certain remarks against the Government?

Shri Diwakar: I am not aware of it.

#### RETIREMENT OF I.C.S. OFFICERS

\*3107. Prof. K. T. Shah: (a) Will the Minister of Home Affairs be pleased to state how many officers of the former Indian Civil Service or of the Armed Forces holding King's Commission, or the present day members of the Indian Administrative Service have expressed a desire to retire, from the 15th August, 1947 to the 31st January, 1951 before the date due for retirement under the ordinary service rules?

(b) What pension, gratuity, compensation or other indemnity or allowance has been paid, sanctioned or made payable to such personnel?

(c) Have any such persons been re-employed by Government in or under any Ministry of the Central Government or any State Government in India in any statutory corporation,

Board, or Commission of the Government of India in or outside India or in any private industry, enterprise, profession or service directly or indirectly, aided, protected or encouraged by Government in any post likely to give undue advantage to such employee because of his past experience of or connection with Government departments?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) and (b). A statement showing the number of officers of the former I.C.S. and the Armed Forces holding King's Commissions who retired prematurely during the period 15th August, 1947 to 31st January, 1951, is laid on the Table of the House. [See Appendix XXI, an nexure No. 43.]

(c) There have been no cases of persons who had retired prematurely but have been re-employed by the Government of India in or under any Ministry. One I.C.S. officer who has proceeded on leave preparatory to retirement has been re-employed as Chairman of one of the State Public Service Commissions.

Some of the retired officers have been permitted to take up private employment or to engage in business. In granting such permission, Government have satisfied themselves that the officers concerned would not gain any undue advantage because of their past experience of or connection with Government departments.

**Prof. K. T. Shah:** Sir, with regard to the officers to whom permission had been given to seek employment, may I enquire whether the emoluments they receive in the new employment are in addition to their pensions or whether the pension is suspended if the emolument is in excess of the pension?

**Shri Rajagopalachari:** In all cases of re-employment under the Government, there are very specific rules regarding the limitations, and the emolument will never go beyond the salaries originally drawn, inclusive of pension. But in the case of private employment where permission is granted, we cannot control the salaries.

**Prof. K. T. Shah:** Sir, in the case of private employment, the hon. Minister was pleased to state that the Government satisfy themselves that these persons are not in a position to take any undue advantage in their new positions on account of their past experience. May I enquire if any of these people have been employed in any firm which takes contracts or other works from the Government?

**Shri Rajagopalachari:** The condition that we could rightly attach is what has been stated, namely, that the officers concerned would not gain any undue advantage because of their past experience of or connection with Government departments. But as regards contracts in the Government of India, generally, it would be too difficult to control from that point of view.

**Shri T. Husain:** Sir, the statement laid on the Table does not show the number of Europeans and the number of Indians.

**Mr. Speaker:** Has the hon. Member read the statement?

**Shri T. Husain:** I have not read it myself, Sir, but I asked Prof. Shah and he said it was not there and so I am asking the question. I want to know the number of Europeans and Indians who have expressed their wish to retire and also the number of I. C. S., I. A. S., and officers holding King's Commission, who have expressed such a desire?

**Shri Rajagopalachari:** I would ask the hon. Member to state his question simply, so that I can follow it.

**Mr. Speaker:** Let him put his question clearly.

**Shri T. Husain:** Yes, Sir, I will put my questions one by one, if you would allow me to put all of them, it would be better.

**Mr. Speaker:** Then he had better not put them. He can ask only one question at a time.

**Shri T. Husain:** How many Europeans and Indians expressed their wish to retire from the I.C.S., I.A.S., and King's Commission posts?

**Shri Rajagopalachari:** Notice, Sir.

**Shri Brajeshwar Prasad:** Are there any I.C.S. officers who were discharged or dismissed from service after proper enquiries by the Union Public Services Commission for offences involving moral turpitude and who have been re-employed by the present Government? What is their number and what are the grounds for their re-employment?

**Shri Rajagopalachari:** Very specific notice should be given.

Several Hon. Members rose—

**Mr. Speaker:** Next question.

GOVERNMENT HOSPITALITY ORGANIZATION

\*3108. **Prof. K. T. Shah:** (a) Will the Minister of Home Affairs be pleased to state what is the annual expenditure incurred by Government over

the Government Hospitality Organization?

(b) Who is the Officer-in-charge of this organization and what is his designation and pay?

(c) Does he get any allowance or pay from any other Department of the Government in addition to what he gets from the Hospitality Organization?

(d) What is the total annual establishment expenditure of this Organization?

(e) Since when has this Hospitality Organization been working, what was the arrangement prior to the existence of this Organization and what is the annual comparative expenditure incurred before and after this Hospitality Organization came into existence?

(f) Are the services of this Organization or any employees of this Organization, utilized anywhere else other than for the Hospitality Organization?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) to (f). In 1949-50 the expenditure was Rs. 59,314-1-0. In 1950-51 a sum of Rs. 278,900 has been sanctioned but the actual expenditure I am not able to say at present.

The Post of Director-General of the Government Hospitality Organisation is at present held, in addition to his other duties, by the Military Secretary to the President. In addition to his pay as Military Secretary this officer is given a special pay of Rs. 200 per month for doing this additional work.

I might add that if any more information is asked for on this point by the hon. Member I would like him to take from me a copy of a report on the working of the Government Hospitality Organisation during the years 1948-49 and 1949-50, which I have but which I do not place on the Table of the House, because it is marked confidential and for restricted circulation. There is nothing very secret about it but it is not usual to give hospitality figures to the press.

**Prof. K. T. Shah:** May I know if it is a fact that in the previous Organisation, before the 15th August, 1947 this used to be conducted as part of the Government House hospitality itself without a separate Organisation and, if so, how does the expenditure of today compare with the expenditure of those days?

**Shri Rajagopalachari:** In the old days, as the hon. Member said, it was part of the duties of the Governor-General and the Viceroy to receive eminent men from abroad in a proper manner. But after the new set-up since 1947, the Governor-General having become the constitutional head and

the Government also having undertaken international relationship on a wider basis, hospitality has widened very greatly in scope as well as in quantum and it was found necessary to have a separate Organisation and accounts. Before that there were no accounts available to show the actual amount spent on hospitality.

**Prof. K. T. Shah:** May I know whether this organisation is under the Home Ministry directly or under the Prime Minister and, if under the Home Ministry, may I know whether these estimates were placed before the Advisory Committee of that Ministry before they were sanctioned?

**Shri Rajagopalachari:** Formerly it was part of the Governor-General's Office but after that it has been transferred to the Prime Minister's Secretariat: it is not under the Home Ministry.

**Shri Kamath:** Is it a fact that besides the Government Hospitality Organisation under the control of the Military Secretary to the President, there are separate hospitality funds allotted to the External Affairs Ministry, the Ministry of Home Affairs, the States Ministry and the Defence Ministry? If so, what are the reasons for having separate hospitality funds for these four Ministries?

**Shri Rajagopalachari:** The funds that the hon. Member apparently refers to are not hospitality funds but minor entertainment funds for conferences and things like that in the various departments. Hospitality properly so called comes under the Hospitality Organisation. Supposing we have a conference in the Home Ministry or a conference under the E. A. Ministry, to which people come from all over India and some expenditure is incurred on that account. That would not come under the hospitality fund but under the allotments to which the hon. Member has referred. There is no comparison between the Hospitality Organisation work and the minor expenditure incurred by the departments, to which the hon. Member has referred. They are altogether different things. At present Government have considered it absolutely essential to run a Hospitality Organisation separately and properly.

**Shri Kamath:** Is it a fact that in August last the Finance Minister proposed a merger of these four Ministries' separate funds with that of the General Hospitality Organisation and also proposed that the staff cars of all the various Ministries must be centralised so as to effect economy?

**Shri Rajagopalachari:** The merger of staff cars is wholly beyond this question. As regards the proposal that the entertainment expenditure incurred by the various departments should be joined up with the Hospitality Organisation, I am not aware of the actual terms of such proposal but, as I have already explained, it would not be practicable or advisable.

**Shrimati Durgabai:** Are Government aware of the fact that there is a lot of dissatisfaction among many sections of the people, which has been expressed in the press, that the hospitality offered by the Government is of very poor quality?

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

**Shri Rajagopalachari:** I am grateful for the liberal attitude of the hon. Member.

**Shri Kamath:** What has been the advantage in attaching the Government Hospitality Organisation to the Prime Minister's Secretariat over what was obtainable when it was under the direct control of the Military Secretary to the President? What were the reasons for attaching this to the Prime Minister's Secretariat?

**Shri Rajagopalachari:** If I might put the reason in a general way and if the hon. Member would be satisfied with it, this is Government hospitality and in the present set-up the Prime Minister should be more responsible rather than the President.

हरिजन शिक्षा संस्थाओं की अनुदान

\*३१०९. श्री जांगडे : (ए) शिक्षा मंत्री यह बतलाने की कृपा करेंगे कि क्या हरिजन सेवक संघ अथवा स्वर्गीय ठक्कर बापा द्वारा केन्द्र प्रशासित क्षेत्रों तथा अन्य राज्यों में स्थापित हरिजन अथवा आदिवासी शिक्षा संस्थाओं की भारत सरकार की ओर से कोई अनुदान दिया जा रहा है ? यदि बिना या नहीं है तो कितना ?

(बी) यदि उपरोक्त भाग (ए) की उत्तर नहीं में हो, तो इस के कारण ?

(सी) क्या इन संस्थाओं ने अनुदान दिये जाने के लिए सरकार से कीई प्रार्थना की है ?

#### GRANTS TO HARIJAN EDUCATIONAL INSTITUTIONS

[\*3109. **Shri Jangde:** (a) Will the Minister of Education be pleased to state whether any grant is being given by the Government of India to Harijan or Adivasi educational institutions established by Harijan Sewak Sang or by the late Thakkar Bapa in the Centrally Administered Areas and other States? If so, what?

(b) If the reply to part (a) above be in the negative, what are the reasons for that?

(c) Have these institutions made any requests to Government for grants?]

مدستار آف ایجوکیشن (مولانا آزاد):

(اے) نہیں کوئی گرانٹ نہیں دی جا

رہی ہے۔

(بی) گورنمنٹ آف انڈیا کو کوئی

درخواست اسٹیجٹ گورنمنٹوں سے اس

بارے میں نہیں مانی۔

(سی) نہیں۔

[The Minister of Education (Maulana Azad): (a) Nil.

(b) No requests have been received by the Government of India from the States in this respect.

(c) No.]

श्री जांगडे : क्या 'माननीय शिक्षा' मंत्री

यह बतलावेंगे कि दिल्ली में स्थापित हरिजन सेवक संघ को भारत सरकार कुछ अनुदान देता है ?

[Shri Jangde: Will the Minister of Education be pleased to state whether the Government gives any grants to the Harijan Sewak Sangh of Delhi?]

مولانا آزاد : میں نے ابھی سوال کے

تھیک پارٹ کے جواب میں کہا کہ نہیں

اس طرح کی کوئی گرانٹ نہیں دی جا

رہی ہے۔

[Maulana Azad: In my answer to the part (a) of the question I have just now stated that no such grants are being given.]

श्री जांगडे : शिक्षा संस्थाओं या

अजायबों के लिए मैं नहीं कहता, मैं



हरिजन सेवक संघ के लिए कहता हूँ। मैं यह जानना चाहता हूँ कि क्या दिल्ली में स्थापित हरिजन सेवक संघ को सरकार कुछ ग्रांट देती है।

[Shri Jangde: I do not ask about the educational institutions or hostels. My question is about the Harijan Sewak Sangh. I want to know whether the Government are giving any grants to the Harijan Sewak Sangh established at Delhi.]

मौलाना आज़ाद : मैंने नहीं कहा, मैंने नहीं -

[Maulana Azad: I said, no.]

श्री जंगड़े : क्या माधवीय शिक्षा मंत्री स्पष्ट करेंगे कि जब हरिजन सेवक संघ अथवा आदिवासी संघ किसी स्थान पर छात्रावास के लिए इमारत बनवाते हैं तो क्या शासन इस इमारत के लिए कोई सहायता देता है?

[Shri Jangde: Will the hon. Minister of Education be pleased to state clearly whether the Government gives any aid to the Harijan Sewak Sangh or the Adibasi Sangh whenever they get some hostel building constructed for the students?]

Shri Sonavane: What are the reasons for this niggardly attitude of the Government towards the educational development of the Harijans.....

Mr. Speaker: Order, order. Use of such adjectives like niggardly is not proper.

Shri Sonavane: What are the reasons for not giving grants to these institutions?

मौलाना आज़ाद : अन्रिपल मिम्बर को मलरुम हुना ङाहेरुके के सेलरुल कुरनुलत अस बारु सेलु बेत कुषु कुरु रहुी हे - लुदुरु लकु रुरुदु हे बुरुसरु हरुडुडुन अुरु बेक रुरुदु ङुमरुतुन के लुके डु रहुी हे - असुतुत कुरुनुलतुन बेरुी अुरुलुी अुरुलुी ङुके कुषुशु कुरु रहुी हेरुन - बरुतुी रहुी डुे बरुत कुे ङुलुुे डुुसुरुकरुी अुरुकुलनुडुशुन अस कुम के लुके ङुलुुे कुुे हेरुन; अुन सुडु कुुे बेरुी सुडु डुी ङुलुुे; तुुे डुुलुुुे अुरुी हरु अुरुकुलनुडुशुन न

को कुरनुत लुहेरुन डुी ङुरुी हे, अुरु नु हरु अुरुकुलनुडुशुन ने असुी डुरुखुसुत कुी हे - अुरु कुरुनुलत से डुरुखुसुत कुी ङुलुुी; तुुे कुरुनुलत डुरुुु असु डुरुुुर कुुे कुी अुरु डुीकुषुी के कुरुनुलत के डुलुुे हुुुे कुरुनुलत के डुलुुी अुे सुडु डुी ङुलुुे हे डुी नुहेरुन -

[Maulana Azad: The hon. Member should know that the Central Government are doing a lot in this connection. They are giving fifteen lakhs of rupees every year for the benefit of the Harijans and the backward classes. The State Governments too are making efforts in their own turn. As regards the question of giving grants to all those non-official organizations which have been started with this purpose in view, no grants are being given to them as yet; and at the same time they themselves have not applied for any such grant. If any request is made, to this effect, the Government would certainly consider it and would see whether under the rules of the Government any such help can be given to them or not.]

हुवरुई अडुडे

\*३११०. श्री जंगड़े : क्या रक्षा मंत्री यह बतलाने की कृपा करेंगे कि मध्य प्रदेश में कितने युद्धकालीन हुवाई अड्डे बेकार तथा खाली पड़े हुए हैं ?

AIR FIELDS

[\*3110. Shri Jangde: Will the Minister of Defence be pleased to state how many war time air fields in Madhya Pradesh are lying unutilised and vacant?]

The Deputy Minister of Defence (Major-General Himatsinhji): One. For the information of the hon. Member I would like to add that one air field at Kargi Road is lying unutilised and vacant in Madhya Pradesh. The rest of the requisitioned lands have been released. There is no residential accommodation on this air field. All the Ministry of Defence assets created on this project, with the exception of runways, hardstandings and taxi tracks have been disposed of. No maintenance is carried out, no chowkidari is done. This airfield is not required by the Indian Air Force at present and is retained only for use in an emergency.

**Shri Jangde:** Will the hon. Minister state how many air fields or aerodromes there were in Madhya Pradesh during the war days?

**Major-General Himatsinhji:** Eleven, Sir.

**Shri Jangde:** How many aerodromes have now been transferred, abandoned or sold to the Ministry of Communications for civil aviation purposes, and how many of them have been sold to private individuals for settling or for other purposes?

**Major-General Himatsinhji:** Those aerodromes which the Air Force do not require are either handed over to Civil Aviation or to Madhya Pradesh Government, except the one at Kargi which has been vacated.

**Shri Jangde:** What was the total expenditure incurred for the construction of these aerodromes for military purposes during the war days?

**Major-General Himatsinhji:** They were constructed by the British during the war, and India did not pay for them. Therefore I have not the information giving the cost under various heads, or the total cost.

केन्द्रीय प्रति भ्रष्टाचार तथा निर्वाहण  
विभाग

\*३१११. श्री जंगडे : (ए) गृह कार्य मंत्री यह बतलाने की कृपा करेंगे कि क्या यह सत्य है कि सरकार वर्तमान केन्द्रीय प्रति-भ्रष्टाचार विभाग तथा केन्द्रीय सरकारी निर्वाहण विभाग का अन्त करने का विचार कर रही है ?

(बी) क्या सरकार अपने मितव्ययता आन्दोलन के अन्तर्गत ऐसा कर रही है ?

(सी) उक्त विभागों का कार्य कौन सा विभाग करेगा ?

CENTRAL ANTI-CORRUPTION AND  
ENFORCEMENT DEPARTMENTS

[\*3111. **Shri Jangde:** (a) Will the Minister of Home Affairs be pleased to state whether it is a fact that Government are proposing to abolish the present Central Anti-Corruption Department and the Central Government Enforcement Department?

(b) Are Government doing so as an economy measure as adopted by them?

(c) Which department will handle the work of the said departments?]

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Government do not propose to abolish the Special Police Establishment. The Enforcement Branch comes under the Ministry of Commerce and Industry.

(b) and (c). Do not arise.

**Shri Jangde:** Are these Departments working satisfactorily?

**Shri Rajagopalachari:** The Special Police Establishment is working satisfactorily. As regards the Enforcement Department the question should be addressed to the Ministry of Commerce and Industry.

**Shri Jangde:** Do these Departments co-operate with the State Governments in arresting profiteers, black-marketeters and corruptionists?

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

RESEARCH IN APPLIED STATISTICS

\*3112. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Education be pleased to state what facilities for training and Research in Applied Statistics exist in India?

(b) How many scholars and students in India are engaged in Departments under his control either in making research or receiving training in Applied Statistics?

ملسٹر آف ایجوکیشن (مولانا آزاد):

(اے) دس یونیورسٹیوں اور چھ خاص

انسٹیٹیوٹوں میں تربیلنگ اور رسرچ کا

انتظام کیا گیا ہے۔ ایک اسٹیٹمنٹ

ہاؤس کے تھیل پر رکھ دیا گیا ہے۔ اس

سے تمام حال معلوم ہو جائے گا۔

(بی) چھ وڈیارتھوں کو ایڈنہرپولاجی

ڈیپارٹمنٹ تربیلنگ دے رہا ہے۔

ایجوکیشنل اسٹیٹسٹکس کے لئے ایک

شارٹ تربیلنگ کورس بھی کھولا گیا ہے۔

مارچ ۱۵ء میں چوبیس وڈیارتھوں

کو اس میں لکایا گیا ہے جو اسٹیٹ

گورنمنٹوں کے چلے ہوئے تھے۔

[**The Minister of Education (Maulana Azad):** (a) Facilities for training and research in Applied Statistics are available in ten Universities and six special

Institutions. A statement showing the details of the facilities available is laid on the Table of the House. [See Appendix XXI, annexure No. 44.]

(b) Six students are being trained by the Department of Anthropology. Short courses in Educational Statistics were also arranged by the Ministry for 24 nominees from various States during March, 1951.]

श्री कामत : इस संख्या शास्त्र के कितने विद्यार्थियों ने विदेशों में तालीम पाई है ?

[Shri Kamath: How many statistics students have received training in the foreign countries?]

مولانا آزاد : یہ میں نہیں بتا سکتا۔ اس کے لئے نوٹس چاہئے۔

[Maulana Azad: I cannot give this information. I require notice for it.]

#### MINERAL RESOURCES IN SCHEDULED AREAS

\*3113. Shri P. Kodanda Ramiah: Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) what steps have so far been taken by the Government of India to tap the mineral resources existing in Scheduled Areas;

(b) whether any kind of Research or survey work is being undertaken in these areas; and

(c) if so, where and in what directions?

The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa): (a) to (c). The attention of the hon. Member is invited to reply to Starred Question No. 2963 given on the 10th April, 1951, with which a list of important investigations undertaken by the Geological Survey of India in the Scheduled Areas since 1947 and a list of the geological work proposed for the next two years in these areas, were laid on the Table of the House.

Shri T. Husain: May I know if Government consider Jharkand a Scheduled Area?

Shri Sri Prakasa: if it is mentioned in the President's order, the Government so consider it—if it is not so mentioned, the Government do not consider it so.

#### CRASH OF PRENTICE PLANE

\*3114. Shri Sanjivayya: Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a Prentice Plane crashed in one of the school

gardens in Bangalore on the 12th of December, 1950;

(b) if so, what are the reasons for the crash; and

(c) what is the loss, if any, incurred thereby?

The Deputy Minister of Defence (Major-General Himatsinghji): (a) Yes, on the 11th December, 1950.

(b) Three aircraft were flying in formation. One of the aircraft, while rejoining the formation after avoiding an incoming bird, collided with another aircraft.

(c) One Prentice aircraft completely lost (Cost Rs. 96,650). There was no loss of civilian life or property.

Shri Sanjivayya: Has any compensation been paid to the family of the deceased, and, if so, how much?

Major-General Himatsinghji: After enquiry the Court has established that the death of the pilot is attributable to Air Force Duty and it has been found that the compensation due to the pilot's family is Rs. 1,340 per annum, and the death gratuity is Rs. 2,670.

Prof. S. N. Mishra: May I know how many Prentice Plane crashes took place during the last year and what was the number of casualties which occurred?

Mr. Speaker: I think it goes much beyond the scope of the present question—he wants to go into the general field.

#### ELECTIONS

\*3115. Shri Sanjivayya: Will the Minister of Law be pleased to state:

(a) the number of States which have already stated that they are ready for elections in November-December, 1951; and

(b) what the cause for delay with regard to the other States is?

The Minister of Law (Dr. Ambedkar): (a) All the States are ready for elections in November-December, 1951.

(b) Does not arise.

Shri Sanjivayya: Has any State requested the Central Government to permit it to conduct elections earlier than November-December?

Dr. Ambedkar: I have no information with me on that subject.

Shri Bharati: Has the President finalised the delimitation proposals and passed the orders, and when are they likely to be placed on the Table of the House as required by the Constitution?

Dr. Ambedkar: The President has not yet passed any order, but I am

sure about it that the order will be passed before long.

**Shri T. Husain:** The hon. Law Minister has just stated that all the States are ready to hold the elections in November-December. I want to know if the Central Government is ready to hold the elections in November-December. If not, why not?

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

#### IMPORTS

\*3116. **Shri Krishnanand Rai:** Will the Minister of Finance be pleased to state what is the valuation of Imports in India from the United Kingdom and the United States of America respectively, since the date of devaluation to the end of 1950?

**The Minister of Finance (Shri C. D. Deshmukh):** During the period October, 1949 to December, 1950, our imports from the U. K. and the U.S.A. amounted to Rs. 147 crores and Rs. 123 crores, respectively.

**Shri Krishnanand Rai:** May I know the percentage of decrease in our imports from U. S. A. since devaluation?

**Shri C. D. Deshmukh:** I am sorry I have not got the information here.

**Shri Krishnanand Rai:** Taking the dollar area into consideration, may I know whether there has been a favourable balance of trade or an unfavourable one after devaluation?

**Shri C. D. Deshmukh:** I have the balance of payments figures which are more important than the balance of trade, and detailed information is available for the 14 months from October, 1949 to November, 1950. During this period, we had a deficit balance of Rs. 56 crores with the U. K., and a surplus balance of Rs. 55 crores with the U. S. A.

#### PRESS RELEASES AND NOTES

\*3119. **Shri Jagannath Das:** Will the Minister of Information and Broadcasting be pleased to state the number of Press Releases and Notes issued by the Press Information Bureau in the years 1947-48, 1948-49, 1949-50 and 1950-51?

**The Minister of State for Information and Broadcasting (Shri Diwakar):** A statement is laid on the Table of the House.

#### STATEMENT

*The number of Press releases and notes issued by the Press Information Bureau in the years 1947-48, 1948-49, 1949-50 and 1950-51.*

Year	No.
1947-48	7030
1948-49	7567
1949-50	7638
1950-51	8089

#### MAHA LUXMI BANK

\*3120. **Shri S. C. Samanta:** Will the Minister of Finance be pleased to state:

(a) what percentage of deposit money was paid back to depositors by the Maha Luxmi Bank, which had closed down;

(b) whether any call has been made on shareholders for payment of balance money of shares since the bank stopped receiving deposits; and

(c) what is the position of the bank at present?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) Government have no information as to the amount paid by the Bank to depositors only. Under the scheme of arrangement sanctioned by the Court, the depositors of the Bank and other creditors are treated alike. Upto 16th March, 1951, the total payment made by the Bank to secured and preferential creditors and adjustments against fixed deposits on which the Bank held lien, aggregated to Rs. 12.28 lakhs and payment to unsecured creditors (including depositors) was Rs. 2.55 lakhs. The percentage of the payments made to the total liabilities works out to about 27 per cent.

(b) As the Bank's shares are fully paid-up, the question of making further calls on shares does not arise.

(c) The Bank is working under a scheme of arrangement sanctioned by the Calcutta High Court on the 27th February, 1950. The Court has prohibited the Bank from accepting fresh deposits or from functioning as a Bank until the Reserve Bank of India permits it to do so.

**Shri S. C. Samanta:** May I know whether Government is aware of the causes which led to the closing down of the Bank and if so, what are they?

**Shri C. D. Deshmukh:** Government is aware of the causes, but this matter is now one of history and it does not really arise out of this question. The principal cause is of course loss of confidence in the Bank, and once this starts then the state of the assets of the Bank does not permit it to keep its doors open.

**Shri S. C. Samanta:** Has the Bank approached the Reserve Bank for help?

**Shri C. D. Deshmukh:** If the question is 'whether it has approached', the answer is 'no', because it is working under a scheme sanctioned by the court.

**Mr. Speaker:** Perhaps he means 'had approached' before the crash.

**Shri C. D. Deshmukh:** It is possible that it had approached the Reserve Bank and on investigation of its affairs

the Reserve Bank found that no help could advantageously be advanced to the Bank.

**Shri A. C. Guha:** What was the total deposit when the Bank closed its doors?

**Shri C. D. Deshmukh:** The Bank suspended payments on the 14th September, 1948 and the total demand and liabilities stood at Rs. 73.02 lakhs, as ascertained three days afterwards, i.e. on the 17th of September.

**Shri A. C. Guha:** When this Bank has been allowed to function under a re-organisation scheme, has the Government taken into consideration the question of changing the management, or will the old management continue?

**Mr. Speaker:** The hon. Member is labouring under a mistake. The scheme was sanctioned by the High Court, not by the Government.

**Shri A. C. Guha:** But then the Reserve Bank and the Government of India have to see that the management is changed for the proper functioning of the Bank.

**Mr. Speaker:** I do not think that is the position at law.

**Dr. Deshmukh:** Was any enquiry made into the causes of this crash and is there anybody in the management of the Bank who can be held responsible.

**Mr. Speaker:** How is it the business of the Government?

**Dr. Deshmukh:** It is the Reserve Bank which supervises.

**Mr. Speaker:** It is carrying too far.

### छावनी पंचदो में निर्वाचन

\*३१२१. श्री बी. ऐस. जार्ज : (क)

रक्षा मंत्री तह बातकाने की कृपा करेंगे कि क्या यह सत्य है कि कुछ छावनी पंचदो में सरकार न गैर सरकारी सदस्यों का निर्वाचन स्वगित कर बिवा है ?

(ख) यदि ऐसा है, तो इसके क्या कारण हैं ?

(ग) कितने छावनी पंचदो में निर्वाचन स्वगित कर दिये गये हैं तथा कितनों में वह जनवरी १९५० के पश्चात किए गये हैं ?

### ELECTIONS IN CANTONMENT BOARDS

[\*3122. **Shri B. S. Arya:** (a) Will the Minister of Defence be pleased to state

whether it is a fact that Government have postponed the elections of non-official members in some Cantonment Boards?

(b) If so, what are the reasons there-of?

(c) In how many Cantonment Boards have the elections been postponed and in how many have they been held after January, 1951?]

**The Deputy Minister of Defence (Major-General Himatsinghji):** (a) Yes.

(b) Elections were postponed at the instance of certain Members of Parliament in order to facilitate full examination of the points raised by them, namely—

(i) revival of the ward system which was abolished in 1949;

(ii) re-introduction of the plural voting system; and

(iii) provision of facilities to candidates for canvassing the Army personnel.

(c) Elections have been postponed in 29 cantonments. Elections have been held in 20 Cantonments.

### RURAL BANKING ENQUIRY COMMITTEE

\*3122. **Shri Raj Kanwar:** Will the Minister of Finance be pleased to state when Government will be in a position to implement the recommendations of the Rural Banking Enquiry Committee?

**The Minister of Finance (Shri C. D. Deshmukh):** The recommendations of the Committee cover a very wide field and some of them fall within the sphere of State Governments. They are being examined in consultation with the various interests concerned and decisions will be taken as soon as possible.

**Shri Raj Kanwar:** When was this Committee set up and when did it submit its report?

**Shri C. D. Deshmukh:** I cannot say exactly when the Committee was set up. I think it was towards the end of 1949. The report was printed in June, 1950, but was published some time towards the end of August, 1950.

**Shri Raj Kanwar:** When is Government likely to be in a position to pass final orders in the matter?

**Shri C. D. Deshmukh:** This involves a long reply, because the recommendations of the Committee fall under various categories and action in respect of some is not to be taken by Government but by some other bodies, that is to say, not by the Central Government but by State Governments and in some cases by commercial Banks. For instance, the extension of banking facilities in rural areas is, according to

the Committee, the function of commercial Banks and cooperative institutions. It also is the function of post offices and to that extent the matter is being actively examined in the Communications Ministry. Another set of recommendations relates to treasury arrangements in Part A and B States. This matter is for the States to determine under the Constitution. A third set of recommendations refers to the future role of the Imperial Bank on which we have recently received the recommendations of the Reserve Bank and they are being considered. The fourth category is about the machinery for rural credit in regard to which I announced some time ago in the course of a speech that the Reserve Bank had held a Conference and the recommendations received from that Conference are under consideration. Finally, there was a recommendation about the promotion of warehousing, which is also a matter which is being considered by the State Governments in consultation with the Reserve Bank.

**Shri Sondhi:** With reference to the recommendations of the Committee *vis-a-vis* the Imperial Bank and the recommendations of the Reserve Bank, when is Government likely to formulate its final proposals?

**Shri C. D. Deshmukh:** Very shortly, Sir, as soon as we are free from the session.

**Shri A. C. Guha:** Will Government give this House an opportunity to discuss this report?

**Shri C. D. Deshmukh:** After decisions are promulgated then, I think it would be possible to give the House an opportunity.

**Dr. Deshmukh:** What will be the use?

**Ch. Ranbir Singh:** May I know whether the Committee has recommended the establishment of an Agricultural Finance Corporation or not?

**Shri C. D. Deshmukh:** The report has been published and I can circulate it to the Members of the Select Committee, of which I think the hon. Member was a member. So he has probably got the copy.

#### AUDIT OFFICE IN U.K.

\*3123. **Shri Raj Kanwar:** Will the Minister of Finance be pleased to state:

(a) the present strength of the Audit Office in the United Kingdom under the control of the Comptroller and Auditor-General of India;

(b) how many of them are Indians; and

(c) the names of various foreign Missions of India in Europe, local audit inspection of which has since been carried out during the current year by the above office?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) 37.

(b) 6.

(c) None of the foreign Missions of India in Europe has been locally audited during the current year. The Auditor of Indian Accounts in United Kingdom has however been given instructions to undertake the local audit of the Missions in Europe except that at Berne, the accounts of which have been locally audited by an officer of Indian Audit and Accounts Service while on a visit to Europe during 1950-51.

**Shri Raj Kanwar:** What is the total number of our Missions in Europe?

**Shri C. D. Deshmukh:** I am afraid I cannot give the information here off-hand.

**Shri Raj Kanwar:** Has the local audit inspection work of all these Missions been inspected during the last year, *viz.* 1950-51?

**Shri C. D. Deshmukh:** The accounts are audited through one agency or the other. If it is not audited through this organisation in the U. K., then they are audited by organisations here in India.

**Shri Raj Kanwar:** Is there any audit office in the U.S.A.? If not who carries out the local audit of the U. S. Mission?

**Shri C. D. Deshmukh:** I think in the course of an answer the other day I said that it was our intention to set up an Audit Office in Washington.

**Shri Kamath:** How many, Sir, of our Audit Offices abroad are wholly or even partly manned by non-Indian nationals?

**Shri C. D. Deshmukh:** There is only one Audit Office so far abroad and that is the U. K. office and at present there are six Indians out of the total of 37 that I gave just now.

**Shri Kamath:** Is there any proposal to replace the non-Indian nationals by Indians?

**Shri C. D. Deshmukh:** This matter is conditioned by the availability of staff. Even now on account of increase in the responsibilities of the Comptroller and Auditor-General he finds it difficult to man all his posts here and replacement of non-Indian staff by Indians in outside Audit Offices will take time. In the meanwhile, on the

inauguration of independence, we gave a guarantee to the non-Indian staff and agreed to pay them compensation in case their services are terminated prematurely. I would like to add that the office in the U. K. is a very small one and the Comptroller and Auditor-General is satisfied that the non-Indian staff are working efficiently and loyally.

**Shri Dwivedi:** May I know whether the head of the Audit Office in the U. K. is an Indian or non-Indian?

**Shri C. D. Deshmukh:** He is a non-Indian, Sir.

#### CENTRAL SECRETARIAT SERVICE

\*3124. **Shri Rathnaswamy:** Will the Minister of Home Affairs be pleased to state:

(a) the number of Gazetted Posts in the Secretariat and attached offices which are earmarked for the Central Secretariat Service; and

(b) whether all the persons considered unfit have been removed from those posts and if not, why not?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) 57½—which includes 248 posts of Under Secretary or equivalent posts and 325 posts of lower grades.

(b) So far, selections have been made only for appointment to Grade I of the Central Secretariat Service (i.e. Under Secretary)—and adjustments necessary to replace officers not considered suitable for continuance in these posts by approved officers are in progress. These adjustments have to be made in such a manner as to avoid dislocation of business either in the office in which the approved officer is working or in the office to which he is appointed. Selections for Grades II and III—Superintendents and Assistant Superintendents—are still in progress.

#### EX-SERVICE MEN

\*3126. **Shri Chandrika Ram (a)** Will the Minister of Defence be pleased to state how far the Indian Soldiers', Sailors' and Airmen's Boards have been able to help the ex-servicemen in the country?

(b) What are the facilities that are accorded to the ex-servicemen by the Boards?

(c) Do the Boards grant any monetary allowances and if so, what has been given to the ex-servicemen in the years 1949-50 and 1950-51?

**The Deputy Minister of Defence (Major-General Himatsinghji):** (a) and (b). Two statements, one containing a detailed list of the duties of the Indian

Soldiers', Sailors' and Airmen's Boards and the other giving an account of the work done by a typical Board in the U.P. during the quarter ending the 30th September, 1950, are laid on the Table of the House. [See Appendix XXI, annexure No 45.]

It will be seen from these statements, that the Boards are, in fact, helping ex-servicemen in numerous ways.

(c) The Boards themselves do not grant monetary allowances but a good proportion of the monetary relief that is sanctioned for ex-servicemen by the Central Government or State Governments is disbursed through the agency of the Boards.

During the years 1949-50 and 1950-51 the following amounts were sanctioned through the Boards and other services channels:—

1949-50.....Rs. 10,11,843-14-9.

1950-51.....Rs. 7,94,916-6-0 so far.

**Shri Chandrika Ram:** Are there any arrangements made for giving medical facilities to the ex-servicemen?

**Major-General Himatsinghji:** Yes, Sir.

**Shri R. Velayudhan:** May I know whether the State Governments are contributing to these grants?

**Major-General Himatsinghji:** Sir, I have not got the information.

**Ch. Ranbir Singh:** May I know whether the services of these soldiers' Boards are being utilised for allotment of land to the ex-military personnel?

**Major-General Himatsinghji:** The services of these Boards are utilised whenever necessary.

**Ch. Ranbir Singh:** May I know in what way it is utilised?

#### SCHEDULED CASTES

\*3127. **Shrimati Velayudhan:** (a) Will the Minister of Home Affairs be pleased to state whether the Commissioner, Scheduled Castes visited PEPSU recently in connection with the harassment of Scheduled Castes during the census operation?

(b) If so, has he submitted any report?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Yes, Sri Srikant visited Patiala and East Punjab States Union on 8th and 9th of March.

(b) Yes.

**Shrimati Velayudhan:** How many Scheduled Caste people lost their lives during the riots?

**Shri Rajagopalachari:** In regard to matters of law and order it is for the State Governments to deal with and the authorities responsible for the census could not manage it. We have no reasons to believe that the State Governments are not taking adequate steps. If figures are wanted of actual murders I fear I may not be able to give them.

**Shrimati Velayudhan:** Is not anything of that nature given in the report?

**Shri Rajagopalachari:** The report is a confidential report to the Prime Minister who had requested Shri Srikant to visit the place. There are a number of things in the report, mutual recriminations which he heard there, and so on. It would not be possible to place the report on the Table of the House. The figures of deaths are not given in the report.

**Shri Sonavane:** May I know, Sir, what effective steps are being taken by both the Governments, Central and Provincial, to alleviate the sufferings of the Scheduled Castes in these census operations?

**Mr. Speaker:** The hon. member is committing a mistake again. He must know that it is a matter of law and order for which the State Government is responsible and the Central Government cannot be brought in.

**Shri Sonavane:** May I submit that this is the result of census operations.

**Mr. Speaker:** Order, order. The question is one of law and order.

We are not now going into the causes of the disturbance.

**Dr. Deshmukh:** Is this not a 'Centrally Administered Area'?

**Mr. Speaker:** It is not.

**Shri Kamath:** Apart from the Commissioner's report on the subject have other reports reached Government about the number of Scheduled Caste people who have been uprooted from their homes in the villages as a result of the census disturbances?

**Shri Rajagopalachari:** Numbers, as I have said, are different from the general picture. A certain amount of harassment took place during the census owing to the desire of the contending parties to have the enumeration each in its own favour. But it is not so very terrible as hon. Members seem to think it was. But the census is over and things are settling down, provided we leave them to settle down.

**Shri Senapati:** The hon. Minister used the words "actual murder". May I

know, Sir, whether there is any difference between murder and actual murder?

**Mr. Speaker:** It is a question of law.

**Shri Rajagopalachari:** 'Actual number' I think I said, or I should have said.

**Sardar Sochet Singh:** Are the facts contained in the report of Mr. Srikant sent to the P. E. P. S. U. Government for their comments?

**Shri Rajagopalachari:** Every step has been taken to prod the State Government to take proper action, both before and after the report.

**Shri R. Velayudhan:** May I know whether the Government have come to know of any communal or political reasons behind this continued harassment of Scheduled Castes, after going through the report which is now before them?

**Shri Rajagopalachari:** I could not catch the question. May I ask him to repeat it?

**Mr. Speaker:** The hon. Member need not repeat it, because the Question Hour is over.

## WRITTEN ANSWERS TO QUESTIONS

### INDIAN COUNCIL OF MEDICAL RESEARCH

33117. **Shri Ramaswamy Naidu:** (a) Will the Minister of Health be pleased to state whether the Governing Body of the Indian Council of Medical Research has been re-formed and if so, who are its present members?

(b) What was the amount of grant given to the Council in 1949-50 and 1950-51?

(c) What was the amount collected by way of donation during these years?

(d) What kind of research is carried on under the auspices of this Council and in which Institutes?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) There has been no change in the constitution of the Governing Body of the Indian Council of Medical Research (formerly Indian Research Fund Association) since 1947. A list of the present members in the Council is placed on the Table of the House. [See Appendix XXI, annexure No. 46.]

(b) Rs. 11,55,000 in 1949-50 and Rs. 12,00,000 in 1950-51.

(c) Nil, except for an annual contribution of Rs. 500 from the Bengal Chemical and Pharmaceutical Works Ltd., Calcutta towards research on indigenous drugs carried out under the Council.



(d) A statement giving the required information is laid on the Table of the House. [See Appendix XXI, annexure No. 47.]

#### WOMEN WELFARE OFFICER

\*3118. **Shri Ramaswamy Naidu:** (a) Will the Minister of Health be pleased to state whether Government recently deputed a woman Welfare Officer of Madras to the United States of America?

(b) What was the purpose for which she was deputed?

(c) How is it proposed to utilize the benefits of her study in America?

(d) What is the cost of the deputation?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) to (d). No woman Welfare Officer of Madras was deputed by the Government of India to the United States of America recently. A lady employee of the Madras Children's Aid Society was deputed to the United Kingdom for 6 months for a study of juvenile delinquency under the United Nations Social Welfare Fellowship programme for 1950. It is expected she will join her former post on return. No expenditure was incurred by the Government of India.

#### HISTORY OF "MUTINY" OF 1857

\*3125. **Shri Ramaswamy Naidu:** Will the Minister of Education be pleased to state whether any official history of the so-called "Mutiny" of 1857 has been published by the Government of India?

**The Minister of Education (Maulana Azad):** According to the information available, neither the present Government of India nor its predecessor have published any official History of the Indian Mutiny.

#### आसाम की आदिवासी जातियां

\*३१२८. **श्री श्रीराव :** (क) क्या गृह कार्य मंत्री आदिवासी जातियों के उन व्यक्तियों की संख्या बतलाने की कृपा करेंगे जो आसाम के चाय के बगीचों में प्रव्रजन करने के पश्चात् चाय बगीचों के क्षेत्र में तथा उस क्षेत्र से बाहर बस गये हैं ?

(ख) आदिवासी जातियों के ऐसे व्यक्तियों को, जिन्होंने चाय के बगीचों के क्षेत्रों में प्रव्रजन किया है, किस श्रेणी में रखा गया है ?

#### ABORIGINAL TRIBES OF ASSAM

[\*3128. **Shri Oraon:** (a) Will the Minister of Home Affairs be pleased to state the number of those persons of aboriginal tribes who, after migrating to the tea garden areas of Assam, have settled in the tea plantation area itself and outside that area?

(b) In what category have such persons of aboriginal tribes, as have migrated to the tea garden areas, been placed?]

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) The population was not classified on this basis at any of the preceding three censuses (including the 1951 census). It is therefore not possible to furnish the figures asked for.

(b) They have been included amongst the "Other Backward Classes".

#### दामोदर घाटी योजना (व्यय)

\* ३१२९. **श्री श्रीराव (क)** प्राकृतिक संसाधन तथा वैज्ञानिक अनुसंधान मंत्री यह बतलाने की कृपा करेंगे कि क्या यह सत्य है कि जैसे कि रांची से प्रकाशित होने वाले एक दैनिक समाचार पत्र ने श्री जयनारायण विनीत द्वारा पूछे गये प्रश्न के सम्बन्ध में माननीय सिंचाई मंत्री श्री राम चरित सिंह द्वारा दिये गये उत्तर का उद्धारण देते हुए लिखा है कि केन्द्र, बंगाल तथा बिहार में से प्रत्येक राज्य दामोदर घाटी योजना पर होने वाले कुल व्यय का एक तिहाई भाग प्रदान करेगा ?

(ख) क्या यह सत्य है कि बिहार को केवल १३००० एकड़ भूमि की सिंचाई का लाभ प्राप्त होगा परन्तु बंगाल को नौ लाख एकड़ भूमि की सिंचाई का लाभ प्राप्त होगा ?

(ग) क्या यह सत्य है कि बिहार को केवल तेरह हजार एकड़ भूमि की सिंचाई का लाभ प्राप्त होगा ?

#### DAMODAR VALLEY PROJECT (EXPENDITURE)

[\*3129. **Shri Oraon:** (a) Will the Minister of Natural Resources and Scientific Research be pleased to state whether it is a fact that the Centre, Bengal and Bihar each will contribute one-third of the total expenditure on Damodar Valley Project as has been stated in a Hindi daily newspaper published from Ranchi quoting the reply

given by the Minister of Irrigation, Shri Ram Charitra Singh, in reply to a question put by Shri Jai Narayan Vinit?

(b) Is it a fact that Bihar will be benefited to the extent of 13,000 acres only while Bengal will have the benefit of irrigating nine lac acres?

(c) Is it a fact that Bihar will have the benefit of irrigating thirteen thousand acres of land only.]

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) As the hon. Member has not given the name of the paper to which he was referring, I have not been able to find out the exact position with regard to the question asked and the reply given by the hon. Minister of Irrigation of Bihar. The exact facts, however, are that contributions of the participating Governments to the funds of the Damodar Valley Corporation are made in accordance with the provisions of Sections 34-36 of the Damodar Valley Corporation Act, 1948, according to which:

(1) for flood control works, the Central and the West Bengal share the cost in equal proportions subject to the liability of the Centre being limited to Rs. 7 crores. The Government of Bihar contribute nothing;

(ii) for irrigation works, the Governments of West Bengal and Bihar, contribute in the proportion in which they would receive the benefits subject to the condition that the Government concerned shall be responsible for the capital cost of the works constructed exclusively for irrigation in its own Province; and

(iii) for power generation works, all the three participating Governments contribute equally, i.e. one third each.

(b) and (c). Investigations are still in progress regarding the total area that can be brought under irrigation and so no exact figures can be given at this stage.

#### RECORD OF CRIMES IN CENTRALLY ADMINISTERED AREAS

**\*3130. Shri Krishnanand Rai:** (a) Will the Minister of Home Affairs be pleased to state whether any statistics, record or accounts of crimes in the Centrally Administered Areas are collected or maintained?

(b) If so, how many murders, dacoities and riots took place there in the year 1950?

(c) How do the above figures compare with those for the years 1947 and 1949?

(d) What is the strength of police in the Centrally Administered Areas

and is it lower than that in Part A States?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Yes.

(b) to (d). I place a statement on the Table of the House. [See Appendix XXI, annexure No. 48.]

#### STRIKES BY BIRI WORKERS

**\*3131. Shri S. C. Samanta:** (a) Will the Minister of Finance be pleased to state the number of strikes by Biri workers and manufacturers in different States of the Indian Union and for how many days, after the presentation of the General Budget 1951-52?

(b) How many public meetings were held in different parts of the Union protesting against the excise duty on Biri manufacture?

(c) Is it a fact that Biri Manufacturers are ready to pay more excise tax on leaf tobacco?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) and (b). There have been reports of a strike in Calcutta of the smaller producers of biris, and of a few public meetings in Bombay and some other places in the country. I have no information of the precise number of such strikes and public meetings.

(c) Generally speaking, yes.

#### MEDICAL FACILITIES TO MEMBERS OF PARLIAMENT

**\*3132. Shri Raj Kanwar:** Will the Minister of Health be pleased to state whether any special facilities or concessions have been extended by Government to Members of Parliament and their families (i) in their hometowns or villages, and (ii) in Delhi when Parliament is in Session, with regard to medical attendance, treatment and supply of medicines?

**The Minister of Health (Rajkumari Amrit Kaur):** (i) Members of Parliament and their families in their hometowns or villages receive medical attendance and treatment as members of the general public. No special facilities or concessions have been extended to them;

(ii) Special arrangements have been made for treating the minor ailments of Members in the Parliament House as also in the Constitution House where a large number of the Members reside. In emergent cases of serious nature occurring in the Parliament House, the services of the Staff Surgeon and Medical Superintendent of the Willingdon Hospital and Nursing Home, New Delhi, can be requisitioned to render

medical aid. No special arrangements have been made for the families of the Members of Parliament.

#### FOREIGN BANKS

\*3133. **Shri S. N. Das:** Will the Minister of Finance be pleased to state:

(a) the number of foreign banks carrying on business in India; and

(b) how many Indian banks have their Branches in foreign countries?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) 22 foreign Banks are carrying on business in India with 74 offices.

(b) 51 Indian banks have 168 offices in foreign countries.

#### STATE HEALTH ORGANISATIONS

\*3134. **Shri S. C. Samanta:** (a) Will the Minister of Health be pleased to refer to the answer given to part (b) of my Starred Question No. 2487 asked on the 24th March, 1951 regarding Health Organisations and state the number of practitioners of Ayurvedic, Unani and Homoeopathic systems of Medicine absorbed in State-Health Organisations and in the Centrally Administered Areas (States-wise and system-wise)?

(b) What are the causes of delay on the part of the States of Bombay and Rajasthan in expressing their views on the Indigenous and Homoeopathic systems of Medicine?

(c) When are their views on the subject expected?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) A statement giving the information required is placed on the Table of the House. [See Appendix XXI, annexure No. 49.]

(b) and (c). Replies from these two States have also since been received and are incorporated in the statement referred to above.

#### WORKS VISITED BY FOREIGN ENGINEERS

\*3135. **Shri Sanjivayya:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) the names of places and works visited by the foreign engineers who came for the Indian International Engineering Exhibition; and

(b) whether they have given our Government any report?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) A copy of the Study tour programme followed by the delegates to the International Engineering

Conferences, is laid on the Table of the House. [Placed in the Library. See No. P-158/51.]

(b) The views of the foreign visitors are consolidated in the Resolutions passed at the closing session of the International Engineering Conferences on 1st February, 1951 at Mysore, which are laid on the Table of the House. [See Appendix XXI, annexure No. 50.(I).]

Besides, the delegates have sent several letters of appreciation of the works visited by them and of the arrangements made for the conferences and the study tour. Extracts from some of these letters written or opinions expressed, are also laid on the Table of the House. [See Appendix XXI, annexure No. 50.(II)]

#### NON-HINDI KNOWING TEACHERS

\*3136. **Thakur Lal Singh:** (a) Will the Minister of Education be pleased to state how many non-Hindi knowing teachers (both male and female) are still working in the (i) Primary (ii) Middle and (iii) Secondary Schools for boys and girls in Bhopal State?

(b) What percentage do they bear to the total number of teachers in the State?

**The Minister of Education (Maulana Azad):** (a) and (b). The information is being collected and will be laid on the Table in due course.

#### CHEMISTS SHOPS IN NEW DELHI

\*3137. **Shri Joachim Alva:** (a) Will the Minister of Health be pleased to state whether Government are aware that all the shops of Chemists and Druggists in New Delhi remained closed on the 29th March, 1951 along with other shops, as a protest against the decision of imposing Sales Tax in Delhi, thus causing much hardship unto the sick and distressed?

(b) Was any notice given by these Chemists and Druggists of this impending 'Hartal'?

(c) If so, why was no action taken by Government to see that shops selling essential articles like medicines were kept open?

(d) Is any action contemplated to prevent such occurrences in future?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) Government understand that with the exception of Messrs. Dr. Chunilal and Sons, 113 Baird Road, New Delhi, all Chemists and Druggists establishments were closed on that day.

(b) No.

(c) Does not arise.

(d) The matter was taken up with the Delhi Chemists Association. They have promised that arrangements whereby one or two Chemists and Druggists in Delhi and New Delhi keep their establishments open on Sundays and other holidays by turn will also be made for such emergencies in future.

#### SURPLUS STORES

**208. Prof. K. T. Shah:** Will the Minister of Defence be pleased to lay on the Table of the House a statement showing the total value of:

- (i) the Stores and Equipment, found useless, unserviceable, lost or "surplus" to requirements, in 1947-48 (Post-Partition), 1948-49 and 1949-50;
- (ii) the realisations out of the stores, declared "surplus", damaged, or unserviceable, and therefore disposed of, to other Ministries of the Government of India, or to the States Governments, or to the public; and
- (iii) the Stores lost, or otherwise found short on stock-taking, or any other check, in 1947-48 (Post-Partition), 1948-49 and 1949-50?

**The Deputy Minister of Defence (Major-General Himatsinghji):** The information is being collected and a statement will be laid on the Table of the House.

#### CENSUS FIGURES

**209. Shri Sanjivayya:** Will the Minister of Home Affairs be pleased to state according to the census of 1951:

- (a) the population of India, that is Bharat,
- (b) the population of men alone;
- (c) the population of the scheduled castes;
- (d) the population of the Muslims;
- (e) the percentage of educated people;

- (f) the number of villages; and
- (g) the percentage of increase in the total population over that of 1941?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a), (b) and (g). The information asked for is contained in the papers which are being laid on the Table of the House today.

(c) to (e) and (f). This information will be available only after tabulation is completed which will take some months.

#### SUPREME COURT

**210. Shri Sanjivayya:** Will the Minister of Home Affairs be pleased to state:

- (a) the number of cases filed in the Supreme Court in the year 1950;
- (b) how many of them were disposed of during the same period; and
- (c) how many cases were heard by a Full Bench?

**The Minister Home Affairs (Shri Rajagopalachari):** (a) 185 cases. This figure is made up of 112 civil appeals, 25 criminal appeals, 41 constitutional appeals and 7 suits on the original side. Besides these 1037 petitions were filed i.e. 648 under Article 32 and 389 under Article 136 of the Constitution.

(b) 34 appeals and suits and 491 petitions were disposed of. In addition 12 appeals of 1948 and 89 appeals of 1949 were disposed of in 1950.

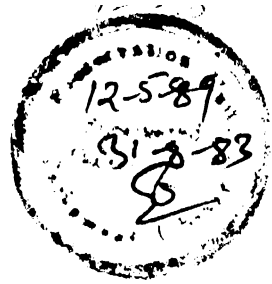
(c) 8 appeals and 188 petitions of 1950 besides 22 matters of earlier years were heard by five or more judges in 1950 in accordance with the provisions of Article 145 (3) of the Constitution.

#### P.T.O. CONCESSION

**211. Prof. K. T. Shah:** Will the Minister of Home Affairs be pleased to state the cost of P.T.O. concessions to the Government of India servants incurred in 1947-48 (post-partition) 1948-49 and 1949-50?

**The Minister of Home Affairs (Shri Rajagopalachari):** The information is not readily available.

Saturday, 14th April, 1951



# PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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VOLUME X, 1951

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

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Third Session

of the

PARLIAMENT OF INDIA

1950-51

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

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**PARLIAMENT OF INDIA**

Saturday, 14th April, 1951

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

[MR. SPEAKER in the Chair]

**QUESTIONS AND ANSWERS**

(See Part I)

11-47 A.M.

**DEATH OF SHRI RASOOKHAN  
PATHAN**

**Mr. Speaker:** I am very sorry to have to report to the House the sudden demise of one of the sitting Members of Parliament, Shri Rasookhan Pathan. He had an attack of thrombosis was removed to the hospital, and expired in two days. He belonged to Baroda, was a graduate, and began his life as a school teacher. After getting the law degree he practised as an Advocate in the Baroda High Court. He was a popular Minister in the Baroda State Cabinet and was elected here in place of Dr. Jivaraj Mehta. He interested himself in labour welfare, and he was a great link between the Hindus and Muslims in that part of the country. We mourn his loss and I am sure the House will stand in silence for a minute and express its sorrow.

**STATEMENT BY THE PRIME  
MINISTER RE RULER OF BARODA**

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** With your permission, Sir, I should like to read out, and later place on the Table of the House, an Order issued by the President in regard to the Maharaja Sir Pratap Singh

Gaekwar of Baroda. This is the Order:

"The Government of India have for some time past been considering with grave concern the activities of H.H. Maharaja Sir Pratap Singh Gaekwar of Baroda. The activities in which he has been indulging since his installation on the *gaddi* in 1939 are well-known, especially to the people of Baroda. His dissipation of crores of rupees of public funds was the subject of discussion in the Dhara Sabha of Baroda, the members of which passed resolutions calling upon His Highness to abdicate in favour of his eldest son and requesting the Government of India to institute an enquiry into the circumstances relating to the misuse and misappropriation of public funds."

His activities after the coming into force of the Constitution of India have been particularly objectionable. He challenged the Constitution of India and contended that the merger of Baroda with Bombay was brought about without his concurrence and was not warranted by the terms of his Agreement with the Government of India. The Government of India pointed out to him that in challenging the validity of the merger and the Constitution of India, he had indulged in an act of disloyalty to the country and that the Government of India would have to consider whether he could continue to enjoy his present status and position which depended on his recognition by the President under the Constitution which he sought to repudiate.

Undeterred by this warning, he has in subsequent correspondence defied the authority of the Government of India, even charging them publicly with 'malicious distortion of facts'. Furthermore, it has been brought to the notice of the Government of India, and

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[Shri Jawaharlal Nehru]

they have every reason to believe, that His Highness is organising and financing various activities with a view to undoing the constitutional settlement arrived at with Rulers of Indian States. They have also reason to believe that he has been giving support generally to the reactionary and anti-national elements in the country.

For these and other reasons, the President has regretfully come to the conclusion that the continued enjoyment by the Maharaja of his present position as the Ruler of Baroda is prejudicial to the interests of the country.

Accordingly, in exercise of the powers vested in him under Article 356(2) of the Constitution, the President hereby directs that, with effect from the date of this order, Major General His Highness Maharaja Sir Pratap Singh Gaekwar, G.C.I.E., do cease to be recognised as the Ruler of Baroda and that his eldest son Yuvraj Fatehsinh be recognised as the Ruler of Baroda".

I have not much to add at the present moment to the President's Order. I should like to say, however, that Sir Pratap Singh Gaekwar has been informed that, should he so wish, he can make any submission in regard to this Order to the President within a month. In the event of his making such submission, I am sure that the President will give it full consideration.

I need not remind the House that the integration of States has been brought about peacefully and with the willing co-operation of the rulers. In view of this co-operation received from the rulers, generous provision has been made in the Constitution regarding their privy purse and the maintenance of titles, privileges and dignities. This privileged position inevitably imposes corresponding obligations and standards of behaviour and loyalty to the Constitution. The rulers took a wise decision and a great majority of them, I have no doubt, still consider that their decision was a wise one. They have given no cause for complaint. A few of them, however, have not appreciated the obligations that rest upon them and their behaviour has not been satisfactory. The Maharaja of Baroda has been one of them. The hon. Minister of States made a reference in Parliament on 3rd April to some of these rulers.

It is with great regret and reluctance that the Government have had

to take action in this particular case. But any challenge to the Constitution of India or any other unconstitutional or anti-national activities on behalf of the rulers cannot be tolerated by Government and very prompt action has to be taken so that the very privileges and resources we have placed at their disposal may not become means for subversion of the Constitution and of the peace of the land, when we have so many difficulties and dangers to face.

As I have already said, it is open to Maharaja Sir Pratap Singh Gaekwar to make any submission he chooses to the President.

#### PAPERS LAID ON THE TABLE

##### PROVISIONAL TOTALS OF 1951 CENSUS

The Minister of Home Affairs (Shri Rajagopalachari): I beg to lay on the Table a copy of each of the following papers relating to 1951 Census of India:

- (i) Note by the Registrar General of India.
- (ii) Statement showing Provisional Totals of General Population.
- (iii) Statement showing Provisional Totals of Displaced Persons.

[See Appendix XXI, annexure No. 51.]

##### NOTIFICATION UNDER SECTION 4A OF THE INDIAN TARIFF ACT, 1934

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of Ministry of Finance Notification No. 40-Customs, dated the 30th March, 1951, in accordance with sub-section (2) of Section 4A of the Indian Tariff Act, 1934. [Placed in Library. See No. P-157/51.]

#### RAJGHAT SAMADHI BILL

The Deputy Minister of Works, Production and Supply (Shri Buragohain): I beg to move for leave to introduce a Bill to provide for the administration and control of the Rajghat Samadhi in Delhi.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the administration and control of the Rajghat Samadhi in Delhi."

The motion was adopted.

Shri Buragohain: I introduce the Bill.

### INDIAN TARIFF (SECOND AMENDMENT) BILL

The Deputy Minister of Commerce and Industry (Shri Karmarkar): I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

Shri Karmarkar: I introduce the Bill.

### PAPER LAID ON THE TABLE

#### AIR TRANSPORT INQUIRY COMMITTEE REPORT

The Minister of Communications (Shri Kidwai): As hon. Members are aware, on Monday the 16th April this House will debate the Air Transport Inquiry Committee Report. The report has already been supplied to Members; at that time it was also released to the Press. I am formally laying a copy of the report on the Table of the House. [Placed in Library. See No. IV M.4(25).]

### FINANCE BILL

Mr. Speaker: The House will now proceed with the further consideration of the motion to refer the Finance Bill to Select Committee.

बौधरी रनबीर सिंह: ११ तारीख को जब संसद् इस बात के ऊपर विचार कर रही थी उस वक्त मैं कर नीति के अन्दर जो भेद भाव बरता जाता है, उस के बारे में अपना नम्र निवेदन रख रहा था। मुझे खुशी है कि हमारे देश के और हमारे हाउस के माननीय नेता भी इस समय यहाँ मौजूद हैं, जिस से मैं अपना नम्र निवेदन उन के सामने रख सकूंगा। हिन्दुस्तान में, जैसा कि आप को मालूम ही है, हम ने पंचायती विधान को लागू करना मंजूर किया था। ऐसी दशा में हमें सोचना होगा और देखना होगा कि कर की जो नीति रही है वह ठीक है या उस में कुछ तबदीली की आवश्यकता है। सीधे करों का जहाँ तक वास्ता है, इस में दो विशेष कर

हैं, एक लैंड रिवेन्यू (Land Revenue) कर है और दूसरा इनकम टैक्स (Income-tax)। इनकम टैक्स कर के लिये तो यह जरूरी है कि कर लगने वाले की कम से कम ५ हजार की आमदनी हो, जब कि लैंड रिवेन्यू कर के लिये ऐसी कोई जरूरत नहीं है कि आया उसे इस में फ़ायदा है या घाटा है। एक बीधा भी अगर एक कास्तकार बोता है तो उस को कर देना पड़ता है। इसलिये मैं ने पिछली दफ़ा माननीय मंत्री महोदय को इस के ऊपर गौर करने के लिये कहा था कि देश के अन्दर आने वाले हाउस के सामने कई एक आपत्तियाँ आवेंगी और उन में यह कर लगाने की नीति भी एक बड़ी आपत्ति होगी और इस में काफी झगड़ा पैदा होगा। अब की दफ़ा तो मैं समझता हूँ कि इस में कोई तबदीली नहीं हो सकती, लेकिन आने वाले साल के अन्दर जो सेंट्रली एडमिनिस्टर्ड एरियाज़ (Centrally Administered Areas) हैं उन के बारे में जो कर की नीति है उस के बारे में मुझे पूर्ण आशा है कि मैं ने जो बातें कही हैं उन का विचार रख कर अपनी कर नीति बनावेंगे।

12 Noon इस के साथ साथ, अध्यक्ष महोदय, यह इन्फ़्लेशन (Inflation) और डिफ़्लेशन (deflation) की जो नीति है उस के बारे में भी मुझे कुछ निवेदन करना है। मेरी समझ में नहीं आता कि अगर कोई भाई जो मिल के अन्दर मजदूरी करता है या खेत के अन्दर मजदूरी करता है अगर वह अपनी मजदूरी की, जिस का उसे पूरा हक है, मांग करे तो उस से देश के अन्दर इन्फ़्लेशन बढ़ना नहीं सम्भवा जाता, या उस से यह नहीं माना जाता कि देश के अन्दर इन्फ़्लेशन बढ़ेगा। लेकिन वह भाई जो खेत के अन्दर रूह और पसीना

[बीबरी रनबीर सिंह]

एक कर के अपनी आमदनी करता है, सरदी और गर्मी के मौसम में कड़ी से कड़ी सरदी और गरमी के अन्दर काम करता है, और उस से अपनी रोटी कमाता है और उस के ऊपर जो मेहनत करता है उस की मांग करे तो देश के अन्दर जो पढ़े लिखे आदमी हैं वह ऐसा क्यों मान लेते हैं कि इस से देश में इनफ्लेशन आवेगा। मेरे ब्याल से जो यह नीति और विचार है वह इसलिये है कि देश के अन्दर चाहे पब्लिक ओपीनियन (Public opinion) का सवाल हो या किसी और का, जो पढ़े लिखे आदमी हैं उन्हीं का प्रभाव है और जिस चीज को वह दुरुस्त समझते हैं वह दुरुस्त मान ली जाती है, वह देश के लिये दुरुस्त है या नहीं इस के ऊपर कोई शोर नहीं करता। मैं तो ऐसा मानता हूँ कि सब से बढ़िया नीति वह है जो देश की ८० फीसदी आबादी को उस की मजदूरी का ठीक सिला दिया जाय तो वह चीज इनफ्लेटरी या देश के लिये हानिकारक नहीं हो सकती। इस के अलावा, सभापति महोदय, जो उन की पैदावार की प्राइस पालिसी (Price Policy) देश से अन्दर बरती जाती है वह भी कोई समझ में नहीं आती। एक खेती की प्रोड्यूस (Produce) के लिये जिम का सम्बन्ध कारखाने वालों के है, जो प्राइस की नीति बनाई जाती है वह मुस्तलिफ़ है। मेरा मतलब चीनी से है। चीनी को एक तरफ़ तो डीकंट्रोल (decontrol) किया जाता है और कहा जाता है कि कुछ तादाद से फ़ालतू चीनी देश में पैदा की हुई तो उस को किसी भाव से देश में बेच सकते हैं, चाहे वह भाव उन के लिये फ़ितने ही मुनाफ़े वाला हो। दूसरी तरफ़ गुड़ जिस को लाखों कास्तकार पैदा करते हैं और अपनी मेहनत से उसे पकाते हैं

उस पर कंट्रोल लगाया जाता है, हालां कि उन का राशनिंग पर कोई असर नहीं होता, और यह भी पता नहीं है कि जिस के पास यह आखिरकार पहुंचने वाला है या जो इस्तेमाल करने वाला है उस तक पहुंचने पर यह ठीक भाव से पहुंचेगा या नहीं। ऐसी हालत में भी कास्तकार को मजबूर किया जाता है कि वह गुड़ कंट्रोल भाव से बेचे। यही गुड़ वाली हालत रबड़ की है और यही हालत कपास की भी है। देश में कास्तकार से तबक़ो की जाती है कि वह देश में कपास की कमी को पूरा करे। लेकिन देश में सब से सस्ता कपास हिन्दुस्तान में पैदा की हुई बिकाई जाती है।

इसी प्रकार अब देश में जो बड़ी बड़ी नहरें बनायी जा रही हैं उस के सम्बन्ध में हमारे मंत्री महोदय त्यागी जी जब पहले हाउस में इधर बैठते थे तो उन्हीं ने एक सवाल उठाया था और उस के ऊपर आधे घंटे की बहस भी चलाई थी। मुझे मालूम नहीं कि आया मंत्री पद हासिल होने के बाद उस तरफ़ उन के विचार कुछ बदल गये या नहीं। मेरे कहने का मतलब लैंड इम्प्रूवमेंट सैस (Land Improvement Cess) से है। मेरी समझ में नहीं आता कि वह सरकार जो कि एक आटोक्रैट (autocrat) सरकार थी, जो लोगों के प्रति जिम्मेवार नहीं थी, वह भी ऐसा टैक्स लगाने की हिम्मत नहीं कर सकी, लेकिन आज हमारे माननीय नेता इस किस्म की बात क्यों सोचते हैं मुझे तो इस सम्बन्ध में सिवाय अफ़सोस जाहिर करने के और कुछ नहीं कहना है।

इस के अलावा एक दो बातें मैं राशनिंग के बारे में कहना चाहता हूँ। लोग कुछ ऐसा समझते हैं कि देहात के अन्दर राशनिंग की जिम्मेवारी हम नहीं उठा सकते और यह

नाममकिन है। मेरा संसद से यह निवेदन है कि इस देश के अन्दर सब से कम जिन की आमदनी है वह लोग देहात के हरिजन और देहात में खेतों के मजदूर हैं। जि लोगो को अनाज खरीदना पड़ता है उन में जो शहर का मजदूर है उस की तो तनख्वाह भी फालतू होती है और उस को मंहगाई अलाउंस वगैरह भी मिलता है, सारी चीजें उन को मिलती हैं। अब उस को तो जो अनाज दिया जाता है वह कंट्रोल के भाव पर दिया जाता है। इस के विपरीत जो देहात का हरिजन या मजदूर है उस के लिये कुछ सोचा ही नहीं जाता जिस की कि बाइंग कैपैसिटी (buying capacity) सब से कम है। मुझे तो इस में यह निवेदन करना है कि आप को देश के अन्दर कंट्रोल रखना है तो सब से पहले आप को चाहिये कि आप कंट्रोल की चीजें उन लोगो को दें जिन की बाइंग कैपैसिटी सब से कम है, और वह है खेत के मजदूर और देहात में रहने वाले हरिजन।

(English translation of the above speech)

**Ch. Ranbir Singh (Punjab):** Sir, when the Parliament was considering this motion on the 11th instant I was expressing my humble views with respect to the increasing discrimination observed in the taxation policy. I am glad that the leader of the country who is the hon. leader of the House also is present here at this moment and this I shall be able to submit my views before them. As you know, Sir we had decided to establish a *Panchayat Raj* in India. As such we shall have to think over and see whether the taxation policy we have been pursuing so far is appropriate or needs some change. So far as direct taxes are concerned there are two main taxes: one, the land-revenue and the other the income-tax. It is required for the imposition of the income-tax that the tax-payer should have a minimum income of Rs. 5000 per annum. But with regard to the land revenue there is no such requisite and no account is taken of profit or loss. The cultivator has to pay revenue even if he sows only a *bigha* of land. Therefore, last time also I had appealed to the hon. Minister to take into consideration the fact that the new House to come will be faced with a number of problems of which

taxation policy will also be a big problem and a great deal of wrangling will take place over it. I think no change could be effected now, but during the coming year, I fully hope, the Government will frame their taxation policy for the Centrally Administered Areas after taking into consideration the points that I have put forth.

12 Noon

Sir, I have also to say something about the policy dealing with inflation and deflation. I fail to understand the anomaly that if a mill labourer or an agricultural labourer demands his wages, for which of course he is fully entitled, it is not supposed to accentuate inflation in the country while if the one who gets his income and earns his livelihood by the sweat of his brow and who toils in the field in biting cold and scorching heat of winter and summer, demands his due for his investment and his labour, the educated class of the country thinks it as a step towards inflation. I think this policy and such ideas prevail due to the influence wielded by the educated classes in the country, whether it be in regard to the question of the public opinion or in respect of another Government. Whatever they think right is taken as right. Whether it is right or not for the country nobody cares. I think the best policy is that which ensures proper wages to the 80 per cent. population of the country. This cannot be in any way inflationary or harmful for the country. Moreover, Sir, the price policy followed with respect to country's production is also understandable. The policy which is formed for an agricultural produce, associated with industrialists, is quite different. I mean sugar. On one side sugar is decontrolled and the extra quantity of sugar produced is permitted to be sold at any price in the country without taking into account the margin of profit. On the other hand, *gur* which is produced by hundreds of thousands of peasants by their own labour is controlled although that has no effect upon rationing and the Government do not even know whether it would reach the ultimate consumer at the proper price or not. Even under these circumstances the cultivator is compelled to sell his *gur* at the controlled rate. The same condition as of *gur* obtains with respect to rubber and cotton. It is expected of the country's cultivators to make good the shortage of cotton and at the same time the cotton produced in India is got sold at the cheapest rates.

Similarly, when the hon. Minister Shri Tyagi used to sit on this side of the House he had raised a question in connection with the big canals that



[Ch. Ranbir Singh]

are being constructed in the country and had carried on a half an hour discussion on that issue. I do not know whether his views have been changed or not with regard to that matter after acquiring Ministership, I mean to say about the land improvement cess. Even the former Government which was an autocrat Government and which was not responsible to the people, could not dare to impose such a tax. But when our popular leaders think in these terms I cannot but express my grief over it.

Then I want to say a few things about rationing. Some people think that we cannot bear the responsibility of introducing rationing in the villages and it is impossible. My submission to the House is that the lowest income-group of the people in the country consists of the Harijans and the agricultural labourers of the villages. Labourers of cities earn some extra income and they also get dearness allowance etc. They get everything. They are given foodgrains at controlled rates. Contrary to this nothing is contemplated for the village Harijans or labourers whose buying capacity is the lowest. I have only to say that if you want to retain controls in the country, the controlled articles must first of all be made available to those whose buying capacity is the lowest and such people are the agricultural labourers and the village Harijans.

**Mr. Speaker:** The hon. Member has exceeded his time.

**Ch. Ranbir Singh:** Two minutes more, Sir. I shall finish my submission within two minutes.

**Mr. Speaker:** He has already taken four minutes more. The other day he had spoken for four minutes. Now, he has spoken on the whole for more than 15 minutes.

**The Minister of Communications (Shri Kidwai):** There has been some criticism in this House as well as in the Press about the manner in which the increase in certain postal rates was announced. It has been asked again and again why these increases in the rates were not mentioned in the Finance Minister's statement. Some papers and some of my friends here have called it a trick of the Communications Minister. With your permission Sir, I would like to take the House into confidence. (An Hon. Member: Now?) Yes; now.

Government had approved the increase in certain rates and those increases or withdrawal of certain conveniences were included in the Finance Minister's statement. But, I did not

accept them; in the end they were withdrawn. Then, it became incumbent upon me to make alternative proposals. I thought that the proposals that I have made would not cause as much hardship as the original proposals would have caused. But, I did not entirely rely on my judgment. I convened a meeting of the Standing Advisory Committee and I placed before that Committee all the alternative proposals: the proposals that were approved by the Cabinet, although I did not mention to them whether those proposals had been accepted or rejected, and also these proposals. The Standing Committee wanted some time to consider them. The meeting then dispersed. The Committee met again after six or seven days and it almost unanimously accepted these proposals and these rates were decided upon.

Another point has been made that although at the time of the debate I had said that certain proposals were under consideration, the very next morning, these proposals were announced. That is also true. The decision had been taken soon after the meeting of the Standing Advisory Committee. But, I thought I should be guided by the criticism of these proposals in this House. Therefore, I did not give them any final shape. I had a schedule in my hand. I mentioned that certain rates were under consideration. But, I saw that nobody wanted me to read out the schedule. Therefore, I had mentioned that certain things were under consideration.

**Shri Ramalingam Chettiar (Madras):** Not as final.

**Shri Kidwai:** Of course, not, because I wanted to be guided by the criticism of the House. The only suggestion that came from one hon. Member was to fix the rate for money-orders at Rs. 0-2-6 for ten rupees. I found that the proposal that I had put forward was more lenient than the other one. The rate under the new scheme is Rs. 1-8-0 for Rs. 100 whereas under the other scheme, it would have come to Rs. 1-9-0. In our scheme, 35 per cent. of the money-orders will go at the present rates, whereas under the other proposal, every money-order would have brought us an enhanced rate. That was the only criticism in this House. I accepted that criticism. Therefore, there was no trickery in it. I had adopted a procedure that should have the approval of this House. I have explained why it was not included in the Finance Minister's statement; because at that time, I objected to the proposals that were approved by the Government and he kindly agreed to drop them.

It has been stated that the income from the new proposals will be 105 lakhs. That is also not correct. There are one or two points which I would like the hon. Members to understand. It has been proposed that every V.P.P. must be compulsorily insured. Under the present rules, if a V.P. article is lost, then the sender of the V.P.P. or payee can be compensated only to the extent of Rs. 25. If a watch worth Rs. 500 is sent by V.P.P. and it is stolen in transit, under the present rules, the maximum amount that we can pay as compensation is Rs. 25. I thought it was not fair. I was confirmed in this view by a recent judgment of a High Court which said that the Post Office should be responsible for the actual loss and not this nominal sum. Therefore we had to provide for the payment of actual compensation. Up to now, we can pay Rs. 25 under the present rules. I have retained that. If an article is lost, whose value is below Rs. 25, the sender will be compensated without any extra charge. V.P.P. of articles of more value than Rs. 25 will be insured for the actual amount of value and compensation will be paid in case of loss. This may bring us some revenue; but it also entails some corresponding expenses by way of compensation.

[MR. DEPUTY-SPEAKER in the Chair]

About telephones, I would like to say that the telephone brings us a disproportionately high income. I have been trying to reduce the charges. Last year, certain charges were reduced. Trunk call charges were also reduced for distances over 800 miles. Up to the last year, the charges were Rs. 16 for ordinary calls and Rs. 32 for urgent calls. Last year, that amount was reduced to Rs. 12 and 24 to have effect only for distances over 775 miles. This time, under our new rates, I have reduced the charges for distances between 300 and 800 miles. That is to say, the concession that was given last year has been extended to distances up to 300 miles. I hope that if our new proposals on the postal side bring us sufficient revenue, to compensate the loss of that year, next year, we will be able to give more concessions both on the postal side and on the telephone and telegraph side. I know that, for instance, in Calcutta the telephone rates are very high, and the telephone service is very inefficient. I have tried last year to give some concessions to Calcutta. I hope that in the course of this year, we will be able to give them better service and some more relief in the telephone charges.

**Shri Ramalingam Chettiar:** What is the additional revenue in respect of these changes?

**Shri Kidwai:** The additional revenue from money-orders will be Rs. 30 lakhs. The additional revenue from rationalisation of insurance—that is only an adjustment of some anomalies—is Rs. 1½ lakhs. The additional revenue from compulsory insurance of V.P.P. will be about nine lakhs. As I said it will involve a corresponding expenditure in the shape of compensation. Therefore, it will not be much.

**Shri V. B. Vaidya (Bombay):** What about registration charges?

**Shri Kidwai:** I do not know the exact figure, but registration charges will also bring in about Rs. 15 to 20 lakhs.

**Shri V. B. Vaidya:** Should a railway receipt sent by V.P. be also insured?

**Shri Kidwai:** It depends on what you want to get back.

**Shri V. B. Vaidya:** The R.R. will be for more than Rs. 25.

**Shri A. C. Guha (West Bengal):** When can we expect the reduction in the Calcutta telephone rates?

**Shri Kidwai:** Let us hope that Calcutta will first get an efficient telephone service, and then the reduction will follow.

**Shrimati Durgabai (Madras):** May I know what is the compensation paid for lost V.P. posts in 1950?

**Shri Kidwai:** I can supply the information, but it is not here with me now.

**Shri V. B. Vaidya:** Sir, my question was whether railway receipts sent by V.P. for over Rs. 25 should be insured?

**Shri Kidwai:** Any V.P. for which compensation is demanded will be required to be insured, because otherwise for railway receipts the Government does not pay any compensation.

**Shri Chattopadhyay (West Bengal):** In the last year's Budget we find that Rs. 3.3 crores were contributed by the P. and T. Department to the general revenues. Why is it that this year credit for only Rs. two crores has been taken?

**Shri Kidwai:** This year our postal side was expected to be deficit by Rs. 1.35 crores.

**Shri Alagesan (Madras):** This is probably the last Finance Bill that this House will be passing and this is also the last Budget that this Government would have presented. It is but meet that we should take stock of the position and review the record of the present Government.

[Shri Alagesan]

This record has been one of errors and achievements. Considering the inexperience of the Government, the errors could have been many more and the achievements much less. Since we are too near the scene we are apt to magnify the defects and under-estimate the merits. But I have no doubt that we can go to the country and stand before our people and ask with confidence for renewal of their support in the further steps that we want to take. This morning we heard the statement of the Prime Minister, conveying the Order of the President to the House. It has been received with wholehearted approval by this House and it will be so received by the country also. This only shows that though the Sardar is no more with us, the Sardar-tradition is very much with us and the country will be glad to learn that this Government can be strong when strength is required.

In the short time at my disposal, I should like to speak about the loans given by the Government of India for purposes of irrigation to the various States. Answering a question the other day, the hon. Finance Minister said that the Government of Madras asked for a loan of Rs. six crores for the year 1948-49 and for Rs. eight crores for the year 1950-51 and both of them could not be given because those works did not qualify for any central loan assistance on the basis of all-India priority. We should like to know what the principles are on which these priorities are determined. It is well-known that there is a difference between a rice project and a wheat project. A rice project necessarily costs much more than a wheat project, the proportion being two to one. And it is also known that the South can only have rice projects and not wheat projects. Therefore unless this position is modified, no assistance can be given to the projects put forward from the South. Again, when hydro-electric projects are linked with irrigation projects, the cost of the former should be deducted from the cost of the entire project for the purpose of determining priorities. Unless this is done, the cost of these projects get very much pushed up and so they are down below in the list of priorities and they go without any assistance. A definite standard for fixing priorities should be evolved with reference to various projects, such as those for rice, those for wheat and so on. I hope the Finance Minister will take the House into his confidence and tell us on what basis these priorities are determined at present and why Madras did not qualify itself for such assistance as has been given to the other States.

The Central Government has so far advanced loans up to Rs. 49.67 crores for the various river valley projects. This year they have budgeted for loans up to Rs. 27.17 crores for the various irrigation projects. Although the amount therefore comes to nearly Rs. 80 crores, one is surprised to find that such a deficit State as Madras does not get a pie out of this sum, though they have put forward various projects. They have undertaken vast irrigation and electricity schemes. They have also framed a five year programme of which three years are already over. Already they have spent about Rs. 40 crores on these schemes and these will be nearing fruition within 1952-53. These projects are not like the big multi-purpose projects of the Damodar Valley Corporation or the Hirakud Project. They are comparatively small schemes which will bring in returns within two years. On these schemes the Government of Madras have so far spent about Rs. 40 crores and they have received only Rs. nine crores as loan from the Centre. Rs. eight crores were raised in the open market and all the rest, namely, Rs. 23 crores have been met out of the savings of that Government. Here I would like to describe how the Government of Madras have been carrying on these projects. They have got a very fine engineering personnel and it is a tribute to the Madras engineers that when the Centre wanted to find a chief engineer for the Damodar Valley Corporation, they had to go to Madras several times though they could not succeed in getting one in the end into the various reasons of which I would not go now. The result was we had to import a costly foreign engineer from the United States. In Madras, they have a fine organisational set up, good transport system, workshops etc. in charge of these works. This set-up is capable of investing about Rs. 15 to 20 crores a year. They are also carrying on the work as economically as possible. I shall here give only one example to show how they do that and how they carry on their work economically:

"For the Lower Bhawani Project the estimated cost is Rs. 8 crores. We have appointed only two executive engineers on this project, even though the sanctioned estimate provides for one superintending engineer and four executive engineers. For the Tungabhadra the estimate is for Rs. 17 crores and it provides for a full time chief engineer but we have not appointed one and the work is being supervised by one of the regular chief engineers. The salaries we offer our technical men in provincial cadres are in-

deed very low compared with the offers many of them seem to be getting from other States."

This is in marked contrast to what is being done in the Damodar Valley Project under the aegis of the Centre.

They are also trying to tap local resources and link up local enthusiasm with the carrying out of these projects. Here I should like to mention the instance of a small irrigation project in the southernmost district of Tirunelveli. Government appealed to the people who will be benefited by the scheme for a loan of one crore of rupees. The response was very good and instead of getting one crore they actually got 128 lakhs. Last year the Government had budgeted to spend only one lakh and the rest went to rehabilitate the ways and means position of that Government. That is the way in which Madras is proceeding with their projects. If all these things are not to come to an abrupt end after two years, the Central Government should give sanction for the other projects which Madras has got ready and for which they have sought the sanction of the Centre. Because now the Centre has imposed a rule that for all projects which cost more than a crore the previous sanction of the Centre is necessary. Madras has sought such sanction from the Centre.

You know the food deficit in Madras, which is so vast that it goes up to one million tons. If this deficit is to be solved permanently a big project is necessary. They have therefore taken up the Krishna-Pennar project. Sir, you come from one of those famine-stricken districts and you know very well the conditions there. Once this project is taken in hand it is bound to yield very good results and will do away with famine once for all, wiping off the food deficit.

I should like here to compare the Krishna-Pennar project with the other projects that are already under way. The Damodar Valley Project will probably irrigate a little less than one million acres, the Bhakra project about 3.6 million acres, which will give only 1.13 million tons of food-grains besides some cotton and the Hirakud project will irrigate nine lakh acres; whereas the Krishna-Pennar project will irrigate four million acres and the unique feature of this project is that it can be taken in hand in easy stages and executed. For instance, when the first stage is completed it will bring an additional yield of one million tons of rice and this is exactly the deficit now. When the second stage is completed it will bring in another million tons of rice. The cost of this project is comparatively less when we consider the cost of the other projects.

I should like to make here another suggestion and that is with regard to the national savings certificates. The net receipts for 1950-51 are only 16.5 crores after deducting the discharges. Credit for the same amount is taken for the budget year also. In my opinion this can be doubled if it is linked with grants for development works in the various States and the responsibility should be put squarely on the shoulders of the State Governments to push up the sale of these certificates for the privilege of claiming loans and other assistance from the Centre. If that is done they will take a greater interest than now and they will employ all their resources and achieve much better results than what we have now.

I should like the Finance Minister to consider the various suggestions that I have made and try to give some assistance to the Madras Government. Their capital expenditure will be of the order of 20 crores this year and another 20 crores next year to complete their five year programme. They are also coming before the Centre to secure their sanction for the Krishna-Pennar project. I hope the Central Government will very favourably consider these things in view of the chronic food deficit of Madras and will sanction these schemes.

**Acharya Kripalani (Uttar Pradesh):**  
It is very seldom that I trouble you, the House or the Treasury Benches with a second speech in one session. If I violate this rule on this occasion, it is because I want to say something about what adversely affects our economic life namely our foreign balances. They are all, very nearly all, deposited with our former foreign masters. The British Government has disappeared and we think that we have achieved our independence. But so far as our economic life is concerned we are bound to the apron-strings of the United Kingdom. We were bound up before, because of our dependent status, we have bound ourselves now of our own free will. We have accepted that economic slavery to England. I have found that in most of the clubs in this capital city English manners, dress, food and ball-room dances have increased, more after the departure of the British than they were while the British were here. I suppose that is the case with our finances also.

When the British were here we were obliged to purchase sterling for our every day commerce with the world, because London was our clearing house, whether we liked it or not. Then came the war when we were obliged to give loans of enormous amounts to

[Acharya Kripalani]

Britain. Almost everything purchased was on credit. They did not pay for what they took from us during the war; and by some misuse of a section in the Reserve Bank of India Act these reserves went on accumulating. But we had to carry on our business here as usual. We therefore had to increase our currency. The result was that while other countries had to face 30 or 40 per cent. inflation because of war, we had to face an inflation of more than 300 per cent. It is from this inflation that originated at the time of the war that we are suffering today. Our economic life has been crippled by it and it still continues to be so crippled.

These balances, it was admitted by Great Britain, were not war loans. They were ordinary loans which we could use for our advantage at any time we liked and in any manner we liked. This was the position in the beginning of 1947. India could use or convert the sterling balances in any way she thought proper in the best interests of the country. But, on a request from U.K., we, poor as we are, came to the help of England to facilitate her negotiations with the United States of America. We consented that whatever our requirements may be we would content ourselves to the converting of sterling into dollars even as U.K. desired that is only to a limited extent. This gave a great advantage to the United Kingdom in her negotiation with the U.S.A.

After 1947 there were various conferences in England and India and as a result of those we again gave England a very generous concession. We allowed the capitalisation of all the Central and State pensions. This we paid in a lump sum to England. The capitalised amount was £168 million which comes to about Rs. 216 crores. Upon this capitalised amount we consented to charge England one per cent. interest, while even in that country if we had deposited our money in Government Securities we would have got at least 2½ per cent. In the open market we would have got three percent. Thus we lost about Rs. 40 crores. The balance after this capitalisation was about £800 million, roughly about Rs. 1,200 crores, and this we have deposited with England at an enormous rate of interest which comes to be .8 per cent. But we borrowed from the international market at three per cent. for our use.

An Hon. Member: At 4½ per cent.

**Acharya Kripalani:** I am coming to that. The fact is that we borrowed from the International Monetary Fund

at 3½ and four per cent. and what we borrowed were paltry sums. Further, the anomaly of the situation is that the accumulated result of all these various agreements made by our Government is that we have to deposit in the Commonwealth fund all the dollars that we earn by our present transactions, and yet we cannot get dollars when we want or as we want except to the extent we are permitted. Also, we have consented to draw from the sterling balances only very limited amounts each year, whatever our requirements. It works out like this, that I have my capital in the bank which gives me a small rate of interest while I go about begging in the market and getting money for my every day expenditure at a higher rate of interest. If this is the wisdom that I show I cannot blame anybody but myself. If then I go into liquidation nobody can sympathise with me.

**Mr. Deputy-Speaker:** Is not all this old history?

**Acharya Kripalani:** It is very old history, but you have to raise your voice according to the hearing capacity of your listener. If the listener is deaf you have to raise your voice. If even then he does not hear you have to keep repeating till he listens to your warning; and I suppose this House is meant for that.

Now, the sterling balances agreement is to expire on 30th June, 1951, and the rate of interest agreed to at .8 per cent. could be readjusted. This is very clear from the letters which passed between Mr. Wilson Smith of the British Treasury and Mr. Chanda of the Indian financial delegation. Therein it is said:

"It is understood between us that the arrangement set out in these letters will remain in force for the extended period of the agreement, that is up to the 30th June, 1951."

When this agreement was discussed in Parliament in August, 1948 severe criticism was voiced about the rate of interest agreed to. It was, however, understood that when the agreement came to be revised the rate of interest along with our freedom to use our own money in the way we liked best will be taken up and more equitable arrangements made. However, from some questions and answers in this House in the present session it appears that in October last there was a meeting with the British representatives and our present Finance Minister was good enough to inform us that he did not raise the question of interest. He was not present in the House in 1948

to hear the criticism that had been made, but I am sure the Finance Department has records of the discussions here. Those who gave him his brief ought to have told him what had been said in the House; but when does the Secretariat care for the uninformed opinion of this House? They have their expert knowledge and they think they are sufficient unto themselves.

Then, under section 32 of the Reserve Bank of India Act we have to maintain 40 per cent. of the notes issued by the Reserve Bank in gold or foreign securities. I presume foreign securities are of countries that are associated with the International Monetary Fund. We have only one kind of securities and those are all in U.K. So far as I know, and I speak subject to correction, no other country in the world provides in the rules of its National Bank that it shall maintain a portion of its assets in the Issue Department in foreign securities. This also was pointed out in September 1948 in this House and by one Member very emphatically who today adorns the Treasury Benches. At that time, the acting Finance Minister, Shri Neogy, in answer to the strong criticism by some Members said that the Bank was being only nationalised then. But he said: "I can assure the House that the Government would at the earliest possible moment take up this particular Act for the purpose of complete revision." Two and a half years have passed. Not only has this promise not been fulfilled, but section 33 of this Act is always trotted out as hampering the free movement of our funds. It is being used for depositing our balances in England at 0.8 per cent. The Reserve Bank of India Act should be changed in the national interest.

What we do is to invest our money in a nation whose national debt *per capita* is Rs. 7,500, while our national debt *per capita* is Rs. 75, Rs. 50 of which is paying interest. Another anomaly arises from the fact that though the Reserve Bank of India Act says that we can invest in foreign securities maturing in five years, actually our investment in England cannot be made available except at the will of England. Assuming however that we have to keep 40 per cent. (because we would not change the Act) in gold or foreign securities, even then we require only Rs. 400 crores for this purpose. What about the Rs. 450 crores that yet remain? And they earn for us the magnificent rate of interest of 8 per cent. I do not know how long this state of affairs will continue. So far as the utterances of the Finance Minister go, he is not

sure if we would be free from this self-imposed obligation even after six years.

Then, another thing which binds us to England and about which much has been said in this House, even before we became independent, is the question of imperial preference. I do not know if the average Indian knows that even after independence imperial preference continues. We were repeatedly assured that though we were in the Commonwealth through some kind of loose tie we were absolutely independent. What has happened recently about this imperial preference? Reports from Torquay indicate that the U.K. is unwilling even to reduce the amount of imperial preference. The result has been that various agreements with different countries favourable to India cannot be entered into. May the House enquire what has happened to the promises made by the Government repeatedly that this preference will go?

You can, Sir, see from this that we are bound in the leading strings of England so far as our economic life is concerned, and we are a colonial country in spite of our boasted international status. What do we gain from this? On every conceivable occasion England hits us hard politically and economically, whether it is in Kashmir or our relations with Pakistan or in the international trade talks or generally in the U.N. Committees. We must remember what an important English politician once said: "England has no friends; England has only interests." Unfortunately, this country has neither friends nor interests.

**Shri Biswanath Das (Orissa):** I have heard with great respect and patience the learned speech of Acharya Kripalani. I do not agree with him that India is today having the same position which she had before. True it is that we are bound to England by ties of common action and friendship in many respects. Of these sterling balances are one. So far as sterling balances are concerned, I think this House is a party to the agreements that have been entered into between England and India. These questions were discussed in the Standing Finance Committee before the first delegation sailed for England and thereafter in this House, and on each occasion, I believe, the question was gone into fully and decisions were reached. Therefore I would appeal to my hon. friend for whom I have a very high respect and regard to consider the whole question from points of view other than those that he

[Shri Biswanath Das]

stressed. For good or for evil, we have been a poor country and we have become a creditor of England. That may be unfortunate but that is a fact. You have therefore to take upon yourself the misfortune of a poor man being the creditor of a rich man in difficulty and stress. Therefore, you cannot realise at once the money unless perhaps you realise it through military action. There are two ways: either friendly negotiations or military action. The only other possible course is through friendly negotiations and that is what has been done and that with the full concurrence of this House. Therefore, my hon. friend will pardon me and will pardon the Treasury Benches and also the hon. Members of this House for the decision to which he himself was a party.

While I go so far as that, I must also find fault with the Treasury Benches for not having taken action on one question on which the Standing Finance Committee laid much stress. From a total amount of Rs. 1,200 crores our sterling balances have now dwindled to about Rs. 800 crores. We in the Standing Finance Committee wanted the British assets in India to be ascertained and assessed, so that they may be purchased out of the sterling balances. After discussing this question in full, the hon. the Finance Minister undertook to take a census of the foreign assets. I believe that census has now been completed. I have a right to ask the Treasury Benches as to what has been done, what course of action Government propose to take in this regard, namely, the purchase of foreign assets in India. This question should be regarded as the burning question of the day and on which a reply is certainly awaited.

We have a number of connections with England which it is difficult to break off so soon after our independence. Take the case of food. Now, barring the dollar areas, where are we to get our food from, if England does not co-operate or help us? Most of the areas from where we can get our food (e.g., Australia, Indo-China, Burma, etc) are soft currency areas. Not only food, there are variety of other things.

Up till now we were dependent on Britain so far as our naval defence was concerned. It takes time to build up our defence and till then we will naturally have to depend upon Britain. Even in regard to defence technological research, if I remember aright, there was no country in the world which was willing to help us except England.

It is on the model of England that we have to build up our institutions. What is true of defence is true of so many other things. Therefore, I would implore hon. Members of this House to realise our own difficulties, the difficulties of an infant democracy anxious to build up its own resources. Under these circumstances it is not possible to break off our relations without consideration of its implications.

Having said that, I come to another important question. I was very glad to be told that the Finance Minister was anxious to undertake retrenchment. But need I say that I was stunned to hear that he could not be able to save more than Rs. 5½ crores. It reminds me of Maha Bharata where in the great Dhritrashtra one day found great jubilation in the camp of the Kauravas. He enquired the reason and was told that Abhimanyu had been killed. After having heard all that had happened to bring about this great feat, Dhritrashtra instead of sharing in the jubilation fell on the ground and fainted. In the same way my jubilation was converted into a faint. That is how this question of retrenchment has come upon me. What is to become of this unfortunate report of the Estimates Committee, if it is the decision of the hon. the Finance Minister that Rs. 5½ crores is the maximum amount that he could economise. I would plead with him that this is not the spirit in which he should view the question. Retrenchment and multiplication of departments cannot go together. If retrenchment is your sole desire, by all means do act up to it. How could you multiply Part C States and yet speak of retrenchment? Leaving alone the Andamans which is a strategic area, we had three Centrally-administered areas. To this three you have now added seven more. Look at the pages of the Simon Commission Report. All the leading men of India made a very strong plea to do away with these minor administrations on the scope of efficiency and economy. Now, what is it that Government have done? They have now multiplied the Part C States. I would plead with the hon. the Finance Minister to hand over these Part C States to the adjoining provinces, a point which was stressed by public men of experience on grounds both of efficiency and economy I would appeal to him to discuss this matter, to take the Standing Finance Committee and the Estimates Committee into his confidence and have it closely examined. After all the Estimates Committee takes some time. It takes three years for it to examine all the Ministries of Government.

I will take a few minutes more, Sir

**Mr. Deputy-Speaker:** Normally, hon. Members who are on the Select Committee are not called. But in deference to the wishes of the hon. Member I called upon him. He may reserve whatever he has to say for the Select Committee.

*The House then adjourned for Lunch till Thirty-five Minutes past Two of the Clock.*

*The House re-assembled after Lunch at Thirty-five Minutes past Two of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

**Prof. K. T. Shah (Bihar):** Under the conditions and the limitations under which this debate has to be carried on it is extremely difficult for anybody to offer—certainly for someone like me to offer—any helpful suggestions, and it is inevitable that one runs the risk of being described as a destructive critic. The time-limit on this subject has been such—notwithstanding the magnitude of the subject we have to discuss, the complexity of the issues that are involved and even the importance, from the point of view of public information, of the matter to be discussed—that one wonders what good purpose will be served by carrying on the debate. Last year I had imposed upon myself a vow of silence for just those very reasons which I have indicated, but with the changes that have been introduced this year, with the larger opportunity in respect of the days allotted for this discussion, and with the procedure of a Vote on Account that has been introduced, I feel, at the risk of a certain sense of futility one has, that one must offer some remarks lest the silence be misunderstood. I am not, however, unaware of the difficulties under which these remarks have to be offered, notwithstanding that changes have taken place, because if one wanders into any detail with regard to this suggestion or that one is also apt to lose sight of the general policy which I think for a body like this ought to be much more important than matters of detail. Not that these details are not important, but the bigger policies involved, the bigger questions of basic importance to the nation involved, ought to demand much greater attention. In my opinion, in this House than is likely under the circumstances under which this debate has to be carried on.

Take for instance such a thing as the variations we have noticed year after year as between the estimates originally made at Budget time for a given year and the revised estimates,

or as between those revised estimates and also the accounts for the same year. There have been excuses such as the period of war. That no doubt made difficult calculation, and because of the uncertain circumstances under which those calculations had to be made, there was undoubtedly some excuse for the variations that occurred in these respects during the war. Since then also, however, the difficulty has continued, special problems have arisen—some of them unexpected, some of them of incredible magnitude—and therefore we have found year after year those variations necessitating very substantial supplementary estimates which make the Budget hardly dependable at the time that it is presented and with no certainty that the estimates will be more or less carried out.

I do not feel it so important to emphasise this point about the variations that have occurred except from this standpoint that Government claim—perhaps rightly—a monopoly of information in regard to these matters while those of us who are accustomed to gather our information from books only are liable to be charged with having our information antiquated, obsolete or out-of-date. They have sources of information, they have material at their command which, naturally, ordinary private Members of the House cannot command, and therefore the risk is much greater. But now that an Estimates Committee has been appointed I suggest that it would be much more profitable and advantageous to Government themselves if the Estimates Committee is associated much more actively, and even in detail, with this estimating for the coming year than has been, so far as I can gather, the case so far. The work of the Estimates Committee, even so far as it has been done, is highly commendable and I think the House owes a debt of gratitude to the members of that Committee for the great pains they have taken in throwing their search-light upon the various items that have so far come under their consideration. I consider, however, that it is not enough for the Estimates Committee to scrutinize the expenditure that has been incurred, or has been proposed to be incurred. I think it would be even more useful for the Estimates Committee to be associated in making estimates for the coming year.

The Budget is a document prepared, is a programme of expenditure and of revenue presented to this House, on the experience gained during the working of perhaps the past year and a good portion of the current year up



[Prof. K. T. Shah]

to the time when the Budget is presented. This experience has hitherto been interpreted and read by the officers of the Department who, as I have said before, claim a monopoly of information and perhaps also a monopoly of wisdom. I do not grudge them these monopolies, but I think it would be in accord with the best traditions of a democratic legislature that the Members of the House who are associated in such Committees as these should be also invited to co-operate in a proper interpretation of the factors under which the Budget has to be prepared. These are not only the factors which affect our internal economy. They also relate to the larger issues of world factor, relating to international trade, relating to the course of prices; relating to problems like international credit, or even the rates of exchange. The Finance Minister has given his own view regarding the desirability or advisability of changing the rate of exchange. It is not possible for me to enter into any argument about this very difficult and complex problem, nor am I in a position to command the information, the data, on which a really helpful argument could be based. I too have my own general view and one thing I can say even in the absence of more up-to-date and detailed information and that is, I do not like the rate of exchange to be made a plaything to be used and operated according to the mood or the circumstance of the moment. There must be a degree of stability or fixity in the international exchanges which I know is getting more and more scarce under the conditions under which the world is working today and which nevertheless at the risk of seeming antiquated and out of date, I would say demands a desideratum. It ought therefore to be maintained as far as it lies in our power so that the calculations may be made much more reliably than would be the case in a situation of flux and uncertainty with regard to the rate of exchange. I mention this one case only in passing. There may be others in which the assistance of the Estimates Committee may be very much more profitably utilized and I trust the suggestion that I had made on another occasion, such as the constitution of a Committee of Supply or a Committee of Ways and Means for considering the entire Budget in detail by the entire House free from the restraints which inevitably had to operate during a session like this, may be of equally if not greater service.

In this connection, I should like also to make an observation with regard to the place and importance of economy in public expenditure. I

would like the House to realise that economy is not merely retrenchment; that retrenchment and economy are not identical. In fact it may be really greater economy in the long run if the monies that we have at our disposal are spent, but spent with advice, to good purpose, for better purposes, on a long range task of actual development. The problem, therefore, is not a problem merely of any economy narrowly considered as retrenchment, but a problem of how best to lay out the resources at our disposal so that the tasks we have in hand can be more effectively, more satisfactorily achieved. The Government in a democracy is bound to be expensive and the Government of a democracy which is relatively a new one, which has a long leeway to make up, which has assumed the objectives of a welfare State and desires to bring about a material improvement in the standard of living of huge masses, such a Government cannot but be expensive. I fully recognize and for this purpose the mere size of the Budget ought not to be regarded as unfailing index of either successful financing or waste. While I am free to admit this, I would also like to add that the problem, as I conceive it, is a problem of proper distribution with due regard to the results obtained or obtainable in the various items of expenditure that we have to incur and correlate the same with our resources of revenue. That I am afraid, is not visible to the extent in the present Budget or in the past several Budgets that one would like to have. It has been found and quite rightly too that the present times under which we are living are times of continued crisis. We are living under the threat of an imminent war or at least a serious danger of a world war and in that the tasks are not merely budgeted so as to make both the ends meet, but the nation has to be equipped and prepared in the event of a crisis, so as to meet it effectively. Those around us or others whose financial management may well be taken as a model are building up a stock of materials in the event of war occurring; they are rearming. I am not saying that we should follow their example without hesitation and in every detail, but I do think that these are warnings which no one living in this world can quite neglect. But the Defence Budget of this country when all is said is one of the largest single item, at any rate in our national expenditure and it is more open to criticism because a considerable portion of it has to be not merely transferred from one pocket of this country to another pocket of this country but goes out. Unless and until the industrial background of this country necessary to meet our war

requirements is built up to an extent when all our needs can be met from our own resources, it would be impossible for us to continue the expenditure without some fear of it being to no purpose.

Sir, after your bell, I will have to skip a number of items which I just wanted to refer to but before I conclude I would like to draw attention to the proposals for new taxation that have been included in this Budget. Viewing them for the past three or four years, I cannot but feel that the eye of the Finance Minister seems to have fallen more favourably on the richer classes than on the poorer ones, a very much larger proportion has been drawn or is proposed to be drawn from indirect taxation in customs and excise, hitting the cottage industry of tobacco particularly as hardly as others. Additions have been made to the income-tax by direct taxes on income, coming as they do after the substantial releases granted by his predecessor last year at a cost of about Rs. 15 crores. It is inevitable for one to conclude that the distribution of the burdens has not been carried out by an even-handed justice. It is not merely that the amounts represent perhaps three to one or four to one from indirect to direct taxation. What I would like the Finance Minister to bear in mind is also the relative capacity of the two classes, those who pay the income-tax and those who have to bear these indirect burdens. My data may be somewhat antiquated, but I think the distribution of wealth in this country is such that according to calculations made by myself some time ago, perhaps, one third of the total wealth produced in this country is enjoyed or taken up by only one per cent. of the country and the income-tax payers are a fragment of that number. If you only take the Budget of 1947-48 you will find that the upper brackets of the income-tax payers have been given very substantial relief from something like 92 or 95 per cent., over 3½ lakhs or so to 80 or 75 per cent.—I am speaking from memory—at the present rates. If after that you add a surcharge of five per cent. on the one hand, and charge as you have done the receivers of a very small income, perhaps 1/60th of that which the income-tax receivers' class enjoy, you will find that the justice of your tax proposals is by no means so irreproachable as you might think. I would like you therefore to pay greater attention not merely to the apportionment of the burdens—merely a mathematical consideration—of three or four to one but you should also realize the background on which these burdens are imposed so that the capacity actually to bear the taxation

may not be overlooked and there is this consideration after all, that the smaller cottage worker, and particularly the biri worker, who is amongst the poorest class of workers by hand, and many of whom are perhaps widows or handicapped people and otherwise disabled people, would suffer. I am afraid under the present proposals one hardly finds what might have been conceived had the Finance Minister paid full attention to the matter. I know that there would be some opportunity of discussing this item further when the Finance Bill comes back from the Select Committee with the Committee's report but even at this stage I cannot but offer this suggestion to the Members of the Select Committee that here is a class of persons who are, in my opinion, unevenly affected and this defect ought to be repaired as far as possible.

Shri Saprawnga (Assam): I have got the chance to speak at long last. For a tribal representative like myself, this business of catching the eye of the Speaker is most irritating and intolerable: I was almost tempted to catch your ears instead of your eyes.

Many things have been said, many problems have been brought forward and many criticisms levelled with great eloquence. For my part, I am going to speak about certain problems of very peculiar nature, which require no eloquence, but which will speak for themselves, that is, the problems that we are facing in Assam. It is true that there are problems of various sorts in the different States. But, the problems that we are having in Assam are of very peculiar nature, the like of which are, fortunately, not to be found elsewhere in India. Perhaps, it is because of this peculiarity of the problems that I feel that the Government of India have not been doing Assam as much justice as she deserves. I was expecting that a good amount of money would be granted to Assam this year. I was expecting that some real development plan would be started in the coming year. But, looking at the Budget, I find that there is nothing to be expected. This small sum of Rs. 20 or 30 lakhs would be like a drop in an ocean. I would request the hon. Finance Minister to be more generous and to grant more money to Assam.

Apart from the general backwardness of the people, and the land, there are some good reasons why Assam needs sympathy from the Central Government. Recently, the people of Assam have met with a series of misfortunes. As perhaps you all know, the late Chief Minister of Assam, Shri Gopinath Bardoloi suddenly

[Shri Saprawnga]

passed away. It was, indeed, a very great shock to us, his people, for whom he toiled and whose love and confidence he had so long commanded by his wide sympathy and sincerity. Then came the well-known earthquake which changed the face of large areas of the land. Then the subsequent floods with all their devastating forces. For a time, we in Assam felt that the whole universe of nature had turned against us. In the mean time, the endless troubles in Burma, and the mysterious movement of the Chinese in Tibet, all these things have made us tremble to the bones.

Then, looking at the backwardness of the people and the land, it is true to say that Assam is the most backward and the most under-developed of all the States in India. This fact was accepted by one and all and the very fact that district autonomy was granted by the Constitution to as many as six districts of this small State is a clear proof of the general backwardness of the people, and the complexity of the problems. It was in recognition of this fact that the Sixth Schedule, article 275 and all other special provisions had to be made in the Constitution.

[MR. SPEAKER in the Chair]

3 P.M.

The people themselves are not less conscious of these facts and therefore it is very natural that they should expect substantial help from the Centre, at least at the initial stages. This expectation was actually heightened by some events. Some years ago, some development plans were started and officers were appointed and posted in different places and hopeful beginnings were made in road projects which were very important. But, to our disappointment, and very unfortunately, the beginning was the end. I do not know what actually happened. Most probably, Assam proved to be too far away from Delhi, her hills and mountains too wild to be tamed and too high to be scaled. The whole thing was dropped and we are to-day where we were before. I do admit that the problems and difficulties in Assam are not easy. Leaving aside all other problems, taking alone the problem of the tribal areas which cover two-thirds of the State, that is enough to cause head-ache. The people of these areas are extremely poor, extremely primitive, and to train these men and to develop them and to bring them up to the same level as their counter-parts in the plains and other parts of India, is a very big problem. It is even more so because of the mountain and hill barriers. Therefore,

the first and foremost thing in this respect is to conquer these mountain barriers by making roads and constructing lines of communication. So far as I know, it appears that the Government have been hesitating all the time to take up this vital problem. It is no use beating about the bush, and hesitating, while the need is so bad. Therefore, I would like to deal a little further with this particular problem, because I find that many other problems are linked up with this.

We are having in India these democratic institutions to which we are wedded today. These institutions cannot be worked out in those places where there are no means of communication and transport. These elections and other things must be preceded by good roads and transport facilities. In the absence of such facilities, our democratic institutions will be very difficult to work. Take the case of the electors. It will not be possible for the people to go to the polling stations. It is too much to expect even 20 per cent. of the people to go to the polling stations. Still worse than that is the case of the candidates who stand for election. Take, for instance, my own case. In order to come to Delhi to attend this Parliament, I had to walk over 100 miles on foot. And I may inform hon. Members that my home town is a sub-divisional headquarter covering about 4,000 sq. miles. So obviously the qualification for a candidate in such areas is not one of brain or experience or anything of that nature, but sheer physical strength to cover long distances, and I doubt very much whether many of my hon. friends here would like to have such a qualification to be laid down for candidates.

And then from the point of view of defence, these border areas have become more and more important. At present they are practically defenceless. We may remember that almost the whole of Assam is surrounded by five independent countries and this border province of ours lacks in communications to a very serious degree. And so this area and these borders are not very well defended to-day. A handful of Assam Rifles are posted here and there and that too without proper supply lines. Not to speak of any big invasion, but even a small band of robbers or dacoits from across the border would be enough to give them plenty of trouble and perhaps even to drive them out. Therefore from the point of view of defence also it is very necessary that we should have something like national highways connecting at least some of the important places.

Apart from this, there is another aspect. Many in the army, especially those of Assam Regiment have been drawn from these areas and due to the difficulty of transport to their homes, lot of time and lot of Government money have to be spent, and when the men go home on leave they experience a lot of hardship and this causes undesirable effects on the morale of these men resulting in indiscipline, obstinacy, desertion and so on. So, means of transport and communication should be improved even from this point of view.

Another thing that we need in Assam is "assimilation" or better contact with others. We have very many diverse groups and tribes and due to lack of contact among them, there is a lot of suspicion, fear, distrust and all the rest of it. This distrust of one another has become, so to speak, the prevailing disease, eating into the very root of our national life. Of course, it is no use blaming this group or that group for this state of affairs. It is but natural that we should suspect and distrust which we do not know and do not understand. The only remedy is to give them better facilities to know each other. So long as these facilities are not available, such distrust and suspicion are bound to come and are only to be expected.

Coming next to the economic condition of these areas, there are some parts which ought to have been conveniently included in Pakistan, but it so happened that they have been included in India. This has naturally resulted in economic dislocation. Local product cannot be taken out for disposal in the markets, while things badly needed in these areas cannot be brought in from outside. This has resulted in a very bad economic situation which is very serious. So far as the rest of India is concerned it is true that we are short of so many things. We are short of sugar, short of cloth, and short of so many other things. But there is at least one thing in which the supply exceeds the demand and that is salt. But hon. Members will be surprised to hear that even this salt is extremely scarce in some of these areas, so much so that people do not eat as much salt as they like. For every seer of salt we have to pay Re. one and this is very hard indeed for the poor people whose sources of income are very limited. In most cases, these things like salt and other things have to be smuggled from Pakistan and so we have been living all these days by smuggling. Therefore it should be obvious how very important the improving of communications in these parts is. The people themselves

realise the importance of roads and they are working on them. To-day there are volunteers including men and women, officials and non-officials, from the highest to the lowest, working on road construction in many places. It is therefore very important that every possible help and encouragement should be given to these people, and if the Government do not come up to their expectations, the whole thing is bound to collapse sooner or later. It would be most unfortunate if such a thing would ever come to happen. We cannot leave these development works to the State Government alone. That is why I submit to the hon. Finance Minister that more grant should be given to the State of Assam.

**Mr. Speaker:** The hon. Member has already taken more than the time allotted to him.

**Shri Saprawnga:** Sir, one more minute and I have done. I do not propose for a moment that a regular net-work of roads should be built throughout the length and breadth of these areas, but what I do submit is that at least all the district headquarters and the sub-divisional headquarters should be linked up with suitable headquarters in the plains. This is a very reasonable and modest request and I am sure the House will support me in making this reasonable request to the Government.

**The Deputy Minister of Commerce and Industry (Shri Karmarkar):** I rise to intervene in this debate at this stage to invite the attention of the House to one or two aspects touching the textile position. I do this because I think we owe it as a duty to the House to place on record the clarification regarding one or two important points sought to be made out by my esteemed friend Mrs. Kripalani. There were three points. The first one is about the position regarding the production of cotton in India. As is well known and appreciated by all, the partition of the country has made a very great difference to us in respect of cotton, just as it has done in the matter of jute. My friend Mrs. Kripalani referred to some figures and I went into them closely. I find that the figures she has used have been taken out from the monthly abstract of statistics. I find further that these figures have been based on the estimates given by the village *patwaris*. One of the difficulties in our statistics in respect of agricultural production has always been the want of exact accuracy in respect of village statistics. Now, with regard to cotton, what is usually done is this. After the figures are received from the villages, they

[Shri Karmarkar]

are tallied with other figures obtained from the trade, from the availability and the consumption in the mills and so on. And then accurate figures, as far as is humanly possible to do so, are sought to be arrived at. Even that final figure, I would say, would not be hundred per cent. correct. The figures arrived at by this method, for the years 1948-49, 1949-50 and 1950-51 are as follows:

1948-49 production has been 23.36 lakhs bales.

1949-50 production has been 29.15 lakhs bales.

1950-51 production has been 32.00 lakhs bales.

This shows a progressive increase in the production of cotton. Hon. Members are doubtless aware that it has been the policy of the Government of India to achieve to as great an extent as possible self-sufficiency in the matter of cotton, because our textile industry has advanced so far that it would be disastrous to the interests of the country always to depend upon import of raw materials from other countries.

Let me now pass on from the production of cotton to another important point that was made. Mrs. Kripalani said that the glut in September 1949 or thereabout was due to the high prices that were obtaining than to any other factors. Very respectfully I would invite the attention of the House to the reasons that were responsible for that glut. One obvious reason was that Pakistan, one of the largest consumers, did not lift as much cotton textile goods as she used to. The other reason was, as it happened in 1948, the production was a peak production: it was much more than the average production of the previous years. The third reason was this. Immediately after the war there was a hunger for cloth as for every thing else. With a view to see that the country got as much for internal consumption as possible our export policy was very cautious, and that did contribute in a little measure to the glut that resulted. Lastly, the purchase and distribution arrangements of most of the State Governments very nearly broke down due to the accumulation of cloth in the mills. The States could not do anything whatever to remove the cloth from the mills for retail distribution. These and other reasons resulted in the glut in September 1949 and thereafter. The other logical step that could be taken, with a view to see that neither the industry nor the national interest suffered, was to

allow the surplus to be exported. But there comes a certain difficulty. Whenever we declare a particular policy of export it is not always possible to keep the exports within a mathematical figure, that we shall export so much and no more, because in trade contracts made require to be fulfilled. As the House is doubtless aware, in the case of the O.G.L. whenever we drop a particular article from the O.G.L. we have to honour the commitments previously made, and we have to adopt the same procedure in this case also. Secondly, I am afraid it is not appreciated to that extent to which it ought to be, there was our foreign exchange position during the latter half of 1949 and the first half of 1950. When the prices are up it is obvious we appreciate it. But when it is a question of foreign exchange I am afraid that our attention is not rivetted to that extent on the importance of having our foreign exchange position as sound as possible. In this world of fluctuations in foreign trade our buying capacity, as the House is aware, is limited as compared with our requirements. Judging from the little experience of seven or eight months that I have had, our requirements of foreign exchange should be round about 800 to 900 crores, if our requirements have to be fulfilled to the minimum. Our foreign exchange is exactly limited to the amount of our exports and our foreign exchange position in the latter part of 1949 and earlier part of 1950 was such as to cause real anxiety if we were to fulfil our requirements in the near future. The deficits which we incurred in the balance of trade were huge and if it had gone on for another year or more, we on behalf of the Government would have had to answer the serious charge why we allowed such a disastrous position in our foreign exchange to develop. Under the circumstances we were prompted to promote the export of as many commodities as we could. So far as our internal requirements are concerned we had consciously to sacrifice our interests in favour of getting the foreign exchange. Many a time it has been asked somewhat lightly, what about the foreign exchange position? What if we did not earn as much foreign exchange as may be necessary for the purpose? Our need for capital goods is great: our need for raw materials for our industries, which are already there and others which are yet to come, is also very great. Our food position is growing in such proportions and in such a manner that in the near future we may have to draw to a larger extent on our foreign exchange resources than we could imagine. Under these circumstances if Government stretches a little in favour of export:

of textiles to save foreign exchange it is but proper. The House is doubtless aware that during the last six months the foreign exchange position has been such as to be called a sound one and it would be able to meet our minimum requirements in the near future to an appreciable extent. If that had been achieved I should frankly confess that it has been done at the cost of tightening our belt a little. As has been said by my esteemed colleague the Minister of Commerce and Industry some time ago, other countries faced with a similar situation tightened their belts. In England people were given eight ounces of meat during a whole week but the Englishman understood that he had to pull on with only eight oz. a week in the interest of the exchange position of his country. Situated as we are, great as is our need for earning foreign exchange, and great as is also the need to export, not raw materials as we used to do before, but finished products, the House will appreciate that out of the two alternatives, one of conserving cloth for home consumption and the other of exporting to earn foreign exchange, we had to choose the latter even at the sacrifice of bringing known or expected hardship to our own people. But if we have erred, the House will appreciate, we have erred on the safe side and not on the wrong side. We would have courted disaster if we had not been able to correct our foreign exchange position during the last one year or so.

A point was made and it is an important point too and we will appreciate it if we compare our sartorial conditions with those of the West. Mrs. Kripalani said, why not introduce standardised types of cloth? Somehow or other we like a greater variety of cloth than they do in the West. In the West a man may have four or five suits, one of tweed, a lounge suit, a gray one for holidays and there is an end of the matter. There is standardisation in the matter of shirtings with the result that one of the American firms manufactured 62 lakhs of shirts in one year. If that were to come to our country it would help our situation very much but it depends upon the customers. But here we want new types of shirting, new designs and new patterns. It does not depend upon State regulation and if the State were to regulate our dresses, that we should wear particular types of cloth. I am quite sure a furor would be raised and it would be considered as interfering with the fundamental rights of a citizen to dress in any manner he pleases. So it depends upon our taste, social needs and requirements and the way we think and live.

Regarding yarn, a clarification has already been made about that. Several steps have been taken for improvement of supplies. Firstly, the export of yarn has been completely stopped. Secondly, greater production of yarn we are anticipating as a result of the steps that have been taken the availability of cotton. In January, for instance, we had 42,000 bales as against 38,030 bales in December 1950 and it is expected to have 56,000 bales in March 1951 and this is likely to be bettered in the subsequent months.

With regard to cloth according to our anticipation as against the average availability monthly of 58,430 bales during December, 1950, January and February 1951 the quantity available in March was almost double, 1,09,776 bales. It is expected that as a result of taking 90 per cent. of the monthly production for home consumption in April, May, and June the availability would go up four times, namely, 1,80,000 bales of cloth which is more than three times the monthly average in the earlier period.

When we cite figures sometimes people are sceptical, "You said this and that." But, in this case these figures depend upon mathematical calculation, and recently when I had been to a weavers' area they did tell me that there had been some definite relief and that if relief goes on in that fashion things would be easier in two or three months' time.

With regard to availability of *saris* and *dhotis* also, in view of the steps Government have taken, we are quite sure that the position will show a distinct improvement from the scarcity position. Then again, perhaps, might come the question of glut and all that. These are all difficult things to prevent in this shifting world. You cannot afford, in this world of unstable conditions, to be wise everywhere; on some fronts you have to be wise, on some other fronts you have to be unwise. If in the coming months we require a very large foreign exchange, I am sure this House will give full support to Government, even at the expense of civic and domestic comfort, if in the best interests of the country we have to export.

One more word and I have done. I wish we all appreciate that in the near future we must try to capture as many markets as possible. Times there were when we were exporters of raw materials. We do export some raw material even now but then our emphasis must be more and more on finished products. So we must try to enter the markets in the new countries with whom we have friendly trade relations, for instance Indonesia.

[Shri Karmarkar]

which is a vast market. But then, when we take steps to increase the quantum of our exports it is just likely that we might have to stint so far as our consumption at home is concerned. We have two alternatives: one, of being self-sufficient in everything at the risk of decreasing our exports and earning less of foreign exchange, and the other alternative, of not stinting at export and earning as much of foreign exchange as possible. I am quite sure the House will agree that subject to certain minimum standards, for instance that our internal supply must not go below a certain level, our interest in the next two or three years exists in the expansion of foreign trade as much as possible with a view to see that the ground that we have lost is gained and new ground is also added.

These are all points which I wanted to clarify to the House, points on which the Government have taken action. And I am quite sure that in view of the explanation, the House will appreciate that after all the action that was taken was taken not by a sleeping Government but by one fully awake to what should be done in the best interests of the country.

**Prof. S. L. Saksena (Uttar Pradesh):** Our financial position has been debated for four days in the general debate on the Budget and for two days on this Finance Bill. I have tried to find out how much of the tax now proposed falls on the poor man and on the middleman and how much on the higher classes or on foreign countries who will buy our exports. This year we have imposed about Rs. 31 crores taxes through the Finance Minister's taxation proposals, and another Rs. 19 crores through enhancements of railway fares. In all, we are imposing about Rs. 50 crores of additional taxation on the country this year. On calculating I find that of this amount roughly Rs. 20 crores will be borne by the poorer and middle classes. Out of the Rs. 19 crores accruing from enhanced fares, at least Rs. 17 crores will be borne by the poorer and middle classes who travel third. The hon. Finance Minister has then imposed a five per cent. surcharge on all income-tax payments. And I consider that out of the six crores which the hon. Minister expects from this five per cent. surcharge, at least half of it will have to be borne by the middle class families earning an income of up to Rs. 5,000 a year. Kerosene and biris also are the things used by the poor man. He expects to get Rs. four crores by way of taxation on biris. There has been a lot of

agitation in connection with the difficulties of biri-manufacture and with the present proposals for taxation I think the industry will be ruined. The small-scale biri-manufacturer cannot comply with all the requirements. I hope that the Select Committee will see to it that the tax on biris is dropped. Then, the increase in postal rates also will be borne by the poorer sections of the community. Therefore, without any hesitation I can say that out of this Rs. 50 crore new taxation, at least Rs. 30 crores will be borne by the poor people.

Therefore, this is not a poor man's Budget. Certainly the rich men have got off very easily. Excepting for the corporation tax, I do not think any big tax has been imposed on them. We were expecting that the Estate Duty Bill would be passed by now so that we might have a good amount for our exchequer. The excess profits tax has gone for ever. But I am sorry that even after that has gone our factory owners are never ashamed of preparing false balance-sheets. As a Member who had a good deal to do with labour, I had to fight out some cases about bonus to workers. Last year the question of grant of bonus to sugar factory workers was put before a High Court Judge for decision. The manufacturers produced their balance-sheets but the High Court Judge was forced to say that those balance-sheets could not be relied upon, and he brushed them aside. All those were factories which produced enormous profits but their balance-sheets showed losses. A factory which crushed 13 lakh tons of cane showed a loss of Rs. seven lakhs, whereas in a factory which had crushed less cane the balance-sheet showed a profit of two lakhs. It was obvious that the other factory had prepared a false balance-sheet. Another factory submitted that it had a profit of one lakh, but the workers knew that the profit was much more and they challenged the low profit. The Labour Commissioner ordered that the whole thing must be re-audited and on re-audit the audit officers found that the profit was Rs. 7.5 lakhs. One lakh was the declared profit—on which the factory must have paid income-tax—and the actual profit found on audit was Rs. 7.5 lakhs! My point is that even though you are merciful to these capitalists yet they are never tired of swindling the exchequer and trying to cheat labour of its due. Take this case of declaring one lakh instead of the real profit of Rs. 7.5 lakhs. It is a swindle not only on the exchequer and the shareholders but also a method of depriving the workers who pro-

duced the sugar of their due share of bonus. That is why I complain about your trying to tax the poor man much more this time. I would have liked at least if the rich man had been taxed equally and some duty like the estate duty had been imposed on him. I do not think the capitalists will respond to your generosity; they will never come out with their accounts until the Investigation Commission finds out their real income. Our sympathy towards some of them is misplaced; you should have collected the money from them without hesitation. The election time is approaching and when we levy all the above taxes on kerosene, railway fares, postal rates etc. the people will ask, "Is this what you have done?"

I would now like to point out some more sources of revenue to the hon. Finance Minister. One is from export duties. My hon. friend has imposed an export duty of Rs. 30 per ton on groundnuts. I would like to tell him that a similar amount can be imposed on the export of linseed and castor seeds. U.P. alone exports about three lakh tons of these. The seeds are taken to foreign countries and pressed into oil. About two years back there was a duty on these seeds but it was later removed. I think it should be re-imposed now. It will bring a large amount to the exchequer. I am not asking for a duty on oil but on the export of oilseeds. In addition to bringing in more revenue, such a duty will be helpful to our industry also and about a hundred mills which have closed will start working again.

Then, I come to sugar. The other day I pointed out that you had bungled from beginning to end in the sugar policy. If you had put the sugar cane price at Rs. 2-4-0 in the beginning, I am sure there would have been much less production of *gur* and *khandsari* and the cane would have gone for sugar manufacture. There would have been no shortage. But you did not do that. When you started encouraging the *khandsari* industry, there is a ban imposed on its movement. You have allowed the millowners to sell a certain quota in the open black market. About one lakh tons of sugar are thus being sold in the free market, where the price is Rs. 70 as opposed to the control price of Rs. 30. This difference of Rs. 40 in the two prices comes to nearly Rs. 12 crores when you take the entire black market quota. Why should this money go into the black market? Then, as I pointed out the other day, out of the ten lakh tons which you have rationed, three lakh tons go to the confectioners, *hatawalis* and hotel keepers. They buy the sugar at the controlled rate and sell it at the

black market rate. You are very well entitled to get this money yourself. Why do you not auction these three lakh tons at the free market price of Rs. 60? You will get Rs. 15 to 20 crores. I think it is worth while. If you cannot auction, then I would suggest that you impose an excise duty at least for this year. If you do that, I am sure the sugar which is being sold in black market now will give you a profit of Rs. 20 to 30 crores. The sugar in the godowns, I would urge on you, should not be allowed to go into the black market.

The second point I want to discuss is about the complaints I made the other day regarding some railway officials. The Railway Minister is not here. I hope the Finance Minister will convey to him what I say. During the Budget debate, I had made certain criticisms. I had demanded that certain officers should be transferred. In fact, I criticised a member of the Railway Board himself for having specially gone out of his way to shield the culprits. Although the Minister promised to let us have information on these points, no enquiry has been held nor has the official been transferred. The case is still hanging on. Crores of rupees are involved and unless the Ministry takes care, the exchequer will lose the money.

The other day the Food Minister in challenging my allegations about free market sugar quotas not being given properly promised to give a chart showing how the quota had been distributed. But the chart has not been laid on the Table yet nor have I received any. We should be told whether it is a fact or not that some parties have been favoured. I know of some and I can name them. Factories which had no claim have been given the quota while those with a claim have not been given.

**The Minister of Finance (Shri C. D. Deshmukh):** Did the hon. Member say that he did not receive the chart or that the chart was not distributed at all?

**Prof. S. L. Saksena:** It was not laid on the Table and even some Members who have asked for it have not been supplied so far.

**Shri J. R. Kapoor (Uttar Pradesh):** Even I asked for the chart. I have not been supplied yet.

**Shri C. D. Deshmukh:** I will chart the situation and find out what has happened.

**Prof. S. L. Saksena:** That day Shri Munshi was in great heat. I openly charge that discrimination is shown. I



[Prof. S. L. Saksena]

wish that the chart had been supplied. He promised that he had got the figures and that he would supply them, but the figures are not forthcoming.

About molasses, I have got a letter here from which I shall read a few lines. It is written to Shri Munshi, with copy to me:

"I learnt recently something firsthand about the molasses scandal about which I had been occasionally reading in the press when one of my friends who owns some sugar factories made a present to a charity in which I am interested of about Rs. 50,000. The money had been given by certain dealers of molasses at the instance of this friend. He had sold them molasses at Rs. 0-4-0 a maund, as required by law. He knew that they would make a huge profit, at least a lakh of rupees without much trouble to themselves. His personal view was that this profit should accrue to the factory so that cost of sugar production can be cheapened, but this he was precluded from doing by law. He could have made a big illegal profit for himself, but he would not do so. He therefore insisted that the purchasers of molasses give a part of their profit in charity to be nominated by my friend and they agreed to do so."

This is a case of a European firm. I must give them credit for not dealing in black market. Every factory has to sell molasses at Rs. 0-4-0 a maund, but the molasses are actually sold at rupees three or four a maund. This particular factory did not want to sell in the black market. They gave it at Rs. 0-4-0 and the purchasers, they knew, would make a profit of several lakhs and those people did the very thing. They sold it in the black market and made a charity of about Rs. 50,000 for a T. B. Hospital in Kanpur. From this it would appear that Government is losing money. The molasses price should be re-fixed from Rs. 0-4-0 at the market price. Only this can prevent the black marketing.

I have one more word to say and that is about labour. The hon. Minister stated that labour should not ask for more. It is a very tall order and a very hard order also, because labour cannot make both ends meet. What happens is this. When a particular demand is made, although it may be very genuine and honest, you do not pay heed to it. For example, only an increase of Re. one was demanded and that was recommended by the Tariff Board also. Had this demand of Re.

one been met, there would have been no strike. But you decided that you will not give it. So the strike began. Then what happened? As a result of the strike 50,000 tons of sugar were lost. This is what happens. No notice is taken of the grievances when they are brought to the notice of the Government and the employers. But when a strike starts, because of want of redress of these grievances, then the whole blame is put on us. You do not take any measures to stop it and when it comes about the whole responsibility is put on us. I, therefore, say that the Government is responsible for these strikes. They do not take any steps in time to avert them. In fact, nobody wants a strike, least of all the workers. But when they are driven to it, they cannot help it. I, therefore, assure you that the whole country is with the Government, the labour is behind them, the people are behind them, provided they know how to take them into confidence.

**Shri Jhunjhunwala (Bihar):** I do not think there is much time to speak on the Finance Bill which requires so much to be said. We are discussing a Budget of about Rs. 400 crores and it is not possible to dwell on, or do justice to the Finance Bill and the Budget in such a short time, even on any one point, especially at the fag end of the discussion, and I shall not touch any such point.

I simply want to bring to the notice of the hon. the Finance Minister one point which I have got in mind. The other points I shall deal with later if I get time at the time of final discussion of the Finance Bill. Before I take up that point, I would like to know the reaction of the hon. the Finance Minister regarding revaluation. He had said that he had figures to be given in support of the fact that revaluation at present was not in the interests of the country but there was no time for it. He had further said that if we revalue to the extent of 15 per cent. we shall lose about Rs. 50 crores in balance of payment and if we revalue to the extent of 30 per cent., there will be a deficit in the balance of payment of about Rs. 130 crores. If it is not inexpedient or embarrassing to the hon. Minister, I would like to know as to how these figures have been arrived at.

Now, I come to the point which I want to bring to the notice of the hon. the Finance Minister. The hon. the Finance Minister has proposed an amendment to section 17(1) of the Income-Tax Act relating to the British non-residents and non-British non-residents. It is in the fitness of things that the distinction has been removed between the British non-resident and

the non-British non-resident and both of them are placed on an equal footing. According to the proposal put forward in the amending Bill the assessee is given an alternative so far as supertax is concerned. I am sure the hon. Finance Minister realises that if you give choice to the assessee to choose between two alternatives, he will certainly choose that alternative whereby he has to pay less tax. If that is so I would like to know from the hon. Minister, as to what are the reasons which have led him to propose this amendment which will substantially affect the revenues of our country. Take an instance. If the Indian income of a non-resident is Rs. 50,000 and his other world income is Rs. two lakhs both combined comes to Rs. 2,50,000. Under the present arrangement, the income-tax which he will have to pay on Rs. 50,000 is Rs. 12,500, computed at the maximum rate. The super-tax that he will have to pay, taking a round figure, calculated on the basis of his world income will be Rs. 20,700, actual being Rs. 20,781-4-0. So, the total income-tax which he will pay to the Indian exchequer will be Rs. 32,000 and odd. But under the amending Bill the assessee has been given an alternative to choose between the two: either he should choose to pay his super-tax at the rate calculated on the basis of his world income, or at the rate which is the minimum super-tax rate, that is three annas per rupee. If we calculate at the rate of three annas per rupee in that case the super-tax which he will have to pay will be about Rs. 9,375. If we add Rs. 9,375 to Rs. 12,500 it will come to Rs. 21,875. Now, certainly when he will have the choice to pay between Rs. 32,000 and odd and Rs. 21,000 and odd he will choose the figure Rs. 21,000. So our exchequer will lose to the extent of about Rs. 11,000 from an assessee whose world income, combined with Indian income is Rs. 2,50,000. This is only about an assessee whose income is only Rs. 2,50,000, but if there be dozen of assessees from whom about Rs. 20 lakhs incometax can be collected, the Exchequer will lose about two crores a year. Though I have tried to collect figures, I have not been able to come to any conclusion about the total loss to the exchequer. I have been told that it would come to about Rs. two to three crores. I cannot vouch for these figures and it is not possible for me to know; it is for Government to try to collect such figures examine and see whether it is in the interest of the country to bring about this amendment.

Another point on which I would like to have some enlightenment from the

hon. the Finance Minister is about absolving the shareholders of the dollar and sterling companies of the super-tax and in its place putting a corporation tax which was done in 1948. Thereby we might have lost about Rs. seven to eight crores a year or even more. In reply to a question the then Finance Minister did admit the loss, but said that they were doing this for the sake of convenience and examining the matter. In this case also an alternative could have been found by raising corporation tax at a sufficiently higher limit to meet our losses, in which case the company concerned would compel the shareholders to file their true returns.

With these few words I would request the hon. the Finance Minister to look into and examine the present amendment in the light of the remarks I have made and also the question of dollar and sterling companies.

श्री राजत : आप ने जो कुछ समय आज मुझे अपना विचार प्रकट करने के लिये दिया है उस के लिये मैं आप का शुक्रगुजार हूँ। मैं सदन का ध्यान विदेशी हुकूमत द्वारा १९४३ के लड़ाई के जमाने में जारी किये गये एसेशियल सर्विस आर्डिनेन्स (Essential Service Ordinance) की ओर ले जाना चाहता हूँ। मैं इस विषय पर कोई कानूनी ढंग से बहस नहीं करना चाहता। फिर भी जहाँ तक मुझ को इस का प्रैक्टिकल (Practical) अनुभव है उस की बिना पर यह कहे बिना नहीं रहूंगा कि इस आर्डिनेन्स से सम्बन्धित लोग इसे काला कानून मानने लगे हैं, क्योंकि एक तरफ तो हम अपने विधान में कहते हैं कि हर एक देश वासी को यह हक है कि वह अपने जीवन यापन के लिये चाहे जो भी पेशा अस्तियार करना चाहे कर सकता है। इस में किसी तरह कानूनी ढंग से रूकावट नहीं होगी, लेकिन दूसरी तरफ हम इस तरह का आर्डिनेन्स जारी कर करीब डेढ़, दो करोड़ लोगों को खास खास पेशा करने के लिये बाध्य करते हैं।

[ श्री राजत ]

यों तो मैं उन पेशों का विश्लेषण नहीं करना चाहता फिर भी एक पेशा जो इस्केवैजिंग (Scavenging) या पैसाने की सफ़ाई का है, जिसे निकृष्ट पेशा कहा जा सकता है, उस की ओर मैं सदन का ध्यान आकृष्ट करना चाहूंगा। बहुसंख्यक लोग इसी पेशा के अन्तर्गत हैं। इस पेशे के लिये निकृष्ट शब्द का प्रयोग करने से हमारे माननीय साथियों के दिल में यह भ्रम हुआ होगा कि जिस पेशे को राष्ट्र-पिता महात्मा गांधी ने किया हो, उस के लिए निकृष्ट शब्द का प्रयोग करना न्याय संगत नहीं है। ऐसा भ्रम मेरे साथियों के दिल में अवश्य उठा होगा। लेकिन मैं अपने साथियों से कहूंगा कि राष्ट्रपिता महात्मा गांधी ने न सिर्फ़ इस पेशा को किया ही, बल्कि अपने को एक दक्ष भंगी घोषित कर भंगी बस्ती में रहे भी। साथ ही उन्होंने अपनी प्रार्थना सभा में यहां तक कहा था कि मरने के बाद यदि मुझे फिर इस लोक में जन्म लेने का अवसर मिले, तो मैं ईश्वर से प्रार्थना करूंगा कि मेरा जन्म एक भंगी के यहां हो। मैं अपने साथियों से पूछना चाहता हूँ कि आज भंगियों के अलावा कितने ऐसे आदमी हैं, जो इस पेशे को प्रदर्शनी के रूप में नहीं, बल्कि पेशागत हो कर करते हैं? कोई भी नहीं। जिस पेशे को आमतौर पर कोई भी करने के लिये तैयार न हो और उसे एक समुदाय विशेष के सिर पर उस की इच्छा के विरुद्ध लाद दिया जाय, और जानवरों की तरह रहने को बाध्य किया जाय तो क्या वैसी दशा में उस के लिये निकृष्ट शब्द का प्रयोग करना न्याय संगत नहीं है ?

मैं यह कहे बिना नहीं रहूंगा कि सरकार ऐसे लोगों की अधिक एवं सामा-

जिक हालातों पर ठंडे दिल से विचार नहीं कर रही है और उन की हालत दिनों दिन बदतर होती जा रही है। कोई भी राज्य सरकार उन के आर्थिक उत्थान के लिये कोई ठोस कदम उठाने को तैयार नहीं है। आज कल जैसे महाकाल के समय में भी इन की बेसिक पे (basic pay) १५ और २५ रुपये के आसपास ही निर्धारित है। बिहार राज्य में बहुत स्थानों में इन की बेसिक पे १० रुपया ही है। जबकि वहां के लाखों नर नारी को जिनकी तुलना उन मजदूरों से क्या हो सकेगी, एक ववत भी भोजन मिलना दूस्वार है, तो वहां के उन मजदूरों की क्या हालत होती होषी जिन को इतनी कम मजदूरी मिलती हो।

[MR. DEPUTY-SPEAKER in the Chair]

जहां तक सफ़ाई विभाग में काम करने वाले मजदूरों का सवाल है, उधर ध्यान देने को कोई भी अधिकारी तैयार नहीं है। इसलिये इन लोगों में अब यह धारणा सी बनती जा रही है कि इस पेशा को छोड़ कर कोई दूसरा पेशा अस्तित्वा करे जिस से उन का भरण पंषण हो सके। इस हालत में इस तरह का विचार होना लाजिमी भी है लेकिन इस आर्डिनेन्स के ज़रिए उन्हें कहा जाता है कि चाहे जो कुछ भी तुम्हें मजदूरी मिलती हो, या चाहे कोई भी असुविधा एवं अत्याचार तुम्हारे पर पड़े, तुम्हें, उस पेशे को करना ही पड़ेगा। मैं नहीं समझता कि इस डेमोक्रेटिक (Democratic) युग में कहां तक इसे न्याय संगत कहा जायगा। मैं जानना चाहता हूँ कि आखिर सरकार कब तक इन्हें गृहहीन, धन हीन तथा भूखे नंगे रखेगी? क्या मैं जान सकता हूँ कि आखिर कब तक उन को अपना घर तथा अपनी ज़मीने होंगी? सरकारी क्वार्टरों (Quarters) में तथा गंदे

स्थानों में भ्रोपड़ा बना कर जानवरों की तरह कब तक रहेंगे और कब तक अपनी मान मर्यादा को गंवा कर इस निकृष्ट पेशा को करने के लिए बाध्य किये जायेंगे ?

मैं ने समूचे देश के इन मजदूरों के विचारों को अध्ययन किया है। गत महीने में अखिल भारतीय दलित वर्ग संघ सम्मेलन, पटियाला के अदसर पर एक प्रस्ताव द्वारा इस आर्डिनेंस को रद्द करने के लिए मांग भी की गई है। इसलिए सरकार को चाहिये कि इस आर्डिनेंस को जल्दी से जल्दी रद्द कर दे, नहीं तो मुझे भालूम है कि निवट भविष्य में ऐसी परिस्थिति उत्पन्न हो सकती है कि इस आर्डिनेंस के विरुद्ध सक्रिय रूप से कोई कदम उठे और यह विषय हाई कोर्ट (High Court) या सुप्रीम कोर्ट (Supreme Court) तक जाय। इसलिए मैं फिर सरकार से कहूंगा कि इन सब बातों को ध्यान में रखते हुए शीघ्र कदम उठावे।

#### 4. P. M.

एक कट मोशन (Cut Motion) का जवाब देते हुए सरकार की ओर से कहा गया है कि इन मजदूरों को भी दूसरे मजदूरों जैसा लेबर (Labour) करार कर लिया गया है और सब तरह की सुविधा दी जाती है। लेकिन प्रत्यक्ष रूप से देखा जाता है कि लेबर फ़ैसिलिटीज (Labour facilities) और मजदूरों जैसा इन्हें नहीं मिलता। औद्योगिक क्षेत्रों में या कल कारखानों में या उन के अन्तर्गत म्युनिसिपलिटियों (Municipalities) में भले ही उन्हें इस तरह की सुविधा दी जाती हो, पर आम म्युनिसिपलिटियों में या सफ़ाई विभाग के विभिन्न महकमों में ऐसी बात नहीं है। आज भी

म्युनिसिपलिटियों में काम करने वाले मजदूरों को उन सुविधाओं से वंचित किया जाता है जो और मजदूरों को मिलती हैं। न तो उन्हें मैटरनिटी लीव (Maternity leave) के अलावे किसी प्रकार की छुट्टी मिलती है और न सब म्युनिसिपलिटियों की ओर से इन के रहने के लिये क्वार्टरों का प्रबन्ध है। कहीं कहीं कुछ है भी तो वह ऐसे स्थानों में है कि उन्हें वहां जानवरों की तरह रहना पड़ता है। यदि अस्पताल के इम्प्लॉईज (employees) हैं तो उन का क्वार्टर खास कर टी० बी० वार्ड्स (T.B. Wards), कालरा वार्ड्स (Cholera Wards), आइसोलेशन वार्ड्स (Isolation Wards) और पोस्ट मार्टम हाउस (Post-mortem house) के पास ही बना होता है। और यदि यह म्युनिसिपल एम्प्लॉई हैं, तो उन के लिये भी खास कर जितने क्वार्टर बने हैं, वे या तो बमपुलिस, नाईट सोयल सेन्टर (Night Soil Centre) और रेफ्यूज कार्ट्स सेन्टर (Refuse Carts Centre) या डेड बाडीज हाउस (Dead bodies house) या शहरों के बड़े से बड़े नालों के पास बनते हैं जहां इनकी भौतिक बिकास का मौका ही नहीं मिल पाता।

जैसे कि मैं ने कहा है इन के वेतन का तो पूछना ही क्या। जिन अधिकारियों का जो कुछ मन में आया, वह वेतन निर्धारित कर दिया, इन का कोई यूनिफ़ाईड स्केल (Unified scale) नहीं है। जिन को जब चाहा नौकरी से निकाल दिया जाता है, या ज़ुर्माना कर दिया जाता है बग़ैर किसी पूछ ताछ के। साथ ही यह सब विदित है कि इन के वेतन का एक तिहाई या चौथाई भाग तो प्रति मास चपरासियों, जमादारों तथा सैनिटरी इन्स्पेक्टरों (Sanitary Inspectors) या औरों की जेब में चला

[श्री राउत]

जाता है और यदि इस में किसी तरह की आना कानी की, तो उन्हें चोर, बदमाश और लम्पट आदि कह कर फ़ौरन नौकरी से बरी कर दिया जाता है। अधिकारियों द्वारा तो इन्हें कभी भी नौकरी से निकाल दिया जा सकता है, पर इन्हें अपनी इच्छा से नौकरी छोड़ने का कोई हक़ नहीं है। यदि यह इस्तीफ़े का नोटिस एक दो महीने पहले भी दाखिल करें, तब भी इन का इस्तीफ़ा मंजूर नहीं किया जाता और यदि उन्होंने इस का उलंघन किया, तो फ़ौरन वारंट आफ़ अरेस्ट का नोटिस (warrant of arrest notice) जारी कर देते हैं, जिस से मजबूरन उन्हें इन सब ज़ुल्मों के बावजूद भी इस निष्कृष्ट पेशा को करना ही पड़ता है।

मेरे पास अभी कितन ऐसे प्रमाण मौजूद हैं कि किस तरह सफ़ाई विभाग के विभिन्न महकमों में काम करने वाले मजदूरों को ३०, ४० वर्ष तक नौकरी करने के बाद उनको नौकरी से तो हटा दिया गया। पर न उन्हें कोई ग्रेचुयटी (gratuity) मिली और न कोई प्रोविडेंट फंड (provident fund) या किसी प्रकार की आर्थिक सहायता ही दी गई। बिहार राज्य के म्युनिसिपल अधिकारियों ने तो खुलासा कह दिया है कि मेहतरों को चाहे उन की सर्वसेख़ कितने भी दिनों की क्यों न हो, उन्हें रटायर (Retire) करते वक़्त किसी प्रकार की आर्थिक सहायता, ग्रेचुयटी या प्रोविडेंट फंड या कोई दूसरी प्रकार की आर्थिक सहायता पाने का हक़ नहीं है। क्या मैं जान सकता हूँ कि सफ़ाई में काम करने वाले मजदूरों को इसी प्रकार का मजदूर घोषित किया गया है? क्या आगे ३० दिनों मुसीबतों एवं ज़ुल्मों से बिरा रहना ही उन के लिये सुविधा है? यों तो इन

ज़ुल्मों की रोकथाम करने के लिए न तो सरकार की ओर से जांच होती है और न इन की देखभाल की जाती है। यदि इन लोगों ने अपने संगठनों द्वारा इस से मुक्त होने के लिये कभी आवाज़ उठाई भी तो उनके कार्यकर्ताओं को अधिकारियों की ओर से दमन नीति का चक्र चला कर मुजरिम करार दिया जाता है और कहीं तो इनकी यूनियन (Union) को जो विधानता संगठित है, मान्यता ही नहीं दी जाती। दूर की चर्चा ही क्या, दिल्ली जैसी राजधानी में भी इस तरह की यूनियन को मान्यता नहीं मिलती। लेडी हार्डिंग अस्पताल के मीनियल स्टाफ़ (menial staff) द्वारा स्थापित यूनियन को महीनों सतत परिश्रम करने के बाद भी आज तक उसे मान्यता देना तो दूर रहा, उस के संचालकों को अस्पताल के अन्दर प्रवेश करने पर भी रुकावट डाल दी गई है। जिस से वहां पर १२ दिनों अस्तोष बढ़ रहा है और इस के लिये वहां के मजदूर सत्याग्रह करने के लिए भी उतारू हो रहे हैं।

एक प्रश्न के उत्तर में माननीय रेलवे मंत्री ने कहा है कि रेलवे विभाग में काम करने वाले मजदूरों को हर तरह की सुविधा दी जाती है। हो सकता है कि इन सुविधाओं को प्राप्त करने का अधिकार इन्हें हो पर जहां तक मुझे मालूम है, य सुविधायें सिर्फ़ फ़ाइलों (files) तक सीमित रहती हैं। ई० आई० रेलवे दीनापुर जंक्शन में वहां उन के वेतन का पांचवा भाग और तिहाई भाग हर महीने बसल किया जाता है। पांचवा भाग स्याई कर्मचारियों और तीसरा भाग अस्थायी कर्मचारियों से। यहां तक कि जब किसी आदमी की बहाली की जाती है तो उस से १०० रुपये लेकर की जाती है और जब पेमेंट किया जाता है तो २०० रुपये लिये जाता है। इस चीज़

को रोकने के लिये कई बार आवाज उठाई गई, मगर अधिकारियों ने कोई सुनवाई नहीं की बल्कि आवाज उठाने वालों को नौकरी से बर्खास्त किया गया और ये जुल्म आज भी वहाँ जारी है और इस तरह के वाक्ये करीब करीब रेलवे विभाग के सफाई महकमों में हर जगह हैं।

इसलिये मैं सरकार से कहूंगा कि इन सब बातों को ठंडे दिल से सोच कर उन लोगों के उत्थान के लिये कोई ठोस कदम उठाये और राज्य सरकारों को भी मजबूर करें कि उन के उत्थान के लिये किसी तरह की उपयोगी स्कीम तैयार कर के काम में लायें जिस से ये लोग भी मानवता के समान अधिकार प्राप्त कर सकें और विधान के अनुसार ये भी हर प्रकार के अधिकारों को प्राप्त कर इस संसार में अपना सिर ऊंचा कर सकें।

*(English translation of the above speech)*

**Shri Raut (Bihar):** Sir, I am grateful to you for having given me the opportunity to express my views before the House. First of all I would like to draw the attention of the House to the Essential Service Ordinance which was issued during the War days in 1943. I do not want to discuss this subject in its legal aspect. Still I cannot help saying on the basis of the practical knowledge that the people affected by this Ordinance, consider it as an ill considered measure, as on one hand you have made provision in the Constitution that every citizen of the country has a right to take up any profession that he chooses. There will not be any legal hindrance to this effect, but on the other hand, by issuing such an Ordinance you compel nearly two crore people to take up some particular professions.

Although I do not wish to make an analysis of all other professions still I would like to draw the attention of the House to the profession of scavenging or cleaning the lavatories. This is considered to be a very low profession. A large number of people have taken up this profession. The use of the word 'low' may have created some misunderstanding in the minds of my

colleagues that whether it is justifiable to use the word 'low' for a profession which was taken up by Mahatma Gandhi, Father of the Nation. Such a misunderstanding must have been created in the minds of my colleagues. But I would like to point out to my colleague that the Father of the Nation, Mahatma Gandhi not only took up this profession, but also resided in the Bhangi Colony declaring himself as a practical Bhangi. He also stated in his prayer meeting, "If I happen to be born in this country, I pray God that I may be born in a Bhangi family". I want to ask my colleagues how many persons are there other than sweepers (Bhangies) who have taken up this profession not for show but as professionals. There is none. When no one ready to take up this profession and if persons of a particular group are forced to take up that profession against their will and are compelled to drag a miserable existence will the use of the word 'low' be not justifiable?

I cannot help saying that the Government are not considering with a cool mind the economic and social conditions of these people and their condition is getting worse day by day. No State Government is willing to take any concrete steps for their economic development. The basic pay of a sweeper is something between 15 to 25 rupees even in the famine-stricken conditions of these days. In several places of Bihar the basic pay is rupees 10 only. When thousands of people of that state cannot afford even one meal, think, what would be the condition of the labourers of that area who get so meagre wages.

[MR. DEPUTY-SPEAKER in the Chair]

So far as the labourers of the health and sanitation department are concerned, no authorities are prepared to pay any attention towards them. Therefore, these people are now intending to give up this profession and take up such professions with which they may be able to make their both ends meet; and under these circumstances such feeling is natural. But by this Ordinance they are compelled to carry on this profession, irrespective of the fact whether they get enough wages or not, they may get their grievances redressed or not, or they may be undergoing any hardships. I simply cannot understand how far such a measure can be justified in the present democratic set up of the country. I want to know how long our Government would not provide them with houses and will keep them poor, hungry and naked? May I know

[Shri Raut]

how long it will take them to own their own houses and land? How long will they live like animals in Government quarters and in dingy and dirty hovels and how long will they be compelled to carry on this profession even at the cost of their own honour and prestige?

I have studied the view points of the labourers of the whole country. It was demanded in a resolution passed at the All India Depressed Classes Association meeting which was held in Patiala last month that this Ordinance should soon be withdrawn. The Government, therefore, should withdraw this Ordinance as soon as possible, otherwise I know that such situation in near future may as may compel them to take some practical steps against this Ordinance and the point may be referred to the High Court or the Supreme Court. Therefore I would again ask the Government to take necessary steps to this effect soon.

4 P.M.

In reply to a cut motion it has been stated on behalf of the Government that these labourers have been recognized at par with other labourers and they are provided with all the facilities. But we find that in practice they are not getting the same labour facilities as are provided to other classes of labourers. It is possible that there may be provision for providing such facilities in the mills and industrial areas, or in municipalities, belonging to these areas, but that is not so in the municipalities of other places, or in the various branches of the sanitation department. Even today the labourers who are under the employ of Municipalities, are deprived of such facilities as are provided to other classes of labourers. Neither they get any leave other than the maternity leave nor all the Municipalities have provided them suitable house accommodation. Such arrangements exist at some places but they are, at such places where they have to lead a life analogous to that of animals. If they are the employees of the hospitals, their quarters are constructed near the T. B. Wards, Cholera Wards, Isolation Wards and the Post Mortem Houses. If they are the employees of the Municipalities, in that case too, their quarters are constructed near the public latrines, night soil centres, refuse carts centres or the dead bodies houses or near the big sewage gutters of the cities, under these conditions they get no scope for their physical development.

Regarding their pay, I have already stated that the authorities fix their pay according to their own whims and there is no unified scale of their pay. They are dismissed from services or are fined without any inquiry being instituted into their cases. It is a well known fact that one-third or one-fourth amount of their pay goes to the pockets of the peons, jamadars, Sanitary Inspectors or others and if they show reluctance to pay that, they are labelled as thieves, rogues and loafers and are dismissed from service immediately. They can be dismissed any time by the authorities, but they are not allowed to leave the service of their own accord. If they give notice of their resignation one or two months before, even then their resignation is not accepted, and if they violate these rules, immediately a warrant of arrest is issued on account of which they have got to carry on this low profession under compulsion in spite of these atrocities.

I know several such instances where the sweepers, who have put in 30 to 40 years' service in the various branches of the Sanitation Department have been removed from the services. But neither they have been awarded any gratuity nor provident fund, nor any financial help has been extended to them. The Municipal authorities of Bihar State have openly declared that the sweepers are not entitled to get any gratuity or provident fund or any other financial help after their retirement, irrespective of the length of their service. May I know whether the sweepers employed in the Sanitation Department have been declared labourers belonging to such category? Do you call them facilities when they have to undergo these hardships and face atrocities? The Government also did not institute any enquiry to put an end to these atrocities, nor they cared for their welfare. If these people ever attempted to raise their voice through their organisation in order to free themselves from such hardships, the authorities resorted to the policy of repression declared them offenders and their legally constituted unions were not accorded any recognition. Nothing to say of other places, even in the capital city, Delhi, such a union has not been recognised. Apart from the union set up by the menial staff of the Lady Hardinge College being recognised, for which they made constant efforts for months together, even the organisers of that union have been debarred from entering the hospital premises even. Due to this measure, dissatisfaction among the labourers is on the increase day by day and they are determined to offer Satyagraha.

In reply to a question, the hon. Minister of Railways has stated that the sweepers employed in the Railway Department are provided with every facilities. It is possible that they may be entitled to have such facilities, but as far as I know these facilities are limited to office files only. In Dinapur, on the E.I. Railway, one fifth of the pay of the permanent staff and one third of the temporary staff is illegally taken every month. So much so that in the case of reinstatement of a person, he is asked to pay Rs. 100 and in case of his being made permanent he is charged Rs. 200. Many times protests were made against this illegal practice, but the authorities paid no heed to it. On the other hand those who made these protests were dismissed from service and this highhandedness is still continuing. Such state of affairs is prevalent almost at all places in the Sanitation departments of all the Railways.

I will, therefore call upon the Government to consider these facts with a cool mind and take some definite steps for the progress of these people. I have also to ask the State Governments to put into effect some useful schemes for their progress so that these people also may acquire elementary human rights, and may lead their lives with the same dignity as has been assured by the Constitution.

**Shri C. D. Deshmukh:** I rise somewhat stunned at the end of so many days of discussion to give my reply. The Finance Minister is the official receiver of universal criticism in the Budget session. But I do not propose to describe any of my critics as destructive or fractious except perhaps one or two who are, I see, not present here.

**Mr. Deputy-Speaker:** We have heard hon. Members take exception to the Ministers not being present but one would expect that when the hon. Finance Minister replies and winds up the debate, all hon. Members who were very anxious to take part in the debate and who have placed their points of view before the hon. Finance Minister and the Government must be here to hear the explanations of the various questions at issue. It is not just to the hon. Finance Minister if those hon. Members who were anxious to speak are not in the seats now. I hope they will make it good next time and hereafter.

**Shri C. D. Deshmukh:** I want this to be conveyed to hon. Members.

**Shri J. R. Kapoor:** Those hon. Members who were anxious to speak, but could not get an opportunity, are here to listen to the hon. Finance Minister.

**Shri C. D. Deshmukh:** Anyway, my view is that many interesting points have been raised and I should have liked more extended opportunities of dealing with them in some detail but I fear that is not going to be possible within the limit of time that has been allotted to me now. I have one consolation and that is that much of the ground has already been covered during the course of the General Discussion as well as in the course of the speech on the Demands pertaining to the Ministry of Finance. The Budget was in the old days described as a gamble in the rains and it can now be described as a gamble in the international situation and that brings me to the main criticism which is that the estimates are not very reliable and therefore we are taking a certain amount of risk in considering the Finance Minister's proposals of taxation. Mr. Hussain Imam quoted a lot of figures and some of them are right, on the face of them, but he uses his statistics somewhat like an inebriate using a lamp post not for lighting his way, but for sustaining his instability. It is true in the main that there have been wide variations between the revised estimates, of opening balance and the actual closing balance, in the revised estimates of revenue and expenditure.....

**Shri Ramalingam Chettiar:** As a rule, for a large number of years the revenue has been under-estimated. Our complaint is that it was much lower than we actually got.

**Shri C. D. Deshmukh:** If the hon. Member will wait a little, he will find that is what I was going to say. There have been reasons for some of the excesses in the actual revenue collections. I would like to say that there have also been excesses on the expenditure side, as for instance in the year which has just passed. In a way the variations on the revenue side on each of these past years have been largely accounted for by increase in customs revenue or income-tax. Now the customs revenue is largely derived from the import duties which move up and down according to the volume of imports and the volume of imports in its turn depends on the import policy that we have been following in the light of our assessment of the inflationary situation or as a result of our assessment of our foreign exchange position and because of this the customs revenue has varied very largely from year to year. Now, it is only recently that the policy of levying export duties has been adopted to gather for the exchequer the part of the benefit of the increases in world prices which we



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now receive for our export commodities. In 1948-49 as an anti-inflationary measure, we decided, for instance, to accelerate the collection of the income-tax on the basis of the returns of the assessees and this meant a considerable increase in revenue which would normally have come in later years on completion of assessments.

On the expenditure side also there have been categories of expenditure which seem to have defied very precise estimating. They are defence, rehabilitation and food subsidies. I think the House will agree that so far as the expenditure on defence is concerned, that must be conditioned by the security requirements of the country and no attempt should be made to hold it to the figure entered in the Budget for the sake of estimating precision. In the Defence Ministry the difficulty which is specially encountered is the difficulty in obtaining stores from foreign countries and it often happens that they raise unforeseen delay and the expenditure of one year is drawn forward to another year.

Then coming to rehabilitation, I think the House is aware of what happened last year. Obviously the kind of additional expenditure that we had to incur could not reasonably have been foreseen and as regards food subsidies, they depend on the quantum of imports and, as again this year has illustrated, the quantum of import depends on our total requirements which may be affected by the vagaries of the monsoon; it is affected by the prices paid abroad; it is affected by the success of our internal procurement schemes. Now one or other of these factors changes our estimates radically and therefore, it is not always possible to adhere to our Budget assumptions. Then another upsetting factor in the Budget has been the pre-partition payments. So, on the whole, I am justified in saying that the large variations in the Budget, in the actuals as compared with the Budget, are due mainly to circumstances or changes of circumstances or policies during the year, and they should not be held to amount to inherent defects in estimating, much less should they be taken as an indication of a desire deliberately to distort the picture.

The same hon. Member made a reference to the closing balance. It is true that since I submitted the Budget to the House, there has been a very considerable improvement in the closing balance. I believe that the final figures, after adjustments, would be round about 155 or 150 crores, instead of 95. I have got here some of the details of

this improvement. Six crores is accounted for by investment by State Governments in Treasury Bills; 13 crores on account of less drawings by the High Commissioner in London which means some deferment of some demand, on account of non-delivery of some stores or obtaining supplies whether of food or any other thing that we may be buying; four crores represents deferred payment on account of food bonus; six crores by earlier recovery from the States for foodgrains supplies. Then, there is less loans for rehabilitation, three crores; improvement in the investments in the Treasury savings deposits, which is a new item which was introduced only in February, and which, therefore, is not easy to estimate, two crores; improvement in the collection of customs ten crores. The total comes to 44 crores. These estimates are prepared sometime in January on the basis of information available, and reliance has necessarily to be placed on the information given to the Finance Minister by the various Budgeting authorities. In spite of repeated warnings, sometimes, the State Governments fail to inform us in time of their intention to purchase Treasury Bills. That item accounts for six crores. I have already referred to the delays in obtaining stores and therefore in making payments for them abroad. Then, there is a sum of two crores in Treasury Savings Deposits. Anyway, I do not wish to understate this. There is no end to the scope for improvement and one has always to attempt to improve. But, much of this improvement is really a throw-forward to the next year. That is to say, what we have gained in 1950-51, we shall have to pay for in 1951-52. I reckon that the actual improvement over our revenue estimates would be of the order of about ten crores, and that does not alter my main theme—that taxation is still required for meeting the deficit.

The House might be interested to know that in the previous three years, in spite of the fact that there was some improvement in the revenue, we had an over-all budgetary deficit of 124 crores, and but for this improvement, it might have been over 200 crores. As against that, we imposed additional taxation to the extent of 35 crores. Last year, we reduced it by nine crores. This year, as a result of one year's working alone, as far as I can see, apart from the improvement of ten crores, which might be real, there is a deficit of 80 crores. My modest attempt was to try to cover it to the extent of one-third, leaving the balance uncovered. In this context any little improvement that comes in our way

is not really an argument for saying that taxation is unnecessary. I think in the present circumstances, any moneys that we can gather, without causing hardship—that is another aspect of the question—would be welcome because it would help us to keep the inflationary situation under control.

Some hon. Members have accused Government that the Budget does not portray a policy, and that it does not seem to have a bearing on the future. I say that it is they who have no conception of the future, and who are thinking merely of the present. I say that this Budget is intended to be the first of a series of Budgets for years in which we hope to be able to undertake measures of development according to such advice as may be given to us by the Planning Commission. I am not referring here to the Colombo Plan, which might perhaps prove too heavy a responsibility for us,—it certainly is—for our un-aided resources. How far we shall be able to secure any assistance from abroad on terms which we can accept with self-respect and dignity, is not yet quite clear. But, assuming that there is very little prospect of our obtaining aid, or assuming that even if any aid is forthcoming, it would not be in the measure that is anticipated in the Colombo Plan, I would say that it makes all the more necessary for us to see that we raise our own resources for our development. Therefore, I cannot see, in the abstract, the justification of the arguments that have been advanced against the quantum of taxation that has been proposed in the Budget. Anything that comes should, I imagine, be the grist to our mills. If we do not use it this year, we may use it next year and it would form part of our cash balances. Actually, I do not know whether much of it would be left, considering the demands that have already been made in the course of this debate: more money wanted for education, more money for health, additional funds for Scheduled Castes and Scheduled Tribes.....

**Shri Sonavane (Bombay):** You are not giving that.

**Dr. Deshmukh (Madhya Pradesh):** And the backward classes.

**Shri Goenka (Madras):** And publicity.

**Shri C. D. Deshmukh:** Publicity is said to be neglected. Some people even think that even the defence services have not been properly provided for. We have heard very impassioned speeches accusing the Central Government with lack of

sympathy in regard to the requirements of the States, beginning from Madras and ending with Assam. My colleague, the hon. Minister of State says that his demand for finances has also not been properly attended to.

**Pandit Thakur Das Bhargava (Punjab):** And the remission of tax on the Joint Hindu family.

**Shri C. D. Deshmukh:** In the light of these, I doubt whether we shall be left with anything at all out of the taxation which I am requesting the House to consider in the Select Committee. That is the general consideration.

I next come to the question of retrenchment and economies on which I have said a very great deal and I do not know whether I can add anything usefully to it. I have said before that we are examining very carefully the recommendations made by the Estimates Committee and it may be that when they are considered finally, they would enable us to achieve some significant additional economies. Occasional instances of wastages are quoted such as the incapacity of the Government agencies to make proper estimates, as for instance, in the setting up of an electric plant at Faridabad. I have got the facts here and I find that between the revised estimate of the Central Government agency and the estimate of an outsider, the difference was not very considerable. One was for 15 lakhs and the other 12 lakhs; the difference was something about three lakhs. And I believe the machinery that was imported was of a type to which we were not used in this country. Anyway, one swallow does not make a summer and one instance does not show that there is rampant wastage in the Government, although as I have said more than once, it is always our duty to ensure that no wastage whatsoever takes place.

Now, that brings me to the next question and that is this. Assuming that the estimates are not too wide, and assuming that the scope for further economies is restricted, what sort of taxation pattern shall we have? Is the pattern that I have put forward generally acceptable or is it entirely wrong? Now, the principle charge that has been made against it is that it is ill-distributed, and that it bears heavily on the poorer sections of the community. That charge I have dealt with in the course of my reply to the General Discussion. I did not have time then to give figures of the proportion of direct and indirect taxation in this country. But if we exclude

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export duties which do not figure very much in the budgets of other countries—certainly in the case of the U.S.A.—you would find that the proportion of direct taxation in our total taxation is fairly high now in India. As regards the actual incidence, about half the income-tax is recovered from about 2,000 assessees whose incomes are recorded as over Rs. two lakhs. These are the people who are on our books. We do not know if there are any other people with incomes of that kind. About 25,000 people pay another Rs. 35 crores. That makes Rs. 91 crores and the rest which I think is a little less than one-third, comes from the smaller assessees. I doubt if in the circumstances at the present moment it is possible for us to emulate countries like the United Kingdom where the rates of taxation of the higher slabs of income run to very much higher heights. As I pointed out in the course of my answer, if we can improve our collection machinery and our agency for assessment, then it may be possible to do something in this matter. But at the moment any increase in the rates simply bears very heavily on people who are prepared to play fair with Government and a large majority of them, at least in the middle brackets are people who have no option in the matter, whose income-tax is deducted right at the source. So it is practically these difficulties and not any ideological considerations that prevent us from putting steeper taxes on the richer classes, except that I may say that as a result of our three years review of the policy we came to the conclusion that we should try and run a mixed economy at this juncture and that therefore we should set up conditions which are favourable for the working of such a mixed economy. Therefore, I think some kind of concession has to be shown not to the rich as rich but as entrepreneurs or others on whom we rely for promoting the private sector in our mixed economy.

**Shrimati Renuka Ray (West Bengal):** What result has the hon. Minister got from such concessions?

**Shri Sondhi (Punjab):** You are still alive, that is the result.

**Shri C. D. Deshmukh:** I do not know whether it is possible to measure the result as a result of one or two years' working; but I do believe that conditions this year are very much better than they were last year. One thing that may be regarded a barometer or thermometer of this is the state of

the stock-exchanges. If the stock-exchanges are in a healthy condition, then I think one may assume that the investors will be attracted to the investment markets. If on the other hand the stock-exchanges are disorganised and depressed, then we may be sure that investment money will not run into private ventures. I think, judging from the conditions of the stock-exchanges at the present moment, there is a far greater chance of the investor who belongs, according to me, to the upper middle-classes, being attracted to the investment market. There is greater chance now than there has been in the last two or three years.

I now come to the specific proposals that were made or suggestions that were thrown out. One of them was that we should really impose a capital levy. Now, a capital levy is in other countries regarded as a grave emergency measure. It is thought of either for financing war expenditure or for wiping out a part of excessive war debts. It was quite a popular idea after the first world war and the desirability of imposing this was hotly debated in many European countries at that time. But ultimately most nations dropped the idea as impracticable. In several European countries where a capital levy was actually tried, the results did not warrant a verdict in favour of such levies, except where after enemy occupation they took the form of extraordinary currency relief measures whose success depended mainly on right timing, and the right timing was after the enemy had left the country. Also, the actual administration of a capital levy is a most complicated thing. It involves valuation of different types of capital assets, fixation of workable exemption limits, determination of the degree of progressiveness and so on. Psychologically, a capital levy has a very disturbing effect. It shakes confidence and seriously upsets the capital markets. It is quite certain, according to experts, that it will deal a fatal blow to voluntary private saving. Therefore we cannot at the same time think of promoting voluntary savings and of imposing capital levy. One must make up one's mind one way or the other, apart from the other considerations that I have mentioned. Indeed, in my view, any levy that depresses capital values at the present moment would be very inadvisable. The value of industrial securities have already come down very considerably since 1946, and so far as Government securities are concerned, they also are not quite so steady as they used to be. And then much of

Lastly, objection was taken to our intending to issue a notification instead of bringing the measure before the legislature. The House should remember that this is not the only notification that is being issued for application of laws to Delhi. It is an instrument which is in constant use, and one of the cases arising out of such applications is before the Supreme Court. If we were to take some action here in the direction indicated, then it might be construed as prejudicing our case somewhat. Therefore, whatever our ultimate decision may be, I do not think we are free at the moment to bring this provision for the imposition of a sales-tax in Delhi as a Bill before the House.

**Shri Deshbandhu Gupta:** This is the first taxation measure.

**Shri C. D. Deshmukh:** That may be so but that does not alter the legal position. We must await the results of the case that is now before the Supreme Court before we take any decision in the matter.

**Shri Deshbandhu Gupta:** My objection was as to the propriety of it.

**Shri C. D. Deshmukh:** I think anything that the law has permitted is proper.

I have not got very much time, and I would like to deal now with one very important question, and that is the question of sterling balances that was raised by Acharya Kripalani.....

**An Hon. Member:** What about the duty on kerosene?

**Shri C. D. Deshmukh:** As I say I am not unmindful of the importance of the suggestions made by various Members in regard to these *biris*, kerosene and so on. I do not like to be explicit at this stage because it is for the Select Committee now to take notice of those suggestions. They are addressed to the Select Committee just as they are addressed to me and it is not for me to take a decision in advance and say that I propose to do this and that. That is why I say that so far as I am concerned, I am prepared to consider some of these things sympathetically. Also, I refer to the suggestion which was made by Shrimati Renuka Ray that something ought to be done about the lower income class brackets and so on. All these things will come up before the Select Committee.

In regard to the sterling balances, as you observed this morning, we have gone rather deep into the history of the matter. Acharya Kripalani himself said that he was not a financier, and that was obvious from some of

the things that he said. He must have been advised by someone who is quite familiar with some of the apparent facts of the situation, although I think their presentation and the emphasis are wrong. These agreements were made at a time when we were not even sure how much of our balances we were going to recover. It is very well now to look back on it when we have recovered a great deal and say, "Why did you agree to this and to that?" but if we cast our minds three years back and remember what was written in the papers and in some of the London City journals and so on, I think it was that condition which influenced the House to approve of the arguments which were generally made then. In regard to the rate of interest, I had a great deal to do with it. The original proposal of the first mission that came out was that we should have only half a per cent., as was given to some of the other countries which had agreements like us, for instance, Argentina. I was then in charge of the Reserve Bank and I said, these are, whatever you may describe them as—war balances or otherwise—part of the assets of the Reserve Bank, and therefore they should be allowed to be disposed of generally in the same way in which the Reserve Bank is disposing of them. At the time it happened that a proportion—I think about 250 or 300 million pounds—were invested in the kinds of securities in which it is permissible to invest them under five years and the rest of them were necessarily in treasury bills. Now these must not be equated with investments of an insurance company. These are banker's assets. Now a bank does not keep every single pie of its money in 3½ per cent. or four per cent. securities. Otherwise it would cease to be a bank. It has to keep a certain amount of its money in some fluid resource, and so far as the sterling balances were concerned we knew that we wanted to utilize them when we got the opportunity immediately the war was over. Therefore, they had to be very much in a fluid state. Now, you can imagine what would happen if they had all been invested in even these medium term securities because the moment you wanted to liquidate them you might have suffered a capital loss. Therefore, it was in accordance with banking principle that the Reserve Bank at that time—I am referring to 1947—decided to hold the bulk of them in treasury bills and the rest in the permissible securities, and as events have proved we have drawn on quite a substantial part of them. I think it is somewhat inconsistent to argue on the one hand that we should have freedom to use our money just as we want and also to argue that our money

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articles. It would not be right for me to say what we are going to do but since these suggestions have been made we are bound to consider them, especially as the House has vested us with power to impose these duties whenever we consider that that is desirable and we shall certainly study the problems that are involved in these suggestions.

Then there were some suggestions about sugar, by Prof. Saksena and also the suggestion of Mr. Kapoor referred to by him. We are at the moment examining these also.

Some reference was made again to railway fares by Mr. Kamath, that it really showed in what a deplorable state the Centre's finances were, so that you have to increase the railway fares even for the sake of the general revenues. That is not strictly correct. We are bankers for the railways and what I pleaded with the Railway Minister was that this year I was not able to release as much for his general development programme as I should have liked to and would he give me some temporary relief. It was essential for the sake of his own development programme that he raised the railway fares. I do not wish to go into the matter further, because that has already been accepted by the House.

Then there were references to the tobacco tax. We have spent a great deal of time recently,—by "we" I mean my colleague and myself—interviewing representatives of the tobacco trade and we are well aware of the difficulties. We have every intention of trying to solve them so as to minimise hardship to the sections of the community that are affected. I think by the time the Bill emerges from the Select Committee the House will be far more satisfied with it than it has reason to be now.

**Shri Sondhi:** *Bidi zindabad.*

**Shri C. D. Deshmukh:** That leaves only one question about taxation and that is the sales tax for Delhi. I said the other day that I did not have time to deal with the problems that Mr. Deshbandhu Gupta had put forward and it is not fair that he should not be answered in regard to this. The main point was that Delhi was a distributing centre and its importance will suffer if the sales tax were to be imposed. My reply is that so far as exports are concerned for sale outside they would not be subject to the tax. So I hope that Delhi, in spite of the imposition of the tax, would still continue to be the distributing centre as wholesalers

and retailers for the adjoining provinces, such as Uttar Pradesh, Punjab and parts of Rajasthan, distributing commodities too.

I have dealt with the point that he made about the opposition of the Chief Commissioner. Then he referred to the terminal tax and he said that he feared that much of it would be lost. I find on an analysis of the statistics that much of it comes from articles which we are going to exempt, like food and cloth. I think food alone brings about Rs. 30 lakhs out of the Rs. 70 lakhs of terminal tax. Then comes cloth—I have not got the detailed figures here, but I am quite convinced that the imposition of sales-tax holds no appreciable danger to the revenues from terminal tax of the municipal bodies here.

We are also going to have a fairly high exemption limit, and that has a bearing on another argument which Shri Deshbandhu Gupta advanced, and that is that the refugees would suffer. In the course of private discussion with me he said that many of the big traders would suffer because their business would go to the small ones, but then when I pointed out that many of the smaller traders were refugees themselves.....

**Shri Deshbandhu Gupta (Delhi):** When I said refugees will suffer, I meant refugees who have just got their bearings in trade; that is those who have got their shops and are over the Rs. 30,000 limit but have not yet settled down in their trade, they will suffer.

**Shri C. D. Deshmukh:** Well, then my reply is that most of them would be people doing business under 30,000 and if they have business over Rs. 30,000 I do not know if we should regard it as a very valid objection. As I said, there is a very long list.....

**Mr. Deputy-Speaker:** Is not ten thousand the limit in Madras?

**Shri C. D. Deshmukh:** Madras has put it at ten thousand, ours will be at least double that if not more.

I am quite certain that when Delhi actually sees the list of exemptions, having done its duty, so to speak, it will be quite satisfied in regard to this sales-tax which is at a very low level, namely, six pies, and we do not propose at the moment ever to have that gradation which even that parent Act, the West Bengal Act, has, that is to say, prices on certain articles to be taxed at two annas a rupee and so on. It is going to be a flat rate of six pies and a single point tax.

Lastly, objection was taken to our intending to issue a notification instead of bringing the measure before the legislature. The House should remember that this is not the only notification that is being issued for application of laws to Delhi. It is an instrument which is in constant use, and one of the cases arising out of such applications is before the Supreme Court. If we were to take some action here in the direction indicated, then it might be construed as prejudicing our case somewhat. Therefore, whatever our ultimate decision may be, I do not think we are free at the moment to bring this provision for the imposition of a sales-tax in Delhi as a Bill before the House.

**Shri Deshbandhu Gupta:** This is the first taxation measure.

**Shri C. D. Deshmukh:** That may be so but that does not alter the legal position. We must await the results of the case that is now before the Supreme Court before we take any decision in the matter.

**Shri Deshbandhu Gupta:** My objection was as to the propriety of it.

**Shri C. D. Deshmukh:** I think anything that the law has permitted is proper.

I have not got very much time, and I would like to deal now with one very important question, and that is the question of sterling balances that was raised by Acharya Kripalani.....

**An Hon. Member:** What about the duty on kerosene?

**Shri C. D. Deshmukh:** As I say I am not unmindful of the importance of the suggestions made by various Members in regard to these biris, kerosene and so on. I do not like to be explicit at this stage because it is for the Select Committee now to take notice of those suggestions. They are addressed to the Select Committee just as they are addressed to me and it is not for me to take a decision in advance and say that I propose to do this and that. That is why I say that so far as I am concerned, I am prepared to consider some of these things sympathetically. Also, I refer to the suggestion which was made by Shrimati Renuka Ray that something ought to be done about the lower income class brackets and so on. All these things will come up before the Select Committee.

In regard to the sterling balances, as you observed this morning, we have gone rather deep into the history of the matter. Acharya Kripalani himself said that he was not a financier, and that was obvious from some of

the things that he said. He must have been advised by someone who is quite familiar with some of the apparent facts of the situation, although I think their presentation and the emphasis are wrong. These agreements were made at a time when we were not even sure how much of our balances we were going to recover. It is very well now to look back on it when we have recovered a great deal and say, "Why did you agree to this and to that?" but if we cast our minds three years back and remember what was written in the papers and in some of the London City journals and so on, I think it was that condition which influenced the House to approve of the arguments which were generally made then. In regard to the rate of interest, I had a great deal to do with it. The original proposal of the first mission that came out was that we should have only half a per cent., as was given to some of the other countries which had agreements like us, for instance, Argentina. I was then in charge of the Reserve Bank and I said, these are, whatever you may describe them as—war balances or otherwise—part of the assets of the Reserve Bank, and therefore they should be allowed to be disposed of generally in the same way in which the Reserve Bank is disposing of them. At the time it happened that a proportion—I think about 250 or 300 million pounds—were invested in the kinds of securities in which it is permissible to invest them under five years and the rest of them were necessarily in treasury bills. Now these must not be equated with investments of an insurance company. These are banker's assets. Now a bank does not keep every single pie of its money in 3½ per cent. or four per cent. securities. Otherwise it would cease to be a bank. It has to keep a certain amount of its money in some fluid resource, and so far as the sterling balances were concerned we knew that we wanted to utilize them when we got the opportunity immediately the war was over. Therefore, they had to be very much in a fluid state. Now, you can imagine what would happen if they had all been invested in even these medium term securities because the moment you wanted to liquidate them you might have suffered a capital loss. Therefore, it was in accordance with banking principle that the Reserve Bank at that time—I am referring to 1947—decided to hold the bulk of them in treasury bills and the rest in the permissible securities, and as events have proved we have drawn on quite a substantial part of them. I think it is somewhat inconsistent to argue on the one hand that we should have freedom to use our money just as we want and also to argue that our money

[Shri C. D. Deshmukh]

articles. It would not be right for me to say what we are going to do but since these suggestions have been made we are bound to consider them, especially as the House has vested us with power to impose these duties whenever we consider that that is desirable and we shall certainly study the problems that are involved in these suggestions.

Then there were some suggestions about sugar, by Prof. Saksena and also the suggestion of Mr. Kapoor referred to by him. We are at the moment examining these also.

Some reference was made again to railway fares by Mr. Kamath, that it really showed in what a deplorable state the Centre's finances were, so that you have to increase the railway fares even for the sake of the general revenues. That is not strictly correct. We are bankers for the railways and what I pleaded with the Railway Minister was that this year I was not able to release as much for his general development programme as I should have liked to and would he give me some temporary relief. It was essential for the sake of his own development programme that he raised the railway fares. I do not wish to go into the matter further, because that has already been accepted by the House.

Then there were references to the tobacco tax. We have spent a great deal of time recently,—by "we" I mean my colleague and myself—interviewing representatives of the tobacco trade and we are well aware of the difficulties. We have every intention of trying to solve them so as to minimise hardship to the sections of the community that are affected. I think by the time the Bill emerges from the Select Committee the House will be far more satisfied with it than it has reason to be now.

**Shri Sondhi:** *Bidi zindabad.*

**Shri C. D. Deshmukh:** That leaves only one question about taxation and that is the sales tax for Delhi. I said the other day that I did not have time to deal with the problems that Mr. Deshbandhu Gupta had put forward and it is not fair that he should not be answered in regard to this. The main point was that Delhi was a distributing centre and its importance will suffer if the sales tax were to be imposed. My reply is that so far as exports are concerned for sale outside they would not be subject to the tax. So I hope that Delhi, in spite of the imposition of the tax, would still continue to be the distributing centre as wholesalers

and retailers for the adjoining provinces, such as Uttar Pradesh, Punjab and parts of Rajasthan, distributing commodities too.

I have dealt with the point that he made about the opposition of the Chief Commissioner. Then he referred to the terminal tax and he said that he feared that much of it would be lost. I find on an analysis of the statistics that much of it comes from articles which we are going to exempt, like food and cloth. I think food alone brings about Rs. 30 lakhs out of the Rs. 70 lakhs of terminal tax. Then comes cloth—I have not got the detailed figures here, but I am quite convinced that the imposition of sales-tax holds no appreciable danger to the revenues from terminal tax of the municipal bodies here.

We are also going to have a fairly high exemption limit, and that has a bearing on another argument which Shri Deshbandhu Gupta advanced, and that is that the refugees would suffer. In the course of private discussion with me he said that many of the big traders would suffer because their business would go to the small ones, but then when I pointed out that many of the smaller traders were refugees themselves.....

**Shri Deshbandhu Gupta (Delhi):** When I said refugees will suffer, I meant refugees who have just got their bearings in trade; that is those who have got their shops and are over the Rs. 30,000 limit but have not yet settled down in their trade, they will suffer.

**Shri C. D. Deshmukh:** Well, then my reply is that most of them would be people doing business under 30,000 and if they have business over Rs. 30,000 I do not know if we should regard it as a very valid objection. As I said, there is a very long list.....

**Mr. Deputy-Speaker:** Is not ten thousand the limit in Madras?

**Shri C. D. Deshmukh:** Madras has put it at ten thousand, ours will be at least double that if not more.

I am quite certain that when Delhi actually sees the list of exemptions, having done its duty, so to speak, it will be quite satisfied in regard to this sales-tax which is at a very low level, namely, six pies, and we do not propose at the moment ever to have that gradation which even that parent Act, the West Bengal Act, has, that is to say, prices on certain articles to be taxed at two annas a rupee and so on. It is going to be a flat rate of six pies and a single point tax.

extent to which we can foresee them, freight arrangements have already been made, but I believe that this criticism that we may have lost a lot of money because we did not fix up the freights is based on a misconception of the circumstances which prevailed this year. It is true that this year freights have gone against us, but the conditions this year were such that we could not have foreseen where we were going to get the grain from. It is only recently that some negotiations have been opened with some countries from which we had never obtained any supplies before. So I can assure the House that all reasonable care has been taken in securing freight for moving the grain that we buy in foreign countries.

5 P.M.

Then, there was some reference made to allowing the import of gold. I think it is one of the hares that has been started by the Bullion Exchange in Bombay. It has been considered very carefully by us. It is true that we lose a certain amount of exchange by the smuggling of gold. It is not possible to give an actual figure in these matters, but I am quite convinced that if we allow the regular import of gold and silver, we should be losing at least five times that much exchange and that is what we cannot afford at this stage. Also, as we are members of the International Monetary Fund, it is not open to us, as long as we continue to be a member, without violating the policy laid down by the International Monetary Fund to allow the free import of gold at premium prices, because the Fund has been attempting to ensure that gold does not go into hoards and is not denied to the monetary resources of many countries. Almost every year, certain Governments which are interested in producing and selling gold at premium prices agitate the matter before the International Monetary Fund. I think it has been reviewed at least three times so far and their conclusion has always been that in the interests of the functions of gold as a monetary medium it would not be right for them to permit members to deal in gold at other than the official prices. Therefore, there are very serious objections to allowing free import of gold and silver into this country.

I have already made reference to the claims made on behalf of the Scheduled Castes, education, cottage industries and so on.

**Shri Sonavane:** What has been done for the Scheduled Castes in the matter of education?

70 P.S.

**Shri C. D. Deshmukh:** As soon as the Education Ministry are able to utilise the funds for this purpose usefully, that is to say, they have the requisite number of candidates and the percentage of rejections is somewhat less than it has been, then I think this thing is bound to expand. It is not as if there is any arbitrary bar placed on their expenditure. What limits the expenditure is not the intransigence of the Finance Ministry, but it is the difficulty of assigning the scholarships to worthwhile students and I have no doubt that their number will increase and as the number increases, it should not impose an unduly heavy burden on the Finance Ministry to find funds for the scholarships that are required for them.

**Shri M. L. Gupta (Hyderabad):** We have not been told anything about the Imperial Bank.

**Shri C. D. Deshmukh:** The Imperial Bank would come up again and again before us, I have no doubt. But the point that was made by Dr. Pande was that we might acquire the Imperial Bank and that that would bring us a lot of profit. That is all illusory. I think that the interest of the money that we will require for purchasing would eat up almost all the profit that would come to us by acquiring the Bank.

**Dr. Deshmukh:** What about revaluation?

**Shri C. D. Deshmukh:** It was my intention to place all the facts before the *ad hoc* Committee for Devaluation, because it was not possible for me in the time allotted to explain the figures. I am quite willing to place before the *ad hoc* Devaluation Committee all the figures and to ask them to co-opt one or two other Members like Mr. Jhunjhunwala. I do not believe that he is on the Committee, but if he is interested he can attend and we will show him whatever material we have. We will invite to that meeting the experts of the Reserve Bank who have given us these figures. They can be cross-examined by you and you can satisfy yourself that the decision that has been taken is a reasonable one.

**Dr. Deshmukh:** What about State trading?

**Shri C. D. Deshmukh:** Now, there are various other matters like State trading and so on. If you give me the time I have got the answers here.

**Mr. Deputy-Speaker:** In the interest of the hon. Member himself who has put this question, it is no good forcing the hon. Minister to give an off-hand



[Mr. Deputy-Speaker]

reply. Therefore, after the Bill is reported on by the Select Committee, it will come up for consideration, when he can ask for enlightenment on these points.

**Shri C. D. Deshmukh:** I have got all the materials; it is just lack of time that prevents me from replying to them.

**Mr. Deputy-Speaker:** 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, be referred to a Select Committee, consisting of Shri M. Ananthasayanam Ayyangar, Shri M. R. Masani, Shri Manilal Chaturbhai Shah, Shri Ramnath Goenka, Shri B. L. Sondhi, Shri Biswanath Das, Shri Satyendra Narayan Sinha, Shri Khandubhai K. Desai, Shri U. Srinivasa Mallayya, Shri M. V. Rama Rao, Shri T. A. Ramalingam Chettiar, Shri Ratnappa Kumbhar, Sardar Hukam Singh, Shri R. Venkataraman, Shri A. K.

Menon, Shri Braja Kishore Prasad Sinha, Babu Gopinath Singh, Shri Mihir Lal Chattopadhyay, Shri Raj Bahadur, Shrimati G. Durgabai, Shri Tribhuan Narayan Singh, Shri Gokulbhai Daulatram Bhatt, Shri Deshbandhu Gupta, Shri P. Kodanda Ramiah, the hon. Shri Mahavir Tyagi and the Mover with instructions to report by the 25th April 1951."

The motion was adopted.

**Mr. Deputy-Speaker:** The Select Committee will meet for the first time at 9 A.M. on Monday in room No. 62.

**Shri Sondhi:** Are we expected to sit both in the morning and in the evening? Are we to start work at nine o' clock in the morning and finish at eight o' clock at night?

**Mr. Deputy-Speaker:** Occasionally hon. Members, particularly those who do not have much work at home, will have to do that.

*The House then adjourned till a Quarter to Eleven of the Clock on Monday, the 16th April 1951.*