

Wednesday
6th April, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

Official Report

Volume III, 1949
(18th March to 7th April, 1949)

Fourth Session
OF THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE)
1949



CONTENTS

Volume III—18th March to 7th April, 1949

	Pages
FRIDAY, 18TH MARCH, 1949—	
Starred Questions and Answers	1605—69
Unstarred Question and Answer	1689
SATURDAY, 19TH MARCH, 1949—	
Declaration by Members	1601
Starred Questions and Answers	1661—88
Unstarred Questions and Answers	1688—90
Short Notice Questions and Answers	1690—93
MONDAY, 21ST MARCH, 1949—	
Starred Questions and Answers	1695—1726
Postponed Starred Questions and Answers	1727
Unstarred Questions and Answers	1727—32
Short Notice Questions and Answers	1733—34
TUESDAY, 22ND MARCH, 1949—	
Starred Questions and Answers	1735—67
Unstarred Questions and Answers	1767—68
WEDNESDAY, 23RD MARCH, 1949—	
Starred Questions and Answers	1769—92
Unstarred Questions and Answers	1792—94
Short Notice Question and Answer	1795—96
THURSDAY, 24TH MARCH, 1949—	
Starred Questions and Answers	1797—1831
Unstarred Questions and Answers	1831—34
Short Notice Question and Answer	1834—35
FRIDAY, 25TH MARCH, 1949—	
Starred Questions and Answers	1837—80
MONDAY, 28TH MARCH, 1949—	
Starred Questions and Answers	1881—1907
Unstarred Question and Answer	1907—08
TUESDAY, 29TH MARCH, 1949—	
Starred Questions and Answers	1909—42
Unstarred Questions and Answers	1942—43
WEDNESDAY, 30TH MARCH, 1949—	
Starred Questions and Answers	1945—91
Unstarred Question and Answer	1991—92
THURSDAY, 31ST MARCH, 1949—	
Starred Questions and Answers	1993—2017
Unstarred Question and Answer	2017—18
FRIDAY, 1ST APRIL, 1949—	
Starred Questions and Answers	2019—59
Unstarred Questions and Answers	2059
MONDAY, 4TH APRIL, 1949—	
Starred Questions and Answers	2061—2100
Unstarred Questions and Answers	2100—08

TUESDAY, 5TH APRIL, 1949—

Starred Questions and Answers	2109—23
	2126—84
Repetition of Questions involving enormous labour in preparation of answers	2124—25
Postponed Starred Question and Answer	2165
Unstarred Questions and Answers	2165—75

WEDNESDAY, 6TH APRIL, 1949—

Starred Questions and Answers	2177—224
Unstarred Questions and Answers	2225

THURSDAY, 7TH APRIL, 1949—

Starred Questions and Answers	2227—62
Unstarred Question and Answer	2262—63
Statements laid on the Table	2263—77

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART—I—QUESTIONS AND ANSWERS)

Wednesday, 6th April, 1949

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

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

PLANS FOR TRAINING NURSES

*1675. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Health be pleased to state the plans of Government for training more nurses to meet the present shortage?

(b) What is the number of nurses being trained every year?

The Honourable Rajkumari Amrit Kaur: (a) and (b). A statement containing the information asked for is laid on the table of the House.

STATEMENT

(a) A scheme for additional residential accommodation for Nurses including Student Nurses has been sanctioned for the Irwin Hospital, New Delhi. To provide for the teaching of the increasing number of student nurses in the Centrally Administered Areas, Sister Tutors are being trained in as large a number as possible in Delhi and abroad. A College of Nursing for higher training in Nursing has been started in Delhi. The larger hospitals provide training for probationer Nurses. In areas where there are no such training hospitals the Local Administration has been deputing candidates for training in adjoining provinces.

In the provinces, plans are under consideration to provide for the training of auxiliary nursing personnel and of an additional number of student nurses in existing training centres. New training centres are also being established. Various Dufferin and Mission Hospitals have been asked to train student nurses at Government expense. Steps are being taken to make the profession more attractive by increasing the salaries and reducing the hours of work where they are unduly long.

(b) *Name of province/
Administration*

*Average number of nurses
trained annually.*

Madras	351
Bombay	183
West Bengal	135
U. P.	84
Bihar	45

East Punjab	80
Assam	51
Orissa	32
C.P.	40
Delhi	112
Ajmer-Merwara	6
Coorg	3
Himachal Pradesh	
Kutch.	
	1102
Total	1102

Shri V. C. Kesava Rao: May I know whether any nurses are being sent to foreign countries for higher training?

The Honourable Rajkumari Amrit Kaur: Yes, they are.

Shrimati G. Durgabai: May I know whether the All-India Nursing Council which is supposed to have taken up the recruitment of nurses has started its work, if not, when is it going to start the work?

The Honourable Rajkumari Amrit Kaur: The All-India Nursing Council has just been formed, and its first meeting is going to be held shortly.

Shri V. C. Kesava Rao: May I know whether there is any proposal to train public health nurses?

The Honourable Rajkumari Amrit Kaur: I do not know what the questioner means by "public health nurses". If he means Lady Health Visitors, they are already being trained.

Shri H. V. Kamath: How many nurses are required, in the Minister's view, to meet the needs of a sick nation such as India is today?

Mr. Speaker: The question is vague.

Dr. P. S. Deshmukh: What is the number of nurses who are receiving this higher training at present?

The Honourable Rajkumari Amrit Kaur: The average number of nurses trained annually is 1102 and out of this, a great many do receive higher training.

Shrimati G. Durgabai: May I know what is the total number of male nurses working today?

The Honourable Rajkumari Amrit Kaur: I have not got the figure of male nurses available here.

Shri V. C. Kesava Rao: May I know the training capacity of the Nursing College, Delhi.

The Honourable Rajkumari Amrit Kaur: Delhi trains 112 nurses annually and it is hoped to increase that number in the coming year.

Shrimati Ammu Swaminadhan: In view of the fact that more young ladies are coming forward for training as nurses, may I ask the Honourable Minister whether there are enough training centres in India to meet the needs of all those who are coming forward?

The Honourable Rajkumari Amrit Kaur: I leave to admit that the centres available for training are not enough, but the provinces are forging ahead with plans for further training and the Centre is forging ahead likewise.

Sri Mahavir Tyagi: Is there any arrangement for the training of village nurses, that is to say, those who do not know English?

The Honourable Rajkumari Amrit Kaur: Yes, Sir.

Shri S. V. Krishnamoorthy Rao: Has Government fixed any target date to implement the recommendations of the Bhore Committee Report in this connection?

The Honourable Rajkumari Amrit Kaur: Yes. Government is trying to implement the Bhore Committee recommendations as quickly as possible.

Sri Mahavir Tyagi: May I conclude that the nurses from the villages who do not know English are actually admitted to the training schools, of which mention is made in the answer?

The Honourable Rajkumari Amrit Kaur: Nurses that are trained for villages are naturally not admitted into the hospitals, because the hospital training requires a certain amount of English knowledge, but arrangements are made to train nurses in the languages of the country.

Sri V. S. Sarwate: How many nurses are admitted from the States?

The Honourable Rajkumari Amrit Kaur: I would have to have notice of that question.

ALLOCATION OF INCOME-TAX PROCEEDS TO PROVINCES

†1676. **Seth Govind Das:** Will the Honourable Minister of Finance be pleased to state:

(a) whether it is a fact that the allocation of income-tax proceeds to various provinces has been changed; and

(b) if so, what are the details of the past and the present allocations of income-tax proceeds to various provinces?

The Honourable Dr. John Matthai: (a) Yes, Sir.

(b) A statement is laid on the table.

STATEMENT

Name of Province	Percentage of the Provincial share of Income-tax under the Government of India (Distribution of Revenues) Order, 1958	Percentage of Provincial share of Income-tax after the Partition
1	2	
Madras	15	18
Bombay	20	21
Bengal	20	..
West Bengal	..	12
Assam	2	3
Orissa	2*	3
U. P.	15	19
Bihar	10	13

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

1	2	3
C. P.	5	6
Punjab	3	..
East Punjab	5
N. W. F. P.	1	..
Sind	2	..
Total	100	100

DELHI SPECIAL POLICE ESTABLISHMENT

†*1677. **Lala Raj Kanwar:** Will the Honourable Minister of Home Affairs be pleased to refer to the reply to Starred Question No. 77 asked by Shri Kishorimohan Tripathi on the 10th August, 1948 regarding the working of the Delhi Special Police Establishment and state:

- (a) the date of the organisation of this establishment;
- (b) the composition of the said establishment;
- (c) the number of cases registered by the said establishment from the date of its organisation till 31st December, 1948 or till the last date upto which figures are available;
- (d) of the above cases how many relate to Gazetted or Commissioned officers and how many to non-Gazetted or non-commissioned officers, and how many of these have ended in conviction; and
- (e) what action is being taken to prosecute or otherwise punish the remaining offenders who have not yet been brought to trial or otherwise proceeded against?

The Honourable Sardar Vallabhbhai Patel: (a) June, 1941.

(b) A statement (No. I) is laid on the table of the House.

(c) 1854 up to 28th February 1949.

(d) and (e). Of the above cases, information about 122 cases is not fully available on account of the non-receipt of complete records from Lahore, the pre-partition Headquarters of the S.P.E., and of some cases pending disposal in Pakistan. A statement (No. II) showing the disposition of the remaining 1732 cases is laid on the table of the House.

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

	Cases involving Gasetted and/or Commissioned officers.	Cases in which G. O. or C. Os. were jointly involved with N. G. O. or N. C. O.	Cases involving N. G. Os. and/or N. C. Os.	Cases involving only members of the public	Total
Convicted	31	2	303	129	465
Acquitted	20	6	173	41	240
Withdrawn from court for administrative or other reasons.	2	2	7		11
Cases which lapsed in court, the accused having died or in which action u/s 512 Cr. P. C. taken, the accused having absconded	1		7	3	11
Cases pending trial in courts	18	15	146	28	207
Cases which ended in punishment as a result of departmental action.	19*	2	112†	8	141
Cases in which persons involved were exonerated as a result of departmental proceedings	4		28	2	34
Cases pending departmental action	9		26	1	36
Cases ready for prosecution	7		8	10	26
Cases pending sanction for prosecution.	5		21		26
Cases transferred to local authorities for necessary action	3		4	8	15
Cases dropped for want of proof, etc.	58		82	74	214
Cases under investigation	30	12	212	53	307
TOTAL	207	39	1,129	357	1,732

*5 officers removed from service.

†59 public servants removed from service.

BALANCE OF PAYMENTS WITH U. S. A.

*1678. **Shri R. K. Sidwa:** (a) Will the Honourable Minister of Finance be pleased to state the present position of the balance of payments account with the U.S.A.?

(b) If it is unfavourable to India, how will the deficit be made up?

(c) What was the amount of Indian exports to dollar areas during the year 1948?

The Honourable Dr. John Matthai: (a) During the eleven months January—November 1948 India had a deficit in her balance of payments with the United States of Rs. 60.63 crores=\$181.89 million. Later figures are not available but the balance continues to be unfavourable.

(b) The deficit in the past was met by borrowing from the International Monetary Fund and by spending the multilaterally convertible sterling placed at India's disposal under the Sterling Balances Agreements. In the future we hope also to borrow from the International Bank for Reconstruction and Development.

(c) According to the Sea-borne Trade Accounts, the value of Indian exports to the dollar areas during the calendar year 1948 amounted to Rs. 106.92 crores=\$320.76 million.

Shri E. K. Sidhva: May I know whether we can draw on sterling reserve for dollars?

The Honourable Dr. John Matthai: We can draw only on the amount of sterling that has been released to us in convertible form.

Shri R. K. Sidhva: What is the reason for this adverse trade balance in dollars?

The Honourable Dr. John Matthai: Because our exports are coming down and our imports are going up.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister what is the total quantity of imports during the same calendar year 1948 from dollar areas?

The Honourable Dr. John Matthai: I have not got the information here, but I will give it to the honourable member.

Shri M. Ananthasayanam Ayyangar: These borrowings are intended for current expenses. How does the Honourable Minister propose to pay the loans that he has borrowed from the International Monetary Fund and Bank?

The Honourable Dr. John Matthai: That is one of the problems which I am anxiously considering at the moment.

Shri M. Ananthasayanam Ayyangar: Has the Honourable Minister any idea of reducing the quantity of imports which could otherwise be dispensed with as far as possible?

The Honourable Dr. John Matthai: That is one of the directions in which we are pursuing this problem, that is to say, try and expand our exports as far as possible and reduce our imports.

Shri M. Tirumala Rao: What is the rate of interest we are paying for the borrowing from the International Monetary Fund?

The Honourable Dr. John Matthai: As I told the House some time ago, the rate of interest varies according to the period for which the loan has been in operation. So it is not possible for me to tell straightaway what is the rate of interest.

Shri M. Tirumala Rao: But what is the average rate of interest ranging between one figure and the other?

The Honourable Dr. John Matthai: It is very difficult for me to give an accurate figure.

Shri T. T. Krishnamachari: May I ask the Honourable Minister if he could tell the House how much of this adverse balance of Rs. 60.63 crores represents imports of capital goods?

The Honourable Dr. John Matthai: I am not in a position to give the information straightaway, but I will collect it for the honourable member.

Shri R. K. Sidhva: May I know whether European countries are buying from India and re-selling for their benefit of dollars?

The Honourable Dr. John Matthai: I am not aware of anything of the kind happening.

Shri M. Ananthasayanam Ayyangar: How much have we drawn so far from the multi-lateral convertible sterling that is available to us from Great Britain?

The Honourable Dr. John Matthai: The extent to which we have drawn from the sterling releases?—I would ask the honourable member not to press to answer that question.

Sbri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if he will lay, for general information, a scheme whereby he intends to increase the exports and decrease imports?

The Honourable Dr. John Matthai: It is not possible for me to do anything during the present session. But, as soon as the House meets again, I shall be in a position to make a full statement on the problem more or less on the lines on which I made a statement at the beginning of this session as to how the balance of payment stands and the extent to which we would be able to meet it, etc.

Sbri Mahavir Tyagi: May I know the proportion between consumers goods and producer goods had from America?

The Honourable Dr. John Matthai: That is the question that my honourable friend Mr. Krishnamachari put. I have not got the precise information here. I would collect that.

Sbri Mahavir Tyagi: May I then ask as to how much of this pertains to Government purchases in America?

The Honourable Dr. John Matthai: I have not got the information ready; that must be a relatively small figure.

Sbri B. P. Jhunjhunwala: Is it a fact that some of the consumers goods which could otherwise be dispensed with were imported as an anti-inflationary measure, and if so whether there has been any reduction in the inflation thereby and what is the policy of the Government in the future in this respect?

The Honourable Dr. John Matthai: The policy of the Government with regard to imports is so to regulate it that it is brought in conformity with our exchange resources, with the internal demand in the country and with the repercussion of it on industrial production inside the country.

ACTIVITIES OF COMMUNISTS IN HYDERABAD

*1679. **Sbri B. K. Sidhva:** (a) Will the Honourable Minister of States be pleased to state whether it is a fact that serious disturbances and murders take place in the district of Warangal and other districts on Hyderabad (Deccan) border due to communist activities?

(b) If so, what steps have Government taken to check this menace?

(c) What is the total strength of the Communist in this area?

(d) How many citizens of these districts have been murdered and what is the amount of properties looted by Communists during the year 1948?

(e) Has any representation been made to the Government of India by the people of this area to take control of these districts with a view to restore peace and tranquillity; and, if so, with what result?

The Honourable Sardar Vallabhbhai Patel: (a) The situation was bad but since January 1949 the situation has been fast returning to normal.

(b) Does not arise.

(c) It is not possible to estimate the total strength of communists. The number of communists so far arrested in the State is about 4,000. Most of the remainder have left these areas and some have gone underground.

(d) I regret, I am unable to give the total figures for this period as no information is available in regard to the period before the Police action.

(e) A number of representations have been received about the communist menace in Hyderabad and suitable action was taken with the result that the situation is now in hand.

Shri R. K. Sidhva: May I know the number of villages looted by these Communists? Is there any figures available?

The Honourable Sardar Vallabhbhai Patel: It is not possible for me to go into details.

Shri R. K. Sidhva: May I know whether the Laik Ali Ministry, in alliance with the Razakars, helped these Communists?

The Honourable Sardar Vallabhbhai Patel: There are some suspicions that the Ministry assisted the Communists.

Shri R. K. Sidhva: May I know whether any amount has been spent from the Hyderabad Treasury to aid the Communists?

The Honourable Sardar Vallabhbhai Patel: So far as I am aware, there is no such expenditure.

Shrimati G. Durgabai: May I know whether among those who were murdered, there are cases of women also and whether there were also cases of abduction of women?

The Honourable Sardar Vallabhbhai Patel: The Communists in their atrocities made no distinction between men and women.

Shri H. V. Kamath: Is it not a fact that these Communists formed a treacherous alliance with the Razakars and resisted our police action in Hyderabad?

The Honourable Sardar Vallabhbhai Patel: They were in alliance; there is no doubt.

Shri H. V. Kamath: Is there any reason to suspect that the Communists in Hyderabad have infiltrated into any of the Government services there?

The Honourable Sardar Vallabhbhai Patel: There is no information about that.

Shrimati G. Durgabai: I just wanted to know whether there were any cases of abduction of women, whether those women were recovered and whether any attempt has been made to recover those women?

The Honourable Sardar Vallabhbhai Patel: I have no information about that; I shall enquire.

Shri R. K. Sidhva: May I know whether recently in the garb of congress men, communists openly condemned communism and secretly consolidated their position?

Mr. Speaker: These are matters of inference.

Shri M. Tirumala Rao: May I know whether Warangal and Nalgonda districts have been completely brought under the control of the military administration?

The Honourable Sardar Vallabhbhai Patel: Not completely, but very nearly.

EXPEDITION OF ANTHROPOLOGISTS TO ANDAMAN AND NICOBAR ISLANDS

*1680. **Shri Brajeshwar Prasad:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that a batch of anthropologists has been sent by the Government of India to the Andaman and Nicobar Islands to study the aboriginal population?

(b) What is the total number of aboriginal and non-aboriginal population in these Islands?

(c) Who are these aboriginals?

(d) Is their population increasing or decreasing?

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

(e) What are the names of these anthropologists who have been sent to the Andaman and Nicobar Islands?

(f) What will be the cost of this expedition?

(g) How long are these anthropologists going to stay in these Islands?

(h) Are the members of this expedition all officials?

(i) If not, who are the non-official members in this delegation?

The Honourable Sardar Vallabhbhai Patel: (a), (e), (g), (h) and (i). A small staff of the Anthropological Survey of India headed by Dr. B. S. Guha, Anthropological Adviser to the Government of India visited the islands for preliminary investigation early in 1948 and stayed there for about two months.

(b) and (c). The principal aboriginal tribes in the Andaman Islands are:— (1) Andamanese, (2) Jarawas, (3) Ongas, and (4) Sentinelese. The exact number of aborigines is not known but it is believed that there are between 2,000 and 5,000 of them. The aborigines of the Nicobar Islands known as Nicobarese number between 12,000 and 15,000. Non-aboriginals in the Andamans number about 12,000. There are no non-aboriginals in the Nicobars.

(d) The population of aborigines in the Andamans is believed to be decreasing but the population of the Nicobarese is on the increase.

(f) The expedition cost about Rs. 1,800.

EDUCATIONAL INSTITUTIONS IN ANDAMAN AND NICOBAR ISLANDS

*1681. **Shri Brajeshwar Prasad:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether there are any schools in the Andaman and Nicobar Islands?

(b) If the answer to part (a) above be in the affirmative, what is the number of these institutions?

(c) How many students are there in these institutions?

(d) If the answer to part (a) above be in the negative, do Government propose to establish educational institutions in these islands; and, if so, when?

The Honourable Sardar Vallabhbhai Patel: (a) and (b). Yes. There are 20 schools in the Islands.

(c) At present there are one thousand five hundred and seventy-one students in the schools.

(d) Does not arise.

REHABILITATION OF REFUGEES IN ANDAMAN AND NICOBAR ISLANDS

*1682. **Shri E. K. Sidhva:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that Government sent a delegation to the Andaman and Nicobar Islands to examine whether refugees could be settled there?

(b) If so, what are the recommendations of the delegation and what is the decision of Government thereon?

(c) Do Government propose to place the report of the delegation on the table of the House?

The Honourable Sardar Vallabhbhai Patel: (a) to (c). I presume, the honourable member is referring to the expert team referred to in my reply to starred question No. 469. Their report has been received and is under examination. A copy will be laid on the table of the House in due course.

Shri R. K. Sidhva: May I know whether the Relief and Rehabilitation Ministry has put forward a scheme before the Cabinet for the loan of a passenger ship for communication between the Andamans and India, and if so, has that been considered?

The Honourable Sardar Vallabhbhai Patel: I am not aware.

Sardar Bhopinder Singh Man: Will the Nicobar and Andaman islands be opened to all refugees from whatever part of Pakistan they come, or have they been exclusively reserved for people from a particular part?

The Honourable Sardar Vallabhbhai Patel: No; it has not been reserved for any people coming from any area or belonging to any community.

Shri K. Hanumanthaya: How many people could be settled in that area?

The Honourable Sardar Vallabhbhai Patel: If you mean the refugees, they have not been settled there at all. The total settled population is 12,000.

Sbri M. Tirumala-Rao: Is there any proposal to transfer the administration of the Andamans to the West Bengal Government?

The Honourable Sardar Vallabhbhai Patel: The Central Government is quite capable of administering the area.

Sardar Bhopinder Singh Man: Out of these refugees who have been settled, what proportion is the agricultural refugees?

The Honourable Sardar Vallabhbhai Patel: Only a beginning has been made. About 250 people have been sent. We have not yet settled them. It is difficult to say now. It is only an experiment.

Sardar Bhopinder Singh Man: What is the basis of allocation of agricultural lands to these refugees who are being settled?

The Honourable Sardar Vallabhbhai Patel: No refugees have been settled yet.

Sardar Bhopinder Singh Man: I mean the agricultural refugees who have gone there.

The Honourable Sardar Vallabhbhai Patel: As I told you, about 250 people have been sent as an experiment; they have not yet been settled.

Shri H. E. Guruv Beddy: What is the capacity of these islands for refugees being settled?

The Honourable Sardar Vallabhbhai Patel: It all depends on the capacity of the refugees to accommodate themselves.

Sbri H. V. Kamath: Has the old notorious cellular jail in the Andamans been closed down? If so, for what purpose is the building used today?

The Honourable Sardar Vallabhbhai Patel: Most of the cellular accommodation has been out of use now, it is not fit for residential accommodation.

Dr. P. S. Deshmukh: What is the total number of refugees the Government intend to settle in the Andamans during the course of the year?

The Honourable Sardar Vallabhbhai Patel: It is not possible for the Government to say anything. It depends on the condition of the refugees and their willingness and capacity to settle down in a distant place like that.

Dr. P. S. Deshmukh: May I know if the Honourable Minister is aware that some of the refugees from Karachi who were Port Trust workers, have applied and shown their willingness to go to the Andamans, and if so, how that application has been treated?

The Honourable Sardar Vallabhbhai Patel: Many people have shown their willingness to go there. But they do not go and some of them who go, come back.

Shri H. V. Kamath: Is there any proposal to change the names of these two islands?

Mr. Speaker: The honourable member has perhaps tabled a question on that?

Shri H. V. Kamath: I have not.

Dr. P. S. Deshmukh: Would the Honourable Minister be pleased to give a chance to these Port Trust workers from Karachi, give them a trial if they are prepared to go?

Mr. Speaker: I do not think that question arises.

Babu Ramnarayan Singh: Have any steps been taken to rehabilitate those villages which have been destroyed by the Japanese and if so what are the steps?

The Honourable Sardar Vallabhbhai Patel: No efforts have been made. It is not possible to make any efforts to rehabilitate the villages.

Shri H. V. Kamath: What about my question, Sir?

Mr. Speaker: No answer.

Dr. P. S. Deshmukh: I would like to have a reply to my question, Sir

Mr. Speaker: I have disallowed that. Next question.

IMPORT OF BULLION

†*1683. **Shri Kishorimohan Tripathi:** (a) Will the Honourable Minister of Finance be pleased to state the names of the countries whence bullion is imported into India?

(b) What are the agencies which carry on the import?

(c) What was the total value of bullion imported during the year 1948?

(d) How do the purchasing rates of bullion outside India compare with its selling rates inside India?

(e) What are the reasons for the difference in the two sets of rates?

(f) Did Government take any steps to minimise the said difference?

The Honourable Dr. John Mathai: (a) and (c). I would invite the attention of the honourable member to the Sea-borne Trade Accounts of India, copies of which are available in the Library of the House.

(b) Bullion has been imported by bullion merchants and others who held import licences on the 6th March 1947, from which date the issue of licences has been discontinued.

(d) The spot prices on the Bombay Bullion Exchange, the Chief market for bullion in India, on the 31st March 1949 were as follows:

Gold.....Rs. 110 per tola or Rs. 293/5/4 per ounce.

Silver.....Rs. 174 per 100 tolas or Rs. 4/10/4 per ounce.

The United States Treasury price of gold is \$35 or Rs. 115/12/9 per oz; the U.K. Treasury price being £ 8/12/3 or Rs. 114/13/4 per oz.

The official prices of silver in New York and London are 71½ cents and 43½ d. or Rs. 2/5/10 and Rs. 2/6/8 per ounce respectively.

(e) Bullion prices in India are free market quotations while in the chief markets outside India the prices are controlled official quotations at which bullion is not freely available as it is in Bombay.

(f) Government keep the position constantly under review.

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

RESEARCH IN EFFECTS OF TOBACCO IN HUMAN SYSTEM

*1634. **Shri H. V. Kamath:** Will the Honourable Minister of Health be pleased to state:

(a) whether experimental research has been or is being conducted in India or abroad with a view to ascertaining the effects of tobacco on the human system; and

(b) if so, with what result?

The Honourable Rajkumari Amrit Kaur: (a) and (b). Government are not aware of any experimental research that has been or is being conducted in India on the effects of tobacco on human system, but researches have been carried out in the United Kingdom, United States of America and other European countries. The results of these researches appear to show that most people may indulge in the moderate use of tobacco for many years without harm but its excessive use is followed in many individuals by a number of symptoms, some of them trivial, others indicating grave changes in important organs.

Shri H. V. Kamath: Does Government propose to conduct any scientific researches upon this subject in this country?

The Honourable Rajkumari Amrit Kaur: No. That is implied in the reply that I have given.

Sardar Bhopinder Singh Man: The Honourable Minister stated that normal smoking does not injure the health. May I know what is the standard of normal smoking?

POLICE FIRING ON CITIZENS IN MAYURBHANJ

*1635. **Shri H. V. Kamath:** Will the Honourable Minister of States be pleased to state:

(a) whether the attention of Government has been drawn to a statement of four members of the Bihar Legislative Assembly, published in the *Indian Nation*, dated the 18th February, 1949 (page 6, column 4) about police firing on peaceful citizens in Mayurbhanj;

(b) if so, whether that statement is correct; and

(c) if not, what the facts of the situation are?

The Honourable Sardar Vallabhbhai Patel: (a) Government have seen a statement by four members of the Bihar Legislative Assembly about a Police firing in Mayurbhanj State.

(b) No.

(c) The factual position is stated in the Press communique of the 18th February 1949 issued by the Orissa Government.

Shri H. V. Kamath: Is it a fact that these simple Adibassias are being exploited by certain interested parties for their own self-aggrandisement?

Mr. Speaker: Order, order.

Shri H. V. Kamath: What is the position there today? Has peace been restored in that region?

The Honourable Sardar Vallabhbhai Patel: The position is quite good.

LEAVE TERMS OF EXTRA-TEMPORARY EMPLOYEES

*1636 **Shri Harhar Nath Shastri:** (a) Will the Honourable Minister of Defence be pleased to state whether any distinction has been made between extra-temporary employees clerical and non-clerical categories on monthly rates, as regards leave terms?

(b) Has casual leave, admissible to non-clerical monthly staff since 1943 been now discontinued?

The Honourable Sardar Baldev Singh: (a) Yes. The categories in question are three:

- (i) Extra temporary employees (clerical) who elected the unified scales of pay;
- (ii) Extra temporary employees (clerical) who did not elect the unified scales of pay;
- (iii) Extra temporary employees (non-clerical) (i) get the same leave concessions as are admissible to temporary clerks on the regular establishments.

The leave terms to categories (ii) and (iii) are less liberal than those admissible to (i).

(b) Yes. This was a wartime measure and was withdrawn on the 1st October 1947 along with other war time concessions.

Shri Haridar Nath Shastri: Since when has such a distinction in regard to leave terms of clerical and non-clerical staff been in operation?

The Honourable Sardar Baldev Singh: It existed from the very beginning.

Shri Harihar Nath Shastri: What are the reasons that induced the Government to effect such distinctions later on?

The Honourable Sardar Baldev Singh: It depended as I have already stated on the different categories in which the employees are working. There are different rules for different categories of employees.

Shri Harihar Nath Shastri: In view of the fact that such distinctions did not exist before, as the Honourable Minister has just stated, I want to know what are the reasons that induced him later on to change the previous rule and effect these distinctions.

The Honourable Sardar Baldev Singh: I have stated this was a wartime measure but for the information of the honourable member I may state that the whole question is under examination.

Shri Mahavir Tyagi: May I know what is the difference between the two categories, temporary and extra-temporary?

The Honourable Sardar Baldev Singh: If the honourable member wants to know the difference between the two categories, I may state that there are different rules which govern each category and I could give the honourable member a detailed information if he so desires.

Shri Mahavir Tyagi: May I know if this extra-temporary cadre was started during war time and if so, how long do Government intend to continue it?

The Honourable Sardar Baldev Singh: This practice is not a new one and certain employees who are entitled for permanent promotions are promoted from this category.

Prof. Shibban Lal Saksena: How long can a man remain in extra-temporary cadre before he is made temporary?

Mr. Speaker: Very vague question.

Shri Mahavir Tyagi: Which of them is secure, temporary or extra-temporary?

Mr. Speaker: That will be a matter of opinion.

CIVILIAN EMPLOYEES OF A. I. G. S., BENGAL AREA

*1687. **Shri Harihar Nath Shastri:** (a) Will the Honourable Minister of Defence be pleased to state what is the total strength of civilian employees in A.I.G.S., Bengal Area?

(b). How many of them are (i) permanent, (ii) extra-temporary and (iii) temporary?

The Honourable Sardar Baldev Singh: (a) 448.

(b) (i) Nil.

(ii) 429.

(iii) 19.

Shri Harihar Nath Shastri: Will the Honourable Minister please state the duration of service of extra-temporary and temporary staff in the A.I.G.S. Bengal Area?

The Honourable Sardar Baldev Singh: I cannot say off-hand but if the honourable member wants detailed information, I would be prepared to give him.

Shri Harihar Nath Shastri: In view of the fact that surplus labour employed during war has already been considerably retrenched do Government contemplate to absorb the existing extra-temporary and temporary staff in permanent cadre?

The Honourable Sardar Baldev Singh: That is being considered.

REORGANISATION OF R. I. A. F. EQUIPMENT DEPOTS ON CIVILIAN BASIS

*1688. **Shri Harihar Nath Shastri:** (a) Will the Honourable Minister of Defence be pleased to state what the policy of Government is in regard to the re-organisation of the Equipment Depots in the R.I.A.F. on a civilian basis?

(b) What were the recommendations of the Nationalisation Committee on this question?

The Honourable Sardar Baldev Singh: (a) It is not proposed to reorganise them on a civilian basis. Approximately 30 per cent. of the posts in the technical, clerical and Equipment Assistant trades in Equipment Depots are however held by civilians in practice.

(b) The Nationalization Committee did not make any recommendations in this behalf.

Prof. Shibban Lal Saksena: Will the Honourable Minister kindly give the number of storekeepers in this Department?

The Honourable Sardar Baldev Singh: I require notice of that.

Prof. Shibban Lal Saksena: Is the Honourable Minister aware that it is cheaper to employ civilians as storekeepers than R.I.A.F. men?

Mr. Speaker: Order, order.

QUALIFICATIONS OF A CIVILIAN STOREKEEPER IN R. I. A. F.

*1689. **Shri Harihar Nath Shastri:** (a) Will the Honourable Minister of Defence be pleased to state the minimum qualifications required for recruitment to the cadre of civilian storekeepers in the R.I.A.F.?

(b) Are they required to possess the same qualifications and pass the same examination for entry into service as prescribed for Assistants in the Central Secretariat?

(c) Have the recommendations of the Pay Commission in regard to their pay scales been implemented?

The Honourable Sardar Baldev Singh: (a) Candidates for appointment as civilian storekeepers in the R.I.A.F. are required to be graduates of recognised Universities.

(b) Yes, they were recruited as a result of the same examination but vacancies of Assistants in the Secretariat were offered to those securing the highest positions and posts in this cadre were offered to those next below.

(c) Yes.

Shri Haribar Nath Shastri: Have Government received any representation on behalf of the Civilian Storekeepers in R.I.A.F. to the effect that they have been getting lower salaries than actually prescribed by the Pay Commission and if so, have the Government looked into these complaints and with what results?

Mr. Speaker: Order, order. I may make it once more clear to honourable members that it is not the practice in this House nor is it conducive to good administration to ask questions on details of administrative matters or to try to support the representations of Government subordinates. If they want to support any representations, they may approach the Minister privately and make such representations as they like. I would not allow that question. It is in support of the representations of those employees.

Prof. Shibban Lal Saxena: Will the Honourable Minister give the information as to whether the Pay Commission recommendations in this regard have been complied with?

Mr. Speaker: It is also asking the same thing again in a different form. He may put any other question. Only questions of principles might be put.

Shri Haribar Nath Shastri: I do not know how far I shall be entitled to put the question that I want to put. I want to know whether it is a fact that there are a number of instances in which the recommendations of the Pay Commission have not been implemented in the case of these Storekeepers.

The Honourable Sardar Baldev Singh: I admit there are a number of instances where the recommendations of the Pay Commission have not been given effect to but I may point out that it is not that we want to ignore the recommendations but there are several practical difficulties which we have not been able to overcome at present.

ALLOTMENT TO NEPAL FROM POST-WAR RECONSTRUCTION FUND

*1690. **Shri Ari Bahadur Gurung:** Will the Honourable Minister of Defence be pleased to state the amount of the Post-War Reconstruction Fund which has been given to the Nepal Government by India, being the total amount of share of those Gurkhas who served in the Indian Army during the war?

The Honourable Sardar Baldev Singh: Rs. 54,16,210 has been allotted to Nepal as their share of the Post-War Reconstruction Fund.

Sardar Bhopinder Singh Man: Out of this fund that has been allotted to the Nepal Government out of Post-War Reconstruction Fund has any amount been kept in India for the benefit of Indian Gurkhas also?

The Honourable Sardar Baldev Singh: I would like to verify this information before replying that question but as far as this present figure is concerned, this is the amount which we have handed over to the Nepal Government.

Shri H. V. Kamath: Has the British Exchequer borne any part of the burden in view of the fact that the Indian army of which the Gurkhas were but a part was a purely British instrument during the war?

Mr. Speaker: I do not know how the question arises.

Shri H. V. Kamath: Because it is allotted to those Gurkhas who served in the Indian army during the war.

Mr. Speaker: It is stretching it too much.

Shri Mahavir Tyagi: May I know whether directions have been given to the Government of Nepal in regard to the items on which this money is to be spent?

The Honourable Sardar Baldev Singh: General instructions have been conveyed; but we have got really no control. We cannot give any directions to the Government of Nepal. We have placed this amount at their disposal; and we have sent them proposals or items on which this amount can be spent.

Shri Mahavir Tyagi: Has a similar amount been allotted for the help of soldiers—Gurkhas and others—here in India?

The Honourable Sardar Baldev Singh: Yes.

Dr. P. S. Deshmukh: What is the date on which this payment was made?

The Honourable Sardar Baldev Singh: I could not say it off-hand, but I can give the date, if the Honourable Member wants, later.

Dr. P. S. Deshmukh: May I know the year in which it was paid?

The Honourable Sardar Baldev Singh: I have not got the date on which this payment was made; but it was paid, some time in 1945.

Shri Mahavir Tyagi: Is it one lump sum or a recurring one?

The Honourable Sardar Baldev Singh: One lump-sum.

Sardar Bhopinder Singh Man: Have Government any information as to whether the proposals which they send for spending this money, are adhered to by the Government of Nepal?

The Honourable Sardar Baldev Singh: I have no information.

Srijot Kuladhar Chhalba: Is there any organisation to see that amounts allotted for different schemes are being spent really for that purpose?

The Honourable Sardar Baldev Singh: In Nepal?

Srijot Kuladhar Chhalba: Yes.

The Honourable Sardar Baldev Singh: As I said in answer to a supplementary question, we have handed over this amount to the Government of Nepal, and we have absolutely no control, except that we have pointed out that these are the purposes for which this money should be used. Whether it is used for those purposes or not, it is not possible for me to say.

NEWSPAPERS AND PERIODICALS FOR GURKHA REGIMENTS

*1691. **Shri Ari Bahadur Gurung:** (a) Will the Honourable Minister of Defence be pleased to state whether Government propose to lay on the table of the House a list of newspapers and other periodicals recommended for the Gurkha Regiments in India?

(b) Is it a fact that the *Gorkha* published from Darjeeling has been banned in the Gurkha Regiments?

The Honourable Sardar Baldev Singh: (a) There is no such list. All regiments, including the Gurkha Regiments, can subscribe to any newspapers and periodicals which are not banned by Government.

(b) No.

Shri Mahavir Tyagi: Which papers are banned by Government?

The Honourable Sardar Baldev Singh: Notice is required.

PERIODICAL FOR GURKHAS IN INDIAN ARMY

*1692. **Shri Ari Bahadur Gurung:** Will the Honourable Minister of Defence be pleased to state whether any periodical or magazine is being published for the Indian Army Gurkhas?

The Honourable Sardar Baldev Singh: Yes. The *Jawan*, a bi-weekly newspaper is published in, among other languages, Roman Gurkhali for the benefit of the Gurkhas in the Indian Army.

Shri H. V. Kamath: Is the *Fauji Akhbar*, published in all the main Indian languages?

The Honourable Sardar Baldev Singh: Yes, it is being published in eight or nine different languages.

Shri H. V. Kamath: And not in Nepalee or Gurkha language?

The Honourable Sardar Baldev Singh: Not in the Gurkha language.

Shri R. K. Sidhva: Is it a free publication, or is subscription required?

The Honourable Sardar Baldev Singh: As far as the troops are concerned, it is a free publication.

Prof. N. G. Ranga: Has there been any change made since August, 15th, in the editorial policy of these newspapers?

The Honourable Sardar Baldev Singh: Yes, if honourable members have occasion to see the papers, they will themselves realise that there has been a complete change in the policy.

Shri H. V. Kamath: Is there an editorial board or committee for these papers?

Mr. Speaker: It is obvious.

Dr. P. B. Deshmukh: May I know whether the Roman script is the only script that continues to be taught to the soldiers in the army?

The Honourable Sardar Baldev Singh: At present it is the only script taught.

Shri Mahavir Tyagi: May I know in what manner a change has been effected after 15th August? Has the editorial board been changed or have the editors' views been changed?

Mr. Speaker: I am afraid that is going into details. Next question.

MAINTENANCE COST OF AN AIR FORCE SQUADRON

*1693. **Shri Ari Bahadur Gurung:** (a) Will the Honourable Minister of Defence be pleased to state what is the cost incurred per annum for the maintenance of one air force squadron?

(b) Does the expenditure vary in the case of different squadrons?

The Honourable Sardar Baldev Singh: (a) and (b). The cost of maintenance of an Air Force Squadron varies with different squadrons depending upon its role the type of aircraft used, etc.

Shri R. K. Sidhva: What is the minimum cost?

The Honourable Sardar Baldev Singh: That depends for which particular squadron the honourable member wants this information. For instance, if it is a twin engine transport squadron, the cost is over Rs. 60 lakhs.

Mr. Frank Anthony: Is it a fact that the cost of most of the squadrons is being kept down by making use of out-of-date aeroplanes discarded by progressive air forces abroad?

Mr. Speaker: The question is: Is it a fact that the expenditure is attempted to be kept down by the use of out-of-date craft, rejected by those who are having progressive air-forces?

The Honourable Sardar Baldev Singh: No, I do not think the honourable member's information is correct. As far as we are concerned, we try to get the best possible aircraft. There are difficulties in the way, and sometimes there is considerable raid for getting the most up-to-date aircraft.

Mr. Frank Anthony: Are we not getting, very largely, types discarded by the British Air Force?

The Honourable Sardar Baldev Singh: It is true we are continuing to use aircraft used during the last war. But it is also true that we have recently acquired new types of aircraft.

LICENCES FOR EXPORT OF RARE INDIAN ART PIECES

1884. Shri Mahavir Tyagi: Will the Honourable Minister of Education be pleased to state:

(a) whether Government have issued any licences for the export of pieces of rare Indian Art;

(b) if so, how many and to whom; and

(c) what articles are to be exported and where?

انریہل مولانا ابوالکلام آزاد : (a) نہیں گورنمنٹ آف انڈیا نے سنہ ۱۹۲۷ء کے ایکسپورٹ کنٹرول ایکٹ کے ماتحت اس طرح کی چیزوں کے لئے کوئی لائسنس جاری نہیں کیا -

(b) اور (c) سوال کے یہ حصے پیدا نہیں ہوتے ہیں -

The Honourable Maulana Abul Kalam Azad: (a) No, Sir. Government of India have not issued any licence under the Antiquities (Export Control) Act of 1947 for the export of pieces of rare Indian art.

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

PURCHASE OF IMRE-SCHEWAGAR MUSEUM

1895. Shri Mahavir Tyagi: (a) Will the Honourable Minister of Education be pleased to state whether Government have purchased the Imre-Schewagar Museum situated on Alipur Road, Old Delhi?

(b) If so, what was the price paid for it?

(c) Who is in-charge of it now?

(d) Is any inventory of the exhibits being maintained?

انریہل مولانا ابوالکلام آزاد : (a) اس میوزیم کا صرف ایک حصہ گورنمنٹ نے خریدا ہے۔ پورا میوزیم نہیں خریدا ہے۔

(b) جو چیزیں خریدی گئیں ان کے لئے ۱۹۹۹۰۰ روپیہ دیا گیا -

(c) آرکیولوجیکل ڈیپارٹمنٹ -

(d) کا جواب ہاں ہے -

The Honourable Maulana Abul Kalam Azad: (a) Government have purchased only a selection of antiquities from the Imre-Schewagar collection.

(b) The purchase was made at a price of Rs. 1,99,900/-.

(c) Department of Archaeology.

(d) Yes.

श्री महावीर त्यागी : क्या इस सामान के खरीदने से पहले जनाब ने अपने महकमे की स्टैंडिंग कमेटी से मतलब लिखा था ।

Shri Mahavir Tyagi: May I know from the Honourable Minister whether the Standing Committee attached to his Ministry was consulted by him before the purchase of these articles?

آنریبل مولانا ابوالکلام آزاد : میں نہیں سمجھتا کہ اس طرح کی چیزوں کے لئے یہ سوال پیدا ہوتا ہے کہ سٹیبلنگ کمیٹی سے مشورہ کیا جائے۔ اگر سٹیبلنگ کمیٹی اس وقت ہوئی ہوگی تو اس سے مشورہ کیا گیا ہوگا۔ میں قطعی طور پر نہیں کہہ سکتا۔

The Honourable Maulana Abul Kalam Azad: I do not think if this question arises at all that the Standing Committee should be consulted in all such matters. If the Standing Committee had held any meeting at that time, then it must have been consulted. I cannot say this definitely.

श्री महावीर त्यागी : क्या मानरेविल मिनिस्टर इस बात पर रोशनी डालेंगे कि जो सामान खरीदा गया है वह किस किस किसम का है ।

Shri Mahavir Tyagi: Will the Honourable Minister please throw light on the details of the articles that have been purchased?

آنریبل مولانا ابوالکلام آزاد : میں پوری تفصیل اس وقت نہیں کر سکتا لیکن جتنی چیزیں خریدی گئی ہیں وہ پوری طرح جانچ اور دیکھ بھال کے بعد خریدی گئیں اور یہ سمجھا گیا کہ یہ پرانی تاریخی چیزیں ہیں اور ان کی بہت قیمت ہے۔

The Honourable Maulana Abul Kalam Azad: I cannot give the full details at the moment. But whatever articles were purchased, these were purchased after thorough scrutiny, and it was thought that these are valuable historical antiquities.

شہری آزاد کے سدھوا : میں پوچھنا چاہتا ہوں کہ وہ کونسی اعلیٰ اور خاص چیز تھی جس کے لئے یہ معزز خریدنے کی ضرورت محسوس ہوئی۔

Shri B. K. Sidhva: May I know what were those rare and unique articles that necessitated the purchase of this Museum?

آنریبل مولانا ابوالکلام آزاد : چیزوں کی فہرست میں اس وقت یہ نہیں کہہ سکتا مجھے اس کے لئے نوٹس چاہئے۔

The Honourable Maulana Abul Kalam Azad: I cannot give the details of the articles in question. I would like to have notice for that.

Shri M. Tirumala Rao: Can we have the number of art pieces—Paintings—sculptures—purchased—arising out of answer to (d) of the question?

آنریبل مولانا ابوالکلام آزاد : نہیں۔ میں اس وقت توکل نہ کر رہا ہوں کہہ نہیں سکتا۔

The Honourable Maulana Abul Kalam Azad: No. I cannot give the total number at the moment.

POST OF STAFF SURGEON AND SUPERINTENDENT, WILLINGDON HOSPITAL,
NEW DELHI

*1690. **Shri H. V. Kamath:** Will the Honourable Minister of Health be pleased to state:

- (a) whether the post of Staff Surgeon and Superintendent, Willingdon Hospital, New Delhi, was advertised by the Federal Public Service Commission; (b) if so, whether the post was filled according to the recommendation of the Federal Public Service Commission; and (c) if not why not?

The Honourable Rajkumari Amrit Kaur: (a) Yes.

(b) No.

(c) In the opinion of Government it was necessary to appoint to the post a more senior officer with greater administrative experience.

Shri H. V. Kamath: Is it a fact that the person appointed to this post has been out of professional practice—I mean in surgery and medicine—for the last eight or nine years, and has been engaged in work with the Secretariat, Health Ministry, during those years?

The Honourable Rajkumari Amrit Kaur: The information of the honourable member is wrong. It is true that he has been in the Secretariat for a few years—four or five—but he has not been out of touch with clinical work.

Shri T. T. Kriahnachari: May I ask the Honourable Minister whether the person now appointed is one who has been doing general medical or surgical practice or has been a specialist in any particular branch of it?

The Honourable Rajkumari Amrit Kaur: He is a general all-round surgeon, and he is specially qualified in diseases of the ear, nose and throat.

Shri Mahavir Tyagi: Is it a fact that his name along with the names of others was sent to the Public Service Commission and the Commission recommended another person for the job?

The Honourable Rajkumari Amrit Kaur: That has already been answered in reply to the original question.

Mr. Speaker: Did the Honourable Minister say that those cases went up to the Public Service Commission?

The Honourable Rajkumari Amrit Kaur: Yes, Sir. The post was advertised and the recommendation came from the Public Service Commission.

Shri H. V. Kamath: What were the reasons for disregarding the recommendations of the Commission in this case?

The Honourable Rajkumari Amrit Kaur: That has already been given in reply to part (c) of the question.

Shri M. Ananthasayanam Ayyangar: If the officer was employed here in the Secretariat may I know how he was in touch with Surgery and Medicine?

The Honourable Rajkumari Amrit Kaur: He is a highly qualified man who has done years of experience in hospitals, and it was only because of the war coming and the fact that his services were needed in the Directorate that he was not appointed to this post two years previously. He had really in one way an unwritten lien on the post.

Shri H. V. Kamath: Is it a fact that the person appointed was the holder of an emergency commission throughout and he was appointed in spite of the fact that competent I.M.S. permanent cadre men were available?

The Honourable Rajkumari Amrit Kaur: No, Sir, that is not the case.

Shri Mahavir Tyagi: May I know the difference in pay as between the post he held in the Secretariat and the one he holds now? How much more is he getting now?

The Honourable Rajkumari Amrit Kaur: Actually he now gets very much less pay.

Shri H. V. Kamath: Apart from the experience he has had in the Health Ministry during the last five years, has he had any professional experience during this period?

Mr. Speaker: I do not think it is justifiable now to go into the individual merits of the case; the general principles have been already stated. Next question.

APPROVAL OF BUDGET OF DELHI AND AJMER-MERWARA BY CHIEF COMMISSIONERS ADVISORY COUNCILS

1897. Pandit Mukut Bihari Lal Bhargava: Will the Honourable Minister of Home Affairs be pleased to state whether the financial proposals forwarded by the Local Administration in the Chief Commissioner's Provinces of Ajmer-Merwara and Delhi to be incorporated in the Budgets for the years 1948-49 and 1949-50 were placed before the Advisory Councils to the Chief Commissioners for discussion?

The Honourable Sardar Vallabhbhai Patel: The proposals were placed by the Chief Commissioner, Delhi, before his Advisory Council but not by the Chief Commissioner, Ajmer-Merwara.

Shri Mukut Bihari Lal Bhargava: May I know the reasons for this omission?

The Honourable Sardar Vallabhbhai Patel: Perhaps the Chief Commissioner of Ajmer-Merwara took a different view and put a different interpretation on the rules. He gives his reasons as follows:

- (i) Budget estimates in respect of standing charges are generally a repetition of previous year's estimates;
- (ii) The budget as a whole cannot be placed before the Advisory Council before it is put to the Constituent Assembly (Legislative);
- (iii) New items of expenditure for schemes which are sanctioned by the Government of India for this province (Ajmer-Merwara) are as a rule first sent to the Advisory Council of the Chief Commissioner for discussion and advice, and the amount involved on account of the scheme, etc. is then incorporated in the budget estimates;
- (iv) Additional grants asked for from the Government of India for 1948-49 were mainly due to the increase in pay and allowances on account of the revision of pay scales and as such it was not considered necessary to place these grants before the Advisory Council.

I may inform the honourable member that appropriate instructions have been issued to place the estimates before the Council in future.

Shri Deebandhu Gupta: Is it a fact that even the Chief Commissioner of Delhi could not put the budget proposals before the Advisory Council at a time when any changes could be made by the Council?

Mr. Speaker: That is giving information and not asking a question.

Dr. P. S. Deshmukh: May I know the approximate total revenue expected for Ajmer-Merwara and Delhi in 1948-49 and 1949-50?

Mr. Speaker: That must be in the budget estimates placed before this House.

Shri Deshbandhu Gupta: Will the Honourable Minister issue instructions to the Chief Commissioners of Delhi and other areas that hereafter the budget proposals should be placed before their respective Advisory Councils in good time so that they can make their recommendations to the Finance Ministry for consideration?

The Honourable Sardar Vallabhbhai Patel: The question will be, "What is good time." But I shall try to meet the wishes of the honourable member.

CIVIL AND CRIMINAL CASES IN AJMER-MERWARA COURTS

*1696. **Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) the number of Judges and Magistrates existing in the Province of Ajmer-Merwara in the years 1938-39, 1942-43, 1947-48 and 1948-49;

(b) the number of Small Cause Court suits, civil suits, civil appeals and criminal appeals pending in various courts in the years mentioned above;

(c) the total number of criminal cases launched by the Crown and by private complainants and tried by the various Magistrates in the years mentioned above;

(d) the number of civil and criminal appeals instituted and disposed of by the various courts of the Judicial Commissioner in the aforesaid years; and

(e) the average time taken in disposing of a civil case, a criminal case and an appeal by the various courts during the aforesaid years?

The Honourable Sardar Vallabhbhai Patel: (a) to (d). I place on the table of the House a statement giving the information asked for by the honourable member.

(e) I regret I am unable to furnish this information. The time and expenditure involved in obtaining it would not be commensurate with the results likely to be achieved.

STATEMENT

	1938-39	1942-43	1947-48	1948-49
(a) Judges and Magistrates	59	50	41	43
(b) Small Cause Court Suits	1,478	1,169	1,257	1,264
Civil Suits	581	542	573	1,189
Civil Appeals	274	95	309	430
Criminal Appeals	21	15	14	62
(c) Crown	8,556	5,628	11,124	18,063
Private Complainants	1,963	2,200	3,064	4,184
(d) Civil Appeals	40	111	69	27
Criminal				
Magistry	145	67	101	103
Jury	36	17	23	25
Total	181	104	134	128

Information about the disposal of these appeals is not readily available.

ADDITIONAL DISTRICT AND SESSIONS JUDGE IN AJMER-MERWARA

*1699. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether any Additional District and Sessions Judge functioned during the years 1938-39 to 1948-49 in the Province of Ajmer-Merwara, and if so, for what period and what was the amount of work done by such Judge during his tenure of office?

(b) What is the number of civil appeals pending in the Court of the District Judge?

(c) Have Government any intention to appoint an Additional District Judge to expedite the disposal of the pending work and if so, from which date?

The Honourable Sardar Vallabhbhai Patel: (a) and (b). I place on the table of the House a statement giving the information asked for by the honouable member.

(c) The proposal to appoint an additional District Judge is under consideration.

STATEMENT

(a) During the years 1938-39 and 1946-47, there was an Additional District and Sessions Judge.

Number of Cases dealt with—

Year	Civil	Criminal	Sessions
1938-39	288	369	25
1939-40	207	168	19
1940-41	100	28	15
1941-42	96	44	11
1942-43	108	31	8
1946-47	267	1	2

(b) 412.

SETTLEMENT *re* PAYMENT FOR DEFENCE STORES AND INSTALLATIONS LEFT BY BRITAIN

*1700. **Shri Mahavir Tyagi:** (a) Will the Honourable Minister of Finance be pleased to state whether a settlement was reached between the United Kingdom Government and the Government of India regarding the payment for defence stores and installations left behind in India by the United Kingdom Government?

(b) If so, what was the total amount due from India?

(c) Is it a fact that India had accepted liability on behalf of Pakistan also?

(d) If so, what is the share of Pakistan in the liability agreed upon?

The Honourable Dr. John Matthai: (a) The reply is in the affirmative. A reference is invited to the White Paper on Sterling Balances presented to the Assembly by my predecessor on the 9th August 1948.

(b) Rs. 133.33 crores (£100 million).

(c) Yes. Under the Karachi Inter-Dominion (May 1948) Agreement, India was to find the rupee finance for the initial payment to U.K. and Pakistan was to reimburse India the value of H.M.G. installations and stores located in Pakistan on 15.8.47 and for H.M.G. stores sent to her after that date.

(d) Rs. 13.73 crores for H.M.G. stores and installations in Pakistan on 15th August, 1947 and Rs. 3.26 crores for H.M.G. stores sent to her between 15th August and 30th June, 1948.

Prof. N. G. Ranga: How much of this sum has been recovered from the Pakistan Government?

The Honourable Dr. John Matthai: About 2½ crores.

Prof. N. G. Ranga: What are the terms under which the Pakistan Government is expected to pay us? In how many years and in what instalments?

The Honourable Dr. John Matthai: Payment was to be made immediately on the settlement of this issue. There is no difference of opinion as far as that is concerned. But as regards the implementation of the agreement reached, they have raised certain practical difficulties which are under examination, and I believe those questions were examined recently at the Inter-Dominion conference; and we hope fairly soon to reach a satisfactory solution of the question.

Prof. N. G. Ranga: Is there any likelihood of our receiving at least a good portion of this outstanding sum from the Pakistan Government during the current year?

The Honourable Dr. John Matthai: I should not like to commit myself on that question.

Shri R. K. Sidhya: Have the Government of India consented to a very long period of payment by Pakistan of this money by instalments?

The Honourable Dr. John Matthai: No, Sir.

Dr. P. S. Deshmukh: What is the total outstanding to be recovered from Pakistan?

The Honourable Dr. John Matthai: The honourable member will have noticed from the answer that they have to pay us 13.73 crores for stores and installations in Pakistan on the date of partition. Since then stores worth about 3.26 crores have been sent. These are the amounts they owe us out of which, as I said in reply to Prof. Ranga, they have paid us about 2½ crores.

Shri H. V. Kamath: Was this matter discussed at the latest Inter-Dominion Conference which concluded the day before yesterday?

The Honourable Dr. John Matthai: Yes, I understand it was.

Shri T. T. Krishnamachari: Considering the fact that these 13.3 crores were not paid out in entirety but certain adjustments with regard to the pre-partition dues of India were made, what is going to be the basis on which the liability of Pakistan is to be determined?

The Honourable Dr. John Matthai: The position at present is that the liability that has been fixed upon Pakistan in respect of installations and stores actually in Pakistan on the 15th August is 13.73 crores; and the amount that they owe us in respect of stores transferred since then is 3.26 crores. So these are the figures after allowing for any adjustments required.

Shri T. T. Krishnamachari: May I ask whether this amount will be paid out in full by them irrespective of the fact of the overall payment made by us to the United Kingdom? There was a certain amount of adjustment regarding the pre-partition liabilities.

The Honourable Shri N. Gopalaswami Ayyangar: This particular amount which the Honourable the Finance Minister referred to, that is Rs. 16 crores and odd, has got to be paid by them immediately. Part of it was payable within 30 days of the amount being fixed at the time of the sterling balances negotiations. With regard to the actual payments, only Rs. 2 crores and odd have been

received. The payment of the balance was discussed at the last Inter-Dominion Conference and the representative of Pakistan required a little time to verify certain details. With regard to the actual implementation, that will be done in Karachi in the course of the next month and it is hoped that payment will be assured after that.

Shri T. T. Krishnamachari: I am afraid the Honourable Minister has not understood my point. The whole transaction was interlocked with the payment of certain pre-partition dues to India by the United Kingdom. What is the position of the claims of Pakistan on those dues? Are they to be set off against the payment to be made by Pakistan in respect of their own share with regard to these defence installations? If the Honourable Minister cannot give the answer, I will be prepared to accept a statement later on.

The Honourable Dr. John Matthai: I will give him a statement later on.

Shri K. Hanumanthaiya: Is the Government claiming any interest on this outstanding amount until such time it is paid up?

The Honourable Dr. John Matthai: That has not been considered.

Shri K. Hanumanthaiya: Why has it not been considered?

The Honourable Dr. John Matthai: Because the expectation has been that the amount will be paid immediately but the implementation has presented difficulties and these are under examination and the basis on which the implementation is to be arranged is a matter for consideration.

Shri K. Hanumanthaiya: Since the period is extending month by month, will the Government consider the desirability of claiming interest?

The Honourable Dr. John Matthai: It is a matter to be discussed at Inter-Dominion level.

Shri Mahavir Tyagi: In what manner are we meeting the total liability against the United Kingdom as referred to in part (a) of my question?

The Honourable Dr. John Matthai: Well, we have made the payment in the first instance, and the idea was that the payment we have made would be reimbursed to us by Pakistan.

Shri Mahavir Tyagi: May I know if the cash payment that we have made has been struck off from the sterling balances?

The Honourable Dr. John Matthai: The amount we have paid up—£100 millions—goes out of the sterling balances.

Dr. P. S. Deshmukh: Are there any payments that we are likely to make, or we are bound to make, to Pakistan in the near future?

The Honourable Dr. John Matthai: I am not aware of any that we have to make. There are, however, certain issues that are still outstanding, but I am not in a position to give a definite answer.

Shri K. Hanumanthaiya: Will the question of payment of interest be taken into consideration at the next Inter-Dominion conference?

The Honourable N. Gopalaswami Ayyangar: Yes.

Pandit Hirday Nath Kunru: Why was this sum due from Pakistan not debited to Pakistan's share of the sterling balances?

The Honourable Dr. John Matthai: That was the basis on which payment was to have been made by Pakistan. I believe the arrangement that was arrived at was that Pakistan's share—the amount they owe us—would be met by them by transfer of a corresponding amount of Sterling from their No. 2 Account to our No. 2 Account.

Shri Mahavir Tyagi: Are there any other such amounts in the knowledge of the Finance Minister that we have taken upon ourselves on behalf of Pakistan?

The Honourable Dr. John Matthai: The honourable member will be aware that among the supplementary demands that I placed before the House last week there was a figure of somewhere Rs. 20 crores, representing pre-partition liabilities. Part of this Pakistan had to pay, but for various reasons, which I have already explained, we paid it in the first instance.

Dr. P. S. Deshmukh: Is it a fact that the Ministry of Finance has been a little too prompt in making payments for monies due from Pakistan?

The Honourable Dr. John Matthai: If the honourable member is referring to Pakistan's share in the pre-partition liabilities, he will remember what I said in that connection when the supplementary demands were before the House: that most of them were payments due to our own people and any delay would have reacted on them adversely. It was out of consideration for them that we decided to pay in the first instance.

Shri Mahavir Tyagi: May I know if the Standing Finance Committee was consulted?

The Honourable Dr. John Matthai: These demands were placed before the Standing Finance Committee before they were presented to the House.

INCORPORATION OF ANDAMAN AND NICOBAR ISLANDS IN WEST BENGAL

*1701. **Dr. Mono Mohan Das:** Will the Honourable Minister of Home Affairs be pleased to state whether it is a fact that the Government of West Bengal sent a representation to the Government of India for incorporating Andaman and Nicobar Islands within the Province of West Bengal and if so, with what results?

The Honourable Sardar Vallabhbhai Patel: The reply is in the negative.

Dr. Mono Mohan Das: Is there a proposal before Government to rename the islands of the Andaman and Nicobar as "Subhas-Dwipa" after the name of Netaji Subhas Chandra Bose?

The Honourable Sardar Vallabhbhai Patel: I invite the honourable member's attention to the statement made by Sarat Chandra Bose where he has publicly stated that it would be an insult to the name of his brother to associate his name with these islands.

BAN ON THE Dawn

*1702. **Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Home Affairs be pleased to state the occasions and dates on which ban on the newspaper *Dawn* of Karachi was imposed and the dates on which such ban was lifted during the period from 15th August, 1947 to date?

(b) What are the other newspapers of Pakistan on which ban was imposed?

(c) What are newspapers of Pakistan which are still banned in the Indian Union?

The Honourable Sardar Vallabhbhai Patel: (a) The ban was imposed on the 4th September, 1948, and withdrawn on the 12th February, 1949.

(b) and (c). (1) *Zamindar*; (2) *Nowa-i-Waqt*; (3) *Ehsan*; (4) *Inqāb*; (5) *Imroz*; (6) *Nowa-i-Pakistan*; (7) *Jadid-e-Nizam*; (8) *Musalqam*; (9) *Jang*; and (10) *Anjam*.

Dr. Mono Mohan Das: What are the reasons for the imposition of this ban?

The Honourable Sardar Vallabhbhai Patel: The ban was imposed as they were publishing false and inflammatory material, tending to create communal trouble.

Sri Deshbandhu Gupta: May I know the names of the papers published in India which are banned in Pakistan?

The Honourable Sardar Vallabhbhai Patel: I have no information.

Shri M. Tirumala Rao: Has the paper *Dawn* given any assurance that it would not indulge in recrimination before the ban was withdrawn?

The Honourable Sardar Vallabhbhai Patel: We have asked for no assurance.

Shri M. Tirumala Rao: Was Government satisfied that its conduct would be better than before?

The Honourable Sardar Vallabhbhai Patel: In accordance with the general policy of Government to try and improve relations between the two Dominions as far as possible, we thought it better to give it an opportunity.

INCOME-TAX ALLOCATION TO WEST BENGAL

***1703. Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Finance be pleased to state the total amount of Income-tax collected from the Province of West Bengal during the year 1948-49?

(b) What percentage of this amount has been given to West Bengal Government?

(c) Did the West Bengal Government make any representation to the Centre for increasing this amount if so, with what result?

The Honourable Dr. John Matthai: (a) The total amount of income-tax collected in West Bengal during the year 1948-49 can be known only after the close of the year.

(b) The share of provinces in the proceeds of income-tax is not determined on the basis of the amount collected in each Province.

(c) The West Bengal Government made a representation in regard to the allocation of twelve per cent. made to them as their share in the divisible pool of income-tax. After a careful examination it has been decided that the existing allocation should continue for the next year and that for the future arrangements should be made to have an expert enquiry conducted into the allocation of income-tax so that the revised allocation may take effect when the new constitution comes into force.

Dr. Mono Mohan Das: What are the reasons for bringing down the share of West Bengal in the divisible pool of income-tax?

The Honourable Dr. John Matthai: The Government proceeded on the basis on which the Niemeyer Award was made. On the same basis, the resulting figure would have been less than 12 per cent. But in view of special difficulties that the West Bengal Government faced, we made a certain adjustment in their favour and raised the figure.

Shri Upendranath Barman: Will Government state the basis adopted by Otto Niemeyer in deciding this?

The Honourable Dr. John Matthai: As far as I can recollect, the principal basis on which Sir Otto Niemeyer made his award was on the population basis.

Shri Upendranath Barman: Is it a fact that though the population of Bombay Presidency according to the census of 1931 was definitely less than that of United Bengal, still the same allocation of 20 per cent. was made for that province?

The Honourable Dr. John Matthai: If the honourable member is asking me to defend the Otto Neimeyer Award I am not concerned to do it. What I am trying to explain is that as a provisional measure we decided to take the existing basis and make certain adjustments with reference to such difficulties. The whole matter is coming up again for enquiry.

(b) WRITTEN ANSWERS

PLAGUE VACCINE SUPPLIED TO CALCUTTA

***1704. Dr. Mono Mohan Das:** Will the Honourable Minister of Health be pleased to state:

- the institutions in which plague vaccine is prepared in India;
- what quantity of plague vaccine was supplied to Calcutta in the year 1947-48 when plague broke out in that city;
- the total cost of the vaccine supplied to Calcutta and the source from which the cost was realised; and
- the quantity of plague vaccine supplied to Calcutta during the year 1948-49?

The Honourable Rajkumari Amrit Kaur: (a) The Haffkine Institute, Bombay.

(b) and (d). 40,60,000 ccs of plague vaccine were supplied to the Government of West Bengal, by the Haffkine Institute, Bombay, when plague broke out in Calcutta. The supply was actually made in April, 1948.

(c) The cost of vaccine supplied was Rs. 261,714/3/- and was met by the Government of West Bengal.

SCHOLARS RETURNED AFTER STUDIES ABROAD IN ENGINEERING SUBJECTS

***1705. Shri Basanta Kumar Das:** Will the Honourable Minister of Education be pleased to state:

- the number of scholar engineers, central and provincial, who have returned after studies abroad during the period from 1st January, 1948 to 31st March, 1949;
- How they have been employed;
- how many of them are still unemployed and by what time they are likely to be employed; and
- whether any scholar is being sent abroad for education in engineering during 1949, and if not, the reasons therefor?

The Honourable Maulana Abul Kalam Azad: (a) 69 central scholars and 57 provincial scholars.

(b) A statement showing the employment position of returned central scholars is laid on the table of the House. The responsibility for the placement of returned provincial scholars rests with the Provincial Governments concerned. Out of the 57 Provincial Scholars, 41 have, however, been employed.

(c) 30 central scholars and 10 provincial scholars are still unemployed. Every effort is made by Government to secure suitable employment for central scholars as early as possible. It is, however, very difficult to indicate any time limit for it.

(d) The subjects for which scholars will be sent abroad during 1949 are under consideration. It is, however, hoped that some scholars will be sent for studying Engineering subjects also.

Employment position of the overseas scholars (related for engineering subjects) who returned during 1949.

Serial No.	Name of Scholar	Employment position
1	2	3
1	N. Venkatesan	Appointed as Project Officer, Central Electricity Commission, Simla.
2	K. R. K. Iyengar	Appointed as Technical Officer, Civil Aviation Department.
3	R. Gopal Krishna	Appointed as Lecturer, Delhi Polytechnic.
4	K. N. Banerjee	Joined the Bengal Engineering College as Associate Assistant Professor of Electrical Engineering.
5	F. N. Patel	Appointed as Civilian Workshop Officer, Ministry of Defence.
6	H. N. Vinso	Appointed as Assistant Executive Engineer, C. W. N. C.
7	M. M. Mukherjee	Permitted to rejoin Jadavpur Technical Engineering College.
8	B. B. S. Vijayan	Appointed as Reader in Chemistry, Delhi University.
9	S. D. Bhasin	Employed as Chemical Engineer, Benares Hindu University.
10	S. Ramasritham	Appointed as Senior Scientific Officer, Civil Aviation Department.
11	P. Dayal	Appointed as Assistant Director of Supplies, Bombay.
12	N. K. Agarwal	Appointed as Assistant Director of C. W. N. C.
13	K. A. P. Iyengar	Appointed as Assistant Station Engineer, A. I. R., New Delhi.
14	A. G. Jobn	Appointed as Assistant Engineer in A. I. R.
15	T. R. Kapur	Joined Burmah Shell & Co.
16	P. S. Rao	Appointed as Assistant Development Officer.
17	J. N. Ray	Appointed as Assistant Engineer, A. I. R.
18	K. Ramakhandran	Appointed at Jupiter Airways Ltd.
19	R. K. Thiagarajan	Appointed as Assistant Technical Engineer.
20	J. Simon	Appointed as Senior Shift charge Engineer in Sindi Fertiliser Factory.
21	K. C. Sharma	Ditto.
22	T. J. Manickam	Appointed as Junior Architect, C.P. W.D.
23	Q. C. Gupta	Appointed as Technical Officer Civil Aviation Department.
24	S. P. Sharma	Appointed as Assistant Station Engineer, A. I. R.
25	V. Narayana Rao	Appointed as Assistant Engineer, A. I. R.
26	K. S. Ganapathi	Appointed as Assistant Works Manager.
27	P. K. V. Pejathaya	Appointed as Assistant Executive Engineer.
28	A. S. Jayaraman	Appointed as Civilian Mechanical Engineer.
29	S. K. Mudle	Has been offered the post of Assistant Development Officer (Grade II), D.G.I. & S.
30	N. Kesavamurthy	Offered the post of Assistant Executive Engineer, East Punjab Government and Assistant Engineer Government of C.P. & Berar.

1	2	3
31	J. Shanker .	Offered the post of Civilian Workshop Officer, Ministry of Defence.
32	Saranjit Singh	Offered the post of Assistant Executive Engineer in Hirakud Dam.
33	B. R. Sen	Offered the post of Assistant Engineer, C. P. W. D.
34	K. C. Thomas .	Offered the post of Project Officer, Damodar Valley Corporation.
35	P. R. Desikachar.	Offered the post of Assistant Station Engineer, A. I. R.
36	P. V. Balakrishnan .	Offered the post of Technical Officer Civil Aviation Department.
37	M. P. Chaudhri	Offered the post of an Assistant Engineer in A. I. R., Allahabad.
38	R. Dayal .	Offered the post of an Assistant Development Officer, D. G. I. & S.
39	S. K. Do Purkayastha .	Offered a post of Assistant Engineer A. I. R., Shikong.
40	K. R. Narayana Row	Released from the Bond.
41	J. P. Kapur	Released from the Bond.
42	M. Mitra	Under consideration.
43	B. N. S. Murthy	Under consideration.
44	A. A. Krishnan	Ditto.
46	S. Hora	Ditto.
46	P. M. Mehta	Ditto.
47	A. M. Jacob	Ditto.
48	B. G. Talwar	Ditto.
49	M. K. Raja	Ditto.
50	S. Radhakrishnan	Ditto.
51	B. N. Bhargava	Ditto.
52	R. N. Datta	Ditto.
53	D. B. Dee	Ditto.
54	D. P. Gupta	Ditto.
55	K. R. Chakravarty	Ditto.
56	V. J. Joseph	Ditto.
57	K. B. Menon	Ditto.
58	N. K. Murthy	Ditto.
59	C. R. Subramanian	Ditto.
60	N. G. Uke	Ditto.
61	O. P. Agarwal	Ditto.
62	P. K. Charlu	Ditto.
63	B. Prakash	Ditto.
64	B. J. Ramakiani	Ditto.
66	S. N. Mitra	Ditto.
66	S. S. Soim	Ditto.
67	M. Raja Rao	Ditto.
68	N. Soudhi	Ditto.
69	R. S. Kechwaha	Ditto.

PRICE OF SILVER

*1706. **Shri R. K. Sidhya:** (a) Will the Honourable Minister of Finance be pleased to state what is the rate of silver per pound in India, Pakistan, New York, London, Hongkong, Tokyo and Africa?

(b) What is the reason for the high price prevailing in India?

(c) Do Government intend to take any action with a view to bring down the prices of silver and if not, why not?

The Honourable Dr. John Matthai: (a) to (c). I would invite the attention of the honourable member to the replies given by me earlier today to Shri Kishorimohan Tripathi's starred question No. 1683. Quotations for bullion in Pakistan, Hongkong, Tokyo and Africa are, however, not available.

GOVERNMENT BUILDINGS LYING VACANT AT SABATHU CANTONMENT

*1707. **Shri Deshbandhu Gupta:** Will the Honourable Minister of Defence be pleased to state:

(a) whether it is a fact that Sabathu Cantonment situated in the Simla Hills was considered a very popular hill-station by Government and used to be reserved for British Troops and for the families of the B.O.Rs. before 15th August, 1947;

(b) whether it is a fact that there are over 50 Government buildings consisting of barracks both single and double storied, family quarters and bungalows capable of providing accommodation for 1000 single beds and 100 officers' families lying vacant there;

(c) whether it is a fact that most of this accommodation has not been availed of by Government since August, 1947;

(d) whether Government have received a representation from the residents of that place drawing the attention of Government to this fact;

(e) whether any suggestion has been made to Government that in case Government do not propose to make use of this accommodation for the troops it may be made the capital of Himachal Pradesh;

(f) whether the Government of East Punjab has also approached the Ministry of Defence to place this accommodation at their disposal; and

(g) if the answers to parts (d) (e) and (f) above be in the affirmative, what action have Government taken in the matter?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) and (c). No. Single accommodation for 408 Indian Troops is lying vacant but this is earmarked for the troops returning from Jammu & Kashmir.

(d) to (f). No.

(g) Does not arise.

CAMBRIDGE EXAMINATIONS

*1708. **Shri H. V. Kamath:** Will the Honourable Minister of Education be pleased to state whether the holding of Senior and Higher Cambridge examinations will be discontinued in India with effect from 1950?

The Honourable Maulana Abul Kalam Azad: The Government of India are not responsible for holding the Cambridge Examinations in India which are conducted by the Cambridge Local Examination Syndicate. We have no information about any proposal to discontinue the examinations.

UNAUTHORISED CONSTRUCTIONS IN DELHI

*1709. **Babu Ramnarayan Singh:** (a) Will the Honourable Minister of Health be pleased to refer to the answer to part (c) of starred question No. 1273 asked on 21st March, 1949 regarding unauthorised construction in Delhi and state whether Government have decided to demolish the houses which were not constructed by displaced persons but were occupied by displaced persons?

(b) With reference to the answers given to parts (d) and (e) of the same starred question, why was not the decision of Government given effect to by any of the bodies referred to in the question?

(c) Why was not any of the 8413 houses, examined from the health point of view and regularised in accordance with the decision of Government?

(d) Have Government got any report from those local bodies which were required to give effect to Government's decision?

The Honourable Rajkumari Amrit Kaur: (a) Unauthorised constructions put up by persons other than displaced persons will be dealt with in the normal course of the law.

(b) and (c). Necessary steps have been or are being taken by the local bodies to implement Government's decision. As, however, cases of unauthorised construction require detailed investigation, the local bodies concerned will naturally take some time to dispose of them. None of the constructions has so far been regularised as they have not yet been brought upto specifications.

(d) Yes.

PENDING SCHEMES OF DELHI IMPROVEMENT TRUST

*1710. **Babu Ramnarayan Singh:** (a) Will the Honourable Minister of Health be pleased to refer to the answers to parts (a) and (b) of starred question No. 1274 asked on 21st March, 1949 regarding the schemes of the Delhi Improvement Trust and state as to how many of the remaining schemes are still pending and how many have been dropped?

(b) What are these pending schemes and since how long have they been pending?

(c) What steps have been taken to speed up those schemes?

(d) With reference to the answer to part (e) of the same starred question have Government received any representation from the people whose lands were acquired for giving them priority in the disposal of the land after the area is improved?

The Honourable Rajkumari Amrit Kaur: (a) to (c). None of the schemes has been postponed or dropped. They are at different stages of execution.

(d) No such representations were received by Government. It is understood that the Delhi Improvement Trust received eleven applications of which ten were accepted and one rejected.

PENSION AND GRATUITY TO EMERGENCY COMMISSIONED OFFICERS
PROMOTED FROM JUNIOR RANKS

*1711. **Shri Deshbandhu Gupta:** Will the Honourable Minister of Defence be pleased to state:

(a) whether it is a fact that there is a disparity in the pension and gratuity of Emergency Commissioned Officers of the same rank promoted from junior ranks:

(b) whether it is a fact that Emergency Commission Officers promoted from J. C. Os. of all branches of the Indian Army are eligible for pension on completion of ten years qualifying service whereas those of the I.A.M.C. are eligible for the same after 21 years of service;

(c) whether it is a fact that Emergency Commissioned Officers promoted from J.C.Os. of all branches of the Army are eligible to pension of Rs. 150/- on completion of 15 years qualifying service whereas those of I.A.M.C. are entitled only to a gratuity of Rs. 6,750/-; and

(d) if the answers to parts (a), (b) and (c) above be in the affirmative, whether Government propose to take action to remove this disparity which is the cause of discontent among I.A.M.C. Officers?

The Honourable Sardar Baldev Singh: (a) The question is not clear. I presume the honourable member wants to know whether the pensionary terms applicable to Emergency Commissioned Officers promoted from the ranks are the same in all Branches in the Army or there are differences. If so, the answer is that the pensionary terms are the same in all Branches, except in the case of medical officers who belonged to the I.M.D. The difference in the case of such medical officers' arises from the fact that I.M.D. personnel used to be governed by pension rules modelled on the civil pension rules and not by the army pension rules.

(b) Yes; but the rate of pension after ten years of qualifying service in other branches of the Army is Rs. 75/- while the rate of pension admissible to the medical officers of the I.A.M.C. (ex-I.M.D.—Indian Cadre) is Rs. 160 after 21 years' qualifying service.

(c) Yes.

(d) The pension rules applicable to the I.A.M.C. have been examined very carefully and the rules were liberalised recently. Government are satisfied that no further liberalisation is justified.

TEMPORARY EMPLOYEES QUALIFIED IN MINISTERIAL SERVICES (THIRD DIVISION) EXAMINATION

*1712. **Sbri Deebbandhu Gupta:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) the number of temporary employees who appeared and actually qualified in the Ministerial Services Third Division examination held in the year 1947;

(b) the number of qualified candidates who have already been nominated against permanent vacancies; and

(c) whether Government propose to absorb all the qualified candidates, against permanent vacancies and if not, why not?

The Honourable Sardar Vallabhbhai Patel: (a) 1319 temporary employees qualified in the 1947 examination.

(b) Candidates upto the rank of 650 have been nominated.

(c) No. In view of the Government's obligations to provide permanent appointments to displaced Government servants from areas now constituting Pakistan, including permanent employees of Sind, Baluchistan and North-West Frontier Province, and to other categories of temporary employees, it has not been possible to absorb permanently all persons who qualified in the 1947 Clerks' grade examination.

MEDIUM OF INSTRUCTION IN UNIVERSITIES

*1715. **Shri Lakshminarayan Sahu:** Will the Honourable Minister of Education be pleased to state:

(a) whether the question of the medium of instruction in Indian Universities has been referred to the Indian Universities Commission presided over by Dr. S. Radhakrishnan;

(b) whether the Government of India has advised or directed the Indian Universities in which English is the medium not to change it for some years;

(c) whether it is a fact that the Nagpur University has decided to replace English by local regional languages from the academic year 1949-50.

(d) whether the Nagpur University has decided to replace the current scientific terminology by the one compiled by Dr. Raghuvira; and

(e) whether any other universities have undertaken a similar change of medium and if so, which?

The Honourable Maulana Abul Kalam Azad: (a) Yes.

(b) The Committee on the Medium of Instruction appointed by the Government of India recommended that steps should be taken during the next five years for the gradual replacement of English as medium of instruction and examination at University stage by the language of the State or Province or Region. The Central Advisory Board of Education considered this recommendation during its last meeting in January, 1949, and resolved that in view of the appointment of the Universities Commission which is expected to submit its report by September this year, no final decision on the report of this Committee need now be taken.

(c) According to information available with the Government, it is proposed to introduce Hindi and Marathi as medium of instruction in the first year class of Colleges from July, 1949, and extend their use to higher classes year by year.

(d) No. But the matter is under consideration of the University.

(e) The University of Annamalai has introduced Tamil, the regional language, as medium of instruction in Intermediate Art course.

Banaras University has decided that Hindi should be an additional medium of instruction in all subjects except English and modern Indian Languages in Inter and B.A. classes from July, 1949. It is also decided that from 1950 Hindi alone will be the medium of instruction for those students whose domicile is Eastern Punjab, U.P., C.P., Bihar and Rajputana.

University of Calcutta has allowed students to answer question papers either in English or their mother tongue.

GRANTS GIVEN TO LAKSHMINARAYAN INSTITUTE OF TECHNOLOGY, NAGPUR

*1716. **Shri Lakshminarayan Sahu:** Will the Honourable Minister of Education be pleased to state:

(a) the amount of grants paid to the Lakshminarayan Institute of Technology, Nagpur, each year since the grant was first made;

(b) whether the medium of instruction in the Institute has been English;

(c) whether it is intended to substitute English by local languages and if so, which of them and from what date;

(d) whether it is intended to adopt the scientific terminology invented by Dr. Raghuvira;

MEDIUM OF INSTRUCTION IN UNIVERSITIES

*1715. **Shri Lakshminarayan Sahu:** Will the Honourable Minister of Education be pleased to state:

(a) whether the question of the medium of instruction in Indian Universities has been referred to the Indian Universities Commission presided over by Dr. S. Radhakrishnan;

(b) whether the Government of India has advised or directed the Indian Universities in which English is the medium not to change it for some years;

(c) whether it is a fact that the Nagpur University has decided to replace English by local regional languages from the academic year 1949-50.

(d) whether the Nagpur University has decided to replace the current scientific terminology by the one compiled by Dr. Raghuvira; and

(e) whether any other universities have undertaken a similar change of medium and if so, which?

The Honourable Maulana Abul Kalam Azad: (a) Yes.

(b) The Committee on the Medium of Instruction appointed by the Government of India recommended that steps should be taken during the next five years for the gradual replacement of English as medium of instruction and examination at University stage by the language of the State or Province or Region. The Central Advisory Board of Education considered this recommendation during its last meeting in January, 1949, and resolved that in view of the appointment of the Universities Commission which is expected to submit its report by September this year, no final decision on the report of this Committee need now be taken.

(c) According to information available with the Government, it is proposed to introduce Hindi and Marathi as medium of instruction in the first year class of Colleges from July, 1949, and extend their use to higher classes year by year.

(d) No. But the matter is under consideration of the University.

(e) The University of Annamalai has introduced Tamil, the regional language, as medium of instruction in Intermediate Art course.

Banaras University has decided that Hindi should be an additional medium of instruction in all subjects except English and modern Indian Languages in Inter and B.A. classes from July, 1949. It is also decided that from 1950 Hindi alone will be the medium of instruction for those students whose domicile is Eastern Punjab, U.P., C.P., Bihar and Rajputana.

University of Calcutta has allowed students to answer question papers either in English or their mother tongue.

GRANTS GIVEN TO LAKSHMINARAYAN INSTITUTE OF TECHNOLOGY, NAGPUR

*1716. **Shri Lakshminarayan Sahu:** Will the Honourable Minister of Education be pleased to state:

(a) the amount of grants paid to the Lakshminarayan Institute of Technology, Nagpur, each year since the grant was first made;

(b) whether the medium of instruction in the Institute has been English;

(c) whether it is intended to substitute English by local languages and if so, which of them and from what date;

(d) whether it is intended to adopt the scientific terminology invented by Dr. Raghuvira;

(e) the number of pupils in the Institute in the year 1948-49, who were non-Hindus and were from Provinces or States other than the Central Provinces separately;

(f) whether the will of the late Lakshminarayan restricted the admission to the Institute to Hindus domiciled in the Central Provinces for six years; and

(g) whether and how this limitation has been surmounted in order to enable the Institute to admit non-Hindus from other provinces?

The Honourable Maunaz Abul Kalam Azad: (a) The institution was given an advance grant of Rs. 1,00,000 for buildings and Rs. 10,000 for equipment in 1947-48 for the first time and further advance grant of Rs. 1,00,000 for buildings and Rs. 90,000 for equipment in 1948-49. The institution has also received interest free loan of Rs. 28,000 in 1947-48 and Rs. 1,00,000 in 1948-49 for construction of students' hostel.

On the recommendations of the All India Council for Technical Education, the Government of India propose to give to the Lakshminarayan Institute of Technology, Nagpur, a total non-recurring grant of Rs. 5,07,000 for buildings, Rs. 3,51,000 for equipment and an interest free loan of Rs. 2,07,000 for construction of students' hostel, with a view to improving and expanding the existing facilities for technological studies.

(b) Yes.

(c) and (d). The question of medium of instruction in Technological Institutions and whether the present Scientific terminology will remain or will be superseded by any other Scientific terminology or terminologies is one affecting the whole country and not this institution alone. No decision can be taken in the matter with reference to any single institution.

So long as the question has not been finally decided the Government do not think it proper that there should be any change in the medium of instruction or Scientific terminology at any of the Technical Institutions.

(e) Fifty one students and twelve research students. All of them are Hindus from Central Provinces and Berar.

(f) Yes.

(g) In order to overcome the limitation imposed by the will of the late Shri Lakshminarayan, the Nagpur University propose to treat the Government grant as contribution for non-Hindu and non-Provincial students, and are devising a formula which would be acceptable to the Central Government.

SCHOOLS IN DELHI

*1717. **Prof. Yashwant Rai:** (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that communal schools still exist in Delhi?

(b) Is it a fact that Government give 20 per cent. grant-in-aid to such schools with communal names?

(c) Have Government received any deputation or memorandum from the Teachers' Association regarding the nationalisation of these schools?

(d) Is it a fact that Government have already nationalised the Municipal and District Board Schools of Delhi Province?

The Honourable Maunaz Abul Kalam Azad: (a) No. There are, however, some schools which bear communal names. But admission in these schools is open to all communities irrespective of caste or creed.

(b) The Government grant to aided schools in Delhi Province is 10 per cent. of the net approved expenditure minus income from fees and fines.

(c) No.

(d) The Government have taken over fourteen Secondary Schools which the Delhi Municipal Committee were unable to maintain but the Primary Schools are still run by the Committee and have not been Provincialised. The question of provincialising the District Board Schools is under the consideration of Government.

AUCTIONING OF LANDS LEASED TO *Malis* IN AMBALA

*1718. **Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Defence be pleased to state whether the attention of Government has been drawn to the news, published in *The Statesman* dated the 15th March, 1949 on page 2, column 7, under the sub-heading, "Ambala *Malis* to lose their homes", stating "families of Purbia *Malis* are faced with the loss of their means of livelihood and homes as a result of higher prices paid for their leased plots at the annual auction this year (by refugees). The refugees are due to take over these lands on April 1, etc."?

(b) Is it a fact that a plot which previously fetched Rs. 230/- per annum was auctioned for Rs. 2,250/- and another smaller plot which was auctioned for Rs. 2/8/- per annum, fetched Rs. 86/-?

(c) Has any representation been made, on behalf of the *Malis*, to the Deputy Director, Military Lands and Cantonments, Government of India, who visited Ambala recently?

(d) What have the Government done or propose to do in this matter?

(e) Is it a fact, that for generations, these *malis* families, have been living on those leased lands of the Government and they have built their own huts and sunk wells on the land?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) Yes.

(c) Yes.

(d) Government have examined the matter and find that bids which appear abnormally high have been recorded only in a small number of cases. These cases are being examined.

(e) It is a fact that a number of these families have held the lands continuously for many years although they have had to bid for the plot in open auction every four years. Huts have been built and in some cases wells have been sunk.

BRITISH OFFICERS IN INDIAN ARMY

*1719. **Shri H. V. Kamath:** Will the Honourable Minister of Defence be pleased to state how many British officers there are in the Indian Army, and how many of them on the technical side?

The Honourable Sardar Baldev Singh: 197, of whom 120 are employed with the Technical Arms.

GOVERNMENT OF INDIA PENSIONERS

*1720. **Prof. Shiban Lal Saksena:** (a) Will the Honourable Minister of Finance be pleased to state the total number of ex-Government employees, Indian and non-Indian, who are residents in India and are in receipt of pensions after retirement from service from the Government of India?

(b) What is the total amount of pensions paid to these employees annually?

The Honourable Dr. John Matthai: (a) The information required is not readily available.

(b) Rupees ten crores per annum approximately.

EXAMINATION FOR SELECTION OF ASSISTANTS TO FILL PERMANENT VACANCIES

***1721. Shri Raj Bahadur:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether it is proposed to hold an examination in the near future for selection of assistants to fill permanent vacancies from amongst the temporary assistants employed in the Central Secretariat and its attached offices?

(b) If so, will the examination be of a competitive or a qualifying nature?

The Honourable Sardar Vallabhbhai Patel: (a) Yes; an examination is likely to be held before the end of this year.

(b) The examination will be competitive, but limited to certain categories of persons. Details will be found in the Instructions for the Initial Constitution of Grade IV of the Central Secretariat Service, copies of which are available in the Library of the House.

PERMANENT AND QUASI PERMANENT VACANCIES OF ASSISTANTS IN MINISTRIES

***1722. Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) the total number of permanent and quasi-permanent vacancies of Assistants in different Ministries of the Government of India during the years 1935 to 1948 (Ministrywise year to year) and also the number of Departmental clerks confirmed against the 50 per cent. quota reserved for them during those years; and

(b) whether persons other than Departmental clerks were confirmed against the vacancies reserved for the later in any Ministry/Ministries?

The Honourable Sardar Vallabhbhai Patel: (a) The information is not readily available and its collection will involve expenditure of time and labour incommensurate with the results likely to be secured.

(b) Yes; but the confirmations have been made in accordance with the rules in force.

SALE OF GOA LOTTERY TICKETS IN INDIA

***1723. Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether Government are aware of the existence of Goa lotteries which are freely canvassed and sold in India?

(b) Are there any rules governing the sale of these and similar lottery tickets in India?

(c) If so, do Government propose to place a copy of these rules on the table of the House?

The Honourable Sardar Vallabhbhai Patel: (a) Government are aware of the existence of Goa lotteries but their information does not indicate that these lotteries are being freely canvassed and sold.

(b) and (c). There are statutory rules prohibiting the bringing of Goa lottery tickets and circulars into India. Copies of the relevant notifications are placed on the table of the House.

No. P.T.L. (F)/136/40
COMMUNICATIONS DEPARTMENT
P & J. BRANCH

Dated the 30th November, 1940

NOTIFICATION

No. PTL/F-136/40—In exercise of the powers conferred by the Indian Post Office Act, 1898 (VI of 1898), the Central Government is pleased to direct that the following further amendment shall be made in the Indian Post Office Rules 1933, namely :—

After rule 222 of the said Rules, the following rule shall be inserted namely :

"223. The officers noted below are empowered to search or cause search to be made for lottery tickets and lottery circulars, in course of transmission by post, of which the bringing into British India from the Portuguese Settlements in India through the medium of the Post Office is prohibited. The said officers shall return to the senders all postal articles found to contain such lottery tickets and lottery circulars."

- * (1) The Superintendent, the Deputy Superintendent and the Assistant Superintendents of Foreign Post, at Bombay.
- (2) The Presidency Postmaster, the Deputy Presidency Postmaster and the Assistant Presidency Postmasters, at Bombay.
- (3) The Postmasters, Belgaum and Ratangiri.
- (4) The Sub-Postmasters, at Vapi, Una, Castle Rock, Londa, Malvan and Vengurla.
- (5) The Head Sorters, B-16 Section and B23 Out Section of the R.M.S.

FINANCE DEPARTMENT (CENTRAL REVENUES)

NOTIFICATION

CUSTOMS

New Delhi, the 30th November, 1940

No. 59.—In exercise of the powers conferred by section 19 of the Sea Customs Act, 1878 (VIII of 1878) the Central Government is pleased to prohibit the bringing into British India of lottery tickets and lottery circulars purporting to relate to lotteries conducted in the Portuguese settlements in India.

M. SLADE,

Joint Secretary to the Government of India.

Copy of Notification, dated New Delhi, the 27th March, 1942 from Government of India Department of Communications, Posts and Telegraphs.

P.T.L. (F)/136/40.—In exercise of the powers conferred by the Indian Post Office Act 1898 (VI of 1898), the Central Government is pleased to direct that the following further amendment shall be made in the Indian Post Office Rules, 1933, namely :—

For sub-rule (3) of rule 44 of the said Rules, the following sub-rule shall be substituted, namely,

"(3) Lottery tickets, if printed and distributed in India on behalf of foreign lotteries, and circulars relating to lotteries of any kind, shall not be transmitted by post."

SALE OF FRENCH PRIZE BONDS

*1724. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Finance be pleased to state whether Government are aware of the issue of Prize Bonds guaranteed by the Republic of France?

(b) Are Government aware of the circular letter issued by the International Investment Corporation of Pondicherry canvassing these Prize Bonds?

(c) Are Government aware that the bonds are being sold taking 20 Francs per Rupee at the exchange rate?

(d) Is it a fact that the present exchange rate is above 80 Francs per Rupee?

(e) Do Government permit sale of such bonds and other securities of foreign origin in India freely?

(f) If not, how do Government regulate the matter?

(g) What steps have Government taken or propose to take in the matter?

The Honourable Dr. John Matthai: (a) and (b). Government have seen a circular letter on the subject by the International Investment Corporation of Pondichery, but are not aware whether the statements in that circular are correct.

(c) That is the rate at which the Rupee equivalent of the prizes in French France has been shown in the circular.

(d) The present exchange rate is 78.6 francs per Rupee.

(e) to (g). The sale of such bonds in India is unlawful and anyone found guilty of selling them is liable to prosecution.

ATTACK ON RAJAORI (JAMMU) BY PAKISTANI RAIDERS

***1725. Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of States be pleased to state whether it is a fact that 3,000 Hindu women of the town of Rajaori in the Reasi District of Jammu in the Jammu and Kashmir State performed "Jauhar" in the Tehsil building of Rajaori, on 11th November, 1947, when Rajaori was besieged by Pakistani 'raiders' assisted by the local Muslims of Rajaori and the 14,000 Hindus assembled together in the Tehsil found after 16 hours of resistance that there was no chance of escape from the Muslim marauders?

(b) Is it a fact that all the 14,000 Hindus assembled in the Tehsil building were killed by the Muslims?

(c) Is it also a fact that not more than 50 men could escape in this 'raid'?

The Honourable Sardar Vallabhbhai Patel: (a) to (c). Enquiries have been made of the Jammu and Kashmir Government and the information will be laid on the table of the House in due course.

MEMORIAL TO HINDUS OF RAJAORI (JAMMU)

***1726. Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of States be pleased to state whether it is a fact that the Interim Government of Sheikh Mohammed Abdulla has decided to erect a suitable Memorial in the Rajaori Tehsil building in memory of the 3,000 Hindu women who burnt themselves alive to save their honour and 11,000 Hindus who were massacred by the Muslims on that day, similar to the Memorial being erected by the Abdulla Government in Baramulla in memory of Mr. Maqbul Ahmad Sherwani, who died fighting in Baramulla?

(b) If so, when was the decision arrived at and what is the plan of the Memorial?

(c) If no such decision has been taken, why not?

The Honourable Sardar Vallabhbhai Patel: (a) to (c). Enquiries have been made of the Jammu and Kashmir Government and the information will be laid on the table of the House in due course.

TUBERCULOSIS SANATORIA IN CENTRAL PROVINCES

***1727. Seth Govind Das:** Will the Honourable Minister of Health be pleased to state how many Tuberculosis Sanatoria are maintained in the Central Provinces by Government and whether there is a proposal to open more of such Sanatoria there?

The Honourable Rajkumari Amrit Kaur: No Tuberculosis Sanatorium is at present maintained in the Central Provinces by Government. The Provincial Government have, however, included a scheme for the establishment of such a Sanatorium in their Post-War Development plans.

HIGH RENTS FOR HOUSES IN JUBBULPORE CANTONMENT AREA

*1728. **Seth Govind Das:** (a) Will the Honourable Minister of Defence be pleased to state whether Government are aware of the fact that the Rent Control Order has been lifted in the Jubbulpore Cantonment Area whereas it is still in force in the Jubbulpore Municipal Area?

(b) Has it been brought to the notice of Government that enormous increase in the rent of houses is being demanded by the house-owners who are troubling the tenants in the area with renewed threats of ejection?

(c) If so, what action do Government propose to take in the matter.

The Honourable Sardar Baldev Singh: (a) No, Sir. The Provincial Rent Control Order was never operative in the Jubbulpore Cantonment Area.

(b) and (c). Yes. Government are taking action to apply the Provincial Act for regulating the rent of houses in the Cantonment Areas in the Central Provinces.

CHANGE OF MEDIUM OF INSTRUCTION IN HYDERABAD

*1729. **Seth Govind Das:** (a) Will the Honourable Minister of States be pleased to state whether any changes with respect to the medium of instruction are being made in the Educational Department of Hyderabad under the Military Administration there?

(b) If so, are the public of Hyderabad being consulted or their wishes and demands being considered in this connection?

The Honourable Sardar Vallabhbhai Patel: (a) and (b). Information is not available but has been asked for from the Hyderabad Administration.

GRANTS GIVEN TO ANJUMAN-E-TARAQI-E-URDU

*1730. **Seth Govind Das:** (a) Will the Honourable Minister of Education be pleased to state the basis on which the annual grant of Rs. 40,000 has been given to Anjuman-e-Taraqqi-Urdu?

(b) Have Government in their possession information regarding the membership of this Anjuman?

(c) If so, what is the number of members at present?

(d) Has the number increased or decreased after the partition of the country?

(e) Have Government granted this money for any specific purpose?

(f) Are Government aware that the principal activities of this Anjuman are now confined to the business of books and periodicals?

(g) Have Government received any reports and accounts of this institution?

(h) Are Government aware as to how the previous grants made by them to this Anjuman have been utilised?

The Honourable Maulana Abul Kalam Azad: (a) and (e). Government have given this grant to the Anjuman-e-Taraqqi-e-Urdu in consideration of the fact that the Anjuman since its inception about 44 years back had published about 200 books on History, Biography, Philosophy, Science, Economics Education etc., and had compiled Dictionaries. Besides, it was felt that the Anjuman would prove very helpful in evolving a language simple and easy to learn. The Anjuman also propose to prepare books which would make it easy for persons knowing Urdu to become acquainted with Hindi literature and has also decided to popularise the Devanagiri script among the Urdu knowing persons which work is very necessary in the interest of the country.

(b) to (d). After partition, the Anjuman had decided that as it was formed in India and had received contributions largely from Indian nationals, no officer of the Anjuman had any right to transfer it to Pakistan. If people in Pakistan desired to form such an Anjuman, they were free to do so, but they would have to form a new Anjuman for the purpose. In accordance with this decision, the members of the Anjuman as well as its various branches in the provinces have been working in India since the partition.

(f) No.

(g) Yes.

(h) This is the first grant that Government have given to this body.

ANJUMAN-E-TARAQI-E-URDU AND ALL-INDIA HINDI SAHIYA SAMMELAN

*1731. **Seth Govind Das:** Will the Honourable Minister of Education be pleased to state the reasons which led Government to put Anjuman-e-Taraqqi-e-Urdu on par with the All India Hindi Sahitya Sammelan in giving grants?

The Honourable Maulana Abul Kalam Azad: Government have not looked at the matter from the angle suggested in the question. The Anjuman-e-Taraqqi-e-Urdu asked for a Government grant in 1946. Afterwards, Hindi Sahitya Sammelan also asked for a Government grant. Government took the matter into consideration and decided after taking into account the various factors which are usually considered at the time of giving Government grants.

SHIFTING OF HEAD OFFICE OF ANJUMAN-E-TARAQI-E-URDU TO PAKISTAN

*1732. **Seth Govind Das:** (a) Will the Honourable Minister of Education be pleased to state whether Government are aware of the fact that the Head Office of Anjuman-Taraqqi-Urdu was shifted to Pakistan at the time of partition of India and it is still functioning at Karachi?

(b) Are Government aware that the founder President of this Anjuman, Dr. Abdul Huq, went to Pakistan, started its activities there and toured many cities in Western Pakistan?

The Honourable Maulana Abul Kalam Azad: (a) and (b). Government did not give the grant until they were satisfied that the Anjuman had no connection whatever with Pakistan and that its former Secretary, Maulvi Abdul Haque, had nothing to do with it. The Anjuman had decided in a meeting which was held on the 5th October, 1948, that this Anjuman belongs to the Indian Union and that it has no connection with any organisation in Pakistan.

BOOKS PUBLISHED BY ANJUMAN-E-TARAQI-E-URDU

*1733. **Seth Govind Das:** (a) Will the Honourable Minister of Education be pleased to state whether he has a list of books and other literature published by Anjuman-e-Taraqqi-e-Urdu?

(b) Is Anjuman supplying its books and publications to Pakistan also?

The Honourable Maulana Abul Kalam Azad: (a) Yes.

(b) No; the Anjuman in the Indian Union has nothing whatsoever to do with any organisation in Pakistan.

ESTABLISHMENT OF NATIONAL CENTRAL LIBRARY

*1734. **Seth Govind Das:** (a) Will the Honourable Minister of Education be pleased to state whether Government have taken any step so far for the collection of all Hindi books and other publications at some central place as is the case of all English books and publications in the British Museum Library, London?

(b) Are Government aware of any resolution moved by Mr. P. N. Saprú and passed by the Council of State in 1941 or 1942 in this connection?

(c) In case any such resolution has been passed, what action has been or is proposed to be taken on it?

(d) Is any action being taken in this connection by the committee appointed for opening a copy-right centre?

The Honourable Maulana Abul Kalam Azad: (a) No, Sir. But the Government have under consideration the question of establishing a Central Reference Library in Delhi with a copyright Section attached to it.

(b) In March, 1942 the Council of State adopted a resolution moved by Mr. P. N. Saprú recommending an amendment of the law so as to ensure that a copy of every work printed in the Country in Hindi is supplied to the Library of the Hindi Sahitya Samelau and of every printed work in Urdu to the Anjuman Taraqqi-Urdu.

(c) No action has so far been taken on the Resolution.

(d) The Expert Committee set up to work out the details for the establishment of a National Central Library have been asked to report on the setting up of a copyright section also in the Library and their report is awaited.

STUDY OF HINDI LANGUAGE AND LITERATURE IN DELHI UNIVERSITY

*1735. **Seth Govind Das:** Will the Honourable Minister of Education be pleased to state what steps have been taken to encourage the study of Hindi language and literature in the Post Graduate classes in the University of Delhi?

The Honourable Maulana Abul Kalam Azad: There is a combined Department of Sanskrit, Hindi and Bengali in the University. The University have also instituted an M. A. course in Hindi language and Literature.

DEPARTMENT OF NATIONAL SAVINGS

*1736. **Shri G. S. Guha:** (a) Will the Honourable Minister of Finance be pleased to state how the Department of National Savings including its provincial branches is now constituted?

(b) Why is the head office of the department established at Simla?

(c) When was the present National Savings Commissioner appointed, what is his pay and what pay was he drawing before his present appointment?

(d) Was the National Savings Commissioner appointed on the recommendations of the Federal Public Service Commission and what are his qualifications?

(e) Is it proposed to revive the old "authorised agency system" and if so, for what reasons?

(f) What is the rate of commission paid to "authorised agents"?

The Honourable Dr. John Matthai: (a) A statement is laid on the table.

(b) Mainly due to shortage of accommodation in Delhi.

(c) The present National Savings Commissioner was appointed in June 1948. His present pay is Rs. 1,800 p.m. and the pay he was drawing as P.N.S.O. Bombay before his appointment as National Savings Commissioner was Rs. 1,200 p.m.

(d) No, Sir. He is a member of the Bombay Educational Service and was Provincial National Savings Officer Bombay for four years.

(e) Yes, Sir. The question of reviving the authorised agency system is under consideration as a potential factor which is likely to help the savings movement.

(f) The rate of commission that used to be paid was 2-1/2 per cent.

STATEMENT

Office of the National Savings Commissioner.

Details of Appointment	Number of Posts.	Prescribed Scales of Pay
		Rs.
National Savings Commissioner	1	1,600-100-1,800
Dy. National Savings Commissioner	1	1,000-60-1,400 (Post now held in abeyance).
Secretary	1	650-30-800
Superintendents	2	400-20-500
Statistical Assistant	1	160-10-320
Assistants	14	160-10-300-15-450
Accountant	1	120-8-200-10/2-220
Stenographers	3	160-10-320
Clerks	18	65-3-85-4-126-5-130

Staff—Province-wise

Province	Provincial National Savings Officer.	Pay	Dy. Provincial National Savings Officer on Rs.	Asst. National Savings Officer on Rs.	Upper Division Clerks	Organisers	Lady Organisers	Steno-graphers	Clerks	Daftries	Peons
					Rs. 80-5-120-8	200-10/2-220			Rs. 55-3-85-EB-4-125-5-130		
Benegal	1	Rs. 600-40-1000-1000--	1	3	2	25	3	1	5	1	35
		1050-1050--									
		1100-1100--									
		1150									
United Provinces	1	Do.	1	6	2	50	3	1	8	1	73
Madras	1	Do.	1	5	2	85	3	1	8	1	47
Bombay	1	Do.	1	5	2	33	3	1	8	1	45
East Punjab	1	350-350--	1	2	1	20	2	1	4	1	26
		380-380--									
		30-590-EB									
		30-770-40									
C. P. and Berar	1	850.		2	1	21	2	1	4	1	27
		Do.									
Bihar	1	Do.		2	1	20	2	1	4	1	24
Assam	1	275-25-500-EB-30-650		1	1	11	1	1	3	1	15
Orissa	1	Do.		1	1	6	1	1	3	1	10
Delhi and Ajmer Merwars.	1	Do.		2	1	8	8	1	5	1	16
Total	10		4	26	14	239	33	10	52	10	320

FORMER SECRETARY OF STATE'S SERVICES

*1737. **Shri G. S. Guha:** (a) Will the Honourable Minister of Home Affairs be pleased to state, if the former Secretary of State's Services, such as the Indian Civil Service, the Indian Police and the Indian Forest Service, are still in existence?

(b) If not, have the members of those services been absorbed in any of the new all-India Service or Services with special concessions regarding their pay and conditions of service, or do they form separate categories by themselves?

(c) Are any posts specially reserved for the ex-members of the Secretary of State's Services or the members of the new Administrative Services?

The Honourable Sardar Vallabhbhai Patel: (a) and (b). The former Secretary of State's Services have ceased to exist as such, but members of those Services, who continued in service after the transfer of power are governed more or less by the same conditions of service.

(c) The Statutory reservation of posts for the Secretary of State's Services no longer exists. There is no reservation of any posts for the Indian Administrative Service.

ABOLITION OF SPECIAL PAY TO CLASS IV SERVANTS

*1738. **Prof. Shibban Lal Saksena:** (a) Will the Honourable Minister of Finance be pleased to state whether the special pay of Rs. 5 paid to class IV servants has been ordered to be abolished from 1st March, 1949 and if so, what are the reasons?

(b) What is the total amount of saving which will accrue to Government by the abolition of this extra pay?

The Honourable Dr. John Matthai: (a) The matter is still under consideration.

(b) The information is not readily available.

CUSTOMS DUTY ON COMMODITIES EXPORTED TO AND IMPORTED FROM PAKISTAN

*1739. **Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Finance be pleased to state what are the commodities that are exported to Pakistan from India without any export duty?

(b) What are the commodities that are exported into India from Pakistan without any export duty?

The Honourable Dr. John Matthai: (a) All commodities except raw jute including Bimlipatam jute and Mesta fibre, jute manufactures, raw cotton, rice, tee, cotton cloth, manganese ore, cigarettes, cigars and cheroots (which are the commodities included in the Indian Export Tariff) are allowed export to Pakistan free of export duty.

(b) According to the information available with the Government of India, the Government of Pakistan allow the export to India, free of export duty, of all commodities except raw jute including mesta fibre, jute manufactures, raw cotton, rice, tea, raw hides, raw skins, cotton seeds, cement, fish and bamboos.

EUROPEANS IN I.C.S., I.P.S. AND I.F.S.

*1740. **Lala Raj Kanwar:** (a) Will the Honourable Minister of Home Affairs be pleased to state the number of European Members of (i) the Indian Civil Service, (ii) the Indian Political Service and (iii) the Indian Foreign Service, who are still serving in India, both at the Centre and in the Provinces?

(b) are such officers drawing pay and allowances in accordance with their previous terms of appointment or have been engaged on fresh terms on contractual basis?

The Honourable Sardar Vallabhbhai Patel: (a) (i) Three at the Centre and nineteen in the provinces.

(ii) One.

(iii) None.

(b) All these officers continue to draw pay and allowances in accordance with their original terms of appointment.

EMPLOYEES OF BENGAL AIR DEPOT

*1741. **Shri Harihar Nath Shastri:** (a) Will the Honourable Minister of Home Affairs be pleased to state whether a circular was issued in the past by the Government of India that the services rendered by employees of the Bengal Air Depot, now known as the Titagarh Air Depot, would be recognised as war service and that they would be given all facilities extended to personnel released from war service?

(b) If so, does that condition still exist?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) Yes.

HELP TO VICTIMS OF RAZAKARS IN HYDERABAD

*1742. **Prof. N. G. Ranga:** Will the Honourable Minister of States be pleased to state:

(a) whether any effort is being made by the Military administration of Hyderabad to ascertain the losses in life and property inflicted by the Razakars and State authorities upon the people;

(b) whether any attempts are being made to compensate them; and

(c) whether any one has so far been compensated by the State administration?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) and (c). Compensation for losses sustained is not being paid as a general rule but monetary assistance is being freely given in deserving cases. The State Government is also rehabilitating those who have suffered losses.

CENTRAL GOVERNMENT PENSIONERS WHO HAD THEIR PENSION DOCUMENTS TRANSFERRED FROM PAKISTAN TO INDIA

*1742-A. **Giani Gurmukh Singh Musafir:** (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that Government have decided to continue the pensions of those Central Government pensioners who got their pension documents transferred from Pakistan to India before 15th August 1947 and to restrict the pensions of those Central Government pensioners whose documents were transferred after the 15th August, 1947?

(b) If the answer to part (a) above be in the affirmative, what are the grounds for the adoption of such a policy?

(c) Will the pensioners who applied for the transfer of their pensions before 15th August, 1947, but got their pensions transferred after that date, be affected by such orders?

The Honourable Dr. John Matthai: (a) and (b). All pensioners who got their pensions transferred before or after the 15th August, 1947, are being paid in the normal course and no restrictions have been placed on those who got their pensions transferred after the 15th August 1947.

(c) Does not arise.

UNSTARRED QUESTIONS AND ANSWERS

HINDU UNDIVIDED FAMILIES ASSESSED TO INCOME-TAX

138. Pandit Mukht Bihari Lal Bhargava: Will the Honourable Minister of Finance be pleased to state the number of Hindu undivided families assessed to income-tax during the assessment years 1946-47 and 1947-48 on incomes graded as under:

- (i) over Rs. 150,000/- but not over Rs. 200,000/-
- (ii) " Rs. 200,000/- " " " Rs. 300,000/-
- (iii) " Rs. 300,000/- " " " Rs. 400,000/-
- (iv) " Rs. 400,000/ " " " Rs. 500,000/-
- (v) " Rs. 500,000/- ?

The Honourable Dr. John Matthai: The number of Hindu Undivided Families assessed to income-tax in the Dominion of India during the assessment year 1947-48 and in undivided India during the assessment year 1946-47 was:

Grades of total income	1947-48	1946-47
	No.	No.
Rs. 1,00,000—1,99,999	216	203
Rs. 2,00,000 and over	122	68

Information by the grades of income mentioned by the honourable member is not available from our statistics.

RESIDENTIAL HOUSES REQUISITIONED BY COLLECTOR OF DELHI

139. Master Nand Lal: Will the Honourable Minister of Works, Mines and Power be pleased to lay on the table of the House a statement showing:

- (i) the number of residential houses requisitioned by the Collector of Delhi during the year 1948-49;
- (ii) the public purpose, stated either in the notices or in the order, for which each accommodation was requisitioned;
- (iii) the disposal of those requisitioned accommodation; and
- (iv) the person at whose request the requisition was made?

The Honourable Shri N. V. Gadgil: The information is being collected and will be laid on the table of the House in the due course.

Wednesday
6th April, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND
ANSWERS)

Official Report

Volume IV, 1949

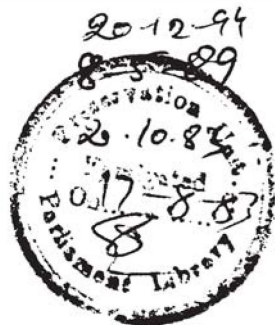
(6th April, 1949 to 9th April, 1949)

Fourth Session

OF THE

CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE)

1949



CONTENTS

Volume IV.—6th April, 1949 to 9th April, 1949.

	PAGES
WEDNESDAY, 6TH APRIL, 1949—	
Statement on Foreign Investments in India	2385—87
Election to the Standing Committee for Ministry of Food	2387
Election to the Committee to review the working of the Railway Convention	2387
Industrial Finance Corporation (Amendment) Bill—Introduced	2388
Industries (Development and Control) Bill—Referred to Select Committee	2388—2429
Statement of Business	2429—30
THURSDAY, 7TH APRIL, 1949—	
Elections to Central Tea Board, Central Advisory Board of Archaeology, Standing Committee for Ministry of Food and Committee to review working of Railway Convention	2431
Papers laid on the Table	2431—34
Point of order—Reference of the Industries (Development and Control) Bill to Select Committee without discussion on the statement made by Prime Minister on Foreign Investments.	2435
Indian Passport (Amendment) Bill—Introduced	2435
Registration of Foreigners (Amendment) Bill—Introduced	2435
Delhi Road Transport Authority Bill—Introduced	2435—36
Payment of Taxes (Transfer of Property) Bill—Passed as amended	2436—51
Public Companies (Limitation of Dividends) Bill—Passed as amended	2451—61
Merchant Shipping Laws (Extension to Acceding States and Amendment) Bill—Passed	2462—69
Influx from Pakistan (Control) Bill—Passed as amended	2470—80
Delhi Hotels (Control of Accommodation) Bill—Discussion on Motion to Consider—not concluded.	2480—81
FRIDAY, 8TH APRIL, 1949—	
Election to Standing Committee for Ministry of Labour	2483
Election to Standing Committee for Ministry of Industry and Supply	2483
Industries (Development and Control) Bill—Appointment of a Member to Select Committee	2484
Motions for Adjournment—Procedure <i>re</i> motions which are obviously inadvisable and on which no question of consent of the Speaker can arise—Motions not to be mentioned in the House.	2484
Delhi Hotels (Control of Accommodation) Bill—Passed	2484—2501
West Godavari District (Assimilation of Laws on Federal Subjects) Bill—Passed	2501—02
Displaced Persons (Legal Proceedings) Bill—Passed as amended	2502—04
Indian Tea Control (Amendment) Bill—Passed	2504—06
Indian Wireless Telegraphy (Amendment) Bill—Passed	2506—07
Bombay Port Trust (Amendment) Bill—Passed.	2508—12
Indian Railways (Amendment) Bill—Referred to Select Committee	2512
Coal Mines Labour Welfare Fund (Amendment) Bill—Passed	2513—14
Dock Workers (Regulation of Employment) Amendment Bill—Passed	2514—15
Cine-natograph (Amendment) Bill—Discussion on Motion to pass as amended—not concluded.	2515—43

SATURDAY, 9TH APRIL, 1949—

Elections to Standing Committees for Ministries of Industry and Supply and of Labour	2545
Cinematograph (Amendment) Bill—Passed as amended	2545—49
Rubber (Production and Marketing) Amendment Bill—Passed	2549—51
Coffee Market Expansion (Amendment) Bill—Passed	2551—52
Repealing and Amending Bill—Passed	2552—53
Code of Civil Procedure (Amendment) Bill—Passed	2553—54
Chartered Accountants Bill—Passed as amended	2554—60
Indian Succession (Amendment) Bill—Passed	2560—62
Indian Passport (Amendment) Bill—Passed	2562—63
Registration of Foreigners (Amendment) Bill—Passed	2563

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

DEBATES

(PART II.—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Wednesday, 6th April, 1949

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

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

STATEMENT ON FOREIGN INVESTMENTS IN INDIA

The Honourable Shri Jawaharlal Nehru (Prime Minister and Leader of the House): By your leave, Sir, I would like to make a statement to the House. Some days ago my honourable colleague, the Minister for Industry and Supply, introduced a Bill before the House to provide for the development, regulation and control of certain industries. Sometime later today, I understand that he is going to make a motion to refer the Bill to a select committee.

Honourable Members will have noticed that no specific provision relating to participation of foreign capital in industries has been made in this Bill. We had thought at first that it would be necessary to make some specific provision, but we find on further examination that such regulation as is necessary can be secured through existing laws. The policy as regards participation of foreign capital has already been announced in broad terms in Government's resolution of the 6th April 1948. The stress on the need to regulate, in the national interest, the scope and manner of foreign capital arose from past association of foreign capital and control with foreign domination of the economy of the country. But circumstances today are quite different. The object of our regulation should therefore be the utilisation of foreign capital in a manner most advantageous to the country. Indian capital needs to be supplemented by foreign capital not only because our national savings will not be enough for the rapid development of the country on the scale we wish, but also because in many cases scientific, technical and industrial knowledge and capital equipment can best be secured along with foreign capital.

In this context, foreign investors would no doubt wish to have some clear indication of our policy on certain matters, like the repatriation of capital, the remittance of profits, and the treatment of foreign enterprise *vis-à-vis* Indian enterprise. I propose to make the policy of Government quite clear in this matter.

In the first place, I would like to state that Government would expect all undertakings, Indian or foreign, to conform to the general requirements of their industrial policy. As regards existing foreign interests, Government do not intend to place any restrictions or impose any conditions which are not applicable to similar Indian enterprise. Government would also so frame their policy as to enable further foreign capital to be invested in India on terms and conditions that are mutually advantageous.

[Shri Jawaharlal Nehru]

Secondly, foreign interests would be permitted to earn profits, subject only to regulations common to all. We do not foresee any difficulty in continuing the existing facilities for remittance of profits, and Government have no intention to place any restriction on withdrawal of foreign capital investments, but remittance facilities would naturally depend on foreign exchange considerations. If, however, any foreign concerns come to be compulsorily acquired, Government would provide reasonable facilities for the remittance of proceeds.

Thirdly, if and when foreign enterprises are compulsorily acquired, compensation will be paid on a fair and equitable basis as already announced in Government's statement of policy.

Government have stated before that, as a rule, the major interest in ownership and effective control of an undertaking should be in Indian hands. They have also stated that power will be taken to deal with exceptional cases in a manner calculated to serve the national interest. Obviously there can be no hard and fast rule in this matter. Government will not object to foreign capital having control of a concern for a limited period, if it is found to be in the national interest and each individual case will be dealt with on its merits. In the matter of employment of personnel, Government would not object to the employment of non-Indians in posts requiring technical skill and experience, when Indians of requisite qualifications are not available, but they attach vital importance to the training and employment of Indians even for such posts in the quickest possible manner.

I should like to add a few words about British interests in India which naturally form the largest part of foreign investments in India. Although it is the policy of the Government of India to encourage the growth of Indian industry and commerce (including such services like Banking, Shipping and Insurance) to the best of their ability, there is and will still be considerable scope for the investment of British capital in India. These considerations will apply equally to other existing non-Indian interests. The Government of India have no desire to injure in any way British or other non-Indian interests in India and would gladly welcome their contribution in a constructive and co-operative role in the development of India's economy.

Shri H. V. Kamath (C.P. and Berar: General): Sir, the honourable the Prime Minister has made a statement of tremendous significance and it inevitably raises several issues of serious import. A brief debate might have been desirable on this statement, but the pressure of legislative business on the limited time at our disposal rules out that possibility. I would therefore respectfully urge on you, Sir, as a special case, either to relax the rule, that you have adopted during all these months of not allowing questions on statements soon after they are made, or to devise some other method like, for instance, kindly seeing to it that short notice questions are answered on the subject. I am making this suggestion, because I think that the silence of the House on this vital matter is liable to be variously misconstrued, and I am sure we all agree that such a thing should not happen.

Mr. Speaker: As regards the first part, I regret I am unable to accept that. When a statement of importance is made, I think honourable Members must first study that statement carefully so as to understand its implications, before starting to put questions. That is one part of it. As regards the other part, let members study this particular statement and if they want to put any short notice questions on it, I shall consider the matter when the questions come to me, as to whether, in the first instance, they are admissible or not. If the questions are really very important and of an urgent nature, I will consider the matter and I am sure the Government will also be willing, to meet the wishes of the House.

CONVENTION

Shri B. Das (Orissa: General): May I request, Sir, that copies of the statement be made available to Members within half an hour so that we can discuss the subject an hour later when Dr. Mookerjee's Bill is being considered.

Mr. Speaker: That can be done. I shall see that honourable members get copies of the statement as soon as possible.

Maulana Haarat Mohani (U.P.: Muslim): When we are not allowed to put any questions are we entitled to express our disapproval of the whole thing?

Mr. Speaker: I might say in answer that the matter is not for debate now and hence no question of approval or disapproval is involved.

ELECTION TO THE STANDING COMMITTEE FOR MINISTRY OF FOOD

The Honourable Shri Satyanarayan Sinha (Minister of State): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the Speaker may direct, one Member to serve on the Standing Committee on the subjects with which the Ministry of Food is concerned, until the end of the current financial year vice Pandit Govind Malaviya resigned."

Mr. Speaker: The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the Speaker may direct, one Member to serve on the Standing Committee on the subjects with which the Ministry of Food is concerned, until the end of the current financial year vice Pandit Govind Malaviya resigned."

The motion was adopted.

ELECTION TO THE COMMITTEE TO REVIEW THE WORKING OF THE RAILWAY CONVENTION

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Railways and Transport): Sir, I beg to move:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one Member in place of Pandit Hirday Nath Kunzru who has resigned from the Committee recently elected by this Assembly to review the working of the Convention adopted under the Central Legislative Assembly Resolution dated the 20th September, 1924, for the separation of Railway from General finance, to examine the constitution and administration of the Railway Depreciation Reserve Fund, the Railway Betterment Fund and the Railway Reserve Fund as well as other ancillary matters and to make recommendations before the 31st December, 1949."

Mr. Speaker: The question is:

"That this Assembly do proceed to elect in such manner as the Honourable the Speaker may direct, one Member in place of Pandit Hirday Nath Kunzru who has resigned from the Committee recently elected by this Assembly to review the working of the Convention adopted under the Central Legislative Assembly Resolution dated the 20th September, 1924, for the separation of Railway from General finance, to examine the constitution and administration of the Railway Depreciation Reserve Fund, the Railway Betterment Fund and the Railway Reserve Fund as well as other ancillary matters and to make recommendations before the 31st December, 1949."

The motion was adopted.

Mr. Speaker: I have to inform Honourable Members that the following dates have been fixed for receiving nominations and holding elections, if necessary, in connection with the following Committees, namely:

	Date for nomination	Date for election
1. Standing Committee for the Ministry of Food.	6-4-1949	7-4-1949
2. Committee to review the working of the Railway Convention.		

[Mr. Speaker]

The nominations for these Committees will be received in the Notice office up to 3 P.M. to-day. The elections, which will be conducted by means of the single transferable vote, will be held in the Assistant Secretary's room (No. 21) in the Council House between the hours 10-30 A.M. and 1 P.M.

INDUSTRIAL FINANCE CORPORATION (AMENDMENT) BILL

The Honourable Dr. John Matthai (Minister of Finance): Sir, I beg to move for leave to introduce a Bill to amend the Industrial Finance Corporation Act, 1948.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Industrial Finance Corporation Act, 1948."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

INDUSTRIES (DEVELOPMENT AND CONTROL) BILL

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

"That the Bill to provide for the development, regulation and control of certain industries be referred to a Select Committee consisting of Shri Homi Modi, Shri M. Ananthasayanam Ayyangar, Dr. Bakshi Tek Chand, Shri Ramnath Goenka, Shri H. V. Kamath, Shri T. A. Ramalingam Chettiyar, Pandit Lakshmi Kanta Maitra, Shri Kbandu Bhai K. Desai, Shri R. L. Malaviya, Shri V. C. Kesava Rao, Shri Jot Kuladhar Chaliha, Shri Prabha Dayal Himatsingka, Shri Biswanath Das, Shri Padampat Singhania, Shri Jaspal Roy Kapoor and the Mover, with instructions to report not later than the last working day of the first week of the next session, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, exactly this day last year, on the 6th of April, 1948, I had the honour of presenting before the House a statement of Industrial Policy of the Government of India. The House may well ask why it has taken just one 12 Noon year for the Government to come up before the House with its proposal to enact legislation for the purpose of implementing some of the important provisions of that statement. One of the main reasons was that we had not the constitutional power to legislate for some of the important matters which came within the purview of our statement of policy. The House will recall that in January last the Constitution Act was amended and we are now in a position to pass laws in relation to our new industrial policy as envisaged by the statement approved by the House.

Sir, the object of this Bill is to create a suitable legislative framework by virtue of which the industrial policy can be implemented. We have also proposed that the Industrial Disputes Act should be amended for the purpose of bringing within the purview of the Central Government the formulation of a centralised labour policy so far as the centralised industries are concerned. This Bill, I would say, constitutes a landmark in the industrial legislation of India. It marks the beginning of a planning for the industrial development of this country. No doubt it is somewhat imperfect in its approach for there cannot be any planning for the whole country unless we take into account the needs of agriculture, of education, health and sanitation. I believe in the near future it will be possible for the Government of India to come before the House with proposals for a comprehensive planning which will add to the peace, prosperity and happiness of the people of this country. So far as industrial planning is concerned we have been proceeding with a certain amount of caution during the last few months. We have taken certain steps. They may appear

as steps taken individually, but I would submit that we have tried to move in as integrated a manner as possible for the purpose of securing the largest benefit to the people of this country.

There are some people who sometimes feel nervous when the word planning is uttered. But planning is nothing new even so far as this country is concerned. Previous to the war it was no doubt left to private enterprise to develop industries in such way as they chose; there was no overall policy of the government of the day. But the Indian National Congress appointed a National Planning Commission years ago, before Government contemplated the need for a systematic planning of the industrial and economic development of this country. Even apart from the valuable work which was done under the aegis of the Congress, the Government of India itself when Sir Ardeshir Dalal was Member in charge of development, placed an industrial policy before the Legislative Assembly of the day and indicated that some sort of planning was essential if India was really to emerge as an economically strong nation in this world. We have also a valuable Report from the Advisory Planning Board which made certain suggestions in this direction. Soon after we came into office on the 15th of August 1947 we summoned an Industries Conference in Delhi which was attended by Provinces, States, representatives of industry and labour, and we evolved our national policy which was duly placed before Parliament on 6th April last. I would therefore submit that we are not doing anything revolutionary today, we are not doing anything new today which need make anybody feel nervous. The policy of Government has already been decided and accepted by the House. What we propose to do it to implement that policy and to take certain powers which would make it possible for Government to discharge the obligations which must obviously fall upon any national government.

You will see from the Bill that the object is to select certain industries which we consider to be of all-India importance, and to provide a machinery for the purpose of securing their regulation and development. So far as the list of industries is concerned, I do not wish to take the House through the details; an opportunity will come before the Select Committee as also at a later stage when the justification for including those industries will obviously be debated upon. But you will notice, Sir, that there is one fundamental feature behind the preparation of that list. Whether you look at it from the point of view of the defence requirements of the country or from the point of view of utilisation of the vast raw materials that this country possesses, or from the point of view of the development of other industries for which certain basic industries must develop, the list of industries that we have included in the schedule is certainly capable of being fully justified. We do, however, realise that it may not be feasible for Government to regulate immediately all the industries that have been mentioned here. As you will see, we have provided for an exemption clause and if it appears to Government at any stage that exemption for a certain period may have to be given with regard to some industries, no doubt necessary action will be taken.

One important feature which the House will no doubt notice is that we have not included small industries. These industries do not touch the cottage, the small and the medium-size industries which, according to the present policy of the Government, must develop in this country on a regional basis and in accordance with no all-India planning. We have emphasised over and over again that while it is essential that India must have a number of heavy industries for the purpose of securing national development, at the same time the prosperity of the country will lie in the development of smaller and medium-sized industries which, on an economic basis, may be developed in various parts of the country adding to the wealth and prosperity of the common man.

[Dr. Syama Prasad Mookerjee]

So far as the powers that we propose to take are concerned, there have been some criticisms in some sections of the Press and among some sections of the industrialists that they are too wide and sweeping in character. I may very briefly indicate here the procedure that we have followed in preparing this Bill. We placed the outlines of this measure before the last meeting of the Industries Advisory Council which met in Delhi in January. At that meeting there were representatives of Provinces and States as also of industry and labour. Later on, we circulated a copy of this outline to all the Provinces of India and requested the Premiers to communicate to us the considered views of their Governments. We also selected a small team of industrialists and about representatives including men like Mr. Homi Mody, Mr. Birla, Lala Shri Ram, Mr. Khandubhai Desai and Mr. Ashok Mehta. We discussed with them the provisions of the Bill as also the proposals underlying the Bill. I am not suggesting that all these persons and bodies that we consulted were a hundred per cent. in agreement with the proposals that I have the honour of bringing forward before the House today, but in any case there was a consensus of opinion that there must be some legislative enactment providing for development and regulation of important industries which from an all-India point of view had to be developed throughout the country. There were some differences with regard to details into which I need not enter here, but at the time that the Bill is considered by the Select Committee, and later on by the House, I may assure every section of interest represented here as also outside that any reasonable proposals which may be made by anybody will receive the most serious consideration of Government.

There are no two opinions today that basic industries must be centrally developed and regulated. The question arises: what sort of machinery should we set up for the purpose of ensuring that the industries do develop in a way that we like them to develop, at the same time Government does not interfere in the day-to-day working and create dislocation by such interference? Another important point which arises is what should be the role of Provinces in respect of the development of such industries. If the House will refer to the statement of policy which I placed before you on the 6th of April 1948, you will find that that statement refers to certain classifications of the important industries. We first indicated that there would be some industries which would be under State control. State ownership and State management—100 per cent. nationalised. There would be certain industries where, so far as the present undertakings are concerned, we will not interfere for a stated period, but so far as future development was concerned we would certainly prefer that they should develop under State ownership and management. Then we had a series of about 18 industries in respect of which we declared that we will allow scope to private enterprise, but it would be open to the State to establish any new industrial undertakings in respect of that sphere. That is a sphere which would be centrally regulated and controlled. Then we had the other undefined larger sphere of industrial activity which we left free to private enterprise altogether.

The House will find that we have made a very important change with regard to the structure of this Bill in the sense that we have not mentioned these categories separately. This was a matter which we considered very carefully amongst ourselves, the Ministers, as also the Provinces and representatives of industry. We felt that it would be much better to have a flexible scheme of licensing whereby it would be open to Government to start any new industrial undertaking if it was so advised, and at the same time to allow full scope to private enterprise to come and develop industry in accordance with a Centrally regulated policy. The whole structure of the scheme is that all industries which are at present functioning will be registered within a certain date. This

fact of registration means that it will give us complete information as regards the existence of the present industrial undertakings. This registration will apply to all industrial undertakings which may be in private hands or which may be in the hands of the Government.

With regard to new undertakings and substantial development of existing ones, we have laid down that there will be a system of licensing. Before any new industrial undertaking comes into existence, a licence will have to be taken out. Obviously it will not be necessary for the Central Government to take out a licence in respect of an industrial undertaking that it may itself establish, but at the same time I would like to assure the House and also people outside, that there is no intention whatsoever on the part of Government that there should be two different standards of approach with regard to industries which are in private hands and industries which may be in the hands of the Government. In other words, whatever policy that may be approved by Government, will apply equally to all industrial undertakings whether they are under private control or under State control. That, obviously, is the condition which many people will insist on Government accepting. We do not want any favoured treatment to industrial undertakings which Government may bring into existence; rather we would like that the full floodlight of public opinion should fall on such industrial undertakings for, after all, Government will there be handling public funds and it will be open to Government to justify the successful working of such undertakings before the House as also before the public outside. This scheme of licensing will be done in accordance with the rules which will have to be framed under the Act. Obviously, it is not possible that the entire framework should be decided here and now embodied in the Bill. For this reason, rules have to be framed. But these rules should be framed in a manner which will secure that the opinion of provincial governments, the opinion of industries and the opinion of the House will also be reflected in the final preparation of these rules. We have suggested that while the rules will be framed after consultation with the Advisory Council, to which I shall presently refer, they should be placed before the House and within a certain period, it will be open to the House to make any changes that the House may choose to make and such changes will be binding on Government. We have deliberately made it flexible in this way. If we decide that every rule ought to come before this House and secure previous approval, it would become unworkable. On the other hand, if we said that the rules will never come before the House for discussion, that also would have taken away from the House its legitimate right to demand satisfaction in respect of matters of policy and even of administrative detail with regard to the industrial development of this country.

Now, so far as the Advisory Council is concerned, we have not indicated here what its composition will be. We are not prepared to accept a Council which will become more or less autonomous, a body sitting over the Government. The responsibility for giving effect to this Act must belong to the Government and the only authority which can change that Government will be the Legislature to which the Government is responsible. But Government cannot and should not act arbitrarily. We have therefore thought it desirable that this Advisory Council should come into existence. It should be a small business-like body including representatives of industries, labour and perhaps consumers, who may be in a position to speak with authority on questions which will come before the House. We have indicated in the Bill itself that with regard to the major questions falling within the purview of the Bill, consultation with the Advisory Council will be compulsory. It is not possible for me to indicate in the Bill definitely that the advice given by the Advisory Council will be binding, but I take it that if any Minister in charge of this Department overlooks the recommendation of an Advisory Council, obviously he will be called upon to explain why he did so, and he should be able to do so on grounds which can be justified not only before the Advisory Council but before the public at large.

[Dr. Syama Prasad Mookerjee]

So far as the powers that we have mentioned in the rules are concerned, you will see that we have taken the widest possible powers. We thought that these powers were necessary for the purpose of enabling Government to determine what the national industrial policy should be. If industrial undertakings are run properly and efficiently, there is no reason to suspect that any Government which is responsible to the House and to the country for the increasing betterment of the conditions of the people will act in an arbitrary way. At the same time, so far as the present powers of Government are concerned, the powers which we are now exercising under the Essential Supplies Act or under some other emergency legislations are of a sweeping character. We have not taken such large powers here. If necessary, amendment of the Act may be made later on, but we have simply indicated at this stage the sort of general powers that Government should take under the rules for the purpose of development, regulation and control of basic industries.

There is one clause here to which I would make a special reference. If you refer to clause 7, you will find under some circumstances it may be open to the Government to direct the control and management of a particular industrial undertaking. There is some misgiving in the minds of industrialists lest this power should be exercised arbitrarily. I may give this assurance that this power can only be exercised in an emergency or in circumstances where Government feel convinced that an industrial undertaking which is dealing with a vital industry, in order to be protected, has got to be so taken over by Government for the time being. Government will not act in respect of this matter without previous consultation with the Advisory Council. In other words, the facts leading to such taking over will be placed before the Council which will include industrialists themselves. You will see from the wording of clause 7 that we have indicated that previous notice should be given calling upon the industrial undertaking to do certain things or not to do certain things. It is only on its failure to carry out the instructions of Government, where Government feels that interference becomes urgently called for, that Government will proceed in the manner indicated in clause 7.

I would also refer to the power which Government proposes to take under the clause dealing with delegation. You may rightly ask: Are all these powers to be overcentralised at Delhi? That is not the intention of Government. It would be necessary to decentralise the power which will be now vested under this law in the Central Government, and those powers may be delegated either to provincial governments or such authority or authorities as the Government may consider it fit and proper to constitute. But the power of delegation we have expressly made extremely wide in character for the purpose of the smooth working of the Act.

You will see next the provision with regard to penalty. There is none in the Government today and I believe there is none in the House also who would for a moment feel that we can either run an industrial undertaking or control and develop industry through police methods. That cannot be the intention or the policy of any Government. At the same time, there must be some penal clauses if there are breaches of the provisions of the law. We have indicated there that any prosecution order under the penal clause will be launched with the previous sanction of the Central Government or such authority as the Central Government may appoint. It is not our intention that with regard to these important industries which we are regarding as of all-India importance, the provincial governments will launch prosecutions following different standards and thereby create confusion. There must be a central policy and for that reason the protection that we have indicated in the Bill relates to powers to be given to the Central Government.

There is also the clause dealing with the vicarious liability of companies. When there are companies whose authorities are responsible for not carrying out the provisions of the law, the question arises as to who will be deemed responsible in the eye of the law. There are some legislative enactments where the vicarious liability vests in every director, manager or other officer. The House may recall that in the last few months protests have been received from various quarters in this country dealing with industry against such a provision. This matter we considered very carefully. So far as the technical liability is concerned, the company has to be made liable, but so far as the actual liability is concerned, if it is possible for the company to nominate some officer or director who will be deemed responsible for carrying out the provisions of the law, Government will not object. But, the Government would certainly insist that every company should declare the names of certain officers who will be responsible for carrying out the provisions of the law. If the company does that, then no question of any vicarious liability will arise so far as those companies are concerned. You will see, Sir, that we have also made a provision so far as the taking over of any industrial undertaking is concerned. It will be done only by the Central Government or by a Provincial Government with the previous concurrence of the Central Government. Thereby, we will make it possible that there will be no attempt on the part of particular provinces to act in any manner they like, but there will be an all round central policy, although it is quite possible and, in fact, it is desirable that in many cases the actual operational part should be left in the hands of the Provincial Government concerned.

I now come to the question of the Provincial Governments. We have received from Provincial Premiers letters with regard to the provisions of this Bill. Naturally, in some cases they do feel nervous that large powers should be taken over by the Central Government and the provinces may be placed in a more or less subordinate position. What is it that we are doing here? What we are doing is that we are laying down that there are certain industries in this country which can develop only if there is a centrally regulated policy. There are no two opinions in the country, and the provinces also agree, that a centrally regulated development is essential. So far as the provinces are concerned, what are the points in respect of which they may rightly feel nervous. They may ask, if any Provincial Government desires to start any industrial undertaking, will its case be considered by the Central Government in a fair and equitable way. We have indicated that that will depend on the circumstances in which such an industrial undertaking is brought into existence. I may just give an illustration, say, with regard to the steel works. We have before us now a proposal to establish two steel works which may go to produce about one million tons of steel per year. Now, supposing you leave it to a particular Provincial Government to decide where both of them or one of them will be located; obviously, it is not possible for the Provincial Governments to agree to the location. What will happen is, as is happening now, the Central Government will obtain information from all the provinces on points such as availability of raw materials, transport facilities, economic conditions and so on, and then, after consultation with the provinces, ultimately take the responsibility for deciding where the works will be located.

Another point which the provinces have raised is of some importance. They ask, if it is decided that say five industrial undertakings should be established with regard to one particular industry, will it be left open to the provinces to decide as to who actually will run those industrial undertakings within the province. There, obviously, if a new industrial undertaking is to come into existence in a province, the final permission should be given on the recommendation of the Provincial Government. It will really depend on the way in which

[Dr. Syama Prasad Mookerjee]

the whole scheme is worked in the months and years to come. It is not intended that the Central Government will act in a way which will ignore the needs of particular provinces, and ignore the importance of regional development of industries in this country. At the same time, when matters cannot be decided by one province, in particular, the only authority that can decide for all the provinces must be the Central Government. But, I can assure the House and through the House the Provinces as well that in the working out of this scheme, as we have ourselves laid down in clause 10, the policy of the Government will be to see that the Provincial Government is consulted and kept in the picture at every possible stage. This matter will be examined further when the Bill goes to the Select Committee.

Now, while dealing with the provinces, there is one other aspect which I would ask the House to bear in mind. You will see that this Bill deals only with the regulated development and control of the industries. We have not deliberately touched distribution of the finished goods, we have not deliberately touched control of prices. These are matters which we have not touched. We have only envisaged in this Bill the desirability of an all India planning for industrial development and also regulation of production of certain industries which are of all India importance. In other words, as the House remembers, according to our present Constitution, unless the Central Legislature passes laws with regard to distribution, fixation of prices and so on and so forth, the matter will remain in the hands of the provinces. But, with regard to the centrally regulated industries, if the Central Legislature passes laws with regard to these matters, then, the provincial laws will stand superseded. But, we have not touched that point yet. If we desire to take powers in respect of these spheres later on, we will have to consider the matter carefully, consult the provinces and come before the House only afterwards.

I take, Sir, lastly, the fears that may exist in the minds of the industrialists. As I have said, this Bill is not a surprise measure. This Bill is nothing new or revolutionary, although I regard it certainly as a measure of considerable importance which enables the Government to reach its goal by a process of evolution. What were the options which were left open to the Government? I know that there are extremists on both sides who may not be satisfied with this Bill. There may be industrialists who may feel that any interference on the part of the Government with regard to their activities will be prejudicial to their interests. Fortunately, the number of such industrialists is now extremely limited. When I find co-operation coming in the framing of this Bill from industrialists like Sir Hogen Modi, Mr. Birla, and Sir Shri Ram, I take it that the principal industrialists of India to-day have come to attain a new consciousness. They have realised that in their own interests and of the country as a whole, they must completely identify themselves with the interests of the nation whose spokesman the Government certainly claims to be. At the same time, there will be some industrialists who may feel that the powers which are being taken over by the Government are too drastic in character. I would certainly welcome a discussion of this problem, if not to-day, later on, when the Bill comes back to the House from the Select Committee and I hope, Sir, that I shall be able to convince every critic of the soundness of the entire scheme. It is not intended at all to interfere with the activities of any *bona fide* and honest industrialist of this country. The House has accepted the policy of the Government that our industrial policy will be of a balanced type. We do not want to do away with the existing state of affairs completely. We do not want to create chaos and confusion. What we want is that these important industries should develop in this country not on a merely profit basis, but in a way which

will be calculated to advance the best interests of the people at large. The industrialists know as well as we do that left to themselves to-day, they can do nothing. They want raw materials; they want capital goods coming from foreign countries; they want technical assistance; they want to raise capital. Which industrialists are there in India to-day, who can stand up and say that unaided by Government, they can go ahead? They cannot. They have to come to Government at every step. It is therefore necessary that the Government, the industrialists and the interests represented by labour should combine in an all out effort for the purpose of strengthening the economic structure of this country.

So far as the criticisms from the other side are concerned, it is urged that the powers taken by the Government are too limited. When I find extremists on both sides criticising this Bill, I feel satisfied in my own mind that we have struck the right chord and that we are proceeding on lines which will be calculated to benefit the people as a whole.

Sir, it is not my intention to go further into the details to-day. Should, in the course of to-day's debate any other points are raised, I shall no doubt try to give replies to them but the only point which I would like to emphasise before I sit down is that I am fully conscious of the grave responsibilities that Government is taking in bringing forward this measure before the House. For I cannot ignore that the development of all these industries will depend not merely on the way in which industry and labour will react but also on the manner in which Government itself will discharge the obligations which it is taking upon itself under this Bill. In other words, it must be a new outlook on the part of Government as well. Government exists not for the purpose of merely criticising others, not for the purpose of creating obstacles but for sitting together with other interests and solving difficulties and obstacles. It will depend therefore on the machinery which Government succeeds in establishing, which will create confidence in the minds of industrialists, labour and the public and which, will make it possible for Government to run that machinery efficiently and quickly. There is a lot of criticism made that whatever Government touches involves delay. There is a lot of criticism which is made that when Government touches anything, it creates new problems. Now obviously these are criticisms which we will have ourselves to remove. We are to look at the matter from a completely new angle of vision. We are trying to develop the resources of this country in the quickest time possible, pooling together all the available resources, no matter what may be the political ideology of parties or persons involved. It is an all out effort on the part of the present Government to give a call to all interests so that we may carry into effect the policy which we have already announced and I am sure that if that co-operation is forthcoming, we will be able to make a complete success of this measure.

Mr. Speaker: Motion moved:

"That the Bill to provide for the development, regulation and control of certain industries, be referred to a Select Committee consisting of Shri Homi Mody, Shri M. Ananthasayanam Ayyangar, Dr. Balshi Tel Chand, Shri Ramanath Goenka, Shri H. V. Kamath, Shri T. A. Ramalingam Chettiar, Pandit Lakshmi Kanta Maitra, Shri Khendubhai K. Desai, Shri R. L. Malviya, Shri V. C. Kesava Rao, Srijut Kuladhar Chaliha, Shri Prabhu Dayal Himatsingka, Shri Biswanath Das, Shri Paddampat Singhania, Shri Jaspal Roy Kapoor and the Mover, with instruction, to report not later than the last working day of the first week of the next session, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Shri Harihar Nath Shastri (U.P.: General): I have great pleasure to offer my whole-hearted support to this Bill. As the honourable Minister has just said in the course of his speech, this Bill registers a landmark in the history of legislation in this country.

[Shri Harihar Nath Shastri]

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar).]

I feel, Sir, that this measure is the first concrete and practical step towards implementing the economic policy of this Government that has been announced several times during the course of the last two years. Reference has been made in the Bill in the Statement of Objects and Reasons to the Industrial Policy as announced by the Government on 6th April 1948. As you will find, Sir, the Government of India in their Resolution, dated the 6th April 1948, reiterated their resolve to establish a social order where justice and equality of opportunities shall be secured to all the people. As an immediate objective it was laid down that efforts would be made to promote a rapid rise in the standard of living of the people by exploiting latent resources of the country, by increasing production and by offering opportunities to all for employment in the services of the community. Again, repeated emphasis is put in the said Resolution on increase in national wealth and continuous increase in production. Now the question as to the extent to which the State should participate in Industry is considered in the context of the above objective. I need not repeat, Sir, the policy that has been laid down in detail in the said Resolution in which industries in this country are divided into three parts, *vis.*, one that would be exclusively in the hands of Government; secondly, those that in future shall be owned and controlled by Government; and thirdly, such industries as would be open to private enterprise. Now this Bill as has been stated by the Minister and as is clear from the Bill itself in regard to the planning and regulation of such basic industries a list of which is given in the schedule. Sir, it was about 10 weeks back that the first meeting of the Central Advisory Council of Industries was held in this Capital City where I had the privilege of representing the Labour interests of this country, and it was at that Conference that discussion took place regarding the advisability of bringing forward such a legislation. The matter was later on referred to a Committee of five persons and I believe that it is on the basis of the unanimous recommendations of that Sub-Committee that the present Bill has been conceived. There has been a certain degree of regulation in this country since the commencement of the last war in regard to regulation of industries in the form of controls. I myself have been a confirmed believer in the method of control but I felt and I feel now also that these controls did not succeed primarily due to two factors.

Firstly, this control took into account distribution, but the production aspect of industry was entirely untouched. The result was that in matters of production, it was the profit motive that was the prime consideration with the industries, and the consequent result was scarcity that the community experienced throughout the war and also during the post-war period up to this day. Now, Sir, the second thing that was not taken into account so far and which, I feel is largely responsible as an obstacle in the industrial progress of our country is the fact that while promulgating these controls, and while evolving the industrial policy of this country, one aspect was never taken into consideration; no account was taken in regard to the expenditure that was incurred by the industry from time to time. We find that, on the one hand, retrenchment of labour has taken place on grounds of economy, while, on the other hand, we find that the personnel managing the affairs of the company has been steadily increasing. They have been drawing fat salaries and allowances. They have been drawing commissions on sale, irrespective of the fact whether those companies make profit or they are losers. They have been drawing secret commissions on purchases and they have been making frivolous expenditure on various items, including entertainments. I

have felt all along that unless these aspects are taken into consideration, namely, unless along with distribution the production aspect of industry is regulated, and, secondly, unless the expenditure in the industry is properly regulated, neither the industrial progress of our country is possible, nor can any control be effective. I am glad, Sir, that in formulating the proposals that are embodied in this Bill, these aspects have been properly taken into account.

Now, Sir, I would, while commending this Bill for the acceptance of the House, and while offering my whole-hearted support to it, just point out a few things that appear to me to be a sort of omissions; and while doing so, I may assure the honourable Minister that I am not doing so, as he has used the term as an extremist on either side. One of the omissions that has particularly struck me is that according to section 10(2) of the Bill, matters have been laid down that would be dealt with by rules. Now, in those matters that are proposed to be dealt with by rules, it is not clear whether action can be taken against any undertaking under section 7 and section 12, in case such an undertaking disturbs the industrial peace by flouting the award of industrial tribunals, or by any other devices. This point needs clarification. As the House may be aware, the working class of this country has been subjected to great hardships, and one of the reasons why production in this country has been hampered is the discontent that labour has been experiencing, due to the short-sighted and unhelpful attitude of a large section of industrialists in this country. Why I am particularly perturbed at this moment, while the Bill is before the House is this. There are certain provinces in this country where there are labour laws and labour legislations, and according to those legislations, the Provincial Governments are competent to take over any undertaking that flouts the industrial awards or that disturbs the industrial peace of the country. There are provisions, and according to those provisions there have been occasions in certain provinces, where some undertakings have been actually taken over by the State, and handed over to other people to be managed on behalf of the Government. Now, I want to know what would be the position of such provinces, in regard to those industries, several of whom are included in this Bill? On the one hand, you are keeping it absolutely vague as to whether you propose to take over a particular concern or whether you propose to punish a particular undertaking if it flouts industrial awards, or if it disturbs the industrial peace of the country. And on the other hand, you are taking over such powers as are already vested in the provinces in regard to such matters. So I want this position to be made absolutely clear by the Government, because I feel that if the position is vague, and if, at the same time, the powers as are already vested with the Provincial Governments, are taken away from them, it will create a situation much worse than hitherto, for the working class of this country.

Again, Sir, in clause 13 it is laid down that there can be no prosecution for an offence under clause 12 except with the previous sanction of the Central Government. Also in clause 8 it has been laid down that no Government other than the Central Government can take over the management or control of any industrial undertaking except with the previous permission of the Central Government. I submit that if these clauses remain as they stand they might create difficult situations. There are occasions when in a particular undertaking it becomes necessary not only in the interest of labour but in the interest of the industry itself for prompt action to be taken with regard to that particular undertaking or industry; and if the previous sanction of Government becomes necessary complications may arise. So I suggest that the Provincial Governments may be left free to take all necessary action to meet the ends of justice or to meet a situation that may arise from time to time, and later on they may secure the sanction of the Central Government. I can assure the

[Shri Harihar Nath Shastri]

honourable Minister that I am not one who is enamoured of the Provincial Governments having large powers in regard to these industries. On the contrary I agree with him that these are basic industries of national importance and it will be conducive to the interests of the community as a whole if they are controlled by the Central Government. All the same I do feel that the difficulties I have pointed out should be taken into account and the Bill suitably amended, so as to meet the points I have enumerated. Sir, I support this motion.

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

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

Mr. Speaker: I understand that the statement made by the honourable the Prime Minister has been circulated to the Members. Those Members who have not yet got a copy of the Statement may get a copy from the Secretary at the Table.

Dr. P. S. Deshmukh (C.P. and Berar; General): The Bill before this House is a piece of legislation which is of immense and of the utmost importance to the country as a whole. As such one should not be surprised if it is found that there are strong likes and dislikes expressed with regard to the provisions of the Bill and there are wide differences of opinion. The pros and cons of the industrial policy of Government has been very clearly and very admirably explained by the honourable the mover of the Bill, and I think it is a correct description to say that the provisions made in this Bill seek to further that policy. The honourable Minister himself has admitted the fact that the Government is securing very large and wide powers, but in my opinion he has given a fair justification for all those powers which Government is seeking to take.

In the modern world, and for a country like India which is industrially and economically backward, it is necessary to take time by the forelock and strive to attain industrial progress as fast as and as early as possible. No fast progress from an economic or industrial point of view is possible unless there is some directing authority which has the necessary knowledge and the necessary technical skill as well as power and authority behind it. Under the present circumstances, therefore, it is inconceivable that in India we will have any other machinery or any other central authority than the Government itself.

We have often heard on the floor of this House honourable Members accusing Government that they have no plans, and we have also urged that under the present circumstances, we must have a planned economy. Now, all planning necessarily means controls. Controls in many respects are undesirable, but in some respects, and especially in the interests of speedier progress, I think controls are both essential and desirable. Therefore, if our efforts are to be of real value and of greater usefulness, there must be a driving force behind our policy of industrialization, and we must also be prepared to clothe that authority with the necessary powers. It is inconceivable that without such power and driving force, it will be possible for us to advance as rapidly as we desire. Therefore, Sir, I have no hesitation in saying that the Bill, so far as I am concerned, is a welcome measure.

It is true that there are many provisions in the Bill whose exact significance it is not possible to know at this stage. We do not yet know what will exactly be the attitude of Government in regard to any particular industry and to what extent and under what circumstances it will intervene and what would be the

exact results and repercussions of such intervention and operation of controls. Yet the necessity for having with the Government the powers of interference, supervision and control, is, I think, self-evident. It is therefore gratifying that the necessary Bill has been brought forward, and it is still more gratifying that the honourable Minister has taken an eminently reasonable attitude in keeping, and stating on the floor of this House specifically and with emphasis that he keeps an open mind with regard to many details relating to the provisions in the Bill.

In my opinion, this Bill is a half-way house between nationalization and non-nationalization. Of course everything will depend now how the Bill is operated. Everything will depend as to how the Government is able to shape its policy. I for one believe that under our present circumstances a wholesale nationalization of industries is undesirable. Wholesale nationalization, in my opinion, can work successfully under two circumstances: one is in a country where there is no Government, or where there was not much of an efficient Government, and I have the case of Russia before me after the revolution. It can also be resorted to without much danger and with confidence that it will work efficiently in a country like England, where they have long-standing traditions: where there is a stable Government; where there is no want of technical skill and the efficiency of the administration is well established. We are somewhere midway between the two. We have a Government, but not yet as efficient a Government as we would desire, and, therefore, I do not recommend wholesale nationalization.

I think we have indulged sometimes in loose talk in advocating wholesale nationalization of our industries. It has already done considerable harm to the country as a whole. We have, after all, a very big industry which is nationalized and it has, in my opinion, not yet attained the efficiency I would like it to attain. I mean our National Railways. Therefore, on the one hand we are experimenting on a sufficiently large scale so far as nationalization is concerned and if we go further with this industrial policy which has been announced by the honourable Minister, the House and the country can realize that there is ample scope for establishing State-controlled and State-run industries. That being so, I think the House should not be so insistent on trying to see that every possible industry is taken over by Government, belongs to the Government and is controlled by it. A fair amount of scope should, in my opinion, be given in our country for private enterprise, and I think after the experience of the difficulties we are passing through, we should give the utmost possible encouragement to private enterprise. I lay considerable emphasis on this point especially because it does in no way obstruct our policy of developing State-owned industries. Some of the honourable Members sometimes speak as if private enterprise can be encouraged without the incentive of profit. That is denying human nature or denying if you would like to call it the defects of human nature. No person is going to indulge in any industrial activity or risk his well earned savings in an enterprise where he is not assured of the highest amount of profit. Therefore while on the one hand it is the Government's responsibility to see that exorbitant profits are not made, yet, on the other, such persons should be quite free to indulge themselves in and take up private enterprise and to have a free scope and earn a fair dividend on their investments. The Bill, in my opinion, really steers clear of both the pitfalls, on the one hand, of unnecessarily restricting the scope of private enterprise and on the other of not being ambitious enough to take industry after industry or factory after factory under its own control without seeing whether they can undertake the responsibility of conducting them in the best interests of the country as a whole.

[Dr. P. S. Deshmukh]

I am sure the Select Committee would modify in many respects the Bill as it has been presented to us. Section 7 could be modified and the Schedule also should be amended in order to find out if the Bill would not restrict too many industries which are in infancy and over which there need not be much control at the present moment.

Section 9, especially sub-clause (3), should also in my opinion undergo some alteration, because I feel that although the honourable Minister has provided that the Advisory Council shall be consulted in certain matters, I think the Council's authority over for the purpose of consultation may be slightly enlarged in the course of the discussions in the Select Committee.

While supporting the principles behind this legislation and approving of the policy enunciated by the honourable Minister I must caution him about one danger, viz., the manner and the method of enforcing the provisions of the Bill will have to be very carefully worked-out. Otherwise the remedy we are forging may prove worse than the disease. There is every likelihood that over-enthusiastic members of the Secretariat of the Ministry may in effect stifle the establishment of industries on merely hearing some prejudicial views expressed by certain interested persons or some competitors who do not like a particular industry being established in a particular place. That question will arise when we pass the enactment and when we see how the policy is being worked out and enforced. But I would like to see that Government interference in every case shall always be the minimum required, will be exercised only where it is absolutely necessary and in a manner that will not hamper industrial progress of the nation.

So far as the establishment of factories is concerned there should be ample latitude allowed to people who are coming forward for the establishment of those industries and not only the Provinces but the States should also be included and encouraged to do this. I have expressed my apprehensions of Government control because I know of an instance of a State which wanted to start a sugar factory which on the strength of some notification of the Government of India hampered the establishment of a sugar factory. That was a State in Central India where sugarcane can be grown most profitably and where sugar factories are rare. The result was that the State was unable to make much progress in starting the manufacture of sugar during war time when sugar was so badly needed everywhere. I am certain that by the time we pass the enactment and have the rules framed thereunder, with the supervision which has been conceded to this House and with the care which all honourable Members exercise so far as the policy of the Government is concerned, I think we can be fairly certain that we will not permit any abuses of the wide powers which the Government is taking. Sir, I support the Bill.

Prof. K. T. Shah (Bihar: General): Sir, I thank you for calling upon me to speak at this early stage, even though I am afraid I am not prepared to offer whole-hearted support, as it is called, to this Bill. My support can only be halfhearted, because, at this stage, I am not prepared to say that even the reference to the Select Committee need not be made. For I hope that at the Select Committee stage, substantial improvements and amendments will be made, which might make the Bill a little more acceptable than it is now.

My objection, however, to this Bill is founded on its own claims, as given in the Statement of Objects and Reasons and as contained in the Preamble and Title. If it is a measure, as the Bill claims to be, to implement the Industrial Policy of Government, then I am afraid it falls far short of its claims. There are a number of omissions in the Bill, there are a number of restrictions on the

scope of the Bill, and there a number of conditions imposed in the Bill which make its basic principle cost in a haze of limitations. This, in my opinion, will detract very seriously from the usefulness of the Bill to attain the Bill's own objective, as stated in the several places I have just mentioned.

If I heard the honourable Minister correctly, he based his main claim for commending this Bill on its being a part or earnest of a plan. I hold, however, that the essence of planning is a more comprehensive, co-ordinated, and integrated programme of development than this Bill, which is confined admittedly to certain industries only, can claim to be.

The objectives, moreover, of the Industrial Policy of the Government, as stated in the resolution of the 6th April last in this House, were much too wide to be included in this Bill. In fact they were even far more generously worded than is to be found in this Bill, even though I did not agree with those objectives and the *modus operandi* for carrying out those objectives given on that day.

As I shall shortly show, the omission or *lacunae* are, in my eyes, so great that much of the praise that would otherwise fall to the share of the author of this Bill will have to remain in suspension until the Bill re-emerges in an amended form from the Select Committee.

The Bill is a piecemeal legislation attempting to control certain industries. But the definition of control itself is not given. We are forced to infer, so to say, our own meaning of the nature and extent of the control that will be exercised from the several disjointed provisions of this Bill, so that whether you deduce the meaning of control under the Rules, or in the shape of Licensing of new concerns, or in the shape of Registration of existing industries, or in certain clauses relating to inspection, supervision, or penalties on those who infringe these rules or clauses, in all these collectively, as it were, the meaning of the control intended to be exercised is not stated at all anywhere clearly, as far as I can see in the Bill.

The title of the Bill has also undergone significant variations. In the italicised title at the top, in the title in sub-clause (1) of clause 1 and in the preamble, there is intriguing variation in wording. Somewhere it is spoken of as "regulation, development and control" of industries; elsewhere it is described as "development and control" of industries. Why "regulation" is omitted there I do not understand. In the preamble, also, there are certain changes or variations. I am making these points in the hope that the honourable Minister will give me credit, for every desire to be helpful; and, perhaps, if he sees his way to accept them, corrections might be made at the appropriate stage before the Bill becomes law. But that these omissions have taken place is, in my opinion, significant: and until I see that these are duly corrected, and the Bill is properly mutually integrated and co-operated, even in its own limited scope, I am afraid the Bill cannot claim whole-hearted support from a person like me.

As I reminded the House only a few minutes ago, even when the Industrial Policy was put forward here in this House, I was unable to agree at all with the policy as there laid out, because I felt it fell much short of what was to be expected of this Government and what this country urgently needs. It is possible that opinion may legitimately differ on this point. Nor am I prepared, at the present moment, to press my opinion too far. But I do feel that, whether one looks at the industries selected for special treatment under this Bill, or whether one looks at the industries left out of its concern; whether one considers the nature and objects on which for instance the rules will be framed, or considers the machinery which is to enforce the

[Prof. K. T. Shah]

Bill, one feels that the claim to carry out or "implement the industrial policy" declared a whole year ago runs very little chance of being fully met and honoured.

It is by itself a commentary on the methods of government, or rather the machinery of government, that while the foundation stone, so to say, of the Industrial Policy was laid in December 1947, its clear announcement was made in 1948, on April 6, and the first stage so to say of its implementation comes a whole year thereafter. I do not know, therefore, what will be the time limit within which the entire Industrial Policy will be given effect to, whether within the lifetime of this Legislature or the next, or the next further or at any time at all.

Taking it as it stands, I feel, this kind of piece-meal legislation makes one lose sight of the real ultimate objective. As I shall point out a little later, there are very many reasons why one must feel that even the limited objective that the Industrial Policy has prescribed for itself will not be carried out, even in the limited scope with which this Bill concerns itself.

I shall now pass on to what I consider the serious omissions in this Bill because of which I feel that the Bill cannot claim unexceptionable support from every quarter in this House. I would like the honourable Minister to consider what is the proportion of the national wealth that the industries he has selected for control, development and regulation produce, and what is the proportion of the population which will directly benefit so to say as consumers from these industries when fully developed. If one considers these industries in their proper proportion of the national economy, if one looks at these industries that are enumerated in the Schedule in relation to the proportion of the wealth they contribute to the sum total of the nation's wealth or the consumers they serve, I feel that the claims, somewhat exaggerated, made on behalf of the aims and objects will hardly be realised. For instance—and there perhaps the Minister would be justified in saying I am talking not quite relevantly—perhaps the greatest national industry, namely Agriculture, is wholly omitted. The definition of industry, as nowadays accepted under the regime of private capitalist enterprise, considers only that to be industry which is either organised by joint stock companies, or is able to produce certain dividends and profits for its capitalist owners. That which supports 75 per cent. of the country's population, that which produces perhaps 66 per cent. of the wealth of the country, does not find a place in the list of industries.

Even if you think that this is a matter of definition, which necessarily must limit our scope unavoidably, I would say that, even within the industries selected, so many are left out which should have found a place in the list, that the framers of the Bill do not seem to have before them some logical principle according to which they had selected the industries. (An Honourable Member: 'For instance?') I am coming to that. Be a little more patient with me. I am not going to talk without my book, even though I cannot read in this light.

The list of industries appears to me to have been selected *ad hoc*. Whosoever was able to put forward a claim has his claim honoured.

Take, for instance, a very important industry—it is of great value in nation-building—namely Cinema; not merely the cinema film production, or exhibition, but also the cinema industry as such, the production of apparatus part of it. Now, this is highly important in the educational machinery of a modern State with such arrears of education of the electorate to make up as

we have to. If you have left that out, you have given—and I do not quarrel with it—a proper place to your telephone, and telegraph equipment. (*Some Honourable Members*: “You have got control over it”). You have got control over it by means of the Advisory Committee in the Provinces and I will come to it later. But in regard to the production of the cinema material, the raw material with which the films are made, I am afraid you have given no place here. The objection, therefore, that there is control over it through the Film Censor Board, does not hold water. The nature of control there is not the “control” contemplated in this Bill; and, therefore, on that score those who object to my statement are I am afraid a bit out of court.

Take another industry, also of great educational value, namely the Printing Press and the printing machinery. I do not see any mention of these. Are these industries not essential for the nation-building of our country? I would most earnestly state that these are industries of such vital importance that their omission is highly significant, and does not allow those who have sponsored the Bill to claim that they are pursuing—even though piecemeal—the policy of increasing the national wealth in all the fullness of the meaning of that term. If by national wealth you only mean the sum total of only material objects; if by national wealth you mean only the increasing of the dividends of shareholders or filling the pockets of capitalists, I personally cannot agree. But if by national wealth you mean the well-being of the people, of all classes, in all states, in all aspects of their life and work, then I am afraid in this Bill you have very serious omissions, one part of which I have already illustrated, another part of which I am now going to illustrate and that again on the authority of the honourable Minister himself.

I know that that means that the omission is deliberate. I know that the omission will perhaps be rectified in one way or another, if not by control of this class of industries by control in some other way. I know that this form of control is necessary for the bigwigs, for the capitalist large scale industries, for the influential people who have their own way of getting round Government, or who have their own way of seeing that whatever happens to the industry at any rate their pockets are filled.

But what of those other items which are left out about which I made a mention just now. For instance take the case of Cottage Industries—they have been deliberately omitted I understand. I know that. But if anybody tells me that they are not an essential and an integral part in the building up of the national economy and in making the greatest contribution to the national economy, to the national wealth even in material form, then I am afraid his conception is rather limited. I am unable to tell you the exact proportion of the national wealth contributed by the small-scale or cottage industries. But let me tell you they need control, co-ordination, and assistance much more than perhaps the larger industries which will find their own way to get their own objective wisely-nilly.

I started by saying that there was no clear definition of “control”. By control is not meant only, necessarily, or exclusively just restriction or regulation. Control, at least as I understand it, would include, and quite justifiably, co-ordination, assistance and encouragement in every form. On that basis I should have thought that, in a comprehensive measure, which such a measure ought to have been, Cottage Industries should have found as good a place as any other. I might add, lest anybody should object to it, that there is in the Government resolution on the Industrial Policy, a very clear declaration of Government’s solicitude for cottage industries; and, therefore, this is not one of the grounds in the indictment, if anybody should misunderstand me in this particular part. ^{3 P.M.} But I do feel that in the list of industries which the Schedule contains, the absence is, to say the least, noteworthy.

[Prof. K. T. Shah]

Another part or aspect of the omissions is in regard—again it is deliberate, I know—to the distribution side of the industry. If the controlled industries are to be controlled only for the benefit of the producer—and that generally means the capitalist owner,—then I am afraid it is very half-hearted measure; and so naturally cannot command unstinted support from people like me. The distribution side is to me much more important than the production side. It may be that if you have not a very large amount of wealth you may not have sufficient subsistence. I quite agree. But even if what we have is evenly and equitably shared amongst us all, it is much better—I am only giving my opinion—than to have an increase of wealth which will go perhaps to the lot of 1 or .01 per cent. of our countrymen, and the rest may go hang themselves. I feel, therefore, to leave out either Prices or Wages from the scope of control makes the control very lopsided. It will make the control operate only for the benefit of the proprietors, the owners, who seem to be most prominently considered from the point of view of this measure.

I have, Sir, no desire to be personal in any respect; but the very list of the names of Members of the Select Committee that you read out, is headed by an outstanding industrialist, as though the Minister himself cannot be so important as the industrialist. This is significant, in my opinion, that the only thing that counts, and the only inspiration will be perhaps some perspiration for the honourable Minister and others that.....

An Honourable Member: May I ask, Sir, is the order of names of importance?

Mr. Speaker: Order, order.

Prof. K. T. Shah: Sir, I am only giving you my reading of it. Possibly it is utterly unconscious. But the very unconsciousness is a manifestation of the sub-conscious working of the mentality of those in power. If you lay your finger on the raw spot, in many cases I dare say the nervous reaction will be very forcible. But while I am fully aware of this nervous reaction in certain quarters, I am saying this is only a symptom of the disease that the order of the list indicates as it was read out in the House.

As I started by saying, Sir, there is nothing personal in this. There is in this point nothing at all personal I have no doubt in my mind—I am perfectly willing to make this confession here and now—that the names in the Select Committee are of individuals as competent as could be found in this House to shape the Bill even as I would desire to shape it, if they would wish to do so. But the great importance seems to be attached, as far as I can read this Bill, to the owning class, to the proprietary class, and not so much to the consumer class, or for the matter of that, to the labour class. That is all the point I am making, for the moment in showing to you the omission with regard to wages, the omission with regard to labour conditions, the omission with regard even to price control, so that the consumers would not benefit very well or adequately from these things.

It is an ancient complaint of those who have opposed fiscal protection to industry, that while we may be quite willing to pay indirectly through the consumers the price for developing industries in our country, when the time comes for that industry which has developed to such a stage at which it could easily withstand outside competition and inside competition, and meet the country's needs at lower prices without going out of existence, the industrialists will not come forward of their own accord to reduce prices and meet the consumers. We have the classic example of the Sugar Industry of this country, which has enjoyed for years together 150 per cent. or 180 per cent. protection. And yet when it comes to a question of continuing protection, after 15 years, after the

industry has been able to supply the whole market of this country, after the very heavy and substantial sacrifices that the country has made in building up that industry, when you ask for a minor, very slight, reduction, they say, 'No, no, this is not the time, when you should ask us to forgo protection even though you pay for it'. They would at the same time claim freedom for export so that at the expense of the consumer they may build up the industry for the benefit of their pockets and export even while the country may starve for lack of that product.

Sir, my point, therefore, is that the Bill is defective not only because on the production side it has left out very large chunks of the industrial world from its purview, but on the distributive side still more so, because, as far as I can read the Bill there is hardly a provision which, without distortion or undue extension, can take into account these facts that I referred to. Neither wages nor labour conditions nor the rate of prices have been in any way mentioned as amongst the objects for which the control will be exercised—such control as may be.

Now let us come to the mechanism of control. Let us come also to the aims and objects with which it would be applied. The operative sections begin by requiring that all existing industries shall be registered. I take it they will be registered with all the details—though they have conveniently not been specified what those details would be; and that if in any case any detail leaves room for improvement, the controlling authority will see to it that it is brought up to a given standard. Then there is the Licensing of new industries which in my opinion is the most directly operative part of this Bill effectively to control industry. The Rules also will be made to grant or revoke licences. But the section which relates to Licensing, as I read it, does not give you all the details on which the licence will concern itself. It is worded, no doubt, in a very general way, so that if the controlling authority is so minded—I am free to admit—it will be able to exercise the widest possible measure of control through the licensing system. But the item in licensing which ought to be brought to the notice of the powers-that-be is in regard to, as they themselves say, the "size, technique, equipment", etc. What is exactly meant by size, I do not know. The definition of "size" is not given. Does the size mean the size of the buildings in which the industry is housed? Does the size mean the number of operatives who work it? Does size mean the number of machines which are there working or out of order?

Shri M. Ananthasayanam Ayyangar (Madras: General): I think it is capacity.

An Honourable Member: Economic value.

Prof. K. T. Shah: Economic value is used in another sense in the same Bill. As regards "capacity", it is also used in another place in the same Bill. Before you tell me that "size" means capacity, you must remember that these words have not been used as terms of Art, very accurate and strict definition and on the universally understood basis. Moreover, the term "capacity" itself needs to be defined. If you define one difficult term by another, then, logically speaking, you expose yourself to the same defect. That is to say, when I want to define the term "body" and you say that "body is corpus", then I say that you are only giving me one more unintelligible term for another intelligible thing. "Size" I can understand; "capacity" is a little more difficult for me to understand.

Shri B. L. Sondhi (East Punjab: General): It means economic unit.

Prof. K. T. Shah: Economic unit is so varying and uncertain and indefinite. If I may take my friend Mr. Sondhi as an authority for interpreting the mind of the honourable Minister on this subject, I am afraid "economic unit" is one

[Prof. K. T. Shah]

of the most unfortunate expressions he should have used, because it is so very vague. I claim to be something of an economist; but I would be hard put to it to be able to give you an all-time-true definition of an economic unit. The economic unit is so varying an idea that it varies from time to time, from place to place, from industry to industry. Therefore, do not give us one difficult term in explanation of another.

Mr. Speaker: Order, order. Let there be no interruptions. Otherwise, his arguments are prolonged and he goes into side issues.

Prof. K. T. Shah: Thank you very much. While not much worried about interruptions—some times they are helpful—I am deeply grateful for this advice to the House.

I was speaking of the absence of any definition of the words "control", "size", "equipment" and "technique" for which the Licence will have some condition. I was just now on the question of size. There is the fear, particularly of protected industry getting into what are in American language called "trusts", "monopolies", "syndicates", "cartels" which are all dangerous to the consumer. Undoubtedly, the consumer is not considered at all in this Bill. I see also no precaution taken, so far as this licensing clause is concerned, in regard to preventing that development of the size which we call in ordinary language "trustification". [I remember, Sir, the National Planning Committee in one of its earliest sittings passed also what we called a "licensing" resolution. That licensing resolution was then aimed deliberately against the foreigner taking advantage of our protection, starting industries just by adding the word "India" in brackets—why brackets I do not know—after its ordinary name, and taking the fullest advantage of all the benefits that this country's fiscal policy legislation or administration could provide for him.]

Investment in Indian industry of Foreign capital is a subject to which I attend a little later in regard to this Control Bill. But while on this question of the size, it is the one condition of any private industry, or rather industry of any country in private hands, that they shall be, at least within the country, competitive; that they shall be within the country able to give the best service, so to say, to the consumer. That can only be secured by the freest competition within the country itself. You may, in the interests of the national economy, in the interests of the future development of the country, grant a measure of protection to which I shall also refer a little later—a matter which does not find mention here. But while protecting your industries against foreign competition, while protecting your industries while they are in the stage of development so to say, if you don't consider the size to which individual units may grow, or what is worse, their combinations may grow, then you are exposing the consumer to the tender mercies of these great "masters" or "captains" of industry, as they are called, and nowadays equally also the labour force. For once there is a monopoly developed under such control and there grows up a monopoly of employment, the monopolistic employer will be able to dictate his own terms. Unless, therefore, this controlling measure, or any other measure of its kind, lays down very definite and stringent rules about protecting the interests both of the consumer and of the labour class, I am afraid the measure will suffer the taint of being one-sided, of being partial to the big business and hard capitalists.

Sir I fear that in regard to size, equipment and technique, for which the licensing clause particularly concerns itself—there may be other conditions—I must earnestly urge that precautions be taken, that some provision be inserted, whereby the undue growth of monopolistic industry in the country will

be prevented. Monopolist industry in private hands—I am speaking only of private industry, please note—will be dangerous; and as such any tendency towards it ought to be stopped. The licensing clause should see to it that if an industry, for instance, is likely to get out of the control provided by this legislation, and either unduly breaks itself so as to make itself an uneconomic unit, or unduly strengthens and concentrates itself in the desire to be economic, then I hope the control or license machinery would be in a position to stop such developments, or at least control and regular such developments with a view to see that a fair level of industrial development is maintained.

Sir, we are to operate this control and license through a body called the "Advisory Council". The clause is very reticent about the constitution and functions of the Advisory Council. The nature and scope of its work are allowed to be inferred, either from the rules, or from some three or four items mentioned in the clause relating to the setting up of the Advisory Council. Without any desire to be disrespectful to anybody, may I say that the Advisory Councils will give little advice which will seldom operate. The advice of such bodies is accepted only in so far as it is agreeable. And when it is not agreeable, they just pass a resolution commending to the honourable Minister that the supplementary estimates, for example, were very excessive, and they hope that hereafter they will not be repeated.

That is all that the Advisory Councils can do. They cannot change the *fait accompli*. Usually, however, the permanent officials are so clever that they give us readily cooked meal which is like the tinned food from America. You have only to heat it and it is ready for eating. The Advisory Council has just to heat the material canned up ready for use by the Secretariat. And then, Sir, you can eat that spicy meal and feel yourself satisfied and go home.

The actual working of the Advisory Council has yet to be seen so far as concerns the provisions in this Bill. It is admittedly only advisory. The very first provision in the section is, to me, illuminating, that the Advisory Council has to revoke licences. It has nothing to do with granting licences, but it can revoke a licence. What a thankless task it would be to revoke a licence once granted? Is it intended that the Advisory Council should take up the washing of the dirty linen of Government by revoking a licence once given? Otherwise, I do not understand why this very cryptic, if I may say, order in which the rules—I mean the functions of the Advisory Committee—are suggested.

It is a dispensation of Providence, Sir,—I am not a very loud-mouthed believer in God, but at the same time, I cannot help recognising it is a dispensation of Providence—a very beneficent Providence—that my name has never even been thought of in connection with this Select Committee.

Shri T. A. Ramalingam Chettiar (Madras: General): May I propose his name, Sir?

Prof. K. T. Shah: I did not catch the interruption, otherwise I would answer it.

Mr. Speaker: Never mind the interruption. He may proceed.

Prof. K. T. Shah: While it is a privilege to serve on a Select Committee, people like me who are in the habit of finding faults in this manner are saved by this exclusion from the Select Committee from displeasing as many of their colleagues as may happen to disagree. What is more, not being on the Select Committee, I can reserve to myself a much greater freedom of dissecting, analysing, and cutting up the Bill when it comes again after the Select Committee stage. I therefore call it a dispensation of Providence that I am spared this rather dubious honour.

Shri H. V. Kamath, (C.P. and Berar: General): You can write a minute of dissent.

Prof. K. T. Shah: Yes; a minute of dissent is also certainly a privilege. But, you are supposed to accept the principle; you are supposed to work within the framework of the Bill; you are supposed first to try and convince the other members. It is only when they refuse to be convinced against reason that you will have a chance of exhibiting yourself in a minute of dissent.

In the House, thanks to the rules, no time limit is imposed on speaking on a motion even for six hours, on a Bill when it comes from the Select Committee. We have had the same phenomenon in the House and I hope it will not be unparalleled.

The Honourable Dr. Syama Prasad Mookerjee: It will not be economic.

Pandit Hirday Nath Kunzru (U.P.: General): There is time limit on the Finance Bill coming from the Select Committee.

Prof. K. T. Shah: The Finance Bill has also its own considerations and limitations, into which I am not at present inclined to go.

While talking of the Advisory Council and its utility, may I point out that the machinery here designed is eminently suited to make the will of the permanent officials or the departmental demi-gods prevail over everything else. No less an authority than the former Lord Chief Justice of England has protested vigorously against what he calls the New Despotism; and that consists in departmental rules made in this manner. These Rules are supposed to be placed—I suppose it is stated here specifically—on the Table of the House; and if within 14 days nobody takes any notice of those Rules, or makes any motion, then, the Rules are taken to be adopted, even though nine out of ten members may not even have looked at them. Of course, it is their lookout; it is not the lookout of the permanent officials who prepare those rules very voluminously, and frighten you merely by the very size of the rules, so that, rather than exhibit your ignorance, you prefer to remain silent. Very often, silence is golden when speech is not even copper.

The clause relating to the Advisory Council has been cleverly drafted; and do not know whether the Select Committee would be inclined to take in a suggestion for what I regard as an indispensable improvement in it. If the Advisory Council is really to do its proper business, that is to say, if it has to advise the Government with some hope that its advice would be adopted and acted upon, it must come at an earlier stage than the stage of revoking the licence. It must have some say in the initial stages. The rules are there, I am aware. But, the rules, I dare say, will be so framed as to give the Council little say in such matters. The Rules will also be prepared, in the first instance, at any rate, by the departmental experts. Those in authority who would come before us and speak before us will, of course, sponsor them, and will tell you what—I was going to say their masters' voice—what their servants' voice is. If a very painstaking member like Mr. Sidhva takes up the rules, microscopes them or ex-rays them, and comes before the House, very probably the business of the House would be so pressing that, you would be looked upon as lacking in "co-operation" if you insist on taking up any time of the House on that. I am myself guilty of that now; but the importance claimed on behalf of this Bill by the honourable Minister himself is my authority and justification for taking the time of the House in the manner in which I have been doing on this Bill.

The Industrial Policy of Government has guaranteed, or, at any rate, has assured those who are to be their beneficiaries a ten years charter of exploitation of labour and consumer. If you operate these controls through such bodies as the Advisory Council, whose composition we do not know, whose terms of reference we do not know, I do not know whether that body would be responsible to this House, or whether this House would have any representation on it, whose mode of working we do not know, I am very doubtful

and hesitant about the utility of this organism is giving effect, in implementing, as the Statement of Objects and Reasons says the Industrial Policy of the Government. Mind you, I take my text from the Statement itself,—implementation of the objectives of the industrial policy. I feel on that touchstone, the effectiveness of the Advisory Council—merely because it is advisory—will be rather limited.

Unless and until I know the nature of that body, unless I have some idea of the composition of that body, some idea of its time and mode, its meeting, working, and procedure, the subjects that will come before it, I am afraid I will not be in a position to accord my whole-hearted support to such a provision. It is a matter on which I am prepared to suspend judgment for the time being; but it is a matter on which I cannot but sound a note of warning, and I trust the warning will not be utterly disregarded.

Next, I come to the Rules. It is curious, Sir, that the rules are provided for in some thirteen special sub-clauses. Thirteen is an unlucky number. I do not know why you should stop at (m). Of course you do not call it thirteen. I do not know whether it is deliberate or unconscious. But, I feel, Sir, that (a), (b), (c) right up to (m), are all items which do not indicate to me that the machinery would be very effective.

Shri T. T. Krishnamachari (Madras: General): They are not exhaustive.

Prof. K. T. Shah: I should have wished that some kind of omnibus clause (n) should have been added to make it at least safe from the unlucky number thirteen. However, we are in an age of enlightenment; we are rationalists, and do not believe in these superstitions. We are quite sure that the learned and honourable Minister is above these things. I therefore do not make a present of this idea to him. Let him take it if he likes; if he does not, let it be left over.

Scrutinising these items,—I hope I will not be trespassing on your patience too long,—one by one, I fear the rules do not amount to anything like able to provide a satisfactory measure of control being provided even on these twenty-five industries which have been selected for the benefit or advantage or otherwise of this measure. Here and there it is said that you may take over an industry. I am not quite sure whether what is meant is—I suppose that is what is meant—taking over a single industrial undertaking in a given industry, or the whole of the industry. I think the word “undertaking” is used. What is possibly intended is that a particular company, whose management having played ducks and drakes, has come to grief and therefore, the controlling authority would be helpful in taking it over.

If that is the intention, I am afraid the matter would be vitiated at the source. That is to say, if you think of taking over an industrial undertaking which has proved failure as if it was nationalisation, or taking it over for the benefit of the consumers or the country as a whole, then, I am afraid this particular machinery that is provided in the clause relating thereto, is not quite adequate, in my opinion, for that purpose.

The Industrial Policy we are committed to, whatever may be the disagreement of individuals, is a policy, I recognise, of allowing as much scope to private enterprise as possible, or as desirable, let me substitute the latter phrase. While accepting that policy, one cannot help pointing out that in so far as you have decided to control the industries, or even some of the industries, you must have control exclusively or predominantly in the interests not only of the owning classes. Your object should not merely be to increase the volume of production. Your test, your standard, your thermometer must not be merely how much the mere volume of production has been increased. A very amusing cartoon the other day in a famous weekly of this town has

[Prof. K. T. Shah]

shown that for the decline in the Price Index noticed by the aid of a microscope by Government's Economic Adviser of :1 per cent., several honourable Ministers are depicted there as dancing for joy. If this is the idea (An honourable Member: "5 per cent"). For a figure of something like 39% or so a reduction of :1 or :2 is not much. It is sufficient, according to the cartoonist's idea, to send the honourable Ministers dancing for sheer joy. If that is the manner in which one is to judge the adequacy and effectiveness of the controls, I am afraid the objective—once more I quote the Bible—of "implementing the Industrial Policy" will not be achieved.

I take next the Inspectors that are supposed to be appointed under this Clause. I am not sure—reading the clause, as I do, though my reading may be defective, and I am open to correction—I am not sure that there is any intention to create something like a regular force of Inspectors, who will visit, investigate, supervise or in any way scrutinise the working of given industries; and who would then report either to the Advisory Council or the Controlling authority—whatever the appropriate machinery may be—the reasons and all the features where control should be exercised, and also suggest the nature of the controls.

There are certain regular Boiler or Factory Inspectors in this country. There are bank inspectors elsewhere—I don't know if they are not here also. These Inspectors will lose their utility, the inspecting staff will not really be able to do its duty, unless you make it very clearly evident not only what their place in the whole machinery is, also their functions and their status so that they may not be regarded merely as tale-bearers, merely as a sort of spies. They must be regarded as the watch-dogs on behalf of the public, who act on proper authority, and who should have sufficient power to see that the industry is working and conforming with the policy of the country or the legal requirements under this Bill.

Sir, unless and until the Inspectoral staff is so recruited, so formed and so authorised, given sufficient powers, I am afraid that part of the machinery provided in the Bill, intended to be directly operative, will not be very helpful.

Sir, there is another aspect yet to which I would like to draw the attention of this House before I sit down; and that is with regard to once again an aspect of control that is not referred to in this Bill at all. I take it that the control is not only to act as a restriction or impediment. Control, I think, to serve the main objective, may also be helpful. In fact the title of the Bill does provide for "development" of industries also. While there may be regulation, and while there may be supervision or control, there is also to be development of industries. Accordingly, the means by which the most effective means by which the industry can be assisted, any given industry or any establishment in an industry safeguarded and encouraged, should also have been noted, at least in this measure.

I trust I would not be told—perhaps I may be—I cannot guarantee—that this is entirely outside the scope of this Bill. You define the scope and you limit it. Then an essential point is brought up, and you say technically it is outside its scope. I hope that would not be the case here. I am referring to the measures of protection that every new industry in this country requires, if an adequate and optimum development of that industry is to be accomplished. Now, whenever one uses the term 'protection' one commonly thinks of fiscal protection in the shape of duties, on imported goods which are likely to compete adversely with home-made products. I am not thinking exclusively of that—though I am thinking of that also.

For that purpose we have a machinery called the Tariff Board which is an *ad hoc* creation. I think—I am speaking again under correction—it has not yet been made an integral and a permanent part of our Industrial Policy machinery. The Tariff Board functions only on the recommendation or rather reference by Government, not *suo motu*. The Tariff Board has no place, unless somebody interested in the industry brings it to the notice, and makes a *prima facie* case that the industry needs some protection. If the Tariff Board, after investigation, recommends, usually, the protection is in the nature of fiscal protection. When the Tariff Board investigates any case, it again is open to Government to accept or reject its recommendations, or implement in some manner partially. Now any machinery that you have of controlling the industry, if it is not co-ordinated with a similar machinery—I am going to say integrated with a similar machinery, which will also protect, foster, encourage and develop industries, I feel that the former machinery will be defective and unable to carry out its objective. Some place therefore, must be found, some mention at least must be made in this Bill if it is to be a really helpful control of industry, so that the industries may be properly developed as its title itself requires so that they can be protected and helped wherever necessary.

I now come to another factor in ensuring success of an Industry. We, Sir, have had an authoritative exposition of our national policy in regard to foreign capital. Sir, capital is a very important item and factor in the production of national wealth. The inclusion therefore of foreign capital or any capital and proper control and safeguard thereof is by no means an illegitimate function of Government. It is a perfectly legitimate function, I am willing to concede. But I don't feel convinced that we in India shall gain an unmixed blessing by the policy we heard enunciated this morning.

I trust I would not be charged with any irrelevancy when I bring in this matter while I am dealing with the machinery and methods of control which develop industries. Sir, we have had in the past, it is universally agreed a most bitter experience of foreign capital in this country. We have, Sir, in the past found innumerable ways by which the foreign capitalist in this country used to exploit the resources, not for the benefit of this country, but for his own class and his own country. We are told that those days have changed. I fully accept that proposition that those days have gone. We have now acquired supreme authority in our own country, and that there is no reason to doubt that that power and authority will be used in this country for the benefit of this country, primarily, if not exclusively. There is however one thing,—and I say this at the risk of being called parochial in my outlook, and narrow in my sympathies,—that foreign capital is not and can never be an unmixed blessing. For a country yet to be developed as we have to, it can not possibly be of unmixed benefit. Whether the capitalist is of brown complexion or white complexion, the capitalist is, of course, of the same brand every where. Therefore so far as the general outlook, the general tendency, the general objective of the capitalist is concerned,—I make no distinction between the white and the brown,—they are all birds of the same feather and must be tarred with the same brush. Foreign capital, however, has defects and disadvantages which we have not quite realised, I venture to say, as we ought to. In the first place, foreign capitalist do not come to this country thousands of miles away from their lands and their fellows for our benefit. Whatever else capitalists are, they are not charitable. Even when they make charities, they are not charitable; they are making an investment in Heaven, and therefore they are expecting to make a handsome return on their investments. The capitalist, therefore, who comes from thousands of miles to this country is not coming in any desire to assist you. Primarily his object is to assist himself; and if incidentally we get benefit, well, that is really in the hope that further on he may get still better advantage. Gratitude, Sir, has been defined as a lively sense of favour.

[Prof. K. T. Shah]

done, and a livelier one of more to come. So, this, of course, is true of capitalists' gratitude. They feel grateful to this country for allowing them a free hand; but they also hope that this will be continued in a geometrical progression so that, in times to come, they will recoup themselves for whatever risks or handicaps they are taking or working under now.

Let me briefly enumerate the dangers of foreign capital investment. In the first place, foreign capital, whether it is explicit or implicit, makes you dependent on others. If you attract or invite them to invest in your country—such capital will come to you in the form of their goods; you will for ever be tied to their apron strings. We are living in an age in which mass production of standardised articles has very much advanced. Once you commit yourself to one make of machinery, you will for ever be tied to that particular make for everything you want. You will have to get their machinery, their parts, their screws, their nuts, bolts, and all accessories. This is a commitment which those who open their arms freely to invite foreign capital do not quite realise. Of course, they agree to train up your technicians. They agree to share their patents with you. These are quite possible terms of agreement. I do not deny that. But the report of several Senate Committees in the United States will tell you how the A.E.G. managed to hoodwink American industrialists notwithstanding these agreements and succeeded in utilising their patents against the Americans themselves.

Sir, I have very high opinion of the intelligence of our Ministry, of their civil service, and of course, of the intelligence of this House, as well as of the capitalist class. But I am afraid, that once we commit ourselves to accept foreign capitalists, we will not be able to beat the Americans, perhaps not even the Germans. If Americans could be beaten by German ingenuity, I think it much more probable that we may be beaten by both, and by the Britishers also. The British, as we all know, had an empire over which the sun never set, and that for the good reason that God himself was afraid to trust the Englishman in the dark. The Englishman built up an empire by his diplomacy, by his enterprise, by his skill and by his abilities in other respects. And he now says with very charming alluring ways, that you should welcome them, not really for their benefit, but because we need their capital goods, to develop our industries. This is called a sense of world co-operation, and we must be really very cussed not to be able to understand, appreciate and honour the good intentions with which these people come to assist us in the development of our industries.

The capitalists will, I am sure, welcome them, because though the foreigner will have the lion's share, our capitalists will also profit to some extent.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar).]

Sir, another danger of foreign capital investment which is also not foreseen as it should be, I venture to submit, is in regard to entanglement that such capital brings in its wake, almost imperceptibly, and therefore, much more to be feared. Sir, I just now mentioned the risk of being committed to one form of equipment in the industrial sense. We become dependent on their capital goods, their machinery, their parts and accessories. But this other danger that I mention now is much more insidious, and much more invisible, and therefore much more to be feared. By the introduction of foreign capital by foreign countries, we may get involved in their political complications. We may wish, Sir, much as we like to keep aloof from international entanglements. But it is one thing to have such an intention, and it is another thing to implement it. In a world which is dominated by warring groups of the kind that are now in existence, in a world in which imperialistic nations of the two hemispheres are daily trying to steal a march one over the other, in a world in

which economic power is dominating politics and policies of principal countries, to say that we shall remain steadily aloof, may be a measure of our good intentions, an index of our resolve not to be involved in power politics; but if we allow ourselves to be dominated, even indirectly, even imperceptibly, or invisibly by their machineries, by their equipments,—and in however small a measure we may be indebted to them, imperceptibly and insensibly, we will drift in their wake; and we shall drift and be dragged so far that perhaps by the time the crisis comes we may not be able to see that we have drifted. And then it may be too late for us to retrace, too late for us to prepare to stand up to our rights. A political agreement would perhaps be our only recourse.

I do hope that I am not becoming a jereniac or too much of a pessimist. But I have had a long-standing fear of this kind of untoward consequences coming from foreign capital. I am not so confident in our sovereign authority and our capacity to take steps when the occasion comes, to safeguard our interests against these foreign countries. Sir, I fully believe, as I said before, in our power and authority to do so. But whether the opportunity will be there is the point, whether at the time the crisis comes we shall be able to do so; whether the slow infiltration with which this foreign capital would build itself up and take root, as it were, in our most essential and vital industries would give us the opportunity to do so, I feel doubtful. I do not know what is the experience—and I am not prepared to take the vote of the industrialists on this question—I do not know what is the experience of other countries who have invited foreign capital in matters of this vital character. I feel therefore that in this Industries (Development and Control) Bill we would do well to have some provisions, some clauses which would see to it that, even if foreign capital enters into our industries, it does not develop any untoward tendencies, or concentrate itself in one place, so that we might avoid economic or political entanglements. If the Bill contains some such provision, then it would improve itself, beyond recognition.

Sir, I know I have taken a fairly long time of the House. I am thankful to you Sir, for this and to the House for having listened to me. I have no desire to be a carping critic. I have in all good faith put forth some suggestions, and I trust they will not be called destructive criticisms, but hope they will be taken as suggestions which may be taken for what they are worth.

Mr. Deputy Speaker: Mr. Mody.

Shri R. K. Sidhva: (C.P. and Berar: General): May I know whether you are making a departure from the healthy procedure laid down by the Speaker that the Select Committee members will not be given preference over others?

Mr. Deputy Speaker: No but we may have an exception occasionally, and here is one, with reference to Mr. Mody.

Mr. Homi Mody (Bombay: General): Sir, I desire to say a few words in support of the motion for reference of this Bill to a Select Committee. I missed the greater part of my friend Prof. Shah's speech, but on principle, I oppose everything that he has said. I am going to argue entirely the other way about; but unlike my honourable friend, I propose to be brief, to the point and sweetly reasonable. My honourable friend the Minister for Industry gave me and some of my friends a certificate this morning, and I do not wish to jeopardise it by saying something which would make him think that he had been a little premature or hasty.

Industrialists in this country are in general agreement with the principle of the Bill. As was pointed out by the Industries Minister, I was one of those who were consulted and, with certain reservations, I gave my support to the idea underlying the Bill. My object today is merely to repeat the

[Mr. Homi Mody]

caution which I urged in my discussions with him. The reason why we are supporting the principle of this Bill is that there has been a great deal of indiscriminate expansion in the past and a lot of unequal treatment, as between province and province, of industrial interests; and it therefore became necessary, if planning were to become something more effective than merely an idea on paper, that the Centre should acquire a general control over industry. But I am sure my honourable friend the Minister for Industry will not deny that any regulation or control that he wishes to institute has got to be in conformity with the principles which have been repeatedly enunciated from time to time by Ministers of Government. And while it is true that in the main the general principle laid down at the Industries Conference in Delhi in December 1947 is being sought to be followed, I am sure my honourable friend will appreciate what I have repeatedly urged on him in the course of these last few weeks that the actual powers that he is seeking to acquire are very sweeping in character, and that if these powers are strictly interpreted and applied, I am afraid private enterprise will be left only with the name. The profit motive may be allowed to be there, but in every other essential respect, the control of industry will pass into the hands of Government. Now I am not suggesting for a moment that that is the intention of Government or of the honourable Mover of the Bill. I am merely pointing out that the actual powers sought to be acquired are so sweeping that if he were so minded, he could do whatever he liked in the way of control and regulation of industry. I do not want to go into details; I only want to draw attention to one or two points to illustrate what I have been saying. Take for instance clause 10. Amongst the various sub-clauses in clause 10(2), I will draw attention to sub-clause (b), namely,

" the regulation of the production of any industrial undertaking and the use of raw materials therein and the fixation of standards of production."

That can cover almost anything. Then take sub-clause (c):

" the issue of directions for prohibiting any industrial undertaking from resorting to any act or practice which might reduce its production capacity or economic value."

Now who is to determine all this? Apart from the consideration that on grounds of principle, I would object to vesting any authority with wide powers over free enterprise, the point that I would urge is that there must be adequate machinery if these powers are to be exercised wisely or with fairness. There are various other things in this clause, but I do not wish to deal with them. I only want to emphasise that very drastic powers, which seem to me to be wholly unnecessary for the purpose in view, have been sought to be acquired by the honourable Minister for Industry. If this is the first dose of industrial planning, I am constrained to say that it is a pretty stiff dose. The honourable Minister said there is no reason to be nervous. I am not exactly nervous, but if an armed burglar were to enter my room, I would require some sort of assurance about his intentions before I gathered up courage. And so my reply to him would be, I should like to know exactly what the intentions of Government are before I can say how I am going to feel. I would also like to point out that this is not a question of confidence in any individual Minister or in the Government. I have said on previous occasions—and I repeat,—that we have the fullest confidence in the integrity and ability of the present Minister for Industry and Supply, and I think the country as a whole, has got a large measure of confidence in him and in the present Government. But we are not dealing with individual Ministers nor even with Governments; we are dealing with policies which may be executed

from time to time by Governments that might come into power. And from that point of view, I must view with a considerable degree of apprehension the sweeping powers which are sought to be acquired under this Bill. My own suggestion would be to proceed gently, to take planning by easy stages and start with the minimum powers for regulating industrial activity and preventing haphazard development. There are very many questions like regionalisation of industry, location of industry in suitable sites, and the availability of raw materials which can be controlled and regulated by the centre to the great benefit of the country as a whole without trenching upon the day to day province of the industrialists. And my suggestion would be that this Bill should be the first step and not the complete whole that Government intend it to be, and as experience and confidence have been acquired, and confidence has also been inspired, and Governmental machinery has been made more adequate for the purpose, wider and wider powers may be sought. If and when that is done, it will be with the greatest good will and with a large measure of support from industrialists themselves.

My honourable friend the Prime Minister made an admirable statement on foreign capital this morning, a statement with which most of us are in substantial agreement. The whole idea of that statement was to inspire foreign capital with confidence so as to attract it in the interests of this country. The Prime Minister stated that Indian capital was not adequate enough and that it was necessary to do something in order to attract the foreign capitalist to this country, not only because of his capital but because of the technical resources which he would bring with him. That is admirable; but I am putting it to my honourable friend here whether the provisions embodied in this Bill are not likely to neutralise, to a certain extent, that admirable enunciation of policy and whether foreign capital would come to this country readily when it finds that industrial enterprise is likely to be severely regimented. Let us be practical. We are, after all, looking to one country primarily for furnishing us with the necessary capital and technical equipment. That country is wedded to the idea of free enterprise; that country abhors anything in the nature of State regimentation of industry. Therefore, Sir, I should like my honourable friend not to forget that aspect of the problem in dealing with this question.

Sir, I do not wish to say anything more. The Bill is going before a Select Committee; I have every hope that the Select Committee will modify it suitably and that my honourable friend will agree to such suitable modifications; and I also hope he will not think that he is not receiving the support that he should get from the industrial community in this country. I started by saying that industrialists as a rule are supporting the principle of the Bill; they are prepared to go very far in the implementation of the policy which Government have in mind; but the only point of difference between the industrialists and Government is that Government want to proceed too far and the industrialists would like to sound a note of caution.

Shri T. T. Krishnamachari: Sir, after having heard the honourable Mover and his very eloquent plea in support of this measure it is rather difficult for any person to find fault with the details of the Bill which the Mover sought to explain at great length. Nevertheless, as the House has witnessed, the various sections of the House did not lend their full support to this measure for certain reasons. The two speakers who spoke before me—Prof. Shah and Mr. Mody—represented two different and opposite angles from which the Bill is being looked at; and both of them gave only a qualified support to the measure.

One of them is a completely control-minded persons who wanted greater control and over a wider field. The other was a person who held opposite

[Shri T. T. Krishnamachari]

views and he warned as against control and regimentation. There is also yet another side to this question: there are in fact two conflicting aspects on which the honourable Mover touched in making his motion for referring the Bill to a Select Committee: One was control and regulation of industries and the opposite of it and the other was the provincial aspect and the central aspect of this particular measure. In fact, within the few minutes at my disposal, I propose to touch on this rather than the control aspect.

As a student of Economics, as one who wants his country to prosper and that rapidly, I have no hesitation in my mind that this country can prosper only if there is well organized control and regimentation over every field of economic activity. I yield to none in my determination that this should come into being as soon as possible as otherwise we should be facing extinction.

4 P.M. But it is the manner in which that particular objective is to be approached that has to be decided before we accord full support to a measure of this nature.

On the subject of the conflict of interests between the provinces and the Centre, I would at once like to say that I am not one of those who oppose Central co-ordination, Central direction and Central planning. These I assert are primarily Central fields of activity, and in a country with so many provinces, with probably more provinces to come into being in the future and with more State Unions coming into being, in will be idle to expect any progress if all the provinces were to be given unilateral control over the field of economic activity and no less in the field of industrial expansion. But I would like to take the last portion of this Bill first and invite the attention of the House to that portion: to take the Schedule and the 25 items made up in the Schedule.

I do agree that the Central Government must have the powers to co-ordinate. In fact I was a very keen supporter of Article 60 of the Draft Constitution of this country which was passed by the Constituent Assembly the other day, and to the extent of my ability defended the provisions of that Article, which gives powers to the Central Government, where it finds it necessary, to take to itself such powers as are needed for the purpose of co-ordination, for the purpose of planning and such like necessities that would arise in the future. I would also say that I was a supporter of the amendment to the Constitution as it stands today the Government of India Act, in which my honourable friend the mover of this Bill took part the other day, but that does not mean that I wholeheartedly approve of the provisions of this Bill: much less what is contained in the Schedule.

I would like to ask my honourable friend: What have you left to the provinces? And in asking him that question I would also ask him to remember that my honourable friend, Mr. H. P. Mody, violently objects to any power being given to the provinces in the field of industries. It does happen that vested interests today are unfortunately very suspicious of the motives and intentions of Provincial Governments. I am not an unqualified admirer of the activities of many Provincial Governments in this country, or perhaps for that matter, all of them. I do know that they are making a lot of mistakes. But the way to deal with them is not to take away the powers from them for being mischievous and bad boys, but rather to leave them some field of activity in which you would like them to operate and encourage them to act in that sphere at the same time exercising distant control and interfering only when necessary. My feeling in this matter is this. Placed as we are in this House, being able to take a complete picture of the future economy of the country as we want it, we are rather apt to err seriously on the side of giving more powers to the Centre which would in effect stifle any initiative

that is left to the provinces. I want the honourable Minister to look at it from that point of view. If he had started with a Schedule with seven or eight items—items on which he proposes to embark immediately, industries for which he has already been in negotiation with various firms indigenous or foreign, which he is going to sponsor and which are going to come into being within the next three or four years—I would give him that unqualified support. But does he envisage that the Central Government is going to act without the help of the provinces in all these twenty-five items covered by the Schedule? And what are the provinces going to do in this matter. You are giving them very few industries—not even pharmaceutical and drugs in which many of the provinces have already taken a lead. Even those industries are to be controlled in future by the Centre. Some kind of control over these industries will be necessary because of the Drug Control Act and the Pharmacy Act but not the type of control envisaged in this measure. So my appeal to the Select Committee would be to go slow, not in the sense indicated by Mr. Mody, but to go slow in interfering with the powers in the provinces: to give them some powers and initiative: to let them try to expand. Many provinces have schemes which they are not able to implement for reasons of finance or lack of talent or imagination. But they do have the wish to make a start. Many of them have started industrial financial corporations, similar to the one this Legislature brought into being last year and they do want to proceed with their plans for industrialisation. Therefore, what is the object of merely telling them that the centre has more or less decided to throw a blanket over their initiative in the field of industrial expansion. We leave very little to their initiative. But it seems that the centre proposes to tell them that if they are going to be good boys, with their tails between their legs and with their arms folded behind their backs, that they will permit the provinces to act in this field subject to the centre's powers of supervision and control. Is the honourable Member going to increase the revenue by rail traffic and air traffic by making more people come to Delhi than those that do so today? Actually, the centre of attraction is Delhi. It is increasingly different for air passages because business men are coming here in large numbers for permits or for permission for capital issue. What is the object of increasing it further by more or less attracting to yourself all possible powers?

There is another aspect of this question which I would like to mention, with due apologies to the Government, the Cabinet and to the honourable Minister himself. I do not think that as we are placed at present we are administratively competent in the Centre to handle all the subjects that my honourable friend envisages in the Schedule of this Bill. Actually, I would like to tell my honourable friend that within the limits of my information, he has not enough technical assistance in his own department for him to be able to judge correctly which industry he should negotiate, and how he should tackle the foreign experts and businessmen who come to him with offers of help. Placed as we are with all these limitations, I would suggest to him and the Select Committee to shorten the list covered by the schedule. If the provinces want to go ahead with industrial expansion let them. Ultimately the control, if you want to take it, will be always yours because you can always legislate and declare any particular industry to be one which comes within the scope of the Centre and you can legislate to obtain control over prices and distribution. These are imperfections which my friend Prof. K. T. Shah sees which can be remedied at a moment's notice. It wants a draftsman, the patience of the House and the time of one week to be made into law. So these imperfections are not of such a nature that they bar future development either in the matter of the Centre controlling distribution or prices, or even for that matter insisting on a certain amount of minimum production from these factories that are to be established. These powers are there. These powers have been safeguarded under Article 60 of the future Constitution. They have been

[Shri T. T. Krishnamachari]

safeguarded under the amendment of the Government of India Act as the Constitution stands today. So why hurry? Why do you want such drastic powers and such a long list of industries within your control which will only stifle the initiative of the provinces? I am sure that my honourable friend has secured the agreement of many provincial governments—agreements which have been given in a tardy manner. In this connection I would like to correct a statement that I made yesterday while charging another honourable Minister of having allowed his department to extend the scope of a particular ordinance to a particular province without the previous consent of the provincial Government. In fact I should have explained it more clearly, because I do know that the particular matter was referred to the public department of that province and the public department never referred the matter to either the revenue or finance department but indicated its consent straight away. The revenue department then found that this particular ordinance had been made applicable to the province and they sent a letter of protest, because they knew what the consequences would be. Similarly some premier or minister might have given a qualified support for the simple reason that he did not fully appreciate the implications of a measure of this nature, for such a measure will undoubtedly stifle the initiative of the province. The result of it all will be that ministers of the provincial government will then say to this Legislature that industrial expansion was not their job and that it was the duty of the Central Government. And that is a very dangerous weapon which you are putting into the hands of the provincial ministers, *vis.*, to go to the legislature and plead that this legislation as an excuse for their inaction. They will say "The Central Government have all the powers necessary for the purpose of industrial expansion and we have no power and so we shall not do anything." That is a very great danger. In a federal constitution such as ours is and will be, the responsibility in regard to such matters should be fairly and squarely placed on the provinces; except in so far as the Central Government can adequately discharge its responsibilities they cannot take unto themselves more powers than is absolutely necessary for the immediate future and leave the provinces to act in the particular field that is left open to them. I do feel that this is a matter on which both the Select Committee and the honourable Minister should exercise some more thought and if necessary narrow the field of the operation of the Bill.

With regard to the provisions I have something to say but before going into it I would like to say a few words about the statement made by the honourable the Leader of the House in regard to foreign capital and I think it has a relevance to this particular discussion. I must plead guilty to having been associated in the past, or if I may put it in our own vernacular it was my *purva karma*, to have been associated with industry and business in my past life; so to say. The fact of this association provided me with an opportunity to meet several people who are now interested in industries in India and who are likely to be interested in the future; when I was in England last summer. I must say this, which probably Mr. Mody will not like, that when the industrial policy of the Government of India was explained to those foreigners they expressed that the treatment accorded to industrialists in India or the possibilities envisaged in that industrial policy statement were far more liberal than anything provided for them in England.

Mr. Homi Mody: Who says that?

Shri T. T. Krishnamachari: Quite a number of them. I have met a number of people and explained the industrial policy of the Government of India to them. That was the opinion that was expressed to me by many of them.

very many leading industrialists probably of equal eminence, if not greater than that which my honourable friend holds in this country.

Shri B. P. Jhunjhunwala (Bihar: General): What was the opinion expressed by the British industrialists?

Shri T. T. Krishnamachari: Their opinion was that the terms in which the industrial policy of the Government of India was couched were very liberal, in fact, far more liberal than what was offered to the industrialists in England today and the hopes that are held out for people who invest capital in this country are much greater than anything that they had in their own country. That was the view expressed by many of them. I do not think it is quite correct for my honourable friend Mr. Mody to say. "There it is; people are not likely to be induced to invest in industrial enterprises on account of the attitude of the Government."

Unfortunately there is one other objection that has been brought forward by my honourable friend Prof. K. T. Shah. Prof. Shah, with whom I am in agreement on very many matters, apparently feels that he cannot get over a particular prejudice that he has against foreign capital though he should realise that our circumstances are now changed and we can afford, since we have the stature, since we have the power and we have the influence to treat all people alike and not be afraid of anything that is likely to be done by foreigners against the interests of our country because we can at any time nip any such conspiracy in the bud. I do agree that the central problem in regard to foreign capital is a problem which is the headache of the Finance Minister. That is the problem of the balance of payments and it is a problem not only for the Finance Minister of today but also of tomorrow. If we have to pay interest and dividends to foreigners who invest in this country such far in excess of our normal balance of trade, then will become a headache. But that is a matter which is more or less a self-operating mechanism. If industries are started in this country our dependence for imports on foreign countries is reduced to that extent and an adverse balance of trade becomes a favourable balance of trade. We can then without much difficulty allow a small portion of such favourable balance to be taken away by means of interest or dividends to the extent we might be willing to allow subject to the conditions that we impose on those foreign industrialists similar to what we impose on Indian industrialists.

There is another aspect that I would like my honourable friend Mr. Mody to consider. You, Sir, the other day are reported to have said that capital in this country has become dry I would like to improve on it and say that Indian capital has become calcified. I am afraid it will become non-existent before long, if things go on at this rate. What do the capitalists of this country want the Government to do? If they are not going to help the Government naturally they have to satisfy the people's demands and the only justification for the present government with all its imperfections to exist is that it wants to raise the standard of living of the common man. If the Indian Capitalist will not help the Government, I think the Government is perfectly right in going to a foreigner, no matter what the terms are; so long as the ultimate interests of this country are not jeopardised. To the extent to which the Indian capitalist offers to come to help the Government to that extent foreign capital will automatically be discouraged. The germs of such discouragement are there in that statement. It is up to Mr. Mody and his friends to go back to Bombay and see that Government securities sell at par from tomorrow, that government loans are subscribed to very freely and that the flow of money through treasury bills is in the region of 20 crores every week, instead of its being nothing as at present. If he does that I think he has every right to castigate the Government and the Ministry and he can expect my support in that particular act of his, if Government still throw impediments in the way of Mr. Mody and

[Shri T. T. Krishnamachari]

his class in helping to improve the standard of living of the common man in this country. You cannot have it both ways. Either you must completely help the Government with all your resources if necessary. In fact I would like the capitalists of this country to say to the Government "Well, you make a capital levy tomorrow, if you find that you do not have enough money to help to start new industries. We are prepared voluntarily to give up anything upto 25 per cent. of our capital." If there is such a gesture on their part the common people who have small hoards of Rs. 10, 20 or 50 will see that the capitalist has trust in the Government and therefore they may also trust the Government with their small savings.

Mr. Homi Mody: Are you prepared to take 25 per cent of my over-draft?

Shri T. T. Krishnamachari: On the other hand there are also capitalists like myself without even a bank account. But that is by the way. I do welcome the statement made by the Leader of the House. It was a considered statement which I think ought to place India on the map of the world as a country which is not afraid of foreign capital, which is prepared to treat the foreigner on the same terms as it treats the indigenous capitalist, provided he plays ball and I am afraid so far as the Indian capitalists are concerned it cannot be said that they are playing ball at the present time.

There is one reference which I would like to make in regard to clause 10 of the Bill. My honourable friend Prof. Shah to whom an adequate answer will undoubtedly be furnished by the Mover himself, has somewhat mistaken the scope of the enumeration of the various provisions under clause 10. He referred very rightly in this connection to that book "New Despotism" by Lord Hewart. I remember it very well for it was published in the days of my political apprenticeship. It was a very useful weapon against any government that used what was called Star Chamber legislative methods.

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Railways and Transport): It is ancient.

Shri T. T. Krishnamachari: It has been revived today and the honourable Minister was absent at that time. The report of the Parliamentary Committee that was appointed as a result was that these rule-making powers should be permitted but that there should be a general enumeration of the nature of those powers. The governments in India, both Central and Provincial, have not been slow to follow up that dictum of the Parliamentary Committee. The enumeration of the various prescribed powers has to be taken along with what precedes it that is "without prejudice to the generality of the foregoing power", which means the generality of that power is something all-embracing and the government could do anything under the rule-making power; but the sub-clauses merely specify possible contingencies which a harassed official in the secretariat imagines is likely to arise in the course of the implementation of the particular measure. So in effect it does not mean that the enumeration counts for either a lot or for nothing so long as the generality of the rule-making powers of the Government are there for doing anything that is necessary for implementing the provisions of the Bill. The only limitation on it happens to be that the Legislature is afforded an opportunity of having a say because the Rules will be placed before the House. That is all I have to say about the rule-making power.

But there is one particular provision in the Bill to which I would really object and that is in regard to clause 8. I do agree that Provincial Governments, as I said before sometimes go off the rails. But do not treat them

as bad boys and give them a slap on the cheek or something on the bottom and prevent them all the time from moving in a direction in which it would be very wise for them to move. I know some Provincial Governments want to start a lot of industries themselves, but I think a specific mention of this nature is derogatory both to the Central and the Provincial Governments. I think the Central Government has got enough powers without taking any statutory power into itself to control the actions of the Provincial Governments. I therefore think the Select Committee and the honourable Mover would do well to leave this unsaid because impliedly it is always there. If the Central Government has powers for licensing all undertakings the power is always there. There will be a change of ownership if it is going to be taken over from a private person by a provincial Government and in that process the Central Government will have to be asked for the purpose of licence because it will be a fresh personality that will be taking over the undertaking. But to put a clause like this in the statute that Provincial Governments starting shall not be bad boys is, as I said, derogatory both to the Central Government and the Provincial Government.

With these observations and also with an expression of hope that the Central Government might, if it is disposed to do so, if between now and the time the Select Committee sits it invites the opinions of the various Provincial Governments on paper particularly in regard to the schedule, improve the scope of this Bill which I think has room for improvement, I support the motion.

Pandit Hriday Nath Kunru: This Bill implements the Industrial Policy laid down by Government in the Statement published on the 6th of April 1948. That Statement did not deal with all the industries that were in existence in the country then or that could be started in the future. The Bill before us therefore could not be a comprehensive measure in the sense desired by my honourable friend Prof. K. T. Shah. But I am not at all sorry that the scope of the Bill is more limited than that of the Reports of the Planning Committee of which Prof. Shah was the Secretary. I think that the Bill so far as it goes takes sufficiently wide powers for the control of industry. But what I should like to know from the Minister of Industry and Supply is what is the actual programme that is going to be pursued by Government during the next few years. The Bill before us contains nothing that the Statement of 6th April 1948 did not. What we desired then and what we desire more eagerly to know now is what is the plan that will be followed by Government for the development of industries in this country. It is obvious that the resources of the Government both in respect of capital and technical skill being very limited as the honourable the Deputy Prime Minister pointed out the other day in Madras, they cannot develop even all those industries whose development under central regulation and control might be declared to be necessary. Government have from time to time let us know what they propose to do in regard to certain industries, for instance in regard to ship-building and the expansion of the iron and steel industry. But they have laid before us no co-ordinated programme which they propose to follow, say, during the next five years. It is not enough that we should have a fairly comprehensive measure of control over this. What we would like to know is what steps Government propose to take in practice in order to increase production in this country in certain essential respects, say, transport or food or any other such things. If this programme is limited to half a dozen things on which Government propose to concentrate we can know the direction that the efforts of the Government will take in the immediate future. Unless the honourable the Minister for Industry and Supply gives us some such indication of the policy of the Government I am afraid that the measure before us, even though it may be approved in principle by a majority of us, will not satisfy the country. In this respect we are now further off than we were when the report of the last Industrial Conference was published.,

[Pandit Hirday Nath Kunzru]

To know what is the policy that Government propose to follow in connection with a large number of industries is not enough. Government used to follow such a policy in regard to the implementation of the recommendations of the Famine Inquiry Commission. Almost everything said by that Commission had their approval. In principle they agreed to such a large number of things that in practice they became totally ineffective. They have at last been forced to announce a policy that is somewhat more definite in that matter. I hope that the honourable the Minister of Industry and Supply will take a warning from what has happened in connection with the development of agriculture in this country and see that Government's plans with regard to the development of industry are not as nebulous as those relating to the "Grow more food" campaign were.

Sir, in order to carry out their policy, Government will need a large number of technically qualified men. The deficiency of technical personnel in this country is well-known. Their need will be felt in connection almost with every aspect of this measure. Take the question of location. How is the question of location to be determined? Our economists have been asking for a number of years that industries should be so developed that there may be no "black areas" in the country. Nevertheless, in order to know where a particular industry should be permitted to establish itself, mere executive control, if that is not fortified by proper technical advice, will not be enough and may even be harmful. I am all in favour of Government taking into account the important question of the location of industry in connection with the planning of industrial development in the future, but their intentions can be effectively carried out only when they receive adequate technical advice. I know that the Government have, during the last two years, sent a number of young men and others to England and America for technical training. I do not, however, know whether as soon as they come back they will be fit to shoulder the responsibility that the implementation of this measure before us will throw on Government. It is necessary for us to know, therefore, what steps Government propose to take in order to secure the technically trained personnel that they will require and also what steps Government propose to take to increase the number of persons who might be competent to act as their technical advisers in the very near future. I understand that the system of giving scholarships to young men for training abroad has for the time being been abandoned. Has my honourable friend the Minister of Industry and Supply thought of taking steps himself in order to remove the deficiency that I have just referred?

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

Take again the question of Government participation in industry. A place may be allotted to a project, but whether Government should participate in that project is to be determined not by the general desirability of promoting the development of any particular commodity but by its prospects of being technically sound. I am sure that my honourable friend the Minister of Industry and Supply knows that some of the decisions of Government in regard to participation in private enterprise have not received the approval of the public. I do not want to mention any particular enterprise but from what I know I feel that the criticism of the decision of the Government was due to the belief—which was correct in the opinion of many technically capable men—that Government had not been properly advised before they took the decisions complained of. I think this is a very important matter and it is necessary that Government should be advised in regard to such matters not by executive officers or by pure scientists but by people with adequate business knowledge and technical training.

Sir, the Prime Minister referred this morning to the willingness of the Government to allow private capital to be invested in this country under certain conditions. Though the danger that foreign capitalists might try to obtain some control over the economy of this country is entertained by many persons whose opinion is entitled to respect, yet I do not see how in the present stage of development of this country we can do without the help of foreign capital and foreign technical personnel and equipment that will come with foreign capital. I should, however, like to know in what form foreign capital will be allowed to participate in the industrial development of this country. The Prime Minister spoke of the need for answering certain questions regarding the transmission of profits and the re-payment of capital. This statement shows that what is intended by Government is not merely the investment of foreign capital in this country, but of partnership with foreign capital. In any case, Government, before making up their minds on this subject, must have considered in which industries the assistance of foreign capitalists should be invited. There are certain industries that Government want to develop exclusively under their own ownership and control. No indigenous capital is to be employed in these industries and there is to be no partnership with Indian capitalists in regard to them. I take it, therefore, that foreign capitalists will be in the same position in this respect as Indian capitalists. What are then the other industries in which foreign capital will be welcomed by Government? I think the House and the country will expect Government to say something more on this point than was said by the Prime Minister this morning.

One more point before I bring my remarks to a close. Before the war, whenever the question of industrial planning was discussed, it was admitted on all hands that war-time controls would have to be continued and it was thought that control over the distribution and prices of manufactured goods would have to be retained in order to determine the flow of capital in proper channels. Now, I know that by taking the power to license new undertakings and to permit the expansion of existing ones, Government will be able to decide in which industries capital should be invested more than in others. Unless the price structure is such as not to place a premium on the investment of capital in certain industries, Government will find themselves in a serious difficulty in exercising the control that this Bill will place in their hands. In the first place, they will have to take upon themselves the odium of refusing probably many applications for licences in connection with industries that happen to be brought under control. In the second place, they will lay themselves open to criticism in regard to the choice of the agencies whose applications will be favourably considered by them. It is far better to have a proper price structure, so that all these difficulties might be got over easily. I know that Government's statement of industrial policy was issued at a time when the policy of de-control was in the air. That statement could not therefore deal with the distribution and price of industrial products. But as Government have happily grown wiser by experience and have changed their policy, it is I think incumbent upon them now to state what measures they propose to take now both in order to attract capital to all necessary undertakings and also to protect the interests of the consumers. My honourable friend, the Minister for Industry and Supply drew attention to the omission of this matter from the Bill, but he did not attempt to justify it. The amendment of the Government of India Act last December placed in the hands of the Central Government the power not merely to control production but also to control distribution and prices in regard to those industries whose development is declared by legislation to be necessary to be under central control. There is no reason, therefore, why the Bill should suffer from this omission. It is not necessary for Government to control the distribution and price of every commodity, but I submit that in view of the discussions that have taken place in the past and the recent amendment of the Government of India Act, 1935, it is necessary that this omission

[Pandit Hirday Nath Kunzru]

should be rectified. The Government can make rules with regard to this matter just as they will with regard to other matters. But, there seems no adequate justification for not referring to this matter at all in this Bill.

Sir, there are other important questions that this Bill raises. But I should like briefly to say that in regard to decentralisation to which the honourable Minister for Industry and Supply referred in the course of his speech, I agree, generally speaking with what fell from my honourable friend Mr. T. T. Krishnamachari and I think that the Central Government should exercise their control in such a manner as to throw as much responsibility as practicable on the provincial Governments in connection with the development of industries. General control is essential so that progress might take place in accordance with a certain well thought out pattern. But, when this has been done, the actual implementation of the policy should, in connection with small scale and medium sized industries, be left as largely as possible in the hands of the provincial Government. Their sense of responsibility and their sense of initiative should be encouraged so that a too heavy burden may not be thrown on the Central Government. I am sure that my honourable friend the Minister in charge of Industry and Supply is well aware of the importance of decentralisation. But, what I am anxious about is that decentralisation should not be brought about merely where it is absolutely necessary, but to as large an extent as possible. Subject to central control and guidance, the development of all industries that are of importance to the country as a whole should rest as largely as possible with the provincial Governments. With these remarks, I support the principle underlying the Bill and venture to express the hope that our future industrial development will be much more rapid and co-ordinated than it has unfortunately been in the past.

Mr. Chairman: The Honourable Dr. Mookerjee.

The Honourable Dr. Syama Prasad Mookerjee: Mr. Chairman, Sir,.....

Shri B. Das (Orissa: General): Sir, this is a very important Bill and we have not yet discussed it sufficiently. (*Interruption*). I am addressing the Chair and there need be no interruption. The honourable the Finance Minister, while introducing the Report of the Select Committee on the Finance Bill, stated that the honourable the Prime Minister will make a statement in this House on foreign investments in India. It was expected that this House will have an opportunity of discussing that matter. The whole point surrounding this Bill relates to that. We need thousands of crores of foreign capital to control and develop these 25 categories of industries. We have to examine all aspects of foreign investments. If you are to stop discussion on a measure like this, we have no chance of raising that question again after this Bill comes from the Select Committee, because we have committed ourselves to the principle of the Bill. I would request you not to close the debate now.

Srijut Robini Kumar Chaudhuri (Assam: General): Sir, no motion for closure has been made. This is a matter in relation to the foreign investments. I would request you to allow further discussion of this matter.

Babu Ramnarayan Singh (Bihar: General): I want to address the House on this important matter.

Mr. Chairman: The time at the disposal of the House is very limited. We know there are so many Bills more to come. The point raised by the honourable Member Mr. B. Das is really a very important one. At the same time, this question of foreign investments, though relevant has not been put

in this Bill. It is a statement apart from it. If the House so wishes, the honourable Member can certainly request the leader of the House to give an opportunity for discussion before this is finally settled. But, as the time is very short, I have called upon the Honourable Dr. Syama Prasad Mookerjee to reply.

Shri B. Das: There are 25 Bills more. But this is a very important matter. Industry will need capital. Where will they get capital from, worth thousands of crores of Rupees?

The Honourable Dr. Syama Prasad Mookerjee: Sir, if I may say so with respect, as you have rightly pointed out, so far as matters arising out of the Prime Minister's statement are concerned, they may be relevant to the Bill which is under consideration, but they are quite apart from the Bill. If it is the wish of any member of the House to obtain further information, no doubt that opportunity may be given when the Bill will come back to the House from the Select Committee.

Shri Mahavir Tyagi (U.P.: General): I hope you won't bring it at the fag end of the session next time.

The Honourable Dr. Syama Prasad Mookerjee: The Report of the Select Committee is to come at the end of the first week of the next session; it would not come at the fag end of the next session.

I do not propose to make a long speech in answer to the criticisms which have been made, because, most of the suggestions which have been made by honourable Members will no doubt be considered by the Select Committee. I feel, Sir, thankful that honourable Members have extended their general support to the main principles underlying the Bill. There are just a few points which I shall briefly touch upon in my reply.

Pandit Harihar Nath Shastri referred to the question of taking over control of industrial undertakings for reasons arising out of awards of industrial disputes. If a reference is made to the relevant clause, it will appear that the powers given are really wide enough. If any such occasion arises, when an industrial undertaking has to be controlled for the reasons mentioned by the honourable Member, there is nothing in the Bill which would prevent the Government from doing so. In this connection, an important point was raised namely that the provincial Government should be given full power to take over this control in respect of industries which are centrally regulated. That point was also made out by my honourable friend Mr. T. T. Krishnamachari. If you look at clause 8, you will find that the provincial Government is not debarred from taking over this control. All that is stated is that it must be done with the previous approval of the Central Government. Obviously, that is a desirable precaution. If it is left to individual provinces to deal as they like with important industrial undertakings which the House considers should be centrally regulated, that would create a condition which will not be desirable from any point of view. It is not the provincial Government alone that is going to exercise this power; this Bill is going to be applied to the acceding States, which have already expressed their desire to come within the Indian Union so far as control of industries is concerned.

My distinguished friend Prof. Shah was good enough to extend his half-hearted support to this Bill. Usually, from him we receive whole-hearted opposition. In this case, at any rate, we are fortunate to receive half-hearted support and that I consider to be of some value. Apparently, he has misunderstood many of the provisions which he referred to. The main point which he made out was that this Bill was really intended to help the capitalist and proprietary class. But, I believe, he must have changed his view after having

[Dr. Shyama Prasad Mookerjee]

heard Sir Homi Mody, who felt that the powers which we were taking under this Bill were of a drastic character, which no capitalist or industrialist would look upon with equanimity. So far as Prof. Shah's desire to know as to what exactly control or regulation or development means, obviously it is not possible for us to define this exactly. If the honourable Member had read, as I presume he has read, clause 10 with a little care, then he will find that practically all that he is thinking of is included in clause 10 sub-clause (2). Under sub-clause (a) Government will have the power to require any industrial undertaking to take such steps as Government may consider necessary to stimulate the development of industry to which such undertaking relates.

5 P. M. Now that sub-clause only by itself is of so wide a character that it is not come within its purview. Further he must have noticed that in any case these 18 sub-clauses mentioned here are in addition to the general power which the Central Government has taken to make rules for any purposes covered under this Bill. Sir, Professor Shah also referred to the functions of the Advisory Council. Here again it is very difficult for me to understand what exactly he means. Does he want that this Advisory Council which will include mostly non-officials will more or less replace the Government of the day? Does he want that this Council on which the interests of industry will undoubtedly be predominantly represented, will dictate the policy of the Central Government? Obviously that cannot be his intention at any rate, whatever else's may be. All that we want is that the Advisory Council will be there to advise the Government on all matters arising out of this Bill. The bill provides for compulsory advice being taken by Government in relation to certain important matters, including making of rules. Professor Shah made a lot of power being given to the Advisory Council to express opinion when a license is revoked and not when license is granted. Well, that is deliberate. We don't want the Advisory Council to come and dictate to Government to whom license should be given but if a license is given under proper conditions and later on if conditions arise which make it incumbent upon Government to withdraw a license or to revoke it, then obviously the Advisory Council should be consulted and should have the opportunity of being satisfied that revocation is not being made without reason. Now so far as protection is concerned, undoubtedly protection to industries is a matter which is not covered under this Bill. That will be dependent on the general policy which Government will pursue. How the Government will function with regard to giving protection to industry, with regard to other matters in the field of fiscal relations etc. obviously are not matters which may form part of any legislative enactment; that will depend on the general policy of the Government, based on the circumstances prevailing from time to time. So far as fiscal matters go, as the House is aware, a Fiscal Commission is about to be appointed and no doubt after that Commission has reported matters which will be recommended by the Commission will be taken into consideration and acted upon by Government.

Now Professor Shah said a lot about foreign capital. I am not going into that question except to say this that the Prime Minister's statement makes this clear that there will be no discrimination either in favour of or against foreign investors. Neither will they get any special privilege nor will they be subjected to any special disabilities. The Prime Minister also made it abundantly clear that they will function in this country in accordance with the general industrial policy of the Government and the Industrial Policy is to-day being crystallised in respect of the operational side through this Bill. Sir, I do not share the fear and pessimism of Professor Shah that by allowing foreign investment in this country a situation may arise which may make history

repeat itself. We are a free country and can take care of our own interests. In every case license will have to be taken out, conditions will have to be examined and while we will give every opportunity to foreign investment to play its proper role in this country, naturally national interests will not be subordinated to the interests of any foreign investor. Sir, I shall not refer to Mr. Homi Mody's remarks as he has already left the House and I believe he was not expecting my replies to any of his remarks.

With regards to my friend Mr. T. T. Krishnamachari, the main point which he has touched upon is with regard to the power and initiative left to provinces. As I myself emphasised in my opening remarks to-day, this is a matter which will be examined by Government at every stage. After all these Provincial Governments also are our own. There is no question of any rivalry or of any antagonism between the Central Government and the Provincial Governments. We have received replies from the Provincial Premiers. I shall place those replies before the Select Committee. I am prepared to consider the suggestions which Mr. Krishnamachari has made and obtain further views of the Provincial Governments on the detailed provisions of the Bill. There is one misapprehension in his mind which I would like to remove. There is no question of a provincial government being deprived of its initiative to start any industrial undertaking. In fact if you refer to proviso to clause 5, you will find that a Provincial Government will not have to take any license but it has only to take the permission of the Central Government if it wants to start any industrial undertakings itself. Mr. Krishnamachari says, 'You reduce the list and throw greater responsibility on provinces'. I would just ask him to consider that that is not possible. If with regard to important industries you desire to have an all-India policy, then obviously the ultimate deciding authority must be the Central Government; but the Central Government will be there mainly to grant the license. Once the license is granted, then it will be open to the provincial governments to develop that industry in such manner as it deems fit, subject of course that it will be in accordance with the general planning in relation to that industry as approved by the Central Government. Now you look at these 25 industries. Mr. Krishnamachari says you reduce the list. It is not a question of reducing the list. Suppose a particular Government decides to have more cement factories; it goes ahead with its scheme and it places orders for capital goods from outside. Later on it appears that 4 or 5 other provinces are putting up cement factories, which it will be impossible for the country as a whole to maintain. Which is the authority barring the Central Government which can intervene and see to it that proper distribution is made? That applies with regard to all these important industries. Professor Shah said the list of industries has been prepared rather perfunctorily and more should be added. When asked by certain members he mentioned the omission of film industry. I did not know he had become a lover of film industry. Perhaps due to his advanced age he gets some relief by visiting some good films.

Prof. K. T. Shah: On a point of personal explanation, Sir.

The Honourable Dr. Syama Prasad Mookerjee: Sir, I withdraw the remarks. In any case I may inform Professor Shah that this list was prepared with considerable care. The film industry itself was suggested to be added at one stage but it was decided to drop it for the time being. As the House knows that under the recent Amendment of the Constitution Act Film Censoring has been brought under Central control and if it is necessary at a later stage to include film industry as an All-India industry, Government will make necessary changes. In fact a Committee is about to be appointed to examine the working of the film industry and also to consider how it should develop in the future. The other industry that he could think of was Printing Machinery. So far as printing presses are concerned, they will

[Dr. Syama Prasad Mookerjee]

require certain basic things which are covered in the list. One point which I would ask honourable Members to bear in mind is that this list mainly contains certain basic industries and if these industries are properly developed in this country, that will enable other industries to develop without any interference from anybody. It is essential that these basic industries should come into existence as soon as possible under Central regulation.

With regard to Pandit Kunzru's remarks, unfortunately what he said was not quite relevant. But I can tell him in brief that Government has definite plans for industrial development. In fact that was a point on which I spoke at considerable length during the budget discussions. What are our objectives? It is three-fold. Firstly, we are helping existing industries to produce to the maximum of their capacity. That is an objective which we have kept in view and we have a machinery within our Ministry which remains in touch with all industries and which gives them every possible help and assistance so that they may keep up to the maximum of their capacity. Secondly we try and see how far existing industries can develop their resources and increase their production; and further, what sort of assistance can be offered to them, in accordance with an over-all planning.

Thirdly the Government of India has undertaken to start a number of key industries. As honourable Members know there is first of all the iron and steel industry, where we are exploring how we can increase the existing production. We are also examining the possibilities of establishing two steel factories which will produce about one million tons. We have a scheme for the establishment of a factory for the manufacture of heavy electrical machinery. We have just made a provisional agreement for the establishment of a machine tool factory which perhaps will be the biggest in the whole of Asia. We have a scheme for the manufacture of dry cables. The fertilizer factory is going ahead. The telephone factory in Bangalore is under construction. We have also the scheme for the manufacture of locomotives. We have a proposal for ship-building and also the manufacture of air-craft. Over and above all these we have a number of river valley projects which are already in hand. These, in brief, are the important schemes which the present Government since taking office, has in hand, and they are in various stages of progress.

So far as the warning of Pandit Kunzru regarding technical advice is concerned, we are fully aware of the need for such advice and we are getting the best possible advice for all our projects. In regard to each one of these schemes, we are having technical experts from different parts of the world, and after we get their reports, they are examined by our men and then we come to final conclusions.

Pandit Kunzru has quite rightly asked what steps Government is taking to see that we have the necessary technical personnel ready. This is a matter which we keep in view with regard to every undertaking. Whenever a particular project is approved and contract entered into with a foreign firm, we provide for selection of a batch of Indians to be sent out for technical training so that by the time the factory comes into existence, as many of the important posts can be held by Indians as possible.

Sir, Pandit Kunzru has asked whether we can give any idea as regards the industries in which help of foreign capital will be available or asked for. Obviously, experienced legislator as he is, he knows that it is hardly feasible for any Government to declare from the house-top what are the particular industries for which we are calling tenders from foreign capitalists. That is not how it is done. When foreign investors come here, they come in touch with us. Foreign experts are invited in other cases and they come and sit down with

as. We discuss matters. We sometime refer them to private industries here. We are trying to work out a scheme which, on the whole, will be of benefit to the country as a whole.

Lastly, certain remarks were made as regards absence of any provisions in the Bill for distribution and control of prices. That is the point which I myself emphasised in my opening speech. We are bringing the Bill forward mainly to see that production with regard to essential and basic industries reaches the proper level as soon as possible. We have not taken in hand here their distribution or fixation of prices. With regard to most of these industries, under the Essential Supplies Act, the Central Government has power to control distribution and prices. So there will not be any sudden crisis in the absence of such powers in the Bill. After the Bill comes into operation, after we consult the provinces with regard to their attitude, I am sure we will be able to come to a working agreement with the provinces so that the scheme for distribution and for fixation of prices is made in such a way that it will be fair to the industry as also to the consumers. If necessary later on we will have to ask for these powers also through another Bill.

All the other points raised will undoubtedly be considered by the Select Committee.

Babu Ramnarayan Singh: May I know whether cottage industry, especially *khadi*, has got any place in this Bill?

The Honourable Dr. Syama Prasad Mookerjee: As I explained while moving the Bill, this Bill relates only to factories, as the word factory is understood in the Factories Act, where twenty or more workers work. *Khadi* obviously does not come into the scope of this Bill, and it is not desirable that it should. May I, with your permission suggest that three more names be added to the Select Committee Members, who are specially interested in this Bill? They are Shri B. L. Sondhi, Prof. Shibban Lal Saksena and Prof. K. T. Shah.

Mr. Chairman: Then I will include these names in the motion. The question is:

“That the Bill to provide for the development, regulation and control of certain industries, be referred to a Select Committee consisting of Shri Homi Mody, Shri M. Ananthasayanam Ayyangar, Dr. Bakshi Tek Chand, Shri Hamnath Goenka, Shri H. V. Kamath, Shri T. A. Ramalingam Chettiar, Pandit Lakshmi Kanta Maitra, Shri Khandubhai K. Desai, Shri R. L. Malviya, Shri V. C. Kesava Rao, Srijiut Kuladhar Chaliha, Shri Prabhu Dayal Himataingka, Shri Biawanath Das, Shri Padampat Singhania, Shri Jaspat Roy Kapoor, Shri B. L. Sondhi, Prof. Shibban Lal Saksena, Prof. K. T. Shah and the Mover, with instructions to report not later than the last working day of the first week of the next session, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

The motion was adopted.

Mr. Chairman: Now the Prime Minister will make a statement about the future business of the House.

STATEMENT OF BUSINESS.

The Honourable Shri Jawaharlal Nehru (Prime Minister and Leader of the House): Two days ago I expressed the hope that we might be able to finish our legislative programme—at any rate, an important part of it—by the 7th afternoon. We are now at the end of the 6th, and we have not got through the greater part of it. The House undoubtedly has been working hard during these days. It has considered important measures, and it is not desirable to cut short debate on these measures; for instance on an important measure

[Shri Jawaharlal Nehru]

like the one just now passed. But the fact remains that about eighteen Bills still remain to be considered. Many of them perhaps will not take much time; some may. Any way, it seems quite impossible for us to dispose of them by to-morrow evening. So it has become inevitable I feel, that the House should sit for another two days, that is, up to the ninth.

Pandit Lakshmi Kanta Maitra (West Bengal: General): And not beyond.

The Honourable Shri Jawaharlal Nehru: No, not beyond the ninth. But it may have to sit for slightly longer hours on these days. I take it that on the eighth and ninth, there will be no questions, so there will be a little more time for consideration of legislative business.

Mr. Chairman: This matter has now to be communicated to the Speaker. He has to decide what to do. Intimation will be sent to Honourable Members later, by circulation.

The Assembly then adjourned to a Quarter to Eleven of the Clock on Thursday, the 7th April, 1949.