

Thursday,  
1st December, 1949

THE  
CONSTITUENT ASSEMBLY OF INDIA  
(LEGISLATIVE) DEBATES

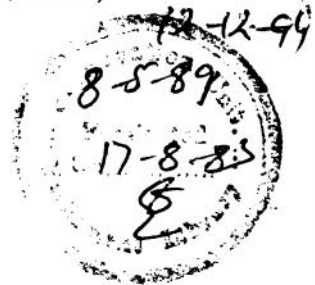
(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

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VOLUME IV, 1949

*(28th November to 24th December, 1949)*



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SIXTH SESSION  
OF THE  
CONSTITUENT ASSEMBLY OF INDIA  
(LEGISLATIVE)

1949

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VOLUME IV—28TH NOVEMBER TO 24TH DECEMBER, 1949

	PAGE
<b>MONDAY, 28TH NOVEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	1—36
Unstarred Questions and Answers . . . . .	37
Statements laid on the Table . . . . .	37
<b>TUESDAY, 29TH NOVEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	39—68
Unstarred Questions and Answers . . . . .	68
<b>WEDNESDAY, 30TH NOVEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	69—107
Unstarred Questions and Answers . . . . .	107— 68
<b>THURSDAY, 1ST DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	109— 44
Unstarred Question and Answer . . . . .	144
<b>FRIDAY, 2ND DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	145— 79
Unstarred Question and Answer . . . . .	179
Short Notice Question and Answer . . . . .	180— 81
<b>MONDAY, 5TH DECEMBER, 1949—</b>	
Declaration by Members . . . . .	183
Starred Questions and Answers . . . . .	183—216
<b>TUESDAY, 6TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	217— 54
<b>WEDNESDAY, 7TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	255— 82
<b>THURSDAY, 8TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	283—315
Unstarred Questions and Answers . . . . .	315— 16
<b>FRIDAY, 9TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	317— 44
<b>MONDAY, 12TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	345— 72
<b>TUESDAY, 13TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	373—413
Unstarred Questions and Answers . . . . .	413— 17
<b>WEDNESDAY, 14TH DECEMBER, 1949—</b>	
Starred Questions and Answers . . . . .	419— 55

THURSDAY, 15TH DECEMBER, 1949—

PAGE 8

Starred Questions and Answers . . . . .	457— 94
Unstarred Questions and Answers . . . . .	494— 95

FRIDAY, 16TH DECEMBER, 1949—

Starred Questions and Answers . . . . .	497— 528
Unstarred Questions and Answers . . . . .	528— 30

MONDAY, 19TH DECEMBER, 1949—

Starred Questions and Answers . . . . .	531— 61
Unstarred Questions and Answers . . . . .	561— 62
Short Notice Questions and Answers . . . . .	562— 64

TUESDAY, 20TH DECEMBER, 1949—

Starred Questions and Answers . . . . .	65— 92
Unstarred Questions and Answers . . . . .	593— 94

WEDNESDAY, 21ST DECEMBER, 1949—

Starred Questions and Answers . . . . .	595— 627
Unstarred Questions and Answers . . . . .	627— 31

THURSDAY, 22ND DECEMBER, 1949—

Starred Questions and Answers . . . . .	633— 61
Unstarred Question and Answer . . . . .	652
Short Notice Questions and Answers . . . . .	662— 66

FRIDAY, 23RD DECEMBER, 1949—

Starred Questions and Answers . . . . .	667— 94
Unstarred Questions and Answers . . . . .	694— 95
Short Notice Questions and Answers . . . . .	695— 98

SATURDAY, 24TH DECEMBER, 1949—

Short Notice Questions and Answers . . . . .	699— 705
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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

## PART I—QUESTIONS AND ANSWERS

Thursday, 1st December, 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

##### POWER ALCOHOL

\*159. **Shri B. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the total quantity of power alcohol manufactured in India from molasses?

(b) Do Government control its production and price and if so in what respect?

(c) What is the price at which this article is sold to the consumer?

(d) Is power alcohol mixed with imported petroleum?

(e) What steps have Government taken to increase its production?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) The quantity of power alcohol manufactured in India from molasses during the last three years is:

1947—22,00,000 gallons.

1948—35,40,000 gallons

1949 (upto August)—21,68,864 gallons.

(b) to (e). A statement is laid on the Table. (See Appendix VI, annexure No. 1.)

**Shri B. K. Sidhva:** What is the proportion of petrol added to power alcohol?

**The Honourable Dr. Syama Prasad Mookerjee:** 1:4.

**Shri B. K. Sidhva:** Do we control the prices too?

**The Honourable Dr. Syama Prasad Mookerjee:** The price is controlled by the provincial governments. As the Honourable Member is aware we have passed a central Act which we propose to enforce very shortly. The rules thereunder are now under examination.

**Prof. N. G. Ranga:** Have Government ascertained whether petrol itself can be manufactured from out of molasses?

**The Honourable Dr. Syama Prasad Mookerjee:** You mean whether neat power alcohol is used without mixing petrol? Yes, it is being experimented.

**Shri B. P. Jhunjhunwala:** Why has production gone down in the third year?

**The Honourable Dr. Syama Prasad Mookerjee:** This figure is only up to August.

**Sardar Hukam Singh:** Is it contemplated to turn the foreign alcohol distilleries into power alcohol factories?

**The Honourable Dr. Syama Prasad Mookerjee:** In some cases permission has been asked for and we are discussing the matter with the provincial governments concerned. A proposal has come from Bombay.



**Shri Mahabir Tyagi:** Is there any restriction on the manufacture of power alcohol? Is every sugar factory free to make power alcohol?

**The Honourable Dr. Syama Prasad Mookerjee:** Actually the only restriction is that they must have the proper units established for producing power alcohol. At present there are 14 such units functioning in India—ten in U.P., one in Bihar, one in Hyderabad and two in the South. In the course of another two months four more units will come into existence.

**Shri Mahavir Tyagi:** Have the Government stipulated in their agreements with the oil companies that they should not produce more power alcohol than agreed upon?

**The Honourable Dr. Syama Prasad Mookerjee:** On the other hand the oil companies have agreed to set up distribution centres so that power alcohol may be mixed with petrol.

**Shri Mahavir Tyagi:** Is the sale of power alcohol the monopoly of oil companies only and that private persons are not permitted to sell it?

**The Honourable Dr. Syama Prasad Mookerjee:** As we desire to mix power alcohol with petrol obviously we will have to enter into some agreement with the oil companies and this has been done.

**Shri Mahavir Tyagi:** Is there any excise duty realised from power alcohol?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, there is an excise duty.

**Shri Sarangdhar Das:** What is the percentage of molasses produced which is turned into power alcohol?

**The Honourable Dr. Syama Prasad Mookerjee:** At present we are producing about five million gallons of industrial alcohol and the rest is being utilised for producing power alcohol of the quantity that I have mentioned.

**Shri T. T. Krishnamachari:** May I know if the Honourable Minister has got any plans for increasing the production of power alcohol and whether he has any target for 1950?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, Sir. We have a plan. The total quantity which may be ultimately made available is nearly 20 million gallons but as I have said there is the difficulty of getting the necessary number of power alcohol units and also arranging suitable distribution of molasses amongst such units. That is under examination but I am hoping that in the coming year we will be able to increase production by about 50 per cent.

**Shri Upendranath Barman:** Could the Honourable Minister give the quantity of molasses that is now being utilised for power alcohol and the quantity that is used for producing liquors?

**The Honourable Dr. Syama Prasad Mookerjee:** I have not got the exact quantity. I have given the total production of the two kinds of alcohol which are now being produced.

**Shri Upendranath Barman:** What is the total quantity of alcoholic liquor produced out of molasses.

**The Honourable Dr. Syama Prasad Mookerjee:** I have not got the figure for liquor.

**Shri Ajit Prasad Jain:** What percentage of the total molasses produced in India is used for producing power alcohol, what percentage for other industrial uses and what percentage goes to waste?

**The Honourable Dr. Syama Prasad Mookerjee:** We are producing 5 million gallons of industrial alcohol and that is all that we need for India's consumption and as to the rest as far as the units can produce we are producing power alcohol.

**Shri Ajit Prasad Jain:** My question was that of all the molasses at our disposal what percentage is being used for producing power alcohol, what percentage for other industrial uses and what percentage goes to waste?

**The Honourable Dr. Syama Prasad Mookerjee:** That is a question which relates to molasses and not to power alcohol.

**Shri B. P. Jhunjhunwala:** Why does the Government insist on a particular unit being established before a sugar factory can start manufacturing power alcohol? Why does not Government give freedom to sugar factories to start factories for manufacture of power alcohol?

**The Honourable Dr. Syama Prasad Mookerjee:** There is no ban. If a particular sugar factory desires to produce power alcohol Government will encourage it.

**Shri B. P. Jhunjhunwala:** The Honourable Minister said that the only condition is that they must have a particular unit and capacity but if a factory finds that it is economical for them to start on a particular unit why should the Government interfere?

**The Honourable Dr. Syama Prasad Mookerjee:** If it is economical the Government will not interfere.

**Shri Syamanandan Sahaya:** Is it open to every sugar factory to start a power alcohol plant in their factory?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, Sir. There is no legal bar.

**Shri Syamanandan Sahaya:** Is the Government encouraging them to install such power alcohol plants?

**The Honourable Dr. Syama Prasad Mookerjee:** If a sugar factory wants to do it, Government will encourage it.

**Shri R. K. Sidhva:** What is the result of the research on petrol which the Honourable Minister stated is progressing?

**The Honourable Dr. Syama Prasad Mookerjee:** That is not concerned with this question.

#### MACHINE TOOL FACTORY

\*160. **Shri R. K. Sidhva:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether it is a fact that a foreign company has agreed to establish a factory for the manufacture of machine tools in India;

(b) if so, the name of the company and the capital cost of establishing the factory;

(c) what the total production is expected to be and what kinds of tools will be manufactured in this factory; and

(d) whether one of the terms of the agreement is that Indians should be trained in this factory, and if so, within what period should they be so trained?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) and (b). Government, with the assistance of Messrs. Oerlikon Machine Tool Works of Switzerland have decided to establish a factory for the manufacture of machine tools in India. The capital cost of the project is estimated to be Rs. 15 crores.

(c) About Re. 8 crores per annum in value. The machine tools proposed to be manufactured will all be of high precision types of high-speed lathes, shaping machines, heavy duty drilling machines, milling machines, turret lathes, planing machines, grinding machines and patterns, jigs, tools and fixtures for the manufacture of tool room lathes, radial drilling machines and horizontal boring machines. These high precision types are not being manufactured in India now.

(d) Yes, Sir. Within a period of ten years, a sufficient number of Indians should be trained to hold not less than 85 per cent. of the technical posts in the factory.

**Shri B. K. Sidhva:** What is the amount invested by Government in this concern? Is it a purely government concern?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, it is a government concern except that ten per cent. will be contributed by the Swiss Company itself.

**Shri B. K. Sidhva:** Is there any condition regarding royalty or any special profit to be paid to them?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, there is a provision for royalty.

**Shri B. K. Sidhva:** May I know the details of it?

**The Honourable Dr. Syama Prasad Mookerjee:** Shall I give some idea of the terms, Sir?

**Mr. Speaker:** Yes, of the royalty.

**The Honourable Dr. Syama Prasad Mookerjee:** The royalty will be on a sliding scale, four to two per cent on the actual sales of the products of the factory, payable to the company.

**Shri B. K. Sidhva:** May I know whether this will be affected by the recent policy of Government in regard to economy or whether Government has decided to start it?

**The Honourable Dr. Syama Prasad Mookerjee:** We have decided to give it top priority.

**Prof. N. G. Ranga:** How soon is the factory expected to be started, please?

**The Honourable Dr. Syama Prasad Mookerjee:** We are just acquiring the land in Mysore and we are hoping to start construction in 1950.

**Sardar Bhopinder Singh Man:** May I know why this factory or any other factory proposed to be started by Government is not started in Northern India and particularly in the East Punjab?

**The Honourable Dr. Syama Prasad Mookerjee:** There are other factories in Northern India.

**Shri A. Karunakara Menon:** May I know how long it will take to establish the factory?

**The Honourable Dr. Syama Prasad Mookerjee:** The proposal now is to complete it in five stages and the entire factory is to be completed and come into full production within a period of not more than six years.

**Shri Mahavir Tyagi:** Is the Honourable Minister aware that the Defence Ministry has also entered into an agreement with the same Swiss concern to start a machine tool factory of their own?

**The Honourable Dr. Syama Prasad Mookerjee:** That is a different thing altogether. The one will be complementary to the other.

**Shri Mahavir Tyagi:** Are both the Ministries in co-ordination in regard to this matter?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes, completely.

#### SAILING VESSELS COMMITTEE

\*161. **Shri B. K. Sidhva:** (a) Will the Honourable Minister of Commerce be pleased to state whether the Sailing Vessels Committee have made a report in connection with the vessels that ply on Indian coastal traffic?

(b) If so, what are their principal recommendations?

(c) How many sailing vessels exist on various coasts in India and what is their total capacity?

(d) Have Government considered the recommendations of this Committee?

(e) If so, with what result?

**The Honourable Shri K. O. Neogy:** (a) Yes.

(b) Copies of the Report have been placed in the Library of the House. The Honourable Member's attention is invited to pages 27 to 39 of the Report in which the Committee's recommendations have been summarised.

(c) According to the figures given in the Report, the number of sailing vessels on the West and the East coasts in India is about 2,500 with a total tonnage of about 150,000.

(d) and (e). The recommendations of the Committee have been circulated to all the authorities and interests concerned for eliciting their views and they will be examined further on receipt of their replies.

**Shri B. K. Sidhva:** Is there any provision made in the recommendations regarding the fraudulent jettisoning by steamers against insurance?

**The Honourable Shri K. O. Neogy:** Yes, Sir, there is.

**Shri B. K. Sidhva:** May I know when the Government is likely to come to a decision on these recommendations?

**The Honourable Shri K. O. Neogy:** We are waiting to hear from the different interests that have been consulted in the matter and then only we can decide about the time of action.

**Shri B. K. Sidhva:** Do these recommendations include the ships in the ports of Portuguese and French territories also?

**The Honourable Shri K. O. Neogy:** The recommendations are many and long, and I would advise my honourable friend to read them. There may be some, I do not know—I do not remember all of them just at present.

**Shri Basanta Kumar Das:** Is there any representation of this House on the Committee? May I also know if the Report of the Committee is going to be placed before the Members of this House?

**The Honourable Shri K. O. Neogy:** One Member of this Honourable House, Mr. Veerabahu Pillai, was on the Committee. When the time for action comes, certainly the House will be consulted.

**Shri B. K. Sidhva:** Will the Honourable Minister kindly inform Members that the Reports are available in the library. Otherwise, how are the Members to know that they are in the library, until we get this information?

**The Honourable Shri K. O. Neogy:** By making enquiries from the librarian.

## FRENCH POSSESSIONS IN INDIA

\*162. **Shri E. K. Sidhva:** Will the Honourable the Prime Minister be pleased to state when the city of Chandernagore is to be handed over to the Indian Union?

**Dr. B. V. Keskar** (Deputy Minister of External Affairs): The formal transfer of Chandernagore to the Indian Union can only take place by a Treaty signed by the Governments of India and France in accordance with the French Constitution. This Treaty will have to be ratified by the French Parliament. A draft of the Treaty is shortly expected from the French Government.

**Shri E. K. Sidhva:** Is there any hitch or delay? When the people of Chandernagore have definitely decided to join the Indian Union what is the cause for delay? Is there any other hitch?

**Dr. B. V. Keskar:** There are certain constitutional matters to be decided by the French Parliament and it is that which is holding up the matter. We are trying to expedite the matter as much as possible.

**Shri E. K. Sidhva:** I want to know whether the French Government wants to go back upon it.

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

**Shri H. V. Kamath:** Have we a Consul-General in Pondicherry?

**Dr. B. V. Keskar:** Yes, Sir, there is one.

**Shri H. V. Kamath:** Is it necessary under international or diplomatic conventions to give an enhanced status to French possessions or enclaves in India—is it not enough to have a Consul or a Vice-Consul?

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

## INDIANS IN MADAGASCAR

\*163. **Shri E. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state the total number of Indians in Madagascar?

(b) Is it a fact that the French Government are expelling Indians from the island? If so, how many Indians have been compelled to leave the island?

(c) Is it a fact that a protest was lodged by several Indians in the island against this expulsion?

(d) What are the steps the Government of India are taking in this connection?

**Dr. B. V. Keskar** (Deputy Minister of External Affairs): (a) There are reported to be 15,000 Asians in the Colony of whom some 8,000 are Indians.

(b) According to information received by the Government of India, thirteen Indians have been sent away from the Island.

(c) The Government of India have no information on this point though they have received representations from the deportees and others after their arrival in India.

(d) Individual cases have been referred to the local authorities through the British Consul General in Madagascar as well as through the French Embassy in India. Full particulars of the deportees from Madagascar have also been furnished to the Indian Embassy in France with a view to their taking up the matter with the French Government.

**Shri R. K. Sidhva:** May I know whether one leader of the Indians who has come to India has stated that recently the Madagascar Government have issued an ordinance asking all the Indians to leave Madagascar and also not to transfer their property to their relatives? Is it a fact?

**Dr. B. V. Keskar:** We have no information about any general ordinance asking Indians to leave Madagascar. Certain reports have been received about disabilities that Indians suffer in Madagascar, and we are making enquiries about it.

**Shri R. K. Sidhva:** Is it a fact that the delegation has seen the Honourable the Prime Minister on the subject and if so with what result?

**Dr. B. V. Keskar:** Does the Honourable Member refer to those who have been deported?

**Shri R. K. Sidhva:** Who have come here?

**The Honourable Shri Jawaharlal Nehru:** I do not remember having seen a deputation on that subject.

**Shri R. K. Sidhva:** Who have come here?

**The Honourable Shri Jawaharlal Nehru:** For the moment I cannot remember. I see quite a number of people and there is no such impression left on my mind.

**Prof. N. G. Ranga:** Is it a fact that a large number of Indians in Madagascar own lands there and eke out their livelihood through agriculture and that quite a good number of them have been compelled to give up their lands through the new ordinances that were passed there?

**Dr. B. V. Keskar:** Indians settled in Madagascar occupy quite a good position there. Some of them are engaged in trade and commerce and also in agriculture. We have been receiving reports that some of them are being put to many disabilities due to the recent French laws. We are making enquiries about it and I may inform the House that with a view to establish in the future an Indian Consulate there to look after the interests of the Indian community we have sent our representative in South Africa to go and find out the facts and the position about the establishment of a Consulate.

**Shri Raj Bahadur:** May I know whether any reasons were assigned by the French authorities in Madagascar while deporting these Indians?

**Dr. B. V. Keskar:** We are making enquiries through our Embassy in Paris. We have not yet received a reply.

**Shri Arun Chandra Guha:** Are those people Indian citizens or citizens of the French Republic?

**Dr. B. V. Keskar:** The question is a complicated one because under the French law any person who was born in a French territory, when he becomes 21 years of age, can claim French nationality, but at the same time he is conscripted for compulsory military service. The Indians there are quite entitled to become French citizens if they want to; some of them have taken up French citizenship while others have not.

**Shri Arun Chandra Guha:** May we know anything of the attitude of the natives of the Island towards the Indians there?

**Mr. Speaker:** I am afraid the question is very vague. Next question

## LAND FOR SINDHI REFUGEES

\*164. **Shri E. K. Sidhva:** (a) Will the Honourable Minister of Rehabilitation be pleased to state whether it is a fact that Government have set apart a tract of land for the setting up of a model colony for Sindhi peasants?

(b) If so, at what place and within what area has this land been set apart?

(c) What will be the allotment of land to each family?

**The Honourable Shri Mohan Lal Saxena:** (a) The answer is in the negative.

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

## CEMENT

\*165. **Shri Mahavir Tyagi:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the price of Indian cement per ton, fixed by Government for sale in the market?

(b) What is the total tonnage produced in India per month and what is the total capacity of production?

(c) What is the price fixed for foreign cement per ton and what quantity is intended to be imported this year from various countries?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Rs. 82/8/- per ton for destination for all the factories except three new ones which came into production this year, in whose case the price has been fixed at Rs. 90 per ton for a period of one year from 1st July, 1949.

(b) 170,000 tons and 238,583 tons respectively.

(c) The maximum selling price fixed for imported cement at the ports is landed cost plus ten per cent. or Rs. 135 per ton whichever is less. At other places prices are fixed by the Provincial and State Governments concerned after allowing freight charges from the ports. Cement was on O.G.L. upto 25th August, 1949 since when licences for import are required to be taken. It is not proposed to issue any licences except for quantities included in Trade Agreements.

**Shri Mahavir Tyagi:** Is it a fact that the price of Japanese cement is Rs. 50 or so less per ton than that of any other foreign cement but it is being sold at the same price as other foreign cement?

**The Honourable Dr. Syama Prasad Mookerjee:** The price of Japanese cement is certainly lower, but I have not got the exact figure here. But as I pointed out, the scheme under which the prices of imported cement are fixed is in the hands of Provincial Governments.

**Shri Mahavir Tyagi:** Is it a fact that the importer of Japanese cement was forced to sell it at a higher price?

**The Honourable Dr. Syama Prasad Mookerjee:** I have no information. If the Honourable Member gives the particular area in which it was done, I shall look into it.

**Shri Mahavir Tyagi:** Have the representatives of the cement industry of India represented to the Honourable Minister to enhance the price of their cement, and is it a fact that they assured him that if the price were raised they would raise the production so that he may not need any imports of cement from foreign countries?

† Answer to this question laid on the Table, the questioner having exhausted his quota.

**The Honourable Dr. Syama Prasad Mookerjee:** As I have stated, we have increased the prices of cement of three factories but we do not see any reason for increasing the price of cement produced in other factories.

**Shri M. Ananthasayanam Ayyangar:** May I know from the Honourable Minister whether the Central Government ordered and purchased foreign cement at a cost of Rs. 135 for the United Provinces Government, and if so, what is the quantity?

**The Honourable Dr. Syama Prasad Mookerjee:** We had allowed Provincial Governments to purchase cement from foreign countries when cement was on O.G.L. and the total quantity of cement so imported from January till August was 180,000 tons.

**Shri M. Ananthasayanam Ayyangar:** Is it a fact that during the same period when O.G.L. was in operation, it was not possible to transport lots of indigenous cement from one place to another for want of transport facilities?

**The Honourable Dr. Syama Prasad Mookerjee:** For a very short period there were certain transport difficulties but we have now evolved a zonal system and there is no complaint regarding transport bottlenecks.

**Shri Ajit Prasad Jain:** What is the total cement producing capacity of all the factories in India and what percentage is being actually utilized?

**The Honourable Dr. Syama Prasad Mookerjee:** I have given the figure under part (b). We are producing now 170,000 tons, but I can tell the House that we expect in the course of the next year to produce about 90 per cent. of our total capacity.

**Shri Jaspal Roy Kapoor:** Is there any control over the distribution of imported cement?

**The Honourable Dr. Syama Prasad Mookerjee:** Cement is now controlled by each Province according to certain directions issued by the Centre and it depends on each Provincial Government to decide how the distribution should take place.

**Shri Mahavir Tyagi:** Have instance come to the notice of the Honourable Minister in which Indian cement was sold at a higher price as the foreign cement?

**The Honourable Dr. Syama Prasad Mookerjee:** There were some complaints. In some cases enquiries were made, but I do not think anything was actually proved.

**Shri Mahavir Tyagi:** Is it a fact that import licences were given to persons who were dealing in the cement industry in India?

**The Honourable Dr. Syama Prasad Mookerjee:** I do not know to whom import licences were granted.

**Shri S. V. Lakshmanamurthy Rao:** How many new factories have been started and what is their capacity?

**The Honourable Dr. Syama Prasad Mookerjee:** The capacity for the new factories will be 480,000 tons. If the House wants to know the names of the factories I can give them but it is a long list. Their number is eight.

**Shri Mahavir Tyagi:** In view of the difference between the prices of foreign cement and local cement, have not Government issued instructions that both the kinds of cement should not be sold from one shop?

**The Honourable Dr. Syama Prasad Mookerjee:** There was so much scarcity of cement during a certain period that the imported cement was utilised by the Provincial Governments for purposes for which indigenous cement was not available, but as the House has now been told that we are not importing any further cement the question will not arise in future.



## SKARDU GARRISON

**\*188. Dr. Mono Mohon Das:** Will the Honourable the Prime Minister be pleased to state the present condition of the Skardu garrison of Kashmir, which surrendered to the Pakistan Army?

**The Honourable Shri Jawaharlal Nehru:** After the surrender of Skardu in August, 1948, the Indian Military personnel captured there were transferred by the Pakistan authorities to Attock Camp. The delegates of the International Red Cross who visited that camp in May, 1949 reported that the state of health and morale of these prisoners was good.

**Dr. Mono Mohon Das:** May I know whether this garrison originally belonged to the Indian Army or the Kashmir State Forces?

**The Honourable Shri Jawaharlal Nehru:** I think they are rather mixed—mostly Kashmir State Forces with some Indian Army personnel.

**Dr. Mono Mohon Das:** May I know whether the Government is able to give us a date when these prisoners will be repatriated?

**The Honourable Shri Jawaharlal Nehru:** That is a large question which does not apply to these prisoners only but to all prisoners. We have been consistently trying to have an exchange of prisoners. In fact, I believe there is a question today on this subject in answer to which I can give some figures. There has been this difficulty. We had asked for exchange of prisoners on either side and the Pakistan Government were on the point of doing so at one time, and then demanded that the exchange should be on a numerical basis, that is for every prisoner on that side one prisoner on this side should go and there the negotiations broke down. They are still being carried on in a sense.

I may mention that apart from this garrison, there were of course some civilians in Skardu who were also taken away and interned by the Pakistan authorities, about 200 or so civilians who were residents of that place. They also are in some kind of interment.

**Dr. Mono Mohon Das:** What is the total number of soldiers of this garrison?

**The Honourable Shri Jawaharlal Nehru:** I am afraid I have not got the figure with me.

**Sardar Bhopinder Singh Man:** Among these 200 civilians who were interned, were there any women and is it a fact that many women were abducted?

**The Honourable Shri Jawaharlal Nehru:** I could not say whether there were any women or not—possibly there were. Nor can I say anything about the abduction of women from there. My information is that these civilians were brought to Peshawar by the Pakistan authorities just about a month ago or less than a month ago. Our High Commissioner has been making representations about these civilians, that they should be released, but we have had no reply to them.

**Shri H. V. Kamath:** How many prisoners are there on each side at present?

**The Honourable Shri Jawaharlal Nehru:** I have got the figure somewhere in answer to a question. I cannot give it straightaway.

**Shri Ari Bahadur Garung:** May I ask whether Col. Thapa, the hero of Skardu, has sent a letter to the Government of India asking for repatriation to India from the camp where he is at present?

**The Honourable Shri Jawaharlal Nehru:** He is a prisoner presumably.

**Shri Mahavir Tyagi:** Has the Government ascertained that the treatment meted out to these prisoners of war is according to international conventions and decency?

**The Honourable Shri Jawaharlal Nehru:** The Honourable Member has listened to me. I had said that the International Red Cross sent their representatives and reported favourably.

#### FAILURE OF INSURANCE COMPANIES

**\*167. Dr. Mono Mohon Das:** (a) Will the Honourable Minister of Commerce be pleased to state the number of Insurance Companies that have closed their business from 15th August, 1947 to date?

(b) Has any investigation been made by Government regarding the causes that led to the failure of those Insurance Companies?

**The Honourable Shri K. C. Neogy:** (a) The number of insurance companies registered under the Insurance Act, 1938, which have closed their business from 15th August, 1947, upto date is seven.

(b) While no special investigation under section 33 of the Insurance Act has been made, it is known that three out of these went into liquidation; two were amalgamated with other insurers, and the other two merely ceased to do fresh business, because, being small units, they found it difficult to carry on, their expenses being excessive in proportion to their business. In the case of one of the last two, most of the members of a Mutual Assurance Fund being non-Indians left India and the Fund went into voluntary liquidation.

**Dr. Mono Mohon Das:** May I know the total amount of public money lost by the closure of these companies?

**The Honourable Shri K. C. Neogy:** I have not got the information with me at the moment.

**Dr. Mono Mohon Das:** May I know the steps that have been taken or are proposed to be taken by Government to put to an end to this sort of closure of companies?

**The Honourable Shri K. C. Neogy:** I have indicated the reasons which contributed to the closure. It is not possible for Government, by whatever action they may undertake, to stop the closure of such companies irrespective of the circumstances that led to their disappearance.

**Prof. N. G. Ranga:** Were any steps taken before these three companies had gone into liquidation to protect the policyholders' interests, and if so, what were they?

**The Honourable Shri K. C. Neogy:** The powers of the Superintendent of Insurance given under the Insurance Act of 1938 are very limited in character and are to be found in Section 33 of that Act. There are certain circumstances alone in which the Superintendent of Insurance can interfere in such cases, but my information is that wherever the Superintendent has sought to interfere in such cases, an application to the High Court has effectively barred all proceedings before the Superintendent, because the Court is given under that very Section itself an overriding authority in this matter. As a matter of fact, I might mention that we consider this state of affairs to be very unsatisfactory and that is the reason why in one of the provisions which we contemplate under the new Insurance Act, we have taken care to see that the powers of the Superintendent are not made negatory in this fashion.

**Shri M. Tirumala Rao:** May I know the period for which these three companies which have gone into liquidation operated?

**The Honourable Shri K. C. Neogy:** I am afraid I have not got the information just now, but if my honourable friend wants it, I certainly shall get it for him.

**Shri B. K. Sidhu:** May I know the total number of policyholders affected and the amounts involved?

**The Honourable Shri K. C. Neogy:** I am afraid even that I do not have at the moment.

**Shri M. Ananthasayanam Ayyangar:** When did the Superintendent discover that these companies had failed or were likely to fail?

**The Honourable Shri K. C. Neogy:** The Superintendent's duties are set out in Section 33. Even if he had come to know that the companies were going to be liquidated there was nothing that he could do, because the proceedings were taken under the law.

**Shri M. Ananthasayanam Ayyangar:** When did he come to know, and is it not one of his duties to make representations or give directions to the companies to take particular steps so as to put their business on a proper and sound basis?

**The Honourable Shri K. C. Neogy:** I do not know whether in the three cases mentioned any such action was taken.

**Sardar Hukm Singh:** Were there any foreign re-assurers in those companies?

**The Honourable Shri K. C. Neogy:** I am afraid I do not know.

**Shri Arun Chandra Guha:** Have the Government any scheme whereby the interests of policyholders may be safeguarded in any way or are we to understand that the policyholders' money has gone for ever and cannot be recovered?

**The Honourable Shri K. C. Neogy:** As a matter of fact, as far as I know, no representation was received from the policyholders in this behalf.

**Mr. Frank Anthony:** Is it a fact that any organisation registered under the Trade Unions Act is free to operate an insurance scheme without any supervision or control?

**The Honourable Shri K. C. Neogy:** The supervision and control is exercised over such companies as are registered under the Insurance Act.

**Dr. B. Pattabhi Sitaramayya:** Have the Government any scheme by which an insurance company, which in the ultimate analysis is a co-operative concern, could be put on its legs when it is in a crippled state?

**The Honourable Shri K. C. Neogy:** That opens up the possibility of undertaking a very large responsibility on the part of Government, and I am afraid this question has not been considered as yet by Government.

#### SOUTH AFRICAN INDIANS

\*168. **Dr. Mono Mohon Das:** Will the Honourable the Prime Minister be pleased to state:—

(a) the total number of Indians who returned to India from South Africa under the South African Government's Assisted Emigration Scheme up to date; and

(b) whether all these people have been rehabilitated?

**Dr. B. V. Keshkar** (Deputy Minister of External Affairs): (a) 16,221 from 1927 to 1949.

(b) Arrangements are made as far as possible to assist the repatriates in finding suitable occupations in this country. Government have no exact information as to whether all the repatriates have been able to rehabilitate themselves.

**Dr. Mono Mohon Das:** May I know what other schemes have been adopted by the South African Government to force Indians to come back to India?

**Dr. B. V. Kothar:** As far as I know there are no schemes to force Indians. The scheme that is at present functioning is one which came into operation in 1927 and it is known as the Assisted Emigration Scheme. I might inform the House that the number of people who have profited from this scheme every year has gone down very much. During the last few years, only about 30 or 40 persons each year have considered it sufficiently attractive to profit by the scheme.

**Dr. Mono Mohon Das:** May I know whether it is a fact that all these people who have come back to India under this scheme are agricultural labourers?

**Dr. B. V. Kothar:** No, Sir. Most of the persons who came in the first half of the scheme were old people who came to India to go back to their villages and Government's report is that very small percentage of these people have ever asked for assistance from Government.

**Shri H. V. Kamath:** Is it a fact that in accordance with the United Nations Resolution the South African Government have agreed to discuss this whole question with representatives of Indian and Pakistan Governments?

**Dr. B. V. Kothar:** Yes, Sir.

**Shri H. V. Kamath:** Will the Round Table Conference between India, Pakistan and South Africa be held shortly?

**The Honourable Shri Jawaharlal Nehru:** I stated in my opening remarks for the session that the date fixed is February, 6.

**Shri H. V. Kamath:** Has the agenda been fixed for this Conference?

**The Honourable Shri Jawaharlal Nehru:** The Conference is to fix the agenda.

**Shri H. V. Kamath:** When will it discuss the agenda?

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

**Shri Ajit Prasad Jain:** May I know what other steps, besides the 1927 scheme, has the South African Government adopted to squeeze the Indians out of South Africa?

**The Honourable Pandit Jawaharlal Nehru:** The scheme can hardly be described as a step to squeeze Indians out. It is an inducement, if you like—a direct inducement. There are undoubtedly other steps. It is rather difficult to enumerate them, but there has been reference to them in the public press during the last few months of additional difficulties in the way of Indians there.

#### FORCED LABOUR

\*169. **Dr. Mono Mohon Das:** Will the Honourable Minister of Labour be pleased to state:

(a) what progress has been made by Government towards stopping forced labour in India; and

(b) whether the officer deputed for investigating into the matter in different parts of the country has submitted his report?

**The Honourable Shri Jagjivan Ram:** (a) and (b). An Officer on Special Duty was appointed in August, 1948, to study the various legal enactments both Central and Provincial and all available literature on the subject of forced labour, and to submit a report indicating the extent to which the existing legislation was inadequate and to suggest legislative and administrative measures to eradicate this evil. He has submitted his report and on the basis of the recommendations made therein, the Government have requested the Provincial Gov-

ernments to consider the amendment of objectionable provisions in certain existing legal enactments. In addition, the Government are collecting information as to the extent of forced labour prevalent in remote parts of the country by means of questionnaires issued in connection with the Agricultural Labour Enquiry.

**Shri Jatinarain Vyas:** Are areas covered by jagirs in States and States Unions in the sphere of enquiry of the Investigating officer appointed by Government?

**The Honourable Shri Jagjivan Ram:** Yes, Sir, it is proposed to extend the scope of the Agricultural Labour Enquiry to the States also.

**Sardar Bhopinder Singh Man:** Is it a fact, Sir, that the practice of getting forced labour is more common with the Government officials than anybody else?

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

**Shri H. V. Kamath:** In view of the fact, Sir, that our New Constitution which bans *begar* comes into force on the 26th of January, 1950, has the Government set up any machinery to see that this *begar* is ended by that date?

**The Honourable Shri Jagjivan Ram:** Sir, the eradicating of *begar* does not depend only on legislative provisions. It depends on social consciousness as well. It is common knowledge that in spite of such Acts existing as make the exaction of forced labour illegal, forced labour is prevalent in most parts of the country. A simple provision in the Constitution is not going to eliminate it, but all the same as I have stated already, all the various legislations have been examined and the provisions that are objectionable in these enactments are proposed to be repealed or amended.

**Shri H. V. Kamath:** My question was about the machinery that Government is going to set up.

**Mr. Speaker:** I think it has been replied to.

**Shri Arun Chandra Guha:** In which parts of the country, and in what form, is forced labour prevalent?

**The Honourable Shri Jagjivan Ram:** Practically in every part of the country and in various forms this system persists even today.

#### PUSA ROAD DISPLACED PERSONS' COLONY

\*170. **Dr. Mono Mohan Das:** Will the Honourable Minister of Rehabilitation be pleased to state:

(a) the total number of houses built in the Pusa Road Displaced Persons' Colony; and

(b) the cost incurred by Government for the construction of each house and its sale price?

**The Honourable Shri Mohan Lal Saksena:** (a) The total number of houses built on the Pusa Road Refugee Colony is 2,948.

(b) The houses have been offered for sale to the allottees at the cost price of Rs. 2,775 per unit in the case of double-roomed quarters and Rs. 2,075 per unit in the case of single-roomed quarters.

**Dr. Mono Mohan Das:** What was the cost incurred by Government on each house?

**The Honourable Shri Mohan Lal Saksena:** The cost incurred by the Government is the same at which they have been offered for sale.

**Dr. Mono Mohan Das:** Are Government prepared to give a guarantee of a time-limit within which these houses will not collapse?

**Mr. Speaker:** Order, order. It is not necessary to answer that question.

**Dr. V. Subramaniam:** Will Government please say how many colonies have been built for the refugees in Delhi?

**The Honourable Shri Mohan Lal Saksena:** I have already placed a statement, in reply to a previous question, indicating the different schemes which are being implemented in Delhi.

**Shri Jaspat Roy Kapoor:** Have all these houses been sold to the refugees.

**The Honourable Shri Mohan Lal Saksena:** No, Sir.

**Shri Jaspat Roy Kapoor:** How many have been sold out and how many yet remain to be sold?

**The Honourable Shri Mohan Lal Saksena:** Only fifty have been sold out so far, but there are other displaced persons who want to purchase them. We have, however, given the first right of refusal to the allottees.

**Shri Dashbandhu Gupta:** May I know, Sir, whether it is a fact that the essential services have not so far been provided in the colony?

**The Honourable Shri Mohan Lal Saksena:** I do not think it is correct. Water and electric connections have been laid for the colony. Street lighting has also been provided. Perhaps, connections have not been given to individual houses.

**Shri Jaspat Roy Kapoor:** Are these sales on hire-purchase system, or are they outright sales?

**The Honourable Shri Mohan Lal Saksena:** Both.

**Dr. Mono Mohon Das:** May I know, Sir, whether it is a fact that after the last July collapse, there is no buyer for these houses?

**The Honourable Shri Mohan Lal Saksena:** No.

**Sardar Bhopinder Singh Man:** Are those houses which have not been sold lying vacant, or have they been allotted to refugees to live?

**The Honourable Shri Mohan Lal Saksena:** There is no house lying vacant.

**Shri Mohan Lal Gautam:** How many houses have got water connections and how many houses have got electric connections?

**The Honourable Shri Mohan Lal Saksena:** None.

**Shri R. K. Sidhva:** What is the total number of applications received for the purchase of these houses by hire-purchase system and by the other system?

**The Honourable Shri Mohan Lal Saksena:** I will require notice of that question.

**Dr. V. Subramaniam:** Arising out of the answer to this question, have public health arrangements been made for scavenging and other purposes?

**The Honourable Shri Mohan Lal Saksena:** This is at present done by manual labour.

#### CLOSURE OF INDIAN EMBASSIES

\*171. **Shri Arun Chandra Guha:** (a) Will the Honourable the Prime Minister be pleased to state whether any of the Indian embassies abroad have been closed down this year and if so, why?

(b) Do Government propose to close any other Indian embassy or legation within the remaining months of the current financial year?

(c) What would be the saving in expenditure by such closing down of embassies?

**Dr. B. V. Keekar** (Deputy Minister of External Affairs): (a) to (c). No embassy or legation has been closed during the year, nor is it proposed to close any. Staffs have however been reduced.

**Shri Deshbandhu Gupta:** Is it proposed to add to the number?

**The Honourable Shri Jawaharlal Nehru:** No, it is not proposed to add to the number, except in very exceptional cases, where an emergency may arise. One such case in question has been Abyssinia.

**Shri H. V. Kamath:** Is it a fact that so far as one or two countries are concerned, Ambassadors who have returned from those countries will not be replaced?

**The Honourable Shri Jawaharlal Nehru:** Well, normally speaking we do not wish to incur additional expenditure, but where necessary they will be replaced; otherwise, the *Charge de Affaires* will carry on.

**Shri Ajit Prasad Jain:** Is it a fact that it is not proposed immediately to post Ambassadors in Italy and Turkey as a measure of economy?

**The Honourable Shri Jawaharlal Nehru:** That is the exact question that my honourable friend Mr. Kamath put to me and I have answered him.

**Prof. H. G. Ranga:** What is the emergency, Sir, that has arisen in regard to Abyssinia that we should be opening an Embassy there?

**The Honourable Shri Jawaharlal Nehru:** We are not opening an Embassy, but only a Legation. There is no question of an emergency in that sense. But the fact is that the Government of Abyssinia sent their representative here a long time ago and have expressed earnestly their desire that we should reciprocate. Sometimes it becomes a little difficult and almost discourteous to go on delaying such matters. Otherwise there is no emergency.

**Shri Mohan Lal Gautam:** Are the Government considering the desirability of amalgamating the Embassies in the bigger units?

**The Honourable Shri Jawaharlal Nehru:** This cannot be done. Normally, as a matter of fact right from the beginning, when we started expansion of our Foreign Missions we wanted to do that and tried to do that to the best of our ability, but the other countries did not like it. Today there are several such cases. For instance the three Scandanavian countries Sweden, Denmark, and Finland are under one control, so far as our Mission is concerned. There again, another Scandanavian country which could easily have been added to that would not agree to that arrangement. There are such difficulties arising. In the Middle East and in Western Europe we have one Mission connected with other countries also.

**Prof. H. G. Ranga:** May I know how much the proposed Legation in Abyssinia is expected to cost?

**The Honourable Shri Jawaharlal Nehru:** I could not give the figure. It will be a relatively small affair.

**Shri M. Ananthasayanam Ayyangar:** Is it considered necessary to have Embassies instead of Legations in Egypt and Italy?

**The Honourable Shri Jawaharlal Nehru:** That is always a question of mutual arrangement with the other country. If the other country desires it—it is not our desire especially to have embassies—we agree. It really makes no great difference, in the sense that these names appear to have very much meaning. You may have a small Embassy or a big Embassy of the Grade A, or B. But generally the tendency all the world over is to call them embassies everywhere. We prefer Legations as far as possible and only Embassies in particular places. But ultimately, as I said, it is a matter of mutual arrangement.

**Pandit Mukut Bihari Lal Bhargava:** What is the extent of the economy sought to be effected by reducing the staff in our Embassies?

**The Honourable Shri Jawaharlal Nehru:** Such figures as I may give will be approximate only. I have some notes before me in regard to the economies effected by reduction of staff, especially the Publicity set-up. It comes to a little over Rs. 4 lakhs a year. I am not referring to other economies effected.

## COPRA AND COCONUT OIL

\*172. **Shri Satis Chandra Samanta:** Will the Honourable Minister of Commerce be pleased to state:

(a) the amount of copra and coconut oil imported in the years 1948 and 1949; and

(b) from which countries these were imported?

**The Honourable Shri K. O. Neogy:** (a) and (b). A statement showing the quantity of copra and coconut oil imported into India by sea from abroad during the financial year 1948-49, and the five months April to August, 1949, with names of the principal countries of export is placed on the Table of the House. (See Appendix VI, annexure No. 2.).

**Shri Satis Chandra Samanta:** May I know whether we have enough copra and coconut oil in the country and if so, what steps the Government propose to take to export them?

**The Honourable Shri K. O. Neogy:** My honourable friend's assumption is not correct at all. India's annual consumption is estimated to be 370,000 tons in terms of copra or 233,000 tons in terms of cocoanut oil out of which approximately only two lakhs tons of copra are met from indigenous production. Therefore we have to rely upon imports for getting 170,000 tons more of copra.

**Shri T. T. Krishnamschari:** Is it a recent agreement that this Government entered into with Ceylon for cocoanut oil and copra import and if so, may I know the prices agreed upon?

**The Honourable Shri K. O. Neogy:** Certain quantities have been agreed upon, but the question of prices was not considered.

**Shri Jaspal Roy Kapoor:** Does Bharat export copra? Does Bharat or India export any copra?

**The Honourable Shri K. O. Neogy:** No.

**Shri L. Krishnaswami Bharathi:** May I know whether the United State of Travancore and Cochin have protested against the present policy and passed a motion for adjournment of the House?

**The Honourable Shri K. O. Neogy:** The whole attitude of Travancore and Cochin Union in relation to this matter is entirely unreasonable.

**Shri P. T. Chacko:** May I know whether the Government have entered into an agreement for the purchase of a ton of copra and another ton of cocoanut oil from Ceylon recently?

**The Honourable Shri K. O. Neogy:** Just one ton. I do not know.

**Shri P. T. Chacko:** One lakh tons?

**The Honourable Shri K. O. Neogy:** No, Sir. The agreement is for the supply of 20,000 tons of cocoanut oil from Ceylon.

**Shri P. T. Chacko:** May I know whether the Government have consulted the representatives of cocoanut producers in India in regard to this matter?

**The Honourable Shri K. O. Neogy:** There was not the least necessity for doing so in view of the fact that we are very heavily in deficit in regard to copra and cocoanut oil in this country.

**Prof. N. G. Ranga:** Will Government examine the price relationship between the imports as well as local production?

**The Honourable Shri K. O. Neogy:** When we know the prices we will go into that matter. So far as the agreement is concerned, it has nothing to do with prices.



**Shri A. Karunakara Menon:** In view of the fact that there is in existence a Central Coconut Committee, did the Government consult them before they entered into any contract as regards the quantity to be imported?

**The Honourable Shri K. C. Neogy:** The Committee referred to, functions under the Ministry of Agriculture. In agreeing upon any quantity of import from abroad, we had not merely to consult the Agriculture Ministry, but obtain its concurrence to our proposal.

**Shri A. Karunakara Menon:** My question was whether the Indian Central Coconut Committee was consulted?

**The Honourable Shri K. C. Neogy:** That is a matter for the Ministry concerned.

**Shri P. T. Chacko:** May I know whether the Government would find out the price at which Pakistan is getting coconuts from Ceylon?

**Mr. Speaker:** That is entering into an argument over the question now.

**The Honourable Shri K. C. Neogy:** I am not prepared to find out what Pakistan pays for coconuts from Ceylon.

#### CEASE FIRE VIOLATIONS

†\*173. **Shri B. L. Malviya:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that there has been a large number of violations of cease fire line by the Pakistan troops in Kashmir?

(b) Is it a fact that in such cases the people living in these areas have been harassed and maltreated?

(c) Is it a fact that the U.N.O. observers cannot materially help when they reach the spot after the raids?

(d) Have the Government of India decided to take effective steps to protect the life and property of inhabitants there?

**The Honourable Shri Jawaharlal Nehru:** (a) There were numerous serious violations of cease-fire arrangements by Pakistan troops in the first half of this year. After the signing of a cease-fire agreement in July 1949 there have been only a few minor breaches of the agreement. These have been amicably settled.

(b) It is a fact that in the serious violations to which I have referred, the people living in the neighbourhood were harassed.

(c) U.N.O. observers have been of material assistance in settling the disputes.

(d) All possible steps have been taken to protect the life and property of the inhabitants of the border.

#### FUEL RESEARCH INSTITUTES

†\*174. **Shri B. L. Malviya:** (a) Will the Honourable the Prime Minister be pleased to refer to the answer to Starred Question No. 1539 asked on the 31st of March 1949 regarding the Fuel Research Institute and state the progress so far made by the Council of Scientific and Industrial Research in fuel research?

(b) How many fuel research institutes have so far been established in the country and which are the places where they are established?

(c) What is the amount of expenditure incurred and what are the details of research work carried on so far and the results obtained?

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

The Honourable **Shri Jeebharat Bahra**: (a) to (c). A statement giving the required information is placed on the Table of the House. (See Appendix VI, annexure No. 3.)

### SYNTHETIC OILS

†\*175. **Shri R. L. Malviya**: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether it is a fact that Government have contracted with any American firm to establish in India plants for production of Synthetic oil and if so, on what terms;

(b) whether Government are aware that researches for cheaper production of Synthetic oil are going on in America and if successful, are likely to bring about revolutionary changes in the mechanization of the industry;

(c) if the answer to part (b) above be in the affirmative, whether Government propose to consider the advisability of postponing the present plans pending results of the new researches; and

(d) what the number of students sent to foreign countries for study in Synthetic oil is, how many have returned and where they have been employed?

The Honourable **Dr. Syama Prasad Mookerjee**: (a) No, Sir; Government have not entered into any contract with any firm for the establishment of Synthetic oil plants in India.

(b) and (c). The entire question of the manufacture of Synthetic oil in India is still under consideration. Government are keeping themselves acquainted with the latest researches in the field.

(d) No students have been deputed by the Government of India to foreign countries for studying the manufacture of Synthetic oils.

### SYNTHETIC OIL PLANT IN KOREA

†\*176 **Shri R. L. Malviya**: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether coal from Korea State has been analysed for purposes of production of Synthetic oil and if so, with what results; and

(b) whether Government have got any plan to establish a Synthetic oil plant in Korea?

The Honourable **Dr. Syama Prasad Mookerjee**: (a) and (b). No, Sir.

### CHILD LABOUR

†\*177. **Seth Govind Das**: Will the Honourable Minister of Labour be pleased to state the number of children under 14 years of age working at present as labourers in various industries and mills?

The Honourable **Shri Jagjivan Ram**: Statistics regarding the number of children under 14 years of age employed in various industries are not readily available. A statement showing the average daily number of children who have not completed 15 years of age employed in industries covered by the Factories Act, 1934, is placed on the Table of the House. (See Appendix VI, annexure No. 4.) Employment of children under the age of 14 is now prohibited under the new Factories Act, 1948, which has come into force only from the 1st of April, 1949 and the Employment of Children Act, 1938, as amended. Employment of children below 15 is also prohibited in mines by the Indian Mines Act, 1923.

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

## SOCIAL INSURANCE FOR LABOURERS

†\*178. **Seth Govind Das:** Will the Honourable Minister of Labour be pleased to state whether Government contemplate introducing compulsory social insurance scheme for such class of labourers, who can afford to pay for this, and if so, what steps are being taken in this direction?

**The Honourable Shri Jagtvan Ram:** A compulsory social insurance scheme for employees whose wages do not exceed Rs. 400 p.m. in factories other than seasonal has already been provided for by the Employees' State Insurance Act, 1948. The Act provides certain benefits to employees in case of sickness, maternity and employment injury. Steps are being taken to introduce the scheme in the Delhi Province from early next year and to extend it gradually to other areas as circumstances permit.

The experience that will be gained in administering the scheme among organised labour will be utilised for considering the question of extending it to less organised labour. The act already provides for such extension to any establishment or class of establishments, industrial, Commercial or otherwise.

## JOINT STOCK COMPANIES

†\*179. **Seth Govind Das:** Will the Honourable Minister of Commerce be pleased to state whether there is any department of the Commerce Ministry to keep vigilance over the malpractices of the Managing Agents of Joint Stock Companies, and if so, how many such cases of malpractice have been detected in the years 1946-47, 1947-48 and 1948-49, and whether any Company has been prosecuted?

**The Honourable Shri K. C. Neogy:** The Indian Companies Act is administered in the Provinces and the centrally administered areas through the respective Provincial Governments and Chief Commissioners. The reply to first part of the question, therefore, is in the negative. As regards the second part of the question, the information is not readily available.

## INDIAN PRISONERS IN PAKISTAN

\*180. **Shri Basanta Kumar Das:** Will the Honourable the Prime Minister be pleased to state:

(a) the number of Indian prisoners in Pakistan taken into custody during the Kashmir operation;

(b) the number of such prisoners belonging to the Indian Army and to the States Forces of Kashmir;

(c) the number of prisoners in India belonging to the Pakistan Forces and to the Azad Kashmir Forces;

(d) whether there has been any attempt for exchange of such prisoners; and

(e) If so, with what results?

**The Honourable Shri Jawaharlal Nehru:** (a) 692.

(b) 45 belong to the Indian Army and 647 to the Jammu and Kashmir State Forces.

(c) Nine belonging to the Pakistan Forces and 115 to other Forces.

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

(d) Yes.

(e) It has not yet been possible to reach an agreement with Pakistan which is prepared for exchange only on a man to man basis while our view is that the totality of our prisoners should be exchanged for the totality of theirs.

**Shri Basanta Kumar Das:** Is there any civil population?

**The Honourable Shri Jawaharlal Nehru:** These are figures of military personnel.

**Shri Suresh Chandra Majumdar:** May I know if India is at war with Pakistan over the Kashmir issue?

**The Honourable Shri Jawaharlal Nehru:** There is at present a cease-fire of military operations carried on by the Indian troops against various types of invaders in Kashmir.

**Dr. Mono Mohon Das:** What percentage of the prisoners taken by Pakistan died during imprisonment?

**The Honourable Shri Jawaharlal Nehru:** I do not know.

**Shri H. V. Kamath:** In answering clause (c) of this question, did I hear the Honourable the Prime Minister saying Pakistan forces and other forces? I could not catch the answer.

**The Honourable Shri Jawaharlal Nehru:** When I say Pakistan Forces it means the regular Pakistan army. The others are what are usually called Azad Kashmir forces or irregulars attached to the Pakistan Forces.

**Shri H. V. Kamath:** Do we recognise them as Azad Kashmir forces?

**The Honourable Shri Jawaharlal Nehru:** We recognise them only as forces assisting the regular Pakistan army.

**Mr. Speaker:** The question hour is over.

## (b) WRITTEN ANSWERS

### EXPORT OF SUGAR

\*181. **Shri O. Subramaniam:** (a) Will the Honourable Minister of Commerce be pleased to state whether any quantity of sugar was exported from India during the current year?

(b) If so, what was the quantity so exported and to what countries was the export made?

**The Honourable Shri K. C. Neogy:** (a) Yes, Sir.

(b) A statement is laid on the Table showing the information asked for. (See Appendix VI, annexure No. 5.)

### IMPORT OF COTTON YARN

\*182. **Shri O. Subramaniam:** (a) Will the Honourable Minister of Commerce be pleased to state what is the value of the import of cotton yarn and other yarn and textile fabrics (i) during the quarter ended 30th June, 1949 and (ii) during the quarter ended 30th September, 1949?

(b) What are the countries from which these imports have been made and what is the value of such imports from each country?

**The Honourable Shri K. C. Neogy:** (a) and (b). Statements giving the required information are laid on the Table of the House (*Information placed in the Library*; see No. E-20A /49). Figures for September 1949 are not yet available.

## IMPORT OF CARS

\*163. **Shri C. Subramaniam:** Will the Honourable Minister of Commerce be pleased to state the total value of the import of cars and other motor vehicles during (i) the quarter ended 30th June, 1949 and (ii) the quarter ended 30th September, 1949?

The Honourable **Shri K. C. Neogy:** A statement giving the required information is laid on the Table of the House.

## STATEMENT

Articles	Quarter ending	Quarter ending
	30th June, 1949	30th September, 1949.
	Rs.	Rs.
(1) Motor Cars (including taxi cabs)	1,40,55,362	57,97,898
2) Motor cycles (including scooters)	15,84,200	7,56,541
(3) Motor omnibuses, motor vans and motor lorries.—		
(a) Imported with bodies	33,39,776	10,29,754
(b) Chassis	2,29,86,965	1,29,39,154

## U. S. A. GOODS FOR DISPOSAL

\*184. **Shri O. V. Alagesan:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the value of the stocks of surplus goods of U.S.A. with the Disposals Directorate as on 1st October, 1949?

(b) Has a full and detailed inventory of the goods been made and if so, do Government propose to place a copy of the same on the Table of the House?

(c) Are there any consumers' goods in the above stocks and if so, of what value?

The Honourable **Dr. Syama Prasad Mookerjee:** (a) The book value of American Surplus Stores for disposal on 1st October, 1949 amounted to Rs. 69.2 crores.

(b) Yes, in respect of all depots under the charge of the Director-General of Disposals except four depots which contain Signal Stores. A copy of the list has been placed in the Library. Verification of Signal Stores has been delayed because it involved work of a highly technical nature. It is expected that verification of Signal Stores will be completed in the course of a fortnight.

The Tata Aircraft Ltd. as Agents of the Government also hold American Surpluses. They also have completed the inventory. But their lists are in the form of card indexes.

(c) Yes. The book value of the consumers' goods held on 1st October, 1949 was about Rs. 11 lakhs. Goods of the book value of about Rs. 9 lakhs have since been sold and the balance stock worth about Rs. 2 lakhs will be auctioned shortly.

## DISPOSAL SHOP AT CALCUTTA

\*185. **Shri O. V. Alagesan:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that the Disposals Directorate had decided to close their shop at Calcutta and sell all the remaining stocks in wholesale auctions?

- (b) If so, what are the reasons which led to this decision?  
 (c) Was the decision taken before devaluation or after?  
 (d) If it is the former, was the decision reviewed in the light of devaluation?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Yes, Sir.

(b) The Retail Shop has been closed down because the running of the shop proved un-economical as the percentage of expenditure was high due to the low turnover. The demand for disposals goods had apparently decreased. This was particularly so, as a very great proportion of usable goods had already been sold.

(c) The decision was taken before devaluation, i.e., on 26th August, 1949.

(d) Yes, the matter has been reconsidered. Devaluation has not brought about any material change in the position so far as the reasons leading to the decision to close the Retail Shop are concerned.

### COTTON TEXTILES

\*186. **Shri Kishorilal Tripathi:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the various factors which go to constitute the *ex-mill* price of cotton textiles and yarn as fixed by Government?

(b) How is the 20 per cent. of profit allowed on *ex-mill* price divided generally among agents of distribution who come in between the producer and the consumer?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) and (b). A statement is laid on the Table.

### STATEMENT

(a) The main items which go into the cotton textiles price are:

- (i) price of cotton, (ii) manufacturing charges including wages, millstores, fuel and power, (iii) overheads, (iv) depreciation of machinery etc., (v) interest on working capital, and (vi) return on fixed capital.

The *ex-mill* prices are fixed by the Government in accordance with a formula recommended by the Tariff Board, which takes into account all the above elements.

For further details I would refer the Honourable Member to paragraphs 6 to 12 of the Report of the Indian Tariff Board on Cotton Yarn and Cloth Prices, 1948.

(b) The margin is divided between the nominee of the Provincial or the State Government, who purchases the cloth from the Mill, the wholesaler to whom he sells the cloth or yarn, the sub-wholesaler, where there is a sub-wholesaler, and the retailer. Freight from Mill to wholesale distribution centre, freight from that centre to the retailer and intermediate storage and handling charges are included in this margin, as also the sales tax charged, if any, by the Provincial or the State Government of the Manufacturing Centre.

The 20 per cent. allowed in the case of cloth and 15 per cent. margin allowed in the case of yarn were ceilings within which the Provincial or the State Government were at liberty to fix a smaller margin. Conditions, including freight charges, being very different in different consuming areas, the distribution of the total margin between the various agencies such as the nominee of the Provincial or the State Government, the wholesaler and the retailer, has been left to the Provincial and the State Governments. The margin allowed to the Provincial and State nominees generally varies between 2 per cent. and 4 per cent., that to the wholesaler between 3 per cent. and 6 per cent., and that to retailers between 7 per cent. to 12 per cent.

The Honourable Member will remember that the maximum permissible margin has been reduced to 14 per cent. in the case of cloth and 12½ per cent. in the case of yarn from the 1st November last.

## COTTON TEXTILE

\*187. **Shri Kishorimohan Tripathi:** (a) Will the Honourable Minister of Commerce be pleased to state the total quantity and the value of cotton textiles and yarn exported out of and imported into India during the period from 1st April, 1949 to 30th September, 1949?

(b) Why was foreign cloth imported during the said period?

(c) From which countries was the import made?

**The Honourable Shri K. C. Neogy:** (a) and (c). Statements giving the required information during the period 1st April to 31st August, 1949 are placed on the Table of the House. (*See* Appendix VI, annexure No. 6.) Figures for September, 1949 are not yet ready.

(b) Imports of foreign cloth from soft currency areas were allowed to meet the deficiency in the supplies in the country and as essential consumer goods, as an anti-inflationary measure. Cotton cloth was accordingly placed on the Open General Licence from July, 1948 and silk and art silk fabrics from November, 1948. Such imports without licence were, however, prohibited in the case of silk and art silk from 1st July, 1949 and in the case of cotton cloth from 27th July, 1949, and, except for a few "concession licences", imports of foreign cloth are not being licensed during July-December, 1949, licensing period.

## HEAVY INDUSTRIES

\*188. **Shri Kishorimohan Tripathi:** (a) Will the Honourable Minister of Industry and Supply be pleased to state how far Government have been able to implement their decisions to establish Government-owned iron and steel manufacturing and ship-building industries in India?

(b) What is the total expenditure incurred by Government on the preliminary survey and examination of the above matters?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) *Iron and Steel Industry.*—The reports of the Consultants, appointed to survey and report on alternate schemes including advice on selection of site, etc., which forms the First Stage of the scheme, have been examined in consultation with the Provincial Governments and other interests concerned. It has been found that it would be economical and feasible to put up two plants each designed to produce about 500,000 tons of steel annually, with facilities for doubling this capacity, in the Central Provinces and in Orissa. Further steps are under consideration.

*Ship-building Industry.*—I would refer the Honourable Member to the reply given by me to Starred Question No. 3 on the 28th November, 1949.

(b) Rs. 10,71,630 (approximately) for the iron and steel project and about Rs. 30,000 representing only the actual expenses of the naval experts' stay in India for the report on shipbuilding.

## ATOMIC RESEARCH

\*189. **Shri V. C. Kesava Rao:** (a) Will the Honourable the Prime Minister be pleased to state the steps taken to promote Atomic Research in India?

(b) Have any steps been taken to conserve the thorium and allied deposits in India?

**The Honourable Shri Jawaharlal Nehru:** (a) Under Section 13 of the Atomic Energy Act (XXIX of 1948), the Government of India have set up an Atomic Energy Commission:

(i) to take such steps as may be necessary from time to time to protect the interests of the country in connection with atomic energy by

the exercise of powers conferred on the Government of India by the provisions of the Atomic Energy Act;

- (ii) to survey the territories of the Indian Dominion for the location of useful minerals in connection with atomic energy;
- (iii) to promote research in India on atomic energy and to subsidise such research in existing institutions and universities; and
- (iv) to take steps to increase teaching and research facilities in nuclear physics and chemistry in Indian Universities.

The Atomic Energy Commission is advised by a Board of Research consisting of 9 scientists and by a Cosmic Ray Research Committee consisting of five experts.

(b) Appropriate steps have been taken by Government to conserve the thorium and allied deposits in India. Export of monazite, the principal source of thorium is prohibited under the Atomic Energy Act and only exports as may be considered desirable in the national interest will be permitted.

#### EXPORT AND IMPORT CONTROL

\*190. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Commerce be pleased to state the steps taken to re-organise the export and import control systems?

(b) Has this re-organisation system resulted in better efficiency?

**The Honourable Shri K. C. Neogy:** (a) and (b). It is not very clear to me as to what exactly the Honourable Member seeks to elicit. On the import side, the only recent administrative change of any importance is that the issue of licences for import of non-ferrous metals has been taken over by the Commerce Ministry from the Industry and Supply Ministry. Likewise, licensing of iron and steel goods not subject to internal control, which is now being done by the Industry and Supply Ministry, will be taken over by the Commerce Ministry shortly. Thus, steps are being taken to centralise all import licensing under one authority.

On the export side, centralisation of controls under the Commerce Ministry has been achieved by transferring items, which were so far handled by the Food and Industry and Supply Ministries to the Commerce Ministry.

It may be added that from the organisational aspect, the system of export and import licensing is kept under constant review with a view to eliminating delays in the grant of licences, and scope for abuse of any kind.

#### INDIA HOUSE

\*191. **Dr. Mono Mohon Das:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that the India House in London is going to have very shortly a Cinema Hall on the ground-floor of the main building?

(b) If so, what expenditure has been incurred by the Indian High Commissioner there for furnishing this Cinema Hall?

**The Honourable Shri Jawaharlal Nehru:** (a) Yes.

(b) £700, which includes cost of repairs to the room, provision of projection cabin fire-proofed for special lining and additional weight of curtains and limited sound proofing electrical apparatus, platform for the screen, etc.

#### GOODS FOR DISPOSAL

\*192. **Shri Ajit Prasad Jain:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the quantity and value of motor and aeroplane tyres left for disposal by U. K. and U. S. A. in India;

(b) quantity of these tyres since sold and the price fetched;

(c) the quantity of these tyres at present in store and their estimated value;



(d) whether the tyres in store are in serviceable condition; and

(e) whether any test about the serviceability or otherwise of these tyres has been conducted?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) to (d). A statement is laid on the Table. (See Appendix VI, annexure No. 7.)

(e) Tyres from U.K. stocks are examined quarterly by the Ministry of Defence.

As regards motor tyres ex-U.S. surpluses, no tests about their usability have been conducted.

Aeroplane tyres have been tested, but they are not considered dependable, as the risks involved in using overage tyres in aircraft are considered too great.

#### TEXTILE CONTROL

**\*193. Shri Aji Prasad Jain:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the measures which have been applied in regard to the control of textiles under the new control scheme;

(b) the date from which those measures have been applied;

(c) the amount of success achieved in checking leakage; and

(d) whether any new measures are under contemplation?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) to (d). A statement is laid on the Table. (See Appendix VI, annexure No. 8.)

#### DISPLACED PERSONS (HOUSING)

**\*194. Shri Lakshminarayan Sahu:** Will the Honourable Minister of Rehabilitation be pleased to state:

(a) the number of displaced persons in Delhi according to (i) the last census and (ii) departmental estimates,

(b) the steps taken to house them indicating how many have been housed by the allocation of (i) evacuee houses and (ii) houses specially built for displaced persons; and

(c) what plans have matured to house the remaining houseless displaced persons?

**The Honourable Shri Mohan Lal Saxena:** (a) The number of displaced persons in Delhi is 3,77,117 according to the last census but the latest estimates indicate that the number of displaced persons in Delhi is not less than 5 lakhs.

(b) (i) About 1,91,000 displaced persons are housed in evacuee houses in Delhi at the moment.

(ii) Provision for 58,000 displaced persons is being made in the housing schemes sponsored by the Ministry of Rehabilitation which are likely to be finalised by the end of the current financial year.

(c) The quota of displaced persons fixed for Delhi is 3 lakhs against which 2,49,000 would be housed by the end of the current financial year. Schemes for the remaining 51,000 displaced persons are being processed.

## SIKH GURDWARAS IN PAKISTAN

\*195. **Sardar Bhopinder Singh Man:** Will the Honourable Minister of Rehabilitation be pleased to state:

(a) whether any negotiations were carried on with Pakistan regarding the property of Sikh Gurdwaras left in Pakistan; and

(b) if so, with what results?

**The Honourable Shri Mohan Lal Saxena:** (a) Negotiations were carried on with the Government of Pakistan regarding Trust Properties of non-Muslims left behind in Pakistan, including property of Sikh Gurdwaras.

(b) The matter was last considered at the Inter-Dominion Conference in January, 1949; and in view of the complexity of the problem, it was agreed that a Joint Committee consisting of three Members from each Dominion should be appointed to consider this question. The matter is now under the consideration of the Committee.

## PERMITS TO INDIA

\*196. **Sardar Bhopinder Singh Man:** Will the Honourable Minister of Rehabilitation be pleased to state:

(a) the number of persons who got permits to enter India from Pakistan since the introduction of the permit system;

(b) how many of them have permanently settled in India; and

(c) whether there has been any infiltration from Pakistan into India without permits?

**The Honourable Shri Mohan Lal Saxena:** (a) Between the 19th July, 1948, i.e., the date on which the Permit System was introduced, and the 31st October, 1949, approximately 1,02,000 permits of all kinds were issued by the High Commissioner and the Deputy High Commissioner for India in Pakistan. The number of persons actually entering India will be larger as often more than one person is covered by a permit.

(b) Of the number shown under part (a) nearly 8,000 permits were for permanent resettlement in India.

(c) Yes; but the exact number is not known. Such cases as come to the notice of the local authorities are dealt with under the law and the persons concerned deported to Pakistan.

## PERMITS TO PAKISTAN

\*197. **Sardar Bhopinder Singh Man:** Will the Honourable the Prime Minister be pleased to state the number of persons who have gone to Pakistan by permits since the introduction of this system?

**The Honourable Shri N. Gopalaswamy Ayyangar** (Minister of Transport and Railways): We have no reliable information readily available as permits are issued by the High Commissioner for Pakistan in India. No authority from the Government of India is necessary for such permits.

## DEWAN IN SIKKIM

\*198. **Shri Ari Bahadur Gurung:** Will the Honourable the Prime Minister be pleased to state the reasons that led the Government of India to appoint a Dewan in Sikkim when a popular Ministry under Shri Taushi Teering, the President of the Sikkim State Congress, was functioning?

**Dr. B. V. Keshar** (Deputy Minister of External Affairs): The reasons for taking over the administration of Sikkim State and the appointment of a Dewan were explained in the Press note issued at the time of taking over the control of the State, a copy of which is placed on the Table of the House. (See Appendix VI, annexure No. 9.)

#### REHABILITATION EXPENDITURE

\*199. **Dr. P. S. Deshmukh**: Will the Honourable Minister of Rehabilitation be pleased to state:

(a) the expenditure incurred on rehabilitation by the Central Government in the years 1947 and 1948 and from 1st January to the end of October, 1949;

(b) the expenditure incurred on rehabilitation by the various Provinces and States during each of the above periods; and

(c) the grants made by the Central Government to each of the Provinces and States and the share contributed by each of the Provinces and States for each of the above-mentioned periods?

**The Honourable Shri Mohan Lal Saxena**: (a) to (c). A statement containing the requisite information is laid on the Table of the House. (See Appendix VI, annexure No. 10.)

#### POLITICAL PENSIONS

\*200. **Lala Raj Kanwar**: Will the Honourable the Prime Minister be pleased to state:

(a) the names of foreign refugees and descendants of those who rendered service abroad to whom political pensions were paid by the predecessors of the present Government with the amount of pension paid in each case;

(b) whether all these pensions are being continued in their entirety by the present Government;

(c) if not, what modifications have been made therein; and

(d) whether any amounts are being paid to His Majesty the King of Afghanistan and His Majesty the Maharajahdiraj of Nepal and if so what the amount paid in each case is?

**The Honourable Shri Jawaharlal Nehru**: (a) There are no such foreign refugees or descendants of persons who rendered service abroad in receipt of political pensions from the present Government. There may have been some such in the past, but it is not easy to trace them.

There were however 123 Afghan refugees who were in receipt of maintenance and other allowances from the British Government of India. Since the Partition, 92 of them have either left India or have died. Only 31 Afghan nationals now in India are in receipt of allowances. Their names and allowances are shown in the list placed on the Table of the House. (See Appendix VI, annexure No. 11.)

(b) Before the Partition a sum of Rs. 13,590 monthly was paid to the Afghan refugees in India. Now a sum of Rs. 6,826 is being paid monthly to those that remain.

(c) A number of changes have been made and the whole question is periodically reviewed.

(d) No amounts are paid to His Majesty the King of Afghanistan or His Majesty the Maharajahdiraj of Nepal. A sum of Rs. 10 lakhs has been paid annually by the Government of India to the Government of Nepal since the first World War.

## WAR REPARATIONS

\*201. **Lala Raj Kanwar:** Will the Honourable Minister of Commerce be pleased to state:

- (a) whether War Reparations of all kinds have been received from (1) Germany and (2) Japan;
- (b) if so, what their monetary value is; and
- (c) what the total amount of our claim was?

**The Honourable Shri K. C. Neogy:** (a) Reparations are being received at present from Germany only. As regards reparations from Japan, some time in 1947 a directive was issued by the U.S.A. Government permitting advance transfer of a portion of plant and machinery available as reparations to China, Philippines, Netherlands for Netherlands East Indies and the United Kingdom for Burma, Malaya, Hong Kong, etc. India was not included in this programme in spite of all our efforts. In May, 1949, an announcement was made that all plant and machinery in Japan were required for that country's economic recovery and even advance deliveries to the countries mentioned above were stopped. It cannot therefore be stated now whether or when any reparations will become available from Japan.

(b) The monetary value of the reparations received from Germany by India is about Rs. 3,71 lakhs as on 30th September, 1949.

(c) The total amount of reparation claims submitted on behalf of prepartition India against Germany was about Rs. 490 crores and that against Japan about Rs. 2,800 crores.

## DISPLACED PERSONS IN CAMPS

\*202. **Lala Raj Kanwar:** Will the Honourable Minister of Rehabilitation be pleased to state:

- (a) the names of the camps for displaced persons which are still being maintained by the Government of India and the number of inmates (men, women and children separately) in each camp, and the amount involved in their maintenance;
- (b) when each such camp is likely to be closed; and
- (c) how many of the present inmates of these camps are proposed to be given monetary or other help in order to enable them to earn a decent living before effecting closure of these camps?

**The Honourable Shri Mohan Lal Saxena:** (a) The names of Camps still maintained by the Government of India are given in the statement (No. I) laid on the Table. No separate figures are available in respect of men, women and children in these camps.

On an average the expenditure per head is Rs. 30 and Rs. 10 in rationed and non-rationed camps respectively.

(b) A statement (No. II) containing the requisite information is laid on the Table of the House.

(c) It is not possible to estimate the number at present.

## STATEMENT I

## I. Names of the Camps and Their Population

Serial No.	Name of the Camp	Population
(1)	Deoli	2,700
(2)	Kurukshetra	7,000
(3)	Yol	10,000
(4)	Jammu	26,098
(5)	Rajpara	40,000
(6)	Faridabad	15,258

## STATEMENT II

## Dates on which various Camps are to be closed

(1) *Deoli* : Will be closed in the first week of December 1949.

(2) *Kurukshetra* : Has been closed on 30th November 1949.

(3) *Yol*, (4) *Jammu* : It cannot be said at present when these camps will be closed but it is hoped that the Jammu Camp will be handed over to the Jammu and Kashmir Government very shortly and the Yol Camp may be closed by the end of March 1950.

(5) *Rajpara*, and (6) *Faridabad* : These camps have since been derationed and the Government are incurring expenditure only on Accommodation, Establishment, Medical and Health arrangements and Education of children and this expenditure will be continued upto the end of March, 1950.

## TRADE WITH PAKISTAN

\*203. **Pandit Mukut Bihari Lal Bhargava**: (a) Will the Honourable Minister of Commerce be pleased to state the value of total exports and imports between India and Pakistan from the commencement of the current year upto the eve of devaluation?

(b) What were the main commodities imported from and exported to Pakistan?

(c) What is the position in respect of trade and commerce from the time of the Rupee devaluation?

(d) Have any efforts been made since to dissolve the trade stalemate existing between the two Dominions, and if so, with what results?

(e) How have the Rupee devaluation and the cessation of the inter-dominion trade and commerce between India and Pakistan affected the jute and cotton trade of India in the internal and the international markets?

(f) How do the Government of India propose to meet the situation so as to preserve intact its dollar earning capacity in the hard currency area?

**The Honourable Shri K. C. Neogy**: (a) A statement is laid on the Table of the House, furnishing the required information for the period 1st April to 31st August, 1949. Figures for September are not yet available. (See Appendix VI, annexure No. 12.)

(b) A statement is laid on the Table of the House giving the requisite information. (See Appendix VI, annexure No. 13.)

(c) Since the devaluation of the Rupee the trade between India and Pakistan has been more or less at a stand-still.

(d) The Government of India are in correspondence with the Government of Pakistan in the matter.

(e) It is too early to express an opinion on the point.

(f) No difficulty has yet been felt in the maintenance of our Dollar earnings.

#### MATCH INDUSTRY

\*204. **Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the number of match factories in India together with their annual outturn,

(b) the total normal consumption per year of matches in India and the value of match boxes imported into or exported from India;

(c) whether any raw material for the manufacture of matches is being imported from outside; and

(d) whether India is self-sufficient in this industry; if not, whether there is any plan for making India self-sufficient and if so, by which date it is likely to be self-sufficient?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) 200. Their outturn was 5,33,243 cases of 50 gross boxes of 60 sticks each in 1948 and 3,94,279 cases during the first nine months of the current year.

(b) About 5,00,000 cases. The value of matches imported during 1948-49 was Rs. 15,525. The actual export figures are not readily available, but the quotas fixed for the last three years are given below:

1946—30,000 cases of 50 gross boxes of 40 sticks each.

1947—30,000 cases of 50 gross boxes of 40 sticks each.

1948—40,000 cases, of which 10,000 cases were earmarked for export to Pakistan.

(c) Yes, sulphur, phosphorus and potassium chlorate.

(d) Yes, Sir. We have in fact an exportable surplus and the export has been free from March, 1949, but we have to depend on imports for chemicals like sulphur and phosphorus. There is no immediate prospect of India becoming self-sufficient in regard to these two chemicals.

#### EMPLOYMENT EXCHANGES

\*205. **Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Labour be pleased to state:

(a) in how many cities and towns Employment Exchanges are functioning and what the total number of persons engaged in running this organisation is, as also the amount of expenditure incurred by the Government of India on this account;

(b) the number of Training institutions run under this Organisation in various parts of India together with the number of trainees in each of them and the amount of expenditure incurred thereon;

(c) the number of ex-servicemen, refugees and other civilians applying for employment through these Employment Exchanges and the number of persons actually securing employment through them;

(d) whether there is any system of calling for periodic reports about the employees sent by the Employment Exchanges from the employers;

(e) whether it is a fact that the Economy Committee appointed by the Parliament has recommended that this work should be handed over to Provincial Governments, and if so, whether the Provincial Governments have been contacted in this connection and what their attitude is; and

(f) if the Provincial Governments are not willing to take up this work, what action the Government of India contemplate to take in respect of these schemes?

**The Honourable Shri Jagjivan Ram:** (a) There were 54 Employment Exchanges and 54 District Employment Offices functioning under the Ministry of Labour on 1st November, 1949. The staff employed in these Employment Offices was 1,557. (Gazetted Officers 285; Non-gazetted 866; and Class IV 456). The total expenditure incurred up-to-date on the Employment Exchange Organisation is Rs. 1,28,02,500, of which the Central Government's share is Rs. 75,12,600.

(b) There are 428 Technical, Vocational and Apprenticeship Training Centres under this Organisation. The number of persons undergoing training as on 31st October, 1949 was 13,842. A regionwise statement showing the number of training centres and the number of trainees in each region is laid on the Table.

The total expenditure incurred so far on the Training Schemes (including expenditure on the training of refugees) is Rs. 4,01,15,500; of which the Central Government's share is Rs. 2,17,96,700.

(c) For the period January—October, 1949, at a monthly average, 11,450 ex-servicemen, 14,781 displaced persons and 65,540 others were registered for employment assistance. Out of them, on an average about 2,000, 4,000 and 16,000 respectively secured employment every month.

(d) No, Sir. Due to insufficient staff, it has not been possible to call for such periodic reports in respect of every candidate placed by the Employment Exchanges. Employers are, however, asked to comment on the service rendered by the Exchanges, and their comments have generally been favourable.

(e) and (f). Yes, Sir. The Economy Committee set up by the Government of India recommended the transfer of control of the Employment Exchanges situated in the Provinces, to the Provincial Governments.

The Provincial Governments were contacted through their Labour Ministers, and the matter was discussed at a Labour Ministers' Conference in January, 1949. While the Provinces were willing to take over the actual administration of the Exchanges and Training Schemes after July, 1950, it was stated that they were not in a position to do so unless the Government of India bore the cost of the organisation in the same proportion as at present, viz., 60:40. It was also urged that if it was not possible for the Government of India to agree to this financial arrangement, the status quo should be maintained. Accordingly, the Resettlement and Employment Schemes have been extended for another two years, i.e., upto 31st July, 1952, and the existing financial arrangements are being continued. Reduction in expenditure to the tune of Rs. 40 lakhs has been made in the revised budget of 1949-50. In the budget for 1950-51, the expenditure will be about Rs. 54 lakhs less than what had been budgeted for in 1949-50.

STATEMENT

Number of Training Centres and number of persons undergoing training at these Centres on 31st October, 1949.

Region	Number of training centres				Number of persons undergoing training			
	Technical	Vocational	Apprenticeship	Total	Technical	Vocational	Apprenticeship	Total
Assam	1		14	15	85	44	15	144
Bihar	4	5	3	12	155	97	39	291
Bombay	5	4	14	23	835	177	56	1,068
C.P. and Berar	1	2	3	6	352	87	20	459
Delhi and Ajmer-Merwara	4	2	39	45	551	272	114	937
East Punjab	14	7	39	60	1,517	311	417	2,245
Madras	27	11	34	72	2,521	806	287	3,614
Orissa	1	4	3	8	175	79	3	257
United Provinces	10	34	36	80	1,941	1,236	102	3,279
West Bengal	7	9	91	107	779	385	384	1,548
<b>Total</b>	<b>74</b>	<b>78</b>	<b>276</b>	<b>428</b>	<b>8,911</b>	<b>3,494</b>	<b>1,437</b>	<b>13,842</b>

MINIMUM WAGES

\*206. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Labour be pleased to state what steps have so far been taken or are intended to be taken by the Government of India for the implementation of the Minimum Wages Act passed in 1948?

(b) Have any Provinces, States or Unions of States set up any machinery for the fixation of minimum wages for industrial and agricultural labour, if so, which Provinces and with what results?

(c) Have the Government of India taken any steps for the establishment of a machinery for fixation of Minimum Wages in the Centrally Administered Areas and if not, why not?

(d) Do Government intend to set up such machinery in these Provinces, and if so, by which date, and will it be both for agricultural and industrial labour?

**The Honourable Shri Jagjivan Ram:** (a) I place below a statement showing the action the Government of India have already taken and propose to take to implement the provisions of the Minimum Wages Act, 1948. (See Appendix VI, annexure No. 14.)

(b) Yes. The Government of India understand that the Governments of West Bengal and Madras have set up Committees in respect of some of the employments specified in part 1 of the Schedule attached to the Minimum Wages Act for advising them to fix minimum rates of wages. The Government of Bombay are also conducting necessary enquiries in regard to some of the scheduled employments. The Government of Assam have taken steps to form a committee so far as employment in Tea Plantations is concerned. Advisory Committee for the Province of Delhi has also been constituted while it is the intention of the Ajmer-Merwara Administration to publish proposals regarding minimum rates of wages under section 5 (1) (b) of the Act "for



employment under any local authority" and "for employment in any Tobacco Manufactory".

(c) and (d). As already stated in reply to part (b), the Delhi and Ajmer-Merwara Administrations themselves have either already taken or propose to take the necessary action. The Government of India have notified that the functions of the appropriate Government under the Minimum Wages Act, 1948, shall, in respect of every Chief Commissioner's Province, be exercisable by the Chief Commissioner. The Government of India have impressed upon all the Provincial Governments and Administrations that the provisions of the Act should be fully implemented before the prescribed dates.

#### EXPORT TO DOLLAR AREAS

**\*207. Shri H. V. Kamath:** Will the Honourable Minister of Commerce be pleased to state:

(a) the commodities the export of which to the dollar areas is proposed to be stimulated on account of devaluation of the rupee in terms of Gold; and

(b) the commodities the import of which from the dollar areas is proposed to be restricted?

**The Honourable Shri K. C. Neogy:** (a) Devaluation by cheapening the prices of Indian goods is expected to give a stimulus to Indian exports to hard currency countries in general and particularly to those countries where price resistance was being felt by Indian exporters. In this category I would mention jute manufactures, shellac, cotton piecegoods, coir matting, hides and skins and also, to a lesser extent, tea and mica. The list, as the Honourable Member will appreciate, is not exhaustive and deals only with the more important articles of our export to the hard currency countries.

(b) Statements are placed on the Table, giving the desired information of commodities the import of which from dollar areas is being substantially reduced and those which are now not being licensed at all for imports from dollar areas. (See Appendix VI, annexure No. 15.)

I may add that the policy for severely restricted imports from dollar areas was prepared and announced by means of a Public Notice published in the Government of India Gazette, Extraordinary, dated the 13th September, 1949, only very shortly before devaluation and no changes for the current licensing period July-December have been found necessary. The matter will be reviewed as usual in connection with the framing of import licensing policy for the January-June, 1950 period.

#### THE TRAVANCORE FERTILIZERS AND CHEMICALS LTD. (AID)

**\*208. Shri P. T. Chacko:** Will the Honourable Minister of Industry and Supply be pleased to state whether Government are giving any financial aid to the Travancore Fertilizers and Chemicals Limited, Alupuram Alwaye?

**The Honourable Dr. Syama Prasad Mookerjee:** Government have expressed their willingness to offer temporary help under certain conditions.

#### EXPORTS AFTER DEVALUATION

**\*209. Shri Upendranath Barman:** (a) Will the Honourable Minister of Commerce be pleased to state the quantity and value of India's export to hard currency areas during the post-devaluation period commodity-wise?

(b) How has devaluation affected the export of edible oil and oilseeds and their internal price?

(c) Which are the commodities whose import has been discontinued from dollar areas since devaluation?

**The Honourable Shri K. C. Neogy:** (a) The figures of exports after devaluation are not yet available.

(b) Among the edible oil and oilseeds, only groundnut and linseed are, as a rule, exported overseas. There are signs of increased export activity in groundnut to-day, but it is difficult to say how much of this is due to the downward trend in prices on account of the better crop we are expecting, and how much is due to devaluation. There has been no perceptible change in linseed. There seems to have been no noticeable effect of devaluation on the prices of oilseeds and oils and such minor changes as have taken place seem to be due to the normal working of the forces of supply and demand. The indications are that prices will fall as a result of improved crop prospects for groundnut in 1949-50.

(c) The licensing policy for the import of commodities from the dollar, hard currency and soft currency areas was announced in the Public Notice, dated the 12th September, 1949, and no change has been made therein since devaluation. It is difficult as yet to have a full picture of the effect of devaluation and therefore to revise the import programme accordingly. The position will, however, be watched and changes, if necessary, will be made in the next half year.

#### PEPPER (EXPORT)

**\*210. Shri P. T. Chacko:** Will the Honourable Minister of Commerce be pleased to state:

(a) whether it is a fact that permits issued to merchants at Alleppey, Travancore, for the export of pepper were cancelled recently;

(b) if so, whether Government are aware that this step has caused great hardship to the pepper growers in selling their produce;

(c) whether Government have received any representations from merchants and pepper producers regarding this matter; and

(d) if so, whether Government have taken any steps in the matter?

**The Honourable Shri K. C. Neogy:** (a) Alleppey port being under the jurisdiction of the Travancore-Cochin Union, the Export Control Officer of that port is under the Administrative control of the said Union Government. Government of India have, therefore, no information whether pepper licences issued to the merchants at that port had been cancelled. Enquiries are, however, being made into the matter.

(b) to (d). Do not arise.

#### FREE EXPORT LIST

**\*211. Prof. N. G. Ranga:** (a) Will the Honourable Minister of Commerce be pleased to state what are the main commodities which have been placed on free export list ever since the devaluation has been effected?

(b) What other commodities are being examined to be placed on this free list?

**The Honourable Shri K. C. Neogy:** (a) A statement showing the main commodities which have been placed on the free list for export since devaluation was effected, is laid on the Table of the House. (See Appendix VI, annexure No. 16.)

(b) The position in respect of all the controlled commodities is constantly under review, the policy of the Government being progressively to relax export control in consonance with internal and foreign trade requirements. It is not, however, possible at the moment to indicate particular commodities which may be placed on the free list for export in the near future.

#### COTTAGE INDUSTRIES

\*212. Prof. N. G. Ranga: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) how much money was sanctioned for the development of Cottage Industries;

(b) how much of it has been spent and for what purposes;

(c) whether the Cottage Industries Board is entrusted with the distribution of this money as between different schemes; and

(d) whether Government propose to allot a bigger sum for the development of cottage industries?

The Honourable Dr. Syama Prasad Mookerjee: (a) Rs. 75,000 in the year 1948-49, and Rs. 8,00,000 in the current financial year plus Rs. 10,00,000 as a grant to the Handloom Development Fund.

(b) A statement is placed on the Table of the House. (See Appendix VI, annexure No. 17.)

(c) The money is spent on schemes which have the general approval of the All-India Cottage Industries Board.

(d) Yes.

#### REHABILITATION GRANT TO P.E.P.S.U.

\*213. Kaka Bhagwant Roy: (a) Will the Honourable Minister of Rehabilitation be pleased to state how much money has been given to P.E.P.S.U. Government for relief and rehabilitation of displaced persons?

(b) Is it a fact that the money given so far is less than the demand of the P.E.P.S.U. Government?

The Honourable Shri Mohan Lal Saxena: (a) The amount allotted to P.E.P.S.U. was Rs. 60 lakhs in 1948-49 and Rs. 105 lakhs during 1949-50.

(b) Against the demand of Rs. 70 lakhs in 1948-49 a sum of Rs. 60 lakhs was allotted. In 1949-50 a sum of Rs. 206 lakhs was demanded. After a detailed examination a sum of Rs. 105 lakhs was allotted. This is considered adequate for meeting the requirements of P.E.P.S.U. this year.

### UNSTARRED QUESTION AND ANSWER

#### STORES FOR MINISTRIES

7. Shri R. L. Malviya: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware that the volume of stores purchased for meeting the requirements of the various Ministries of the Government of India has increased more than the present requirements of multivided India?

(b) What are the figures of purchases of every department of the Government of India for the years 1933-30, 1939-40, 1946-47 and 1947-48?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir.

(b) The figures of purchases are being collected and will be laid on the Table of the House in due course.

Thursday, 1st December, 1949

**THE CONSTITUENT ASSEMBLY OF INDIA  
(LEGISLATIVE) DEBATES**

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

**Official Report**

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**Volume VI, 1949**

*(28th November to 17th December, 1949)*

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Sixth Session  
of the  
**CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)**  
1949



## CONTENTS

Volume VI—28th November to 17th December, 1949.

I—2

	PAGE	
<b>MONDAY, 28TH November, 1949</b>		
Death of Mr. Ardeahir Dalal, Syed Md. Muraza Sahib, Haji Jamal Md. Saheb and Mr. Aziz Ahmed Khan	2	
Motions for Adjournment <i>re</i> —		
Shortage of sugar	2	
Import of coconut and its products from Ceylon	2—3	
Ban on the <i>Nationalist</i>	3	
Statement <i>re</i> Legislative Business and certain other matters	4—13	
H. E. the Governor General's Assent to Bills	13—14	15
Papers laid on the Table.—		15
Report of Indian Government Delegation to 31st Session of International Labour Conference, San Francisco, 1948	15—17	
Amendments to Insurance Rules, 1939		
Ordinances issued by H. E. the Governor General after Budget Session, 1949		
Action taken by Government on Assurances, Promises and Undertakings given during Budget Session, 1949	18	
Election to Standing Committee for Ministry of Rehabilitation	18	
Reserve Bank of India (Amendment) Bill—Introduced	18	
Essential Supplies (Temporary Powers) Second Amendment Bill—Introduced	18	
Rubber (Production and Marketing) Bill—Introduced	19	
Requisitioned Land (Apportionment of Compensation) Bill—Introduced	19	
Transfer of Detained Persons Bill—Introduced	19	
Indian Arms (Amendment) Bill—Introduced	19	
Insurance (Amendment) Bill—Introduced	19	
Indian Merchant Shipping (Amendment) Bill—Introduced	19	
Indian Tariff (Second Amendment) Bill—Introduced	19	
Indian Railways (Amendment) Bill—Presentation of Report of Select Committee	19	
Indian Judicial Procedure Bill—Presentation of Report of Select Committee	19	
Industries (Development and Control) Bill—Extension of time for Presentation of report of Select Committee	20	
Taxation Laws Amendment Bill—Withdrawn	20	
Banking Companies (Legal Practitioners' Clients' Accounts) Bill—Passed	21—33	
Industrial Finance Corporation (Amendment) Bill—Passed as Amended	34—37	
Reserve Bank of India (Amendment) Bill—Passed	38—40	
Delhi Road Transport Authority Bill—Discussion on Motion to refer to Select Committee—Not concluded	40—50	
<b>TUESDAY, 29TH November, 1949.—Vol. VI—No. 2</b>		51—52
Motion for Adjournment <i>re</i> Enhancement of Export Duty on Black Pepper		

Papers laid on the Table—	PAGES:
Report of Rehabilitation Finance Administration, ending 30th June, 1949	52
General Review of Working of Rehabilitation Finance Administration	52
Amendments to Industrial Finance Corporation of India Employees' Provident Fund Regulations, 1948	52
White Paper on 1949 Sterling Balances Negotiations	53
Loan Agreements relating to Railway and Agricultural Machinery	53
Foreign Exchange Regulation (Amendment) Bill—Introduced	52
Merchant Shipping and Lighthouse (Amendment) Bill—Introduced	52
Abducted Persons (Recovery and Restoration) Bill—Introduced	53
Business of the House	53
<b>Motion re—</b>	
(i) Sterling Balances Agreement of July, 1949	53—92
(ii) Policy of Government about Negotiations for Loans for Financing Development Projects and Agreements concluded with International Bank for Reconstruction and Development	53—92
<b>WEDNESDAY, 30TH November, 1949.—Vol. VI.—No. 3.</b>	
Resolution re Abolition of Night Air Mail and Passenger Service—Discussion not concluded	93—135
<b>THURSDAY, 1ST December, 1949.—Vol. VI.—No. 4.</b>	
Papers laid on the Table—Annual Report of Indian Standards Institution	137
Election to Standing Advisory Committee for Department of Scientific Research	137
Election to Standing Committee for Ministry of Rehabilitation	138
Indian Tariff (Second Amendment) Bill—Passed	138—64
Delhi Road Transport Authority Bill—Referred to Select Committee	164—79
<b>FRIDAY, 2ND December, 1949.—Vol. VI.—No. 5.</b>	
Papers laid on the Table—Notifications under Central Excises and Salt Act, 1944	181
Taxation Laws (Extension to Merged States and Amendment) Bill—Introduced	182
Explosives (Temporary Provisions) Bill—Introduced	182
Industrial Disputes (Banking and Insurance Companies) Bill—Introduced	182
Transfer of Detained Persons Bill—Passed as amended	182 — 81
Indian Arms (Amendment) Bill—Passed	188—89
Essential Supplies (Temporary Powers) Second Amendment Bill—Passed	189—225
Rubber (Production and Marketing) Amendment Bill—Passed	225—30
Requisitioned Land (Apportionment of Compensation) Bill—Discussion on motion to consider—Not concluded	230—31
<b>MONDAY, 5TH December, 1949.—Vol. VI.—No. 6.</b>	
Papers laid on the Table—Mineral Concession Rules, 1949 under Mines and Minerals (Regulation and Development) Act, 1948	233
Transport Services Compensation Rules, 1949, under Road Transport Corporation Act	239
Election to Standing Committee for Department of Scientific Research	233
Electricity (Supply) Amendment Bill—Introduced	233—34
Merged States (Laws) Bill—Introduced	234

	PAGES
Requisitioned Land (Apportionment of Compensation) Bill—Passed as amended	234—43 248—49
Insurance (Amendment) Bill—Discussion on motion to refer to Select Committee—Not concluded	244—47 249—73
<b>TUESDAY, 6TH December, 1949.—Vol. VI.—No. 7.</b>	
Papers laid on the Table—Half yearly Statement of Lowest Tenders not accepted by India Store Department, London	275
Insurance (Amendment) Bill—Referred to Select Committee	275—301
Taxation Laws (Extension to Merged States and Amendment) Bill—Discussion on motion to refer to Select Committee (referred to Select Committee)	302—315 318—34
<b>WEDNESDAY, 7TH December, 1949.—Vol. VI.—No. 8.</b>	
Motion for Adjournment <i>re</i> purchase of the <i>Blitz</i> for the Army and withdrawal of Press Permit of the <i>Nation</i>	317
Cinematograph (Second Amendment) Bill—Introduced	317
Taxation Laws (Extension to Merged States and Amendment) Bill—Referred to Select Committee	318—34
Indian Merchant Shipping (Amendment) Bill—Passed as amended	334—49
Merchant Shipping and Lighthouse (Amendment) Bill—Passed	349—50
Industrial Disputes (Banking and Insurance Companies) Bill—Passed	351—61
Explosives (Temporary Provisions) Bill—Passed as amended	361—65
<b>THURSDAY, 8TH December, 1949.—Vol. VI.—No. 9.</b>	
Mines Bill—Introduced	367
Indian Railways (Amendment) Bill—Consideration of clauses—Not concluded	367—410
Business of the House	411—12
Resolution <i>re</i> Central Road Fund—Adopted	412—15
<b>FRIDAY, 9TH December, 1949.—Vol. VI.—No. 10.</b>	
Motion for Adjournment <i>re</i> Reported holding up of Raw Jute Bales by Pakistan Government	417
Industrial Disputes (Appellate Tribunal) Bill—Introduced	417
Inland Steam Vessels (Amendment) Bill—Introduced	418
Administration of Evacuee Property Bill—Introduced	418
Indian Railways (Amendment) Bill—Passed as amended	418—26
Electricity (Supply) Amendment Bill—Passed	426—47
Cinematograph (Second Amendment) Bill—Discussion on motion to consider—Not concluded	447—61
<b>MONDAY, 12TH December, 1949.—Vol. VI.—No. 11.</b>	
Papers laid on the Table—Report of Railway Convention Committee 1949	463
Central Reserve Police Force Bill—Introduced	463
Profession Tax Limitation (Amendment and Validation) Bill—Introduced	463
Delhi Road Transport Authority Bill—presentation of Report of Select Committee	464
Hindu Code—Discussion on motions to consider as reported by Select Committee to circulate and to re-commit to Select Committee—Not concluded	464—507
<b>TUESDAY, 13TH December, 1949.—Vol. VI.—No. 12.</b>	
Motion for Adjournment— <i>re</i> Undesirable Demonstration in front of Council House	509

	PAGE
Police Bill—Introduced . . . . .	509
Imports and Exports (Control) Amendment Bill—Introduced . . . . .	510
Hindu Code—Discussion on motions to consider as reported by Select Committee, to circulate and to recommit to Select Committee—Not concluded . . . . .	510—558
<b>WEDNESDAY, 14TH December, 1949.—Vol. VI.—No. 13</b>	
Delhi Premises (Requisition and Eviction) Amendment and Validation Bill—Introduced . . . . .	559
Women Police in Ladies Gallery . . . . .	559—60
Hindu Code—Discussion on motions to consider as reported by Select Committee, to circulate and to recommit to Select Committee—Not concluded . . . . .	560—621
<b>THURSDAY, 15TH December, 1949.—Vol. VI.—No. 14.</b>	
Insurance (Amendment) Bill—Extension of time for presentation of Report of Select Committee . . . . .	623
Papers laid on the Table—	
Declarations of Exemption under Registration of Foreigners Act, 1939 . . . . .	623—24
Merged States (Taxation Concessions) Order, 1949 . . . . .	624
Taxation Laws (Merged States) (Removal of Difficulties) Order 1949 . . . . .	624
Merged States (Laws) Bill—Passed as amended . . . . .	624—33
Abducted Persons (Recovery and Restoration) Bill—Discussion on motion to consider—Not concluded . . . . .	633—65
<b>FRIDAY, 16TH December, 1949.—Vol. VI.—No. 15.</b>	
Indian Judicial Procedure Bill—Withdrawn . . . . .	667
Workers' Provident Fund Bill—Withdrawn . . . . .	667—72
Prevention of Free or Forced or Compulsory Labour Bill—Withdrawn . . . . .	672—77
Indian Cattle Preservation Bill—Discussion on motion to consider—Postponed . . . . .	678—85
Taxation Laws (Extension to Merged States and Amendment) Bill—Presentation of Report of Select Committee . . . . .	686
Societies Registration (Amendment) Bill—Motion to consider—Not proceeded with . . . . .	701—03
Indian Penal Code (Amendment) Bill (Amendment of Sections 53, 121, 132 etc.)—Introduced . . . . .	703
Land Acquisition (Amendment) Bill—(Amendment of Sections 11 and 23)—Introduced . . . . .	703—04
Advanced Age Marriage Restraint Bill—	
Leave to introduce—Refused . . . . .	704
Prohibition of Manufacture and Import of Hydrogenated Vegetable Oils Bill—Introduced . . . . .	705
Furnishment of Tax Evaders and Black Marketeers Bill—Introduced . . . . .	705
Children's Protection Bill—Introduced . . . . .	705
Indian Penal Code (Amendment) Bill (Repeal of Section 309)—Leave to introduce—Refused . . . . .	705—07
Council of the Press of India Bill—Introduced . . . . .	708
Useful Cattle Preservation Bill—Introduced . . . . .	708
Training and Employment Bill—Introduced . . . . .	708
Abducted Persons (Recovery and Restoration) Bill—Discussion on motion to consider—Not concluded . . . . .	708—22
<b>SATURDAY, 17TH December, 1949.—Vol. VI.—No. 16.</b>	
Rehabilitation Finance Administration (Amendment) Bill—Introduced . . . . .	723
Insolvency Law (Amendment) Bill—Introduced . . . . .	723
Abducted Persons (Recovery and Restoration) Bill—Consideration of clauses—Not concluded . . . . .	723—81



**CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)  
DEBATES**  
**(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)**

*Thursday, 1st December, 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.**

**PAPERS LAID ON THE TABLE**

**ANNUAL REPORT OF INDIAN STANDARDS INSTITUTION**

The Honourable Dr. Syama Prasad Mookerjee (Minister of Industry and Supply): Sir, I lay on the Table a copy of the Annual Report of the Indian Standards Institution for the year ending 31st March 1949 (*Copy placed in the Library. See No. IV.S. 4(3)/49.*)

**ELECTION TO STANDING ADVISORY COMMITTEE FOR DEPARTMENT  
OF SCIENTIFIC RESEARCH**

The Honourable Shri Jawaharlal Nehru (Prime Minister): Sir, I move:

"That this Assembly do proceed to elect in such manner as the hon. the Speaker may direct, one member to serve on the Standing Advisory Committee of the Legislature attached to the Department of Scientific Research, until the end of the current financial year *vice* Shri E. John Phillipose, resigned."

**Mr. Speaker:** The question is:

"That this Assembly do proceed to elect in such manner as the hon. the Speaker may direct, one member to serve on the Standing Advisory Committee of the Legislature attached to the Department of Scientific Research, until the end of the current financial year *vice* Shri E. John Phillipose, resigned."

*The motion was adopted.*

**Mr. Speaker:** I have to inform hon. Members that for the purpose of election by means of the single transferable vote of a member of the Standing Committee for the Department of Scientific Research the programme of dates will be as follows:

Nomination to be filed in the Notice Office up to 12 Noon on Saturday, the 3rd December.

Election, if necessary, will be held on Tuesday the 6th December, in the Assistant Secretary's room (No. 21) in the Council House between the hours of 10.30 A.M. and 1 P.M.

ELECTION TO STANDING COMMITTEE FOR MINISTRY OF  
REHABILITATION

**Mr. Speaker:** I have to inform the Assembly that up to 12 Noon on Wednesday the 30th November, 1949, the time fixed for receiving nominations for the purpose of election of one member to the Standing Committee for the Ministry of Rehabilitation in the vacancy caused by the resignation of Mr. Z. H. Lari only one nomination was received. As there is only one candidate for the vacancy, I declare Sardar Suchet Singh to be duly elected to the Committee.

INDIAN TARIFF (SECOND AMENDMENT) BILL

**The Honourable Shri K. C. Neogy (Minister of Commerce):** Sir, I move:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

As hon. members know, the object of this amending Bill is to levy protective duties on aluminium. The aluminium industry is from certain points of view a vital industry, and during the war in pursuance of the policy which the Government of the day followed, this industry was given an assurance that it would be considered for protection because of the importance which it represented in regard to the war effort. The case of the aluminium industry for protection was referred to the Tariff Board in 1946, and the Tariff Board duly reported recommending protection on the principle of enhancement of the import duty as we now propose, although the rates are slightly different, and the payment of a bounty for the purpose of relieving the industries concerned. The Board came to the conclusion that the aluminium industry was a very important one and adequate protection should be given to it, but there were certain aspects of the matter which, in the view of the Government, required a further careful consideration. This led to the appointment of a special official committee which, however, could not function till rather late on account of the partition and other reasons. The Government, as a result of the examination of the proposals of the Tariff Board by the special committee, agreed that tariff protection should be given to this industry and that this protection should be combined with the payment of bounties so as to keep the prices of the commodities concerned as low as possible in order that the consumers may not have to pay an unreasonably high price which would have been the fact if protection took the shape of only import duties. This conclusion of the Government was communicated to the Tariff Board and the Tariff Board agreed with this conclusion, as also with the rates of tariff which are now proposed under this Bill. Having regard to the fact that the interim arrangement under which the pool was operating and was in a position to fix the prices of the commodities and the fact that this pool was about to break down, Government had to decide upon taking emergent action for the purpose of giving effect to the proposals now embodied in this Bill. This was done by virtue of the special provision in the Protective Duties Act under which it is open to the Government to impose certain duties for the purpose of giving protection to any industry provided that a Bill is introduced in the legislature during the session next following the date on which the notification was issued. The session that intervened was a special session which was summoned for the purpose of discussing devaluation, and we therefore thought that it was technically right to bring this up at the earliest regular session of the Assembly. According to the terms of the law, this Bill has to be passed by the 5th December in order to be able to continue the protection that has already been granted by the special action to which I have referred.

Sir, I need hardly say anything to emphasise the importance of aluminium as an industry. We possess vast natural resources in the shape of bauxite which is distributed liberally almost all over the country. The other next important element that is needed for the manufacture of aluminium is cheap and abundant supply of electricity. When some of our hydro-electric projects come to function, there will be ample electricity available at a cheap price with the help of which much of the bauxite deposits in the country could be developed and a very much stronger and larger aluminium industry established in the country. It might interest the House to know that in these days of high prices, aluminium, among metals, is about the cheapest. I have a few comparative figures here to indicate how the prices of other non-ferrous metals have behaved ever since the war, and I find that copper which was priced at Rs. 38 per cwt. in 1939 stands at Rs. 115 today. Zinc from Rs. 11 in 1939 has come to Rs. 70; lead from Rs. 14 has come to Rs. 73 and tin from Re. 129 in 1939 has come to Rs. 455 but in the case of aluminium the price was Rs. 84 per cwt. in 1939 and it is Rs. 117 today. As is known to my hon. friends India is rather poorly situated in regard to the supplies of non-ferrous metals, but it is a matter of great satisfaction to us that this non-ferrous variety of metal namely, aluminium can be produced at a very cheap price, cheapest of all the nonferrous metals indeed, in India, provided we have the requisite electric supply. It will further interest the House to know that aluminium has in a sense been competing even with Steel. Now Steel has already been replaced to a certain extent by aluminium in the construction of automobiles, buses, trucks, railway wagons, aircraft, communications equipment, housing etc. The Indian Railway Standards Office has carried out experiments on passenger coaches using a large proportion of aluminium in the exterior and interior of the coaches. The House will therefore realise the importance of this industry from the point of the economy of the country.

**Shri B. K. Sidhva** (C.P. and Berar: General): Are the raw materials also produced there?

**The Honourable Shri K. C. Neogy**: Bauxite you have got. As I have said very large deposits of Bauxite are even distributed all over the country. I have already stated that the cost of production depends very largely on the price of Bauxite. There are at the moment two concerns primarily engaged in this industry. In the case of one, namely, the Indian Aluminium Company, they have a plant for the production of aluminium at Muri in Bihar. The production works are, however, situated in Travancore State, where hydro-electric power is available. This arrangement is by no means ideal, as alumina must first be transported from Bihar to Travancore and the aluminium ingots manufactured at the latter place transported again to Calcutta, where the Company's rolling mills are situated, Calcutta being considered to be very favourable from the point of view of marketing of the production of the rolling mills. At the moment there is no chance of any cheap supply of electricity being available in Muri; but it is hoped that as our hydro-electric schemes get going, such electrical supply will be forthcoming either at Muri or in its neighbourhood, so that all the processes could be carried out at the same place. In the case of the other company which is called the Aluminium Corporation of India, the plant is situated near about Asansol. Here the Company enjoys the advantage of being located at a place not far from the deposits of Bauxite and it also gets electricity generated by coal, but the thermal electricity costs much more than hydro-electric supply, and, therefore, the problem of this company cannot be solved adequately till the Damodar Valley Project develops and hydro-electric supply is available to it. Although subjected to these disabilities, the two concerns have made a fair amount of success in their enterprise and we now propose that apart from the import duty being enhanced in the manner proposed in this Bill out of the proceeds of this enhanced portion of the duty, adequate subsidies

[Shri K. C. Neogy]

would be paid to these companies so as to enable them to carry on at a minimum reasonable profit and at the same time make the commodities available at a moderate price. The Companies concerned were not quite satisfied with the amount of protection given, but since they made their representations Devaluation has come to their additional assistance because the competition comes mainly from Canada which being a Dollar country will be in a position to sell its output in India at an enhanced price due to Devaluation of the Sterling and the Rupee.

To our mind the protection that is now being proposed to be given under this measure would be quite adequate for all practical purposes and the companies concerned will have no legitimate ground for complaining about the inadequacy of the protection. Although the protection is proposed to be given for a period of three years, it is definitely contemplated that the Tariff Board will undertake an enquiry into the whole case after a year, so that there may be an occasion for us to revise our plans of protection, if need be.

I should like to mention that in our scheme for the payment of a subsidy, it is proposed to reduce the amount of subsidy gradually year by year during these three years, because we hope that in course of time the cost of production would go down. It might interest the House to know that under our scheme the price of the products of these two concerns would be cheaper than the price which prevails at the moment or rather which used to prevail under the pooling arrangement, so that from the point of view of the consumer, there can be no objection urged against this measure of protection. As I have already said the pooling arrangement was in operation for some time and it was intended to operate as a kind of a rough and ready measure of protection, because under the pooling system the Government fixed the selling price of the commodities at a figure which was intermediate between the cost of imports and the cost of manufacture of the local commodities. As I have said, the cost under our scheme would even be less than the price which was available to the companies under the pooling system. Sir, I move.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

**Shri T. T. Krishnamachari (Madras: General):** Sir, I am afraid my hon. friend, the Minister of Commerce has not been very convincing. I would rather that the support for the industry came from the person who is primarily responsible for industries in this country, the hon. Minister of Industry and Supply. Sir, it is not that I am speaking as an expert; in fact I probably do not know anything about this particular industry excepting for the fact that for a period of about five or six years, these industries have been bolstered up and kept alive by artificial respiration. I would rather that my hon. friend had given us the cost of production of these two companies, which on the basis of the facts that he has given, are being run on very uneconomical and inefficient lines, and how long are we going to tax the consumer by putting an additional duty on imports and paying bounties to these companies, in order to sustain industries which from the very inception have never made any improvement either in their process of manufacture or in their attempts to bring down the cost of production. I wish my hon. friend had circulated the copies of the Tariff Board's report to members of this House and I do feel that I have to, more or less, endorse the complaints that have been made in this House on previous occasions notably by my hon. Friend, the Deputy-Speaker that matters like the increase of import duties by means of the executive power vested in the Government are being more or less thrown at our heads without adequate notice.

It is very imperative that the Commerce Ministry should circulate the Tariff Board report. It seems that this Tariff Board, which the Commerce Minister

has constituted, is working at breakneck speed. You hear every day in the papers about some address delivered by the President, copies of which he has been very good enough to send to a few members here, and the work of the Board is done almost before the time taken to close one's eyelids. All these perfunctory enquiries put further additions to the burden on the taxpayer by means of import duties in order to sustain industries which apparently either cannot stand on their own legs or those in charge of these industries will make no attempt whatever to make these industries stand on their own legs.

I would like my hon. friend the Minister of Commerce to tell us before we take up the clause-by-clause consideration of this Bill, what is the cost of production of these two big factories of which he made mention and what is the amount of bounty that is being handed to each one of them. In the past, at any rate, according to information I have received on various occasions, the amounts that were being given to them by way of bounties were something fairly colossal. As I said in the beginning I would rather that my hon. Friend the Minister of Industries is here, because some seven or eight months or perhaps a year ago we heard of a company being started in the Central Provinces for the purpose of manufacturing aluminium, even though the two concerns now existing were in a fairly bad condition. We had also heard of some pronouncements made by the Director General of Industry and Supply, whose statement was contradicted by people who knew something about the industry. I see that my hon. Friend the Commerce Minister has made no mention whatsoever of this proposed industry which was to be started in the Central Provinces, whether it has died a natural death as most Government-sponsored concerns do or it is still in the offing. May be it is a matter of Hobson's choice for this House in this matter and they have merely to endorse, ratify or put their seal or imprimature on an action taken by Government, whose *bona fides* cannot at all be questioned. But as a warning for the future I would rather that my hon. Friend took some more time over this matter and circulated copies of the Tariff Board report and give us a little more information about the state of the industry as it is now. My grouse is that the Tariff Board is not strong enough to stand up to the demands of these industries. The time has come in this country when we must tell the industrialists that they must bring their prices down and that the country cannot afford to pay them the profits which they consider to be proper.

**Shri E. K. Sidwa:** Their report generally supports the industry right or wrong.

**Shri T. T. Krishnamachari:** I have no intention of casting any aspersion on those worthy gentlemen who constitute the Tariff Board who, probably according to their lights, are doing very good work. But I do feel that the attitude of the Tariff Board and also of the Commerce Ministry and perhaps also of the Industries Ministry, who have undoubtedly a predominant say in this matter, particularly in the matter of fixing the tariffs or the protection to be given to an industry, has not been such as to make the industrialists really come down to brass tacks. We cannot go on at this rate giving bounties either by way of handing over what we get from customs duty or in any other manner to industrialists who would not help the Government in any way to bring down the prices. But I do feel that if it is not possible for my hon. friend now and I realise that he is more or less carrying the burden of the Industries Minister—I would like an assurance from him that he will pass on to his colleague these remarks made by members of this House. A note on the position of the aluminium industry from the time when this protection was given should be circulated to members of this House giving details of the cost of production, whether there has been any diminution in the cost of production since then and what attempts the industry has made to co-operate with the Government in establishing what is called a national industry.

[Shri T. T. Krishnamachari]

I do not see why my hon. Friend the Commerce Minister or his colleague the Minister of Industry and Supply should permit such a cock-eyed method of running an industry, namely of sending the material which is in a semi-finished state to places like Travancore for the purpose of obtaining electricity of a particular voltage. If the Government wants to help in that matter surely power of the nature required ought to be available at a place much nearer than Travancore.

I cannot see any reason why the Transport Ministry in this matter should remain indifferent and allow waste of the meagre transport resources available in this country for this purpose, by helping or maintaining an uneconomic industry in which the intelligence of those who run the industry apparently seems to be as dead as door nail.

Probably my hon. Friend the Deputy-Speaker, who I see is rising, will have something more to say. I do feel that this House is entitled to some more information and that in a proper form from the Ministry concerned before they allow a Bill of this nature to pass, so that they might at any rate feel that they have not done wrong in passing a Bill of this nature. Now the information available is very meagre or practically next to nothing.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, in this matter I entirely agree with both my learned friends—the mover of the motion the Hon. Minister of Commerce and also my friend Mr. T. T. Krishnamachari. I agree with the Commerce Minister that this industry requires protection and I agree with Mr. Krishnamachari that the industry must also help itself. This industry ought not to exist merely on bounties and outside help but must help itself to a large extent by reducing its cost. There is no doubt that this industry is a very essential industry. Originally we were manufacturing only utensils out of rolled materials and sheets which we bought from Canada. We then started at the other end. There are three or four stages in this industry. Bauxite is the material from which the ore is extracted. It is called alumina. The next stage is that is converted into ingots, which is called aluminium. The third is when it is rolled into circles or sheets and the fourth stage is when they are converted into utensils. We bought aluminium circles and sheets from foreign countries and made utensils. It is one of the main purposes of this industry not only in this country but in others also. Only ten per cent. of the aluminium produced in the world is used today for this purpose. The other more important purpose is utilisation for the aircraft industry in which five to fifteen tons of aluminium are being used for various parts in various shapes and forms in one plane.

In the automobile industry also for the plates and others aluminium is being used in large quantities on account of its lightness. My hon. friend the Minister of Railways and Transport has also in contemplation the manufacturing of railway coaches with aluminium cover and so on. They are doing it in the factory at Bangalore. These are the more important uses of aluminium. Judging from the conditions that have been laid down in the Fiscal Commission Report of 1922 and also from other standards this is an industry which can certainly stand on its legs. It has ample raw material available in this country. Bauxite is available in almost all places and it is strewn over various places in the sub-continent of India—it has not neglected any part of the country, it has been good to almost all provinces.

Another ingredient, caustic soda, is being manufactured in plenty in this country, as for instance in Mettur and other places.

Shri T. T. Krishnamachari: I might correct my hon. friend before he goes further. The amount of caustic soda that is manufactured in this country forms a very small part of the country's total requirements.

**Shri M. Ananthasayanam Ayyangar:** I may equally inform my friend that unfortunately the price of caustic soda has gone down on account of the O.G.L. and so much of caustic soda having been brought into the country. Possibly my friend is correct—I always bow to his superior knowledge.

I have got here a Report on Metallurgical and Engineering Industries (Recent Developments) by Dr. P. J. Thomas who was appointed to go into the question of this industry. This report was made in 1944. There he says:

"The raw materials for the manufacture of aluminium are (1) bauxite, (2) cryolite and (3) caustic soda. Bauxite, the ore of aluminium, is found in many parts of India—notably at Belgam and Tungan Hill in Bombay Province, at Katni in C.P., at Ranchi in Bihar Province, and in the Kashmir and Kollhapur States. For the economic production of aluminium, bauxite must have a minimum aluminium content of 52 per cent, and a maximum silica content of 5 per cent. The deposits at the places just enumerated fulfil these conditions. In fact, some of the Indian bauxite deposits contain as much as 62 per cent. of aluminium oxide. The total reserves of bauxite in India are very large, perhaps of the order of 250 million tons. Cryolite must be imported, but the quantity required is small, compared with the tonnage of the aluminium processed. As for caustic soda, increased supplies are now being made in India.

The production of aluminium is an electro-metallurgical process."

Therefore, after a thorough investigation into the metallurgical and engineering industries, here is a report which says that out of the three ingredients only one ingredient, which is used in a very small quantity, has to be imported, the other ingredients—both natural and industrial products—being amply available in the country. So far as its use is concerned, it is being put more and more into use in the aircraft industry, in the automobile industry and even in the transport industry. Therefore we will be only cutting the nose to spite the face if we withhold protection to this industry.

It is true that some of our enterprising industrialists started one company, Jeewanlal and Company, mainly for fabricating utensils in 1918. But they had competition from Canada and they had to amalgamate themselves with the Canadian competitor into a limited Company in 1929. There was another Company, the Indian Aluminium Company in Madras. It was not able to withstand this competition. So this Jeewanlal (Canadian) Company purchased that also. There are four Companies now. What I am afraid of is this: No doubt the raw material is here, but the Canadian Company seems to be profiting most by the protection. I am making the statement for want of any other information. There are four companies now operating. Possibly there are more after 1944. I am reading from this Report of 1944. The companies are (1) Aluminium Manufacturing Co., Ltd., Calcutta, (2) Wolverhampton Works Co., Ltd., Bombay, (3) Anant Shivaji Desai, Bombay and (4) Lalubhai Amichand, Bombay. And then Jeewanlal (1929) Ltd.

**An Honourable Member:** Where is it?

**Shri M. Ananthasayanam Ayyangar:** Possibly in Bombay. Now, this Jeewanlal (1929) Ltd. is none other than the Canadian Company in another form. Hitherto the practice has been for Indian firms to take to English names though an Indian proprietor starts the firm. That was done for the purpose of attracting the custom from the European masters who were ruling this country then. We used to find a dark man calling himself King and Company. Now the practice is the reverse. Simpson & Company will overnight transform itself, without any proselytisation, into Rama & Company or Narayanan and Company and so on. I do not know whether this Jeewanlal and Company which has amalgamated itself or has entered into a combination with the Canadian Company is only a small fraction of the Canadian Company which is ruling—I have not got any details, I have not got any report. This Canadian Company which was producing large quantities of aluminium and exporting it from Canada has been competing with this company which was

[Shri. M. Ananthasayauam Ayyangar]

only fabricating utensils and holding our market. The Canadian company has swallowed up these companies and has established itself in this country. Possibly this protection will benefit only the foreign company—I do not know.

Now I recollect the charge that was made by my friend Mr. T. T. Krishnamachari that the ore is being transferred from one place, that is Calcutta, to another, that is, Alwaye in Travancore for converting it into steel ingots and therefore the long distance and other things add to the cost. I may tell him this. I find from this Metallurgical Report that so far as Canada is concerned Canada does not produce any bauxite at all. It has no bauxite. The natural material for manufacturing alumina in the first instance and aluminium next is not available there. The ore is exported to Canada from South Africa. But Canada produces the largest quantity of aluminium in the world. So the non-availability of the raw material in the place of manufacture does not stand against the need for protection. As a matter of fact England does not have any cotton but Manchester is producing such a large quantity of cloth. That theory has been exploded long ago. The distance from one part of our country to another is not so great. It is true that this industry requires a large quantity of power, and that the hydro-electric power is available in Alwaye. And sooner or later when the Damodar Project comes into being some of the power might be available in Calcutta. Even then one single unit will not be sufficient to produce all our requirements. Therefore, without any hesitation we can support the need for protection so far as this industry is concerned.

It may be true that Europeans are running this concern. I would like to know whether this company, if it is a European company, satisfies the ordinary requirements of foreign capital in this country—we must have 51 per cent. of the capital—whether there is provision for the training of our technicians, whether the board of management is managed by a majority of Indians and so on. Without those safeguards, to avoid foreign competition it does not mean that we should bring in the very persons who are competing with us from outside and give them protection in another form and shape inside. With that condition—I would certainly like to support the plea for protection.

Recently there was a conference convened by the Ministry of Industry and Supply. A Committee was appointed to go into this question of helping the aluminium industry. They referred to these two materials and said that even at Alwaye they are not able to generate sufficient power to convert all the alumina available into ingots. That must be provided for as early as possible. The want of transport facilities also, they say, has stood in the way of the manufacturing process. This conference was convened on the 27th and 28th July 1949—only three months ago. Then it was remarked that these facilities were not being made available. Mere tariff protection is not enough, but these other facilities must also be given. So far as tariff protection is concerned I join hands with my friend Mr. T. T. Krishnamachari that we have been at a handicap. I have been repeatedly stressing this point on the floor of the House that when a Tariff Report is placed before us—and the hon. Minister certainly scrutinise it—we should immediately, without knowing what the details are, what are the ingredients that have been taken into account in the costing, how efficiently it could be worked and so on, blindly say 'ditto' to what the Commerce Minister says. I have very great respect for him, but I do not want merely to be a rubber stamp when the Government places a Bill before the House.

I am sure hon. Members will appreciate the difficulty under which we are labouring. I have got this Metallurgical Report of 1944. Possibly it is an old, antiquated, antedeluvian report. Since then, if the matter has been placed before the Tariff Board, has that Board considered it before or after devaluation?



While on the one hand I agree that this industry must be protected because it is likely to stand on its own legs sooner or later with some help from the Government, on the other I wonder if under the present circumstances the protection that is asked for is necessary. Always, we ought not to forget the load that is being imposed by one item or another on the consumer in this country. His resources are few and limited. The 30 per cent. *ad valorem* duty is there; it is a revenue duty. Whether it is by itself not enough is a point that has to be considered. Then an additional duty of Rs. 328 per ton is imposed and another Rs. 121 per ton is also imposed in another form on the same material. When were these fixed? Before devaluation or after devaluation? Devaluation by itself is sufficient to give this amount as a protection.

Then also, Canada is a hard currency country. The main competition is from Canada. On account of exchange control it is very difficult to get hard currency; that also adds as an indirect protection to this industry. There is this 30 per cent revenue duty, then there is the effect of devaluation, and thirdly on account of exchange control there are limitations imposed; the G.L. also has been withdrawn. These are all circumstances which by themselves are enough to give the protection more protection than has been recommended under this Bill. Therefore, if the Tariff Board did not go into this matter after devaluation, it is necessary that it should go into it again and see whether the circumstances I have mentioned are not sufficient to protect this industry and give it that protection which was recommended before devaluation took place. That is a matter which certainly ought to have been placed before us. I am exceedingly sorry that the hon. Minister has not given us those details. Possibly he is thinking of doing so, even now it is not too late and I am anxiously expecting any information of that kind.

Then, Sir, I want to know what the by-products of this industry are? There are various ways in which the costs of production can be reduced. What are the by-products and what steps have been taken to utilise them to reduce the costs of production? That is another matter with respect to which I would like to have information from the hon. Minister. From the Indian Trade Bulletin issued by the Commerce Ministry I find that today we are producing as follows: 604 tons for the first quarter of 1948, 872 tons in the second quarter and 889 tons in the third. Striking a balance and taking an average the annual average production in this country is 8200 tons. We want much more. Therefore, I give wholehearted support to any desire to protect this industry. At the same time I would like to be guarded in imposing an additional burden and would try to avoid the burden without prejudice to this industry. From the facts that I have in my hand, I think this protection is unnecessary because there are other ways of achieving the objective. As I have already stated, the 30 per cent revenue duty, the effect of devaluation and also exchange control limitations, all these give that protection which may have been recommended by the Tariff Board. Possibly I may be wrong—I should be glad to be shown that I am wrong—but as at present advised I have no other material. Therefore, from the material on hand, while recognising the need for this industry to be protected, I think it is already amply protected. If there is a clarification I would certainly like to support the case. Even now it is not too late for the hon. Minister to ask the Tariff Board to review it, and keep this Bill pending until they review the question in the light of the circumstances that have come about recently like devaluation etc. Regarding the other cost-reducing element like the by-products etc. also we have no information.

Sir, I give qualified support to this Bill. If the Tariff Board reported long before the devaluation, then there is no great hurry for pursuing this matter now. The Bill may be kept pending, the matter may be referred to the Tariff Board and we would like to have its views.

**Prof. N. G. Ranga** (Madras: General): Sir, I wish to support this Bill and in an unqualified manner too, but at the same time I do join with my friends the Deputy-Speaker and Mr. T. T. Krishnamachari in their plea that more and better information should be made available to Members of this House in order to help them to understand the position and appreciate the stand taken by the Government and offer constructive criticism. If the information asked for had only been supplied to us, it would not have been necessary for the Deputy-Speaker to content himself with offering only qualified support. I wish to remind my hon. friend the Minister in charge, Mr. Neogy, of his own experience of this House in earlier times when the Commerce Department could not have thought of introducing a Bill like this without first of all circulating among the Members of the House a report of the Tariff Board if there were one and make available such other relevant information to all the Members of the House. I wonder why in spite of repeated reminders in this House to him and to the other Ministers that a similar practice should be pursued even now.....

**The Honourable Shri K. C. Neogy**: Sir, may I interrupt my hon. friend? I think the facts should be known in regard to the question of supplying of the report of the Tariff Board to hon. Members. This report has been in the library for a considerable time. Quite a considerable number of copies, I think, are supplied to the library. It is true that in the past, while I was a Member of the Opposition, the practice used to be to send a copy to each Member separately, but as a matter of economy this practice was given up some time ago and each individual Member is not supplied separately with a copy of the Tariff Board report but several copies of each report are made available in the library of the House. I am sorry to say that on enquiry I find that not many Members make even any enquiries of the librarian as regards the existence of this Report.

**Shri T. T. Krishnamachari**: If the Chair will permit me, may I say that I visit the library every morning but my hon. friend the Minister does not expect me to use my second sight to anticipate that he is introducing a Bill of this nature. Unless we know that the Tariff Board has reported and there is going to be a Bill as a result, we cannot go and ask for the particular report and I think my hon. friend cannot take shelter under the fact that copies have been supplied to the library.

**Prof. N. G. Ranga**: I can only sympathise with my hon. friend the Minister.....

**Mr. Speaker**: I think we shall have to find out some way out of this. I was just considering as to whether, whenever copies of reports are placed in the Library, an intimation should not be sent to hon. Members saying that copy of such and such report has been placed in the Library. It should not cost much, really speaking, if during the period the House is not in session, we were to send out to hon. Members monthly statements of reports which Government have placed in the Library. I think that will serve the purpose.

**Prof. N. G. Ranga**: I will just add a little suggestion to what you have stated, that it would be indeed convenient to most of the members if the Minister concerned, whenever he wishes to introduce a Bill of this nature, also takes care to circulate a small slip of paper through your Notice Office informing the Members as to what are the relevant reports which can be consulted in the Library concerning the matter dealt with.

**Shri M. Ananthasayanam Ayyangar**: I may be pardoned for interrupting. On a prior occasion, when I raised the same difficulty regarding the Tariff Report, my hon. friend the Minister was pleased to circulate an extract of the various reports. I thought he would do a similar thing so far as the present report is concerned. After all, we are not very squeamish about books, papers and other things being circulated. It only requires some patience and time on the part of

his staff to give us some information. Otherwise, our votes will be merely one multiplied by so many million. Nothing more than that.

**Prof. N. G. Ranga:** This matter has been argued enough. Let me add only one remark. My hon. friend Mr. Neogy being an experienced parliamentarian himself should hereafter at least try not to take this House for granted, but on the other hand, treat this House with the same courtesy that he expected to be shown in earlier times. I think I have said enough on that point.

Now, Sir, I am very happy at the new method of offering protection that my hon. friend has now decided upon.

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

In earlier times, we used to argue with the other Government that if they were to offer any protection at all it should be done, as far as possible, through a direct bounty to the industry or industrial concerns concerned, so that it will be possible for us to keep effective control over its various degrees of efficiency, and I am glad this Government has adopted that principle. I am also glad that in addition to offering this bounty it has offered this protection. I am not able to agree with your own assumption that possibly with the devaluation that has come in, the protection that the industry might be getting with the help of devaluation and 30 per cent. revenue *ad valorem* ought to be enough, because while the cost of production comes to Rs. 1900, the amount of protection that is sought to be given now would be only Rs. 237 during the current year and Rs. 146 during the second year, that is, from 12 per cent. to about 8 per cent. or even less than that. Therefore, it cannot really be enough if we were to leave the industry to look after itself only behind this devaluation and revenue duty. There is a case for the protection that is sought to be given by the Government at present. I do agree that the Government should try to take necessary steps to provide all other facilities also, such as transport, supply of hydro-electric power, etc. But in addition to these, this protection also is necessary and I am glad it is being proposed.

I am also in agreement with you in saying that the Government should keep trace of the various methods of production that are being adopted by these companies. We have got to take care to see that rationalisation is brought about and every possible step is taken in order to step up efficiency. At the same time, it is necessary for us to ensure the production of aluminium in our own country: as much of it as possible. I was told by the hon. Minister that we are producing at present only about 25 per cent of our needs and it is not long ago that India was in a very unhappy condition because she had to depend upon Canada and Canadian aluminium could not be brought in as easily as was necessary because of shipping difficulties and various other things. We do not know what is likely to happen in the rest of the world, whether the kind of peace that we are now enjoying is likely to last for a long time. Therefore, it is necessary for us to build up this industry of strategic importance, and I do not know how far even with this amount of protection that we are going to offer to this industry it would be possible for us within the next five or ten years to become self-sufficient so far as this material is concerned.

You have raised a very relevant point in regard to the management of these companies. For instance, I do not know to what extent India can really say to herself that she has got effective control over the activities of this Jeevanlal Co. Now that Government has not only agreed to give protection but also direct bounties, it would be the duty of the Government to see to it that this as well as other companies are persuaded from time to time to increase the number of their Indian personnel and watch their status, their training, their

[Prof. N. G. Ranga]

efficiency and so on and in that way ensure that within a reasonable period, these companies may be expected to pass entirely into Indian hands not only in regard to management but in regard to their regular staff.

We are assured that this bounty is to last only for three years and that too is to be given to this industry in a tapering fashion. At the end of three years, it may be possible for Government to stop it, but nevertheless, Government have taken power to review the position at the end of these three years. If even at the end of three years the bounty comes to be necessary and protection also comes to be necessary, I am sure Government would be well advised to give this bounty as well as protection. I have no doubt whatsoever about the need for offering this kind of double-sided protection to this industry, and I wish to congratulate the Government also upon having devised this method in order to satisfy the needs of the consumers also. Consumers have to bear a portion of this protection and at the same time, the general public as a whole should be expected to bear their own portion. So both sections are called upon to help—I should not say help this industry, but help this Government and help India in order to build up this industry, because to build up this industry is itself a national service at the present juncture.

**Shri B. Das** (Orissa: General): I support the Bill. I have always had doubts about capital formation of the aluminium companies. Now that we are going to be a Sovereign Republic, I would like to know to what extent the Canadian people are dominating over the policies of these aluminium concerns. To all intents and purposes, the impression that I have gathered within these ten or fifteen years is that it is a cartel of the Canadian gents who have created a monopoly all over the world in the matter of aluminium concerns. But I would very much like my hon. friend Mr. Neogy to tell us how far India has got freedom to exercise its sovereignty over the rights of these people. I would like to know also whether the 51 per cent. capital is there and whether there is a definite policy of at least the majority of the Directors being Indians and not paid stooges of the Canadian people. If I can see events, aluminium industry will play a big part in the development of our industries and security of our nation.

India has got very little copper. We will soon settle down to apply aluminium for our key industries like, electricity etc. In the United States of America aluminium cables and aluminium wires are used for transmission purposes. In India we have made very little effort to use aluminium wires and if aluminium is produced cheap, then no doubt India will use aluminium wires for mechanical as well as electrical purposes.

Sir, I agree with the hon. the Commerce Minister that when our huge hydro and multi purpose projects like the Damodar valley and the project in my province the Hirakud are completed, we will be in a position to supply cheap power for the manufacture of aluminium. In Orissa we have got rich deposits of bauxite and with the help of cheap power, we hope we will be able to tap them to the utmost extent possible.

But there is one snag. The capital cost of most of our post-war projects have gone up by as much as one hundred percent, with the result that it is doubtful whether we would be in a position to supply cheap power to the aluminium industry. This is a matter which the Ministries of Commerce, Industry and Supply and Works, Mines and Power should examine, with a view to seeing whether cheap power would be available to the aluminium industry.

Sir, I want to say a few words in connection with the enquiries of the Tariff Board. The House invariably has not much knowledge of the reports of the Tariff Board. The Government now is our own and it should start the practice of circulating a resume of any particular report which a Minister may have to

use in defence of his Bill. A brief typed note of, say two or three pages, giving a summary of the report of the Board will help discussion on the floor of the House. I plead guilty I have not read the Tariff Board's report in this case. There are occasions when we forget events and I suggest that this practice may be evolved.

Sir, you rightly raised the question as to whether after devaluation the Tariff Board had re-examined the situation. I think for the past two or three months nobody's mind is set properly at rest. We do not know whether the Canadian capitalists will suddenly reduce their prices if there is any Indian firm which is not included in the cartel and tries to work independently. I do not think Canada has yet reduced her prices though she is in the dollar area, but to save her key industry she may at any time drop the price to the disadvantage of the Indian manufacturers. So, I do suggest that the Tariff Board should continue to keep an eye on the progress that the aluminium industry makes by the protection that we are going to give and if necessary the Board would recommend to the Commerce Ministry that the question of bounties and protection may be revised earlier than three years.

**Shri Biswanath Das** (Orissa: General): Sir, at the outset let me state that my anxiety to help, protect and develop the industries of India is no less than that of any hon. Members that sit here. With all my enthusiasm I must frankly confess that I am not able to agree with my hon. Friend the Minister of Commerce. Need I also state that I am not satisfied with the way in which the Tariff Board recommends industries for protection as also the way the Government has been giving effect to these recommendations?

Sir, let me refer in this connection to sugar industry. We have been giving protection to the sugar industry for the last two or three decades—and with what result? The Tariff Board must have made recommendations for the development of the industry as such. But what have the industrialists done? They have not behaved as industrialists; they have behaved more as speculators. What is the agency, Sir—I should like to know at this stage whether it is the Government or the Heads of Departments or the Tariff Board—to watch the benefits that accrue from protection, as it is in this case, when protection and bounties are being utilised for the development of the industry. I must frankly confess, Sir, that my hon. Friend the Commerce Minister has not thrown any light on this point. Therefore, with the sad and bitter experience that I have of other industries where protection was given, I must throw off this recommendation merely on this ground and I would plead with my hon. Friend to agree with me that unless definite assurances are forthcoming that a specified machinery is being set up to watch that the industrialists utilise the benefits to develop the industry that accrue from it.

**Shri Rammath Goenka** (Madras: General): The machinery is there; but it is sleeping.

**Shri Biswanath Das**: Therefore, unless and until the Government gives an idea as to the effective agency that would watch the development of the industry and the extent to which the benefits of protection are utilised for the development of the industry, we are not prepared to agree and go with the Government. That is my first objection.

My second objection is that the Government is not proceeding with the recommendations of the Tariff Board in a planned manner, but in a slipshod method with the result that the country is put to eternal sacrifice. I cannot imagine that a country, and much less a poor country like India, just trying its best to stand on its own legs could be able to make an eternal sacrifice. Sir this sugar industry started in provinces like the United Provinces and Bihar where its output cannot compete with the output of areas like Orissa, Madras

[Shri Biswanath Das]

and Bengal. The development of this industry in United Provinces, etc., will have eternally to depend on bounties to keep it alive. Therefore, the National Government, unlike the bureaucratic Government of the past, should plan and develop this industry in a planned, regulated and scientific manner. What is it that the Government have done in this case? I am thankful to you, Mr. Deputy-Speaker, for placing before the House certain aspects of this question of protection to this industry. By going to help this industry, Government will not be helping the country. The recommendations of the Government remind one of the Lord of Pakshithirtha. He had four definite places to visit each day: his night's rest was at Badrinath, bath at Benares, midday meal at Pakshithirtha and the evening Bhog at Dwaraka. That seems to be the fate of this unfortunate industry that we are going to help. In some places you have the raw materials, in places like Travancore, etc., certain operations have to be conducted and in Calcutta a third process has to be done. Like Pakshithirtha you have to go from place to place to complete and develop the industry.

Sir, you were good enough to make certain statements with which I confess I do not agree. You said that the distance of raw materials have nothing to do with the development of any industry. True, England has developed the textile industry though she had no cotton. Because she was having the backing of the empire to develop that industry. The example of England will not therefore be of avail to us and will not enable us to face world competition in future years. I was the other day reading in the newspapers that the British industrialists were thinking many times more than they ought to as to how to face future competition in the textile industry. Similar difficulties we too will have to face if we plan the development of our industries in a slipshod manner. That is how things are being done by the Minister of Industries.

Sir, you said that we must see to the development of the various stages of the industry in this country, so that it will be a really national industry. But what is it that we have done? We have done nothing in this. Sir, we have the Doduma water-falls in Orissa for hydro-electric works which are in an advanced stage. The Madras Government is going on with the work with break-neck speed. It was started in Orissa. It was my misfortune to try to develop it with the helping hand of one of our ablest men, Mr. Giri, who was then the Industries Minister in Madras. He had talks with a Canadian Combine to make those people come to Orissa and develop the industry. You have inexhaustible bauxite mines in Jeypore and you have in Kalahandi district of Orissa. The hydro-electric installations which are soon going to generate electric power in Koraput District of Orissa are being now worked by the Madras Government. You have all these advantages there. Have you, my hon. Friend considered these conditions and circumstances? Has the Tariff Board taken into consideration these things, apart from the weighty arguments mentioned by the Deputy-Speaker?

Sir, my hon. friend said that devaluation has absolutely nothing to do with this protection. I join issue with him on this point. Canada has not come to the level of England in devaluation. I think Canada has devaluated her pound only by 15 per cent. (Mr. Deputy-Speaker: 12½ per cent.). To that extent it has given protection to these industries. Therefore, the point raised by you has a certain amount of relevancy and I would like to know whether the Tariff Board has considered these questions.

Sir, it is now one o'clock. I will take some more time.

*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.*

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**Shri Biawanath Das:** I was complaining to you that the full picture of the case had not been placed before the Assembly by the hon. Minister. Only one side of the picture has been placed and that picture, I must frankly admit, is not even complete. Sir, the hon. Minister has not placed the financial effects of his proposal in terms of rupees, annas and pies. We have a right to know what amount of money in the course of these three years is going to be placed in the coffers of these industrialists and the stages of development that they propose to adopt in the course of these three years. That, I believe, would have completed at least one side of the picture. Sir, as I have already stated, I repeat that these amounts that would be paid by means of protection and bounty, should enable the industry to develop in stages and here we have a right to know the definite stages to which the industry is expected to reach at the end of the year and also by the end of the period. This information would have completed one side of the picture.

I now come to the other side of the picture. My hon. friend, the Deputy Speaker, has very rightly pointed out that we have to look to Canada and other countries for ingot and other things. That being the position, this House has a right to know at this very stage what steps are being undertaken either by the Tariff Board or by the Government to work and develop the bauxite mines and work them so that we will be in a position to produce here the ingots and other allied things in due course. With the little experience that I have had of the development of hydro-electric projects in Orissa in co-operation with the Government of Madras and its Industries Department, I claim that in the districts of Koraput and Kolhandi we have—we were advised by experts both of Madras and Orissa—we have abundance of bauxite. At all these places we have also the convenience of hydro-electric installations to come soon. Sir, looking at the timetable, I feel that the Government ought to have known that the Doduma hydro-electric station is expected to be installed at the earliest possible opportunity, and if my recollection is right, the timetable is 1952. Therefore, you have convenience not only of hydro-electric installations but of bauxite and also the convenience of port facilities of Vizagapatam, and also railway convenience. All these conveniences are admitted. Therefore, this House has a right to know why the industry has not been planned from the initial stages right up to the stage of manufacture and also why convenient and economic places have not been thought of in preference to places which are bound to make production very costly.

Sir, having said so much about this, I now come to the location of Asansol. My hon. Friend stated, in a way he admitted, the need of a thermal station and the burning of coal. In this connection, I had a discussion with one of the prominent and renowned hydroelectric experts of Hyderabad. He ridiculed the idea of generating hydroelectric power by means of coal. He said, what is the use of burning away coal—your national wealth, when you can utilise all your water flowing into the ocean? So, I would appeal to the Government to think seriously of this question. You are taking up the establishment of hydroelectric installations. Why not develop these industries by the side of hydroelectric power so that in due course you will not only have any amount of cheap power that you want but you will have production cheaper, avoiding the need of straining your transport facilities in times of stress and necessity. All

[Shri Biswanath Das]

these are weighty considerations. Therefore I would plead with the Government to give due consideration to this aspect of the question over and above the weighty considerations that were placed before the House by the Deputy-Speaker.

Another point which I wish to place before the House is this: I think that the hon. Minister should have placed a Bill of this magnitude before the Standing Committee of his Ministry.

**The Honourable Shri K. C. Neogy:** It was placed before the Committee and it was approved by them.

**Shri Biswanath Das:** I am thankful, but he could have stated that. Then again, I cannot see, nor can I understand, the meaning of the hon. Minister coming just four days before the close of the period, placing a Bill of this magnitude before it and saying, unless you pass the Bill, the industry will be out of gear, because you have only four days left. That claim, I claim, is hardly satisfactory to the hon. Members of this House.

**The Honourable Shri K. C. Neogy:** The Legislature has given the right to the Government to take action in urgent cases on condition that the matter is placed before the legislature within a particular time and the Bill was introduced on the opening day of this session and today is the earliest day on which it could come up for consideration and I want to repeat that the legislature itself has given this right and the discretion to the Government for the purpose of taking adequate action in anticipation of the legislature's sanction.

**Shri Biswanath Das:** Sir, no one denies that power. Irrespective of the legislature giving such a power any responsible Ministry carries with it the power of the legislature, the prestige of the legislature as also the responsibility of the legislature. Therefore, this needs no telling but despite all that has been stated by my hon. Friend, the Minister in charge of the Department, I claim that action could have been taken to bring this matter earlier than what has been done now, so that we could have more leisure to think over this question. Sir, I have nothing more to add.

**Shri B. K. Sidhva:** I do not think that you will charge me for repeating some of the arguments which had been advanced by the previous speakers, but when the rights and privileges are not respected by the Ministry, it becomes the duty of members to draw your attention, Sir, more than once. Although you have been good enough to find out a *via media* as to how the House should be supplied with the copies of the reports--we are all thankful to you for it, Sir but that also is not enough. That is something, I should say, but that is not all the thing that would serve the purpose of sending a copy to the Library and give intimation to us. I have been always advocating that we do not have all the information. You were good enough to help but that is not sufficient. All members are not staying in Delhi and we do not know what Bills are coming. At the same time I do not know whether the Library rules will permit me to ask for the copies to be sent to my address by post. My hon. friend stated that previously before the War these reports were supplied and during the War for want of scarcity of paper they have been stopped. I suggest to him that now the War is over and the paper situation is easy, let us go to pre-war times and let us have these copies. They are printed, not cyclostyled and the question is only of paper and I do not think there should be any difficulty about it. I hope the hon. Minister will see to it that these important reports relating to the protection of industries, for which we have been repeatedly asking, are supplied to us. It is not today that my hon. friend, the Deputy-Speaker and my other friends have made this grievance. On the last occasion when the Tariff Board question came for five or six other industries, we raised the same point and the hon. Minister should have borne in mind our requests. It is an



insult to the House. When we stated that we should be supplied copies the hon. Minister made a note of it and yet even today we are not supplied these copies. I am not stating that for the first time. The members stated last time also and the hon. Minister should have taken a little care for the members who take interest in these matters and supplied them this information. These reports are very important, very interesting and very illuminating. The hon. Minister said that some copies are there in the library. I have been trying since yesterday and up to now the Librarian has not got them. He is hunting out somewhere to get it now for me and I had to borrow from the hon. Minister for certain references. I am not getting the copies and that is our difficulty. I am glad we have come to an arrangement. But let me tell you that that is not sufficient. Sir, you must compel all the Ministers that they must supply these copies to all the members.

I have been rather surprised that you have in your Secretariat issued an order that the verbatim report of the questions and the proceedings should be circulated and I was simply surprised and even amazed that within 12 hours the whole proceedings of day before yesterday are there in the library. What a fine thing! It is cyclostyled and I am going to request your office to kindly supply a complete cyclostyled copy to each member. I hope you will be good enough to supply this copy. I repeat I am simply surprised how your Department has been able to produce a document of the proceedings and keep it in the library within such a small space of time. I give all the credit to whosoever originated this measure. Our ministers should also bear that in mind and these important points, they must also understand. This is not the first time that we have been telling them.

I hope Sir, my reference to this and my other friends who have made a grievance will not be now thrown aside and the hon. Minister will bear in mind and supply these copies. I do not think the question of paper should come in a matter like this. Why are we here? We are legislators and the legislators are not supplied with these materials. On Monday this Bill is introduced and on Thursday we are asked to pass it. We have to study this volume of literature if we are really to do justice. Let me tell you, that we cannot do justice, because we have not studied them in the true sense. This report is required by each member and there are so many members who are anxious to study.

Now I come to the reference to the Tariff Board for protection of industries. We are all anxious that our industry should be protected. There is no doubt about it. No one in this House desires that the industries should be protected at the cost of the consumers. During the British days we protected them simply because we stated that when the time comes this industry will be beneficial to the country. Now the reference to the Tariff Board is made mostly for the benefit of the industry and not for the tax-payer or the consumer. In the terms of reference it is stated that in making the recommendation the Board is required to give weight to the interests of the consumers. Now as far as the industry is concerned, there are five items there. I received Sir, a few days ago, a questionnaire regarding the protection of sugar industry that the Tariff Board is now considering. There are 107 questions and only seven or eight questions relate to consumers. I fail to see why so few questions are mentioned for consumers. The questions to consumers are: how much sugar you consume per month? What is the price and how much are you paying, and do you think the industry should be protected or not? Some six or seven questions are for the consumers. My point is that the Tariff Board is under the impression that the Board is especially for protecting the industry, right or wrong. That policy should be revised. I feel that questions should be put into the industry itself. Have you borne in mind at any time the interest of the tax-payer and the consumer to make your industry self-supporting? Have you at any time borne in mind that you can compete with foreign countries? If

[Shri R. K. Sidhva]

not, what are the reasons? What are your over-head charges as far as the country's money is concerned? These questions are not there. How much have you been producing? What are your over-head charges? These general questions are there. My point is that the hon. Minister must change his terms of Reference in the light of the new circumstances in which we are working now.

He must know it is no use telling us that the legislature has given him power. The whole legislature has given him power but that is not the reason why he should take pride in it, and say what he has done is constitutional. The whole point is whether he really feels that this is the view of the House and whether he is acting really as the House desires him and not because some legislature has given him the power and in view of that he gives sanction to the protection in anticipation of the House. I hope he will really bear in mind the criticism levelled. None of the four members who have spoken have given their wholehearted support to the Bill. Others have given their qualified support. I am also giving my qualified support, because I know that devaluation has opened our eyes. We want to make our industries self-supporting. This morning I put a question about the tool-making industry. I am very glad to know that the axe has not fallen on such an important industry. I want such kind of industries, whether with or without loans, to be started immediately, so that all our difficulties might be removed. But that does not mean that the hon. Minister should at the cost of the taxpayer go on helping them without any reason year after year. It is said that the protection for aluminium industry is up to 1952 but that it will be considered after 1952 if necessary. Is there any policy or system guiding them? Why can't such of the industries which have been in existence for over a decade stand on their own legs. Sugar protection is coming at a later stage and again they are going to give them protection. Last year it was definitely stated that we are going to give only one year extension and not more. I know what will be the fate of the sugar industry. For the last 17 years the industry has been getting protection and they are not even able to give us sugar at a price which the average man can afford. My friend the Deputy-Speaker made out a good case regarding aluminium. First we started making utensils and now thank God, we have the raw material. Government must give their proper attention to this and make a reference to the Tariff Board in the manner that the country desires. When we say that an industry is protected it does not mean at all costs. I want the Minister to remember that. If the Ministry at a later stage feels that the industry does not behave properly instead of nationalising it I would suggest that they should take it over and work it themselves.....

**Shri B. L. Sondhi** (East Punjab: General): Without compensation?

**Shri R. K. Sidhva**: There is no question of compensation. The property will be theirs but we shall manage it and give the product to the consumer at a very cheap price.

**Shri B. L. Sondhi**: What about loss?

**Shri R. K. Sidhva**: There will be no loss. This aluminium concern can be self-supporting without any protection. We are losing in revenue by giving them protection. If we were to import from foreign countries we will get the goods at a much cheaper price. It is the poor man who uses aluminium utensils and yet we are prepared to help the industry financially. The same policy of the olden days is continued. Our views are not at all respected. The hon. Minister should make clear to the House whether he took note of what we said last time. What promise he made even last time he will bear in mind as far as this industry is concerned.....

**The Honourable Shri K. C. Neogy:** This industry?

**Shri R. K. Sidhva:** This industry also came under discussion. Here is a recommendation made by the Tariff Board:

"Government should help the rolling mills to procure modern up-to-date equipment from abroad as soon as possible."

This is a useful recommendation. Instead of giving the industry facility for importing machinery the Government today do not allow them to import the kind of things that they want for the benefit of the country and go on giving protection without any consideration. I want to know whether the hon. Minister has taken note of the recommendation. If anything is needed for the expansion of the industry to bring down the prices what steps have Government taken in that direction? If machinery is required for expansion Government should see that this machinery is brought even at the cost of a few dollars or sterling. If that is done I am sure they will be able to stand on their own legs, and in respect of aluminium products we will become self-sufficient. I am also anxious that a steel factory should be started and also hydro-electric plants installed. This tractor business should stop: we can do without tractors. We can use our ploughs and sink wells but we cannot do without hydroelectric or steel plants or tool-making machines. Government should have that kind of policy instead of a haphazard policy which they now have. One Minister does one thing and another Minister does another thing. If the Food Commissioner wants to produce more food another Minister takes away acreage from sugarcane, a third Minister wants more cotton and a fourth more jute. They are all there in the melting pot all the time. Why can't they consider in the Cabinet what is really needed for the self-sufficiency of the country as a whole?

With these words, Sir, I am also giving helplessly my qualified support to the motion.

**Shri Prabhu Dayal Himatsingka (West Bengal: General):** Sir, I beg to support wholeheartedly the Bill introduced by the Minister of Commerce. The Bill is based on the recommendations of the Tariff Board. A copy of the recommendations was placed in the hands of the members of the Standing Advisory Committee attached to the Commerce Ministry and they also agreed that the Minister concerned should bring forward a Bill to give the protection recommended by the Tariff Board. The Tariff Board went into all the facts and figures and considered the case from all points of view and the Tariff Board has made its recommendations taking into consideration the needs of the industry and also keeping in view the fact that the consumers have not to pay more. It has been admitted that the aluminium industry is a very important industry for various purposes both during war and peace and it is one of the metals which is being very largely used for various purposes, domestic utensils, aeroplanes, motor cars, etc. Unless the country is in a position to produce its own requirements we will always be dependent on foreign countries and be in difficulty for exchange. As a country cannot depend on foreign countries for all time at a certain stage the consumers have to pay a little more in order that the country may become self-sufficient....

**Shri T. T. Krishnamachari:** In order that the industrialists may make more money.

**Shri Prabhu Dayal Himatsingka:** So far as this question is concerned I can speak from personal knowledge that this industry was started by certain persons in Bihar and Bengal combined—the Aluminium Corporation of India at Asansol. The original estimate was that they will have to put in about 30 lakhs. Practically throughout the world the aluminium industry is controlled by Canadian interests. If you want specialists you have to look to them, if you want machinery you have to look to them. In spite of all these difficulties

[Shri Prabhu Dayal Himatsingka]

certain persons took into their heads to start this industry. When they started it they found that the capital they had been able to raise was short. Therefore for some time further progress remained closed and then negotiations were started by these parties with another big firm of industrialists. They are the persons who are now in charge of the management. They thought that about 75 lakhs would be sufficient to make the industry go but to their utter surprise they found that even when they had put in about 1,20 lakhs it was not sufficient to start the factory. Under those difficult circumstances this Indian company

at Asansol was started. They have been losing. I can speak from A. P. M. my personal knowledge that the shareholders who hold preferential shares—to whom they have agreed to pay five per cent. dividend per year—have not been paid any dividend for the last five years. Five years' dividend is in arrears.

An Honourable Member: That is always the case.

Shri Prabhu Dayal Himatsingka: This industry has been started under these difficult circumstances, and if we speak in a different tone, not being in possession of the full facts, we cannot help it. But it is certainly the duty of the Government and of the country to help those persons who have taken the courage to run certain amount of risks and put in a lot of money so that India may become self-sufficient in aluminium. You will find that the other company, the Indian Aluminium Company, can beat any Indian company with cheaper goods. But what will be the result? If we do not have a factory in our own country and if the factories of the country are eliminated then they—the foreign interests—will be able to dictate their terms and charge any price they want. That is the reason why for a certain period the country has to support any new industry that is started which is necessary for the good of the country and which needs protection. That is why this measure is absolutely necessary, and I whole-heartedly support it.

चाँदनी रणजीतसिंह : सभापति महोदय, इस प्रस्ताव का समर्थन करते हुए मैं यह नम्र निवेदन किये बगैर नहीं रह सकता कि यह प्रोटेक्शन देने की नीति बहुत दिन तक जारी नहीं रह सकती है। बहुत सारे घन्ठे ऐसे हैं जिनको टूटिक काफ़ी साल से प्रोटेक्शन देते चले आये हैं और कई साल से कम्बूमर्स घाटे में रहते चले आये हैं। अभी श्री हिममत्तसिंह जी ने अल्मूनियम इन्डस्ट्री का बिक्रि किया लेकिन अगर आप खांड की इन्डस्ट्री की तरफ ध्यान देंगे, तो पता चलेगा कि टैरिफ बोर्ड किस तरीके से फंक्शन करता है। टैरिफ बोर्ड ने खांड की भी संरक्षण के लिये रेकमेन्ड किया था। खांड की इन्डस्ट्री के बारे में यह बतलाया जाता है कि बहुत सारे कारखाने ऐसे हैं, जो सी फ़्री सदोत्पन्न मूनाफ़ा तक़सीम करते हैं। हमारे इसके अलावा यह मान भी लिया जाये कि बहुत सारी इन्डस्ट्रीज़ को प्रोटेक्शन की जरूरत है, तो भी मैं समझता हूँ कि देश की आर्थिक दशा आज ऐसी हालत पर पहुँच गई है कि हमको प्रोटेक्शन बढ़ा सोच समझ कर ही देना चाहिये, और वह भी उन्हीं इन्डस्ट्रीज़ को देना चाहिये जो बन्द माल के अन्दर अन्दर दुनिया के साथ मुकाबिला कर सकें और जो इन्डस्ट्रीज़ दुनिया के साथ मुकाबिला नहीं कर सकती और देश के इक़तस के लिये भी नहीं हैं, उनको मैं समझता हूँ कि प्रोटेक्शन नहीं देना चाहिये।

समापति महोदय, एक और मेरा नम्रनिवेदन है। मैं बी० दास जी की तरह से इस बात पर यकीन करता हूँ कि हमें प्रोटेक्शन देने के लिये मजबूर होना पड़ता है, इसका एक कारण यह भी है कि इंडस्ट्रियां ठीक जगह स्थापित नहीं की जाती हैं। मेरी भी उनकी तरह से यह इच्छा है कि पंजाब के अन्दर जो बसगा डाम और नांगल प्रोजेक्ट्स हैं जिनसे कि त्रिजली पैदा की जायेगी, बेहतर होगा कि ऐसे स्थानों पर अलमूनियम जैसी इंडस्ट्रीज डेवलप की जायें। लेकिन बदक्रिस्मती यह है कि हमारे देश के लोग जो इंडस्ट्री चलाने की तरफ ध्यान रखते हैं, उन सब की दृष्टि सिर्फ बड़े-बड़े शहरों जैसे बम्बई, कलकत्ता की तरफ ही रहती है। जो भी कोई इंडस्ट्री लगाना चाहते हैं, उन्हीं शहरों की तरफ भागते हैं। मैं अपने कामसे मिनिस्टर साहब से यह उम्मीद करूंगा और उनसे यह चाहूंगा कि उन्हें यह हवाल रखना चाहिये कि यह जो सैन्ट्रलाइजेशन इंडस्ट्रीज का हो रहा है, इसको रोकें।

एक बात और मैं जो समझता हूँ, और वह शायद टू दी प्वायन्ट न हो, मगर आज मेरे दिल में बड़ा दर्द है। अभी सिधवा साहब ने भी एक बात कही थी। एक तरफ अनाज की कमी का सवाल उठाया जाता है, दूसरी तरफ जूट का सवाल उठाया जाता है, तीसरी तरफ खांड का सवाल उठाया जाता है। यह बात बिल्कुल सही है कि जब तक देश की इकानामी बिल्कुल एक सोची समझी, मंत्री मंडल नहीं बनाकर चलाई जायेगी देश की तरकी सन्तोषजनक ढंग से नहीं कर पायेंगे।

अभी आज का जिक्र है कि पंजाब के चाँफ इंजीनियर साहब दिल्ली के अन्दर आये हुए हैं और कुछ दूसरे एन० एल० एज० साहबान उनके साथ आए हैं। वह इसलिये कि पंजाब के अन्दर जो बड़ा भारी बांध बांधा जा रहा है। जहाँ काफी हद तक प्रोग्रेस भी कर पाये हैं और उससे जिस वक़्त बांध पूरा होगा, अनाज की कमी काफी हद तक दूर हो जायेगी, और बिजली काफी तादाद में पैदा हो सकेगी, और प्रान्त के अन्दर तरह-तरह के कल कारखाने लगा सकेंगे। लेकिन बदक्रिस्मती यह है कि जितना रुपया सरकार ने देना किया था या जितना रुपया हिन्दू सरकार ने पंजाब सरकार को देने से इन्कार किया है, अगर उससे फालतू रुपया सरकार ने नहीं दिया, तो हो सकता है कि जितना रुपया उसमें लगाया गया है वह तमाम का तमाम जाया हो जावे। क्योंकि एक सुरंग (Tunnel) खोदा जा चुका है। वह भी फट जायेगा।

Mr. Speaker : The details of that will be irrelevant.

**Ch. Ranbir Singh :** Sir, I bow to your ruling.

मैं इस सिलसिले में इतना ही निवेदन करना चाहता हूँ कि इनके साथ साथ तमाम देश की सारी इकानामी का नाता जुड़ा हुआ है, और जैसा कि मैंने जिक्र किया अगर वह नहीं बन पाती है, तो सबसे पहले उसको प्रायः रट्टी देनी चाहिए और दूसरी चीजें बाद में आ सकती हैं। मैं बी० दास की तरह से यह चाहता हूँ और यह प्रार्थना करता हूँ कि कामर्स मिनिस्टर साहब से जितनी इंडस्ट्रीज को प्रोटेक्शन दिलाना चाहते हैं, दिलायें, लेकिन वह कम से कम इतना ध्यान में रखें कि आगे जो इंडस्ट्रीज बनें, वह ऐसे इलाकों में बनें, जहाँ हार्डवू इलेक्ट्रिक स्कीम की भाँती भारी स्कीमें हैं। इतनी बातें कहते हुए मैं अपना भाषण समाप्त करता हूँ :

*(English translation of the above speech.)*

**Ch. Ranbir Singh (East Punjab: General):** Sir, while supporting this resolution I cannot stop without humbly submitting that this policy of giving protection to industries cannot continue for long. There are certain industries which have been enjoying protection since long with the result that the consumers have been sustaining a great deal of loss. Just now Shri Himatsingka made a mention of the aluminium industry. But if you would take into consideration the sugar industry you would come to know how the Tariff Board functions. The Tariff Board had recommended the sugar industry for giving protection. It is generally said about the sugar industry that some factories pay out a hundred per cent. dividend. Secondly if it be taken for granted that all the industries stand in need of protection I feel that the economic condition of the country has reached such a stage that we should grant protection after much deliberation, and should grant protection only to those industries that would be able to withstand world competition after a few years. The industries that cannot withstand world competition or are in no way connected with the defence of the country, I think, should not be granted protection.

I wish to make one more humble submission. Like Shri B. Das I also believe that we have been compelled to grant protection to certain industries due primarily to the reason that the industries are not located at proper places. I share his desire that it would be better if the aluminium industry is developed at such places in Punjab where the electricity from the Bakhra and Nangal Dams will be available. But unfortunately our industrialists keep only big cities like Calcutta and Bombay in view. For every industry they want to set up, they rush to these places. I would expect and request the hon. minister of Commerce that he should better try to put a stop to this present tendency of centralisation of industries.

Another thing I wish to mention may not be to the point but I feel it very much. Just now Shri Sidhva has stressed a point. On one side the question of food shortage is raised; on the other side the question of jute is raised; while on the third that of sugar industry is raised. It is quite true that till the time national economy of the country will not be co-ordinated and conducted on well-considered and tried lines we will not be able to make satisfactory progress in the country.

These days the Chief Engineer to the Government of Punjab, along with some M.L.As. is in Delhi for the reason that a big dam is under construction in Punjab. The construction work on the dam has well advanced and when it is completed the food shortage of the country will, to a great extent, be removed. Sufficient electric power would be generated and many factories and machines could be run. But unfortunately if the Central Government do not pay the capital grant promised to the Government of Punjab or decline to give that amount, it is feared that the entire money so far spent on the construction of the dam would be totally wasted. A tunnel has already been completed and that also will crack.

**Mr. Speaker :** The details of that will be irrelevant.

**Ch. Ranbir Singh:** Sir, I bow to your ruling. In this connection I wish to say only this much that all these things are highly inter-connected with the national economy of the whole country. And if the matters could not be managed as I have just suggested, then at least this may be given a decided priority and all other things may wait. Like Shri B. Das I also wish and request the hon. Minister of Commerce that he may get protection granted to whatever industries he likes but he must at least keep this in mind that in future all the industries that are to be set up may be located at such places where huge hydroelectric schemes are present. Submitting this I close my speech.

**The Honourable Shri K. C. Neogy:** Sir, several hon. Members have made a complaint that certain undertakings that I had given previously with regard to the procedure to be followed in the matter of consideration of recommendations of the Tariff Board in such cases have been departed from. I took care to obtain a copy of the proceedings of this House where there are references to this particular point. The discussion took place on the 7th September 1948 when another Bill to amend the Indian Tariff Act was under consideration. That particular Bill concerned itself with as many as twelve industries and it was for that reason that I had circulated a sort of broad sheet giving briefly—very briefly indeed—the scope of the proposals of each of these amendments. In the course of the debate on that occasion reference was made to the past practice under which each hon. Member was supplied with a copy of the Tariff Board Report. And on that occasion, just as on this, I pointed out that we are not free agents in this matter, that this has been imposed upon us as a measure of economy and copies that are available being very much less in number the best we could do is to place them in the library in the hope that hon. Members would find it possible to make use of them. On that my hon. friend the Deputy-Speaker made the following observation :

*"May I suggest to the hon. Minister that in keeping with the earlier practice, as soon as the Government comes to a conclusion and passes a Resolution, to print and circulate the Report as far as possible. If it is possible the practice may be pursued hereafter."*

I am afraid we have not found it possible to comply with that suggestion. As a matter of fact, I am just now reminded that there is a fresh warning from the Ministry of Works, Mines and Power which controls the printing of the proceedings of this House as also of other Government publications, to the effect that they cannot undertake to print any more copies of such reports.

**Prof. N. G. Ranga:** Apart from all this quibbling, is it impossible for the Minister to supply at least a summary?

**Mr. Speaker:** Order, order. Let there be no heat over this question. We are all interested in economies and I was considering some other measure about it. I have also been carrying a feeling that we are perhaps unnecessarily wasting a good deal of paper and printing, in circulating each and sundry paper to every Member. I was, therefore, thinking of another alternative and that is

[Mr. Speaker]

that a certain number of copies may be printed or cyclostyled and each Member be informed that copies are available and would be supplied only to those who ask for it. If we could act up to any such thing, I think we should be able to economise and yet we shall leave no ground for complaint. I may tell you that my experience in another House was that when Members are requested to make a choice as to what publications they want, the usual reply is, "All the publications". That is why I was suggesting this alternative. Hon. Members might have also seen that, in this House, when a particular Bill goes on from day to day, the practice that I have been following now for the last one year has been not to place a fresh copy on the table of each Member every day as the Bill proceeds, but to supply a copy once for all with a request pasted on it that the Members are requested to preserve the copy and bring it with them. Yet, I am keeping a few copies in the Notice Office and Members are informed that who-soever loses his copy or forgets to bring it may be supplied with a copy. So, such *via media* may be found and I don't think we need pursue the matter further.

**The Honourable Shri K. C. Neogy:** I bow to your decision, Sir, but I was going to add that in highly technical matters like the report of the Tariff Board it would not be proper to attempt to make a summary of the recommendations or conclusions of the Report without, say, giving the summary of the text which is of a very technical character. Therefore, either it is the whole report that is to be circulated or by a summary we may not be doing justice to the report of the Tariff Board. I say this with regard to the suggestion that fell from my hon. friend Prof. Ranga.

**Mr. Speaker:** I was not referring to any summaries. I was thinking of having only a limited number of copies printed and then those who want a copy will have it by application to the Department.

**The Honourable Shri K. C. Neogy:** I don't think I would pursue that point any further.

Some amount of criticism has been made of the procedure which the Tariff Board follows in conducting such enquiries and some amount of dissatisfaction has also been expressed in the personnel of the present Tariff Board. I am not here to defend the Tariff Board nor do I think that the present members and the President of the Tariff Board need any defence at my hands. All I can say is that the whole future of the Tariff Board would depend upon Government's decision on any recommendation that the Fiscal Commission may make in that behalf. The Fiscal Commission is expected to go into the question of the future composition of the Tariff Board, its functions and procedure and so on. I would only request my hon. friends to wait for a little while so that we may know from the Fiscal Commission what they think of the position as it now obtains and what reforms they propose.

I might remind my hon. friend Mr. Krishnamachari that it is not one Tariff Board that dealt with this matter. I don't know whether he has no confidence in any Tariff Board whatsoever because the Tariff Board that went into this matter initially was the Tariff Board which was presided over by Shri Shanmukham Chetty and when later on, in the light of the circumstances that developed after that report had been made, the Government came to certain tentative conclusions as regards the variations that would be needed in the recommendations of the Tariff Board, the Government placed their proposals before the present Tariff Board which is, with the exception of one member, entirely different from the one that actually recommended protection, and this Tariff Board also have unanimously recommended protection on the lines that I have sought to embody in this particular measure.



Some reference has been made to the arrangement under which one of the companies has to send its raw material from Bihar to Travancore to be treated there with the help of electricity which is found in abundance and is also cheap. That, I am afraid, is a matter in regard to which Government had absolutely no hand. Whatever view my hon. friend Mr. Biswanath Das may take of it, I may tell him that these two concerns came into being about 13 or 14 years ago. One was established, as far as I can recollect, in 1936 and the other in 1937. Government had no hand in the determination of location of these two concerns at the time. They were promoted by private enterprise as in the case of many other industries and the promoters chose the places of their business. In future it is definitely Government's intention to determine the location of industry on a planned basis having regard to the natural facilities that any particular place may enjoy as compared with any other, but so far there has been no definite attempt at regulation of location except in the case perhaps of a few categories of industries that go by the name of "planned industries" which came into being only very recently. But my point is that if a particular industrial concern manufacturing aluminium has thought it best to locate its factory at some particular place, for that Government is not responsible. But as I have expressed my hope, even these locations may be found to be extremely convenient once, for instance, hydro-electricity is available in one case, e.g., in the case of the factory concerned located at Asansol which is definitely within the ambit of the Damodar Valley Project.

As regards the aluminium concerned, I don't know anything about the location of bauxite, I hope it may be possible to locate bauxite nearer Alwaya in Travancore than in Bihar at Mori. But then, may I point out in this connection that when we analyse the cost of production of these two concerns we find that the cost per unit on account of power is Rs. 244 in the case of the factory that takes its products to Travancore for being processed as against Rs. 840 in the case of the other concern which processes the thing on the spot in Asansol. Now, obviously there is a good deal of advantage in carrying the stuff from Bihar to Travancore. As a matter of fact, the difference in the cost of production by the unit is largely accounted for by this difference in the cost of electricity.

**Shri T. T. Krishnamachari:** Why not carry everything to Alwaya?

**The Honourable Shri K. C. Neogy:** That is exactly what I want to know. That is a private concern and if my hon. friend can find suitable bauxite deposits near Travancore I take it he should communicate the suggestion to the company concerned.

My hon. friend wanted to know something about the cost. The cost of production on the basis of which we propose to pay the subsidy is, in the case of the aluminium company—the one which has to carry its stuff to Travancore—(I am giving the total cost) is Rs. 2,364 and in the case of the other concern it is Rs. 2,918. The landed cost of mgot pre-devaluation was Rs. 2,000. It is too early yet to say definitely what the effect of devaluation would be upon the cost of the imported material. That is the reason why it is not possible for us to take that uncertain factor into account for the purpose of determining as to whether the protection we are proposing under this measure is more than adequate and could afford to be reduced in quantity. There are so many factors that operate in such matters that the percentage increase in the price on which we seemed to be proceeding as inevitable on account of devaluation may not actually take place. I am glad my hon. friend Mr. B. Das made the point that it is too early yet to find out the effects of devaluation and I should remind the House that although the protection envisaged is for three years, we definitely contemplate an enquiry by the Tariff Board into the circumstances relating to the manufacture of aluminium in this country just after a year from now. It will be time then to find out to what extent our calculations have to be adjusted on account of devaluation or any other factor.

[Shri K. C. Neogy]

My hon. friend Mr. Sidhva raised the question as to whether the interests of the consumer are at all borne in mind while drawing up proposals for protection of this kind. As a matter of fact, I could not think of a better case from the point of view of the consumer than the one that I have presented to the House. Actually, it is really half the difference between the landed cost of the imported stuff and the cost of manufacture of the local commodity that is sought to be met by the imposition of a specific additional duty. The other half of the difference in these two costs is going to be met by way of subsidy and as far as present calculations go, Government are not going to make any profit out of this transaction. The revenue derived from the additional specific duty may just suffice for the payment of the subsidy. I could not think of any better case than this for the purpose of supporting the plea that the consumers' interests are always borne in mind in such cases.

Now, I come to a point of some importance. Enquiry was made as to the composition of the shareholding interests of one of the companies. It is true that one of the two companies which was promoted by foreign interests has got a share capital in which the Indians own a minority interest. I think—I speak subject to correction—that the Indian section of the share capital is about one-third of the whole; one-third being owned by Canadians and the other one-third being owned by the British people. It is at the same time a fact that this company has got a number of Indian Directors. The Chairman of the Board of Directors is an Indian and it has taken steps for the purpose of getting Indians trained in the technical processes at their own cost and to see that the technical staff is considerably Indian in character.

As regards the question of policy in this matter, the House is aware of the statement made by the hon. the Prime Minister on the question of investment of foreign capital. That statement, as far as one can interpret it, proceeds on the assumption that the existing foreign concerns will not suffer from any disability howsoever they may be composed. So far as the concerns which are operating today in India go, they are to benefit equally from any measure of protection that we may bring forward. The conditions which the hon. the Prime Minister laid down as regards the composition of the Directorate and the proportion of the Indian capital and all that were intended, as far as one can judge, to apply to new capital coming into the country and as a matter of fact, so far as the new concerns go, they will be entitled to function only on the permission granted to them, and at the time of giving such permission, all the relative conditions will be made. So far as those concerns which have been established in the country go, there is no intention to discriminate against them, nor indeed to enforce the conditions which apply to new ventures which may come from outside.

**Shri M. Ananthasayanam Ayyangar:** May I ask the hon. Minister if he reads into the Prime Minister's statement the meaning that bounties are to be given to such companies?

**The Honourable Shri K. C. Neogy:** I am glad my hon. Friend has raised that point. I should like to state that we protect an industry, not specific industrial concerns. If protection is granted under the system now proposed, namely, by a combination of the tariff and bounty method, every concern belonging to that particular industry should benefit equally. I repeat we protect an industry, and not individual concerns.

**Prof. N. G. Banga:** Will that not be subsidising inefficiency also, if you do not make any distinction?

**The Honourable Shri K. C. Neogy:** Of course, not. The greatest safeguard against inefficiency is the periodical enquiry to be made by the Tariff Board. Indeed, the Tariff Board has under its new terms of reference the authority to make enquiries and report on protected industries.

**Shri T. T. Krishnamachari:** Is it a fact that relatively the non-Indian concern is the more efficient of the two?

**The Honourable Shri K. C. Neogy:** I am not in a position to make a general statement on this particular subject, but I hope the House is not becoming sceptical of the benefits of protection. (*Prof. N. G. Ranga:* No.) I do not think I should take the time of the House for giving a discourse on that particular subject. But I should like to remind the House that it is due to protection that industries like the steel and cotton textiles are today in the position they occupy. Let me tell the House that so far as Indian steel goes, it is the cheapest steel in the world today. So it is not quite right to suggest that by giving protection we are merely spoon-feeding inefficiency and there is no hope of any improvement taking place. The enquiry is going to take place just a year hence and then again, in no case will the present measure be extended necessarily beyond three years unless the Tariff Board and the Government are agreed that a case exists for protection. Here again, for instance, this very Bill indicates that even during these three years, we contemplate a graduated reduction in the rates of duty. That is on page two of the Bill. I humbly submit that nothing further could be done by Government for the purpose of ensuring the future efficiency of these concerns as also the interests of the consumer.

**Shri B. P. Jhunjhunwala (Bihar: General):** Sir, may I ask one question? May I know the basis on which the bounty will be determined—whether that bounty will be divided in the same proportion between the two concerns?

**The Honourable Shri K. C. Neogy:** I am very glad my hon. Friend raised that point. I did not want to overburden my speech with statistics of this kind. We have worked out the bounty separately for the two companies, bearing in mind the difference in the cost of production of the two companies—that is what has been done. Simply because one company cannot produce the stuff except at a higher cost than the other, the other company does not benefit by the higher rate of bounty that we pay to the first company.

**Shri M. Ananthasayanam Ayyangar:** The hon. Minister knows that there were some non-discriminatory clauses—clauses 111 to 115 of the old Government of India Act. They were omitted in the adapted Government of India Act and they don't find a place in the New Constitution. In view of this fact that we can discriminate, if necessary, will the hon. Minister consider the desirability of withholding bounties from the foreign companies, until the shares are held between Indian and foreign capital in the proportion of 51:49 per cent.

**The Honourable Shri K. C. Neogy:** Of course, Government are at liberty to do whatever they like and this Legislature as a sovereign Parliament can lay down the law for the Government in this matter.

But I am afraid it would not be right to insist upon a reconstruction of that company on that basis. What may be done, and may possibly be done, even at this moment is to make suggestions to the company that they might consider the question of reconstruction of their capital structure so as to give the Indians the majority of the shares. I understand that this company has applied for an expansion of its capital to the Capital Issue authorities. This question may be informally raised in that connection, but I would deprecate very strongly any idea of enforcing a formula upon concerns which have existed in this country for some time and are otherwise eligible for protection.

**Mr. Speaker:** The question is:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** As there are no amendments I may put both the clauses at the same time. The question is:

"That clauses 1 and 2 stand part of the Bill."

*The motion was adopted.*

*Clauses 1 and 2 were added to the Bill.*

*The Title and the Preamble were added to the Bill.*

**The Honourable Shri K. C. Neogy:** Sir, I move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

### DELHI ROAD TRANSPORT AUTHORITY BILL

**Mr. Speaker:** We will now proceed with further consideration of the motion of the hon. Shri K. Saathanam for referring the Delhi Road Transport Authority Bill to a Select Committee.

**Shri T. T. Krishnamachari (Madras: General):** Sir, I rise to intervene at this stage in the debate on this Bill for the reason that I am familiar with the circumstances under which this concern came into the hands of the Government of India.

Sir, it was some time in March 1948—almost the last week of March—that the Standing Finance Committee were asked to approve a proposal to acquire this concern and I must also admit that in the purchase of this concern and in the amount of money paid to the original owners of this concern I cannot altogether plead ignorance or nonculpability. In fact it was represented to us that the concern would have to be purchased before the 31st of March and that the Government would have to take over the property of the original owners as it were without any further scrutiny or examination. It is rather an impossible position—a position I think which is not infrequent so far as the committees of this House are concerned—forced on them by the actions of the executive. So, this concern became a Government concern without any very great scrutiny, without even the exercise of those advantages that a Government normally possess in the matter of bargaining power. It appeared thereafter from the information that I was able to obtain that the Government had made a bad bargain and the only people who profited by it were the original owners who pocketed a tidy sum and got away with it.

Sir, criticisms have been levelled at the manner in which this concern is being run. As I explained at the outset, there was an initial handicap which the Government had to face for various reasons and for all of which they were not entirely responsible. As a man who sees these buses running in this House, I cannot say I am proud of this one Government venture that is being carried on in the capital city of this country which I am afraid is a point against nationalisation to which principle, so far as public utilities are concerned, I think every-one in this House is wedded.

The appearance of these buses, the old ones, is something awful. The new ones look no better. Some of them look clean outside, but once you get inside it looks as though the seats have never seen any kind of disinfection for months past, and the whole atmosphere is one of filth and squalor—a thing perhaps which

is a common feature in the whole city of Delhi, the capital of this great and free country. Sir, oftentimes when hon. Members in this House level criticisms—criticisms of a carping nature—against Provincial administrations, I wonder how many of them have looked into the administration of the City of Delhi which is under the direct control of the Central Government and which from every point of view compares badly with the administration of any first-class city in any of the provinces or the major Indian States.

Well, I know that the hon. the Mover of this measure is a person who goes into the minutest details of anything he handles and very possibly he is aware of the fact that the condition of this transport concern is not very good and he might probably take steps to improve the position very soon. At the same time, I would like to mention another fact, namely that perhaps the Delhi Transport concern is the costliest concern, so far as the consumer is concerned, in the whole of India. I do not know how many hon. Members travel in the buses belonging to this Corporation, except in that beautiful cream-coloured bus that takes them to and from the Western Court or the Constitution House every day. If they had they would have found that they have to pay four annas to travel from Connaught Place to the Council House and if they are wise they would get down at the Broadcasting House and save one anna and if they are wiser still they will walk up to the Regal Cinema to board a bus and save two annas. But, anyway, these are things which one learns after the initial payment of four annas. When one who is a Member of the House pays four annas he easily reconciles himself to that exorbitant fare because of the fact that he is getting Rs. 40 a day free of income-tax which most people employed in this big city do not get.

Sir, this transport concern which this Bill tries to improve or make worse as the case may be when it is actually put into operation or rather this measure which seeks to establish this transport concern—as I said before I have very great respect for the capacity for detailed scrutiny of the hon. Mover—has not, I am afraid, received the same amount of attention he is accustomed to pay or, at any rate, he was accustomed to pay when he was a private Member working with other private Members like me in the past. It is a badly drafted Bill, a very badly drafted Bill.

**Shri M. Ananthasayanam Ayyangar** (Madras: General): He has got the assistance of his erstwhile comrades.

**Shri T. T. Krishnamachari**: His erstwhile comrade deserts him for the temporary occupation of the Chair. I am afraid that is the fate to which my hon. Friend is reduced to.

Now I will take up the question of the constitution of this Transport Authority. I was wondering where they got this idea of constituting an Authority of this nature. Sir, a transport authority should have intimate and detailed knowledge of the working of the transport system and should be available for frequent meetings of the Authority now and again. For that matter we have three non-officials to be nominated by the Central Government, three officials to be nominated by the Central Government representing the various Ministries and the Chief Commissioner of Delhi or his nominee. These seven constitute the executive authority. I cannot see from where they are going to get the non-officials with requisite knowledge of either business or of transport concerns and I fail to see.....

**Shri E. K. Saha**: (C.P. and Berar: General): He has debarred us by section 6! A Constituent Assembly Member cannot become a Member. He is debarred.

**Shri T. T. Krishnamachari**: It is a very good thing we are debarred. But I do not know where these three non-officials are going to come from. I should

[Shri T. T. Krishnamachari]

think it is not very wise to tack on three officials who are perhaps already over-worked and would not be able to devote any time and very often they would not be present at the meetings of this Authority.

My hon. friend Mr. Santhanam is in possession of a copy of the London Passenger Transport Board Act. It is probable that he has not got much assistance from that particular enactment for the reason that the main body of it deals with the question of compensation and the question of taking over other concerns and so on. But one note-worthy feature of that enactment is the manner in which the executive authority is constituted. The executive authority is constituted by a set of trustees—men whose position cannot be impeached, whose intentions cannot be impeached and who have a certain amount of status and experience in life. I would like to tell the House and also the hon. Mover that the first two attempts made by this Board of Trustees to select an executive for the London Passenger Transport Board has met with such success that it was acclaimed by all persons who were students of Public Utility Management. The first two executives of this Board turned out to be good. The result was that before the war this Transport Board was really making a profit which it has not been doing since. I do not say that this Act must be copied. At any rate the Board of Trustees functioning under this Act really selected the proper type of executive. But I am afraid the composition of this Authority as envisaged by this Bill would not perhaps make it very convenient for my hon. friend to select a proper man for being the executive authority for this concern who would work unfettered by pin-pricks and day to day interferences. I am afraid that in a matter of this sort which is an experiment in nationalisation we cannot be overcareful. I am most anxious that it should not go the way that other experiments at nationalisation by the provincial Governments have gone.

**Shri M. Tirumala Rao (Madras: General):** For example, what?

**Shri T. T. Krishnamachari:** It is a fact undoubtedly that other experiments in the provinces about which I know have not worked well. I am most anxious therefore that this should not suffer the same fate. Therefore it seems to me that the Select Committee will have to think hard to find a substitute for the type of composition of the authority that is envisaged in clause 4 of this Bill. I would suggest that it should be a smaller body, that Government representation therein should be confined more or less to the Finance Department and that it should lay squarely on some officer the responsibility for being the financial counsellor for this authority. And the Transport Ministry need not be represented therein as the ultimate responsibility of the Transport Ministry is always there. The Transport Ministry is not going to give away to this Authority all its power without keeping some power in its own hands. Therefore I do not see why anybody from the Transport Ministry should be there, as it were to act as a spy on the working of the Authority who would carry tales to the Ministry from time to time. I would suggest to the Select Committee to look carefully into this particular clause 4 and see if it cannot be modified suitably.

One other important matter in my opinion happens to be the provision regarding finance, audit and accounts. The capital for this concern would be entirely given by Government from time to time. My hon. Friend the Mover said the other day that the profits were fairly large. I suppose it was a very unwise statement to make when the representative of the Trade Union attached to this concern is in the House. But I do not think it is quite correct because the profit might have been arrived at by various methods of accounting which probably were not the correct ones. Actually it seems from the condition of the buses operated by this concern from the amount of depreciation they appear to have suffered and the lack of repairs all of which are self-evident, the

amounts saved on these items have helped to make the profits look larger. If money had been spent in proper time on repairs and these buses kept in a reasonably clean and working condition, perhaps the profit would have been nothing like ten lakhs.

**Shri B. L. Sondhi** (East Punjab: General): What about income-tax?

**Shri T. T. Krishnamachari**: Mr. Sondhi would like to kill every concern by putting the income-tax on it. I would come to that aspect later.

As the capital is found by Government, apparently interest is to be paid by them on capital. What interest the Government wants will be paid. Surely Government will not demand an exorbitant interest. But supposing there is a loss, it will have to be met either by cutting into the capital or by the Government shouldering the loss and putting it into the General Budget.

**An Honourable Member: Reserve Fund.**

**Shri T. T. Krishnamachari**: The reserve fund is yet to be built up and even when one is created it may not be adequate to cover the possible losses. The question of loss will therefore be there. In most cases it would happen that the Government would have to go on finding fresh money and new capital. If there is loss it will mean deduction from the capital. I know of one State concern in one of the progressive States where the transport was run in this way that no repairs were undertaken for any of the buses that went out of order. They were merely sorted out, put away in the shed and new buses were bought so that no expenditure was made in regard to repairs and in regard to maintenance. While new buses were purchased and added on to capital, the Company made a profit all the time. This kind of financing is a very wise one in order to throw dust in the eyes of other people, but it is not in the interests of the tax-payer to do so. But I think it is best to show, when it is a Government concern, when Government undertakes to finance a public utility concern, the profit if any and a percentage of it ought to go to Government.

There is nothing to be ashamed about it, and if my hon. friend says that they are going to do something else in regard to some other concern of the Government, say railways, I would say that it would be wrong and there is no need to anticipate the policy that the Government might undertake in regard to some other concern and frame the provisions of the Delhi Transport Authority in such a manner that the Government will get no profit at all excepting interest while Government would ultimately shoulder all losses. I hope the Select Committee will make the necessary change in this particular regard and see that after a particular amount is put into the Reserve Fund, any profit left over will be paid over to the Central Government. But there is another way in which the concern can be financed. My point is that Government should completely divest itself of responsibility for the finances of such concerns excepting in so far as guaranteeing any finances obtained by this concern from the public. It would be wise, in my view, if in the present stage of monetary conditions in this country, the Government decentralises the financing of all subordinate authorities, allow them to float debentures and guarantee these debentures if there is to be any ultimate loss. But as it is I personally do not see why surplus profits over certain expenditure should not go to Government. I think it is altogether wrong to say that the Government should not profit by any undertaking that it has undertaken. In fact, I remember that in 1945 the then outgoing Finance Member made it a point that it might be necessary for the Central and Provincial Governments in this country to embark upon trading or manufacturing ventures in order to supplement their income. I point this out only to show that there is nothing to be ashamed of about it, and I do feel that the profit, if there is any, should go to the Central Government. I also find there is a large amount of room for a reduction in the fares, because fares at this rate may be all right in the present inflationary conditions, but I do not

[Shri T. T. Krishnamachari]

think the fares will be suitable for all time to come. That, I think, is a matter on which the Select Committee will have to bestow some attention.

My hon. friend, Mr. Southi, made a mention about income-tax. I agree with him. The position is that nothing is mentioned about taxes in this enactment. It is very necessary that we ought to say whether this authority will be subject to income-tax or it will not be subject to the payment of income-tax. The question is this: If it is specifically exempted, that is one thing; if not, you will have to say that it will be treated as a Corporation for purposes of assessment of income-tax. Otherwise it is quite possible that, though it happens to be a branch of Government, it may be open to the other branches of Government to treat it as an individual and tax it accordingly, instead of giving it the benefit that it will get as a Corporation. So, unless you specifically state that it will not be taxed, it will be taxed. It has got to be specifically stated whether it will be taxed or not. I hope the Select Committee will look into this matter also.

With regard to the large number of clauses here, I think some of them are really unnecessary. It has been copied largely from the Electricity Bill. Preparation of schemes, development of schemes, I think, these are absolutely unnecessary in a Bill of this nature. The authority has got to have certain amount of powers unless it be that it has to go to Government at every stage. The preparation of schemes, etc., happens to be an integral part of one and the same action. If we had imported provisions of this nature in the Electricity Bill it was merely because there were a plurality of authorities and a plurality of interests to be covered. I do not see why in the case of an Authority like this which will be an integral whole, the provisions should be so elaborate as to put in merely procedural matters which are not necessary. Sir, I think there is scope for streamlining the Bill in various respects, but the two important matters that I would once again urge on the Select Committee and also urge on the hon. the Mover of the Bill are the constitution of this authority and its finances. Both should be carefully scrutinised and perhaps suitable amendments made. Sir, I support the motion.

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

**Shri M. Tirumala Rao:** Sir, I sympathise with my friend, Mr. Santhanam, because the impress of his knowledge is somewhat lacking in this Bill and I find that the three musketeers, yourself, Mr. Santhanam and Mr. T. T. Krishnamachari, who used to embellish all the legislation that was coming before the House, have had their attention drawn elsewhere. Mr. Santhanam has gone into the Treasury Benches, you yourself have walked into the Deputy-Speaker's post and Mr. Krishnamachari found meanwhile a vacant seat in the Drafting Committee and got it. Therefore I can understand why Mr. Santhanam could not devote as much time and as much attention to this Bill as is his habit, and we find so many criticisms coming against this Bill.

Sir, we have had experience of the G.N.I.T. which was one of the worst services in this country. It was an exploiting service, exploited mainly in the interests of a few capitalists, and was causing great inconvenience and chagrin to the general public. One of the worst transport services, viz., the G.N.I.T., has been put an end to, by the Government taking it over. Now, the D.T.S. has not proved an efficient substitute of this, and my hon. friend wants to organise a new organisation through this Bill, and I do not know what principles have influenced him. The British Transport Act must have had some influence on his mind. As regards the qualifications of the members which he wants to put on this Transport Authority, he has simply left that in the air. The British



Transport Act says:

"The Chairman and other members of the Board shall be persons who have had wide experience, and have shown capacity, in transport, industrial, commercial or financial matters or in the conduct of public affairs and, in the case of two members, shall be persons who have had not less than six years experience in local Government within the London Passenger Transport Area."

My hon. friend has excluded Members of Parliament. I do not hold any brief for Members of Parliament. He has not stipulated any qualifications for the members; he is going to nominate three officials who, as my hon. friend suggested, would be already overburdened with heavy duties in the departments. We do not know whom the Chief Commissioner will nominate; whether he will be his favourite. If you want to have the Authority completely under your control as the Bill envisages and Government wants to interfere in the management and conduct of the affairs of this Authority at every turn, why don't you have nominated officials, three or four of them, and conduct the whole thing and make them responsible to you at every stage.

**Shri Mahavir Tyagi** (U. P. : General): Or to the Railway Board.

**Shri M. Tirumala Rao**: Of course it was in my mind.

**The Honourable Shri N. Gopaswami Ayyangar** (Minister of Transport and Railways): A very wise suggestion.

**Shri M. Tirumala Rao**: It is a pity there is no statutory provision in the Bill stipulating certain qualifications for members. Let us not imagine that the present set of Ministers will always continue. We do not know what sort of Government will work this Act even in the immediate future, leaving aside the distant future.

With regard to this they have put very petty-fogging conditions and the authority has got powers to spend not exceeding Rs. 10,000 and they can incur 4 P.M. up to that limit without anybody's interference but any amount beyond Rs. 10,000 the authority has to refer to the Minister and obtain his permission. It looks as if there is a perpetual necessity to crow-catch the Minister and please the Minister in charge and I do not think that the framers of the Bill might have intended that. There are other powers which are very wide and my hon. friend has drawn attention to clauses 50, 51 and 52. (*Interruption.*) With regard to powers of entry into any premises, is it copied from the Income-Tax Act or from the Criminal Procedure Code? Why should this authority have any particular powers of entering any premises. There is another clause that apparently gives also protection for action taken under this Act to bring legal proceedings against any person in the employment of the authority or anything which is done in good faith. Good faith is a matter of opinion and people connected with the motor transport, particularly you know what sort of people come into the employment, in this sense and I do not merely say of the officials and how the atmosphere is somewhat autocratic; I do not call it exactly corrupt but it is high-handed rowdyism. You cannot clothe these people with this authority to enter premises and thereby you create new offences. If a man commits an offence, he should be handed over to the Police who can take charge of the crime and then there are criminal courts. Why do you want criminal jurisdiction in an Act like this. I think the Select Committee will do well to look into this and with regard to the purchase and settlement of the value of these concerns, you have got a very sorry example in buying the G.N.I.T. There are so many stories told that that man went away with a large sum of money without a proper return to the State by way of buses or useful buses and now you want to perpetuate the same system here; the authority has got the right to purchase, to enter into any premises, to decide the cost of any undertaking or any assets or any property that they want to acquire and if the party who is affected by it is aggrieved, then you want to propose an arbitration tribunal to which the matter should be referred. We are not specially putting any qualification for the arbitration tribunal. You could have copied the provisions of this Transport Act where certain judicial officers with greater

[Shri M. Tirumala Rao]

experience are nominated by the Judges of the High Courts. They were created in the British Transport Act; you could have created such a tribunal and you have not also given the particular principles on which the compensation should be arrived at. If you lay down certain principles on which the compensation could be arrived at and if you bring into existence a tribunal that is practically judicial in its character, then there will not be any grouse from any quarter and there will not be any possibility for corruption in these matters. I am not very much satisfied with these provisions which have been incorporated in great detail and I do not know how far this will prove a success. You want to have a thing that should be controlled by the Ministry. If the Ministers want to hold the responsibility in their own hands, then organize it with a body of officials first, carry it on and bring it under criticism of this House. With these remarks, I support the motion.

**Shri Ajit Prasad Jain** (U.P.: General): Sir, It is curious that every Member who spoke has accorded a general approval to the principle of the Bill but when he came to details, there was a criticism on almost every point. This Bill proposes to set up an authority; its functions will be three-fold, first to run the Delhi Transport Service; secondly to expand the service and thirdly to acquire any of the existing concerns now operating—bus services. That is a very commendable object. It is a good thing to set up an autonomous body because experience not only in India but elsewhere has shown that concerns which will run on business basis—and of course this concern will run on business line—cannot be run by state departments efficiently and well. So far as the setting up of an independent authority is concerned, there cannot be any quarrel, but with the detailed provisions of this Bill, I am afraid there cannot be much agreement. The object of setting up an independent or autonomous body is that it may have flexibility; it may have elasticity; it may be in a position to meet situations as they arise.

Now, Sir, the powers of the authority are laid down in clause 20 of the Bill. A perusal of clause 20 will show that practically all the powers that have been given to the Transport Authority are hampered; they are overwhelmingly controlled by the Central Government. If they have to dispose of any vehicle or goods worth more than Rs. 25,000 that has to be done with the sanction of the department concerned. I am referring, Sir, to clause (i) of section 20 which says: "To dispose of without the previous sanction of the Central Government any assets the valuation of which is less than Rs. 25,000". Now what is Rs. 25,000? If they want to dispose of one of their buses or a part of the equipment or a few things of their workshop then they have to apply for the sanction of the department. What does the sanction mean? It takes time and it has got to go through all the departmental red-tapism. Mr. Tirumala Rao who just preceded me, referred to section 22 where it is laid down that any scheme which involves an expenditure of Rs. 10,000 will require the sanction of the Central Government.

**The Honourable Shri K. Santanam** (Minister of State for Transport and Railways): May I point to the hon. Member that that provision is only with respect to the new schemes and not with respect to any ordinary expenditure of the authority.

**Shri Ajit Prasad Jain**: I am coming to that. I know that a new scheme will include the extension of an old scheme as well. Now, supposing the authority wants to start a new bus on a particular road that may come under the definition of the new scheme and for that the authority will have to obtain the sanction of the Central Government.

Another clause which is rather remarkable in its nature is sub-clause (n) of clause 20 which says that the authority shall be entitled "with the prior approval

of the Central Government, to do all other things which in the opinion of the Authority are necessary to facilitate the proper carrying on of the business of the Authority." It is couched in the widest possible language. Wherever the articles of a corporation or a company give such authority to the Board of Directors or to the executive body it is confined to incidental matters, necessary for carrying on of the business but not to the major activities of the corporation or company. It is strange that for comparatively minor things sanction will have to be obtained from the Central Government. What is the use of setting up an autonomous body if its working is circumscribed in that manner? I hope that the Select Committee will pay due attention to that aspect of the question and try to liberalize the powers of the authority because that and that alone would lead to good and efficient working by the authority.

Again I do not know whether it is purposeful but over and over again things in this Bill have been left vague. For instance, three non-officials will be appointed on the Authority. As has been observed already it is nowhere laid down what will be the qualifications of the persons who will be nominated.

I would draw the attention of the House to section 18 which deals with the Advisory Council. It says:

"The Central Government shall constitute an Advisory Council to advise the Authority on such matters as may be prescribed."

Everything has been left indefinite in the hands of the executive government. What for do you want the sanction of the House. If all this is to be done by you, you could have done it under your executive powers. If the Hon'ble Minister wants our approval he should tell us something more definite as to what this Advisory Council is going to be, what are its powers, its constitution, what sort of persons are going to constitute it.

Section 47 relates to arbitral tribunal but nothing has been said about the qualifications of persons who would constitute it. It is vested with great authority. It will decide the question of compensation, a question about which definite safeguards have been provided in the new Constitution. I am not very sure whether this section as framed satisfies the conditions laid down in section 299 of the Government of India Act or the corresponding article 31 of the new Constitution. The clause says:

"Where no such agreement can be reached, the amount shall, subject to rules made under this Act, be determined by an arbitral tribunal consisting of one nominee of the Authority, one nominee of the person to be compensated and one nominee of the Central Government who shall be Chairman of the tribunal."

Is that the method of laying down compensation or prescribing the manner in which compensation shall be assessed? I submit it is not so. It should have been provided by law but it has been left to the rule-making power which will be exercised by the executive and I am very doubtful if this clause satisfies the legal conditions.

Another point is that members of the Central and Provincial legislatures have been disqualified from becoming members of the Authority. The Hon. Minister did not tell us any reason why it has been so laid down. May be that politicians have a certain pull and he might be afraid of wirepulling. Is it not a fact that businessmen like Tata, Birla or Dalmia can be a member of the Authority and yet they have greater pull than any members of the legislature? I would like to know some cogent reasons why members of the legislature have been specifically excluded. I do not mean to say that any member of the legislature should be placed there as such but this disqualification is attached to a person merely because he happens to be a member of the legislature. I object to this.

[Shri Ajit Prasad Jain]

Much has been said about the drafting of the Bill. I might refer to clauses 6 and 8. Clause 6 deals with disqualifications for being chosen or being a member of the Authority. It says that a person who is a member of the central or provincial legislature, or who holds judicial capacity will neither be qualified to be chosen nor be entitled to continue as a member of the authority. Clause 8 refers to the removal of the Chairman and members from office. A lunatic, a person of unsound mind, one who is judged insolvent or convicted of moral turpitude will be removed from membership of the authority. But there is nothing to debar a lunatic, a person of unsound mind, or one judged insolvent or convicted of moral turpitude from being nominated on that Authority. You can nominate any one of them.

**Shri T. T. Krishnamachari:** They are purely relative terms.

**Shri Ajit Prasad Jain:** You can nominate an undischarged insolvent or a person who has committed an offence involving moral turpitude on the Authority but if a member becomes insolvent or is convicted of moral turpitude he will be removed. I have not been able to understand the logic of it.

**An Honourable Member:** Only a lunatic will appoint a lunatic.

**Shri Ajit Prasad Jain:** Yes, we have enough of lunatics.

Some hon. Members who have preceded me have pointed out a number of defects in this Bill. In particular I do not see why any officer or servant of the Authority should be given the authority to enter any place or premises. Everybody's house is a castle unto himself. Even when a police officer makes an entry into a house he asks the females observing purdah to have an opportunity to go into seclusion. Unfortunately clause 50 does not make any such provision. It gives absolute power to a servant of the Authority to enter any premises, any house, any place at any time to discharge his duties to the Authority.

Clause 52 gives complete exemption to the employees and officers of the Authority. Does it mean that every bus driver will be free to run over a pedestrian? Will he not be liable to criminal and civil action? In fact this section has also been couched in too broad a manner.

Lastly an hon. Member took objection to sub-clause 3 of clause 55 which gives power to the authority to make rules and prescribe that the breach of any such rule will be liable to punishment with imprisonment which may extend, to three months or with fine which may extend to Rs. 500. That I think is extremely objectionable.

**Mr. Deputy-Speaker:** All these matters have already been referred to.

**Shri Ajit Prasad Jain:** This House is not prepared to delegate its law-making power to any other body. We strongly object to giving such powers to the Authority and I do hope that in the Select Committee this Bill.....

**Shrimati G. Durgabai (Madras: General):** Will the hon. Member note that protection is not given in every case but for an act done in good faith or purported to be done under this Act.

**Shri Ajit Prasad Jain:** If incidentally the lorry runs over a passerby on the road that may not be in bad faith!

**Pandit Thekur Das Bhargava (East Punjab: General):** That protection is given by the Indian Penal Code also.

**Shri Ajit Prasad Jain:** I hope all the defects of the Bill will be removed in the Select Committee stage. With these words I finish.

**Mr. Deputy-Speaker:** May I say that this is a small Bill and so many points have been elucidated. I find the same points are referred to again and again. I would therefore suggest that if hon. Members have got any new points they may urge them.

**Shri S. V. Krishnamoorthy Rao (Mysore State):** Sir, I want first of all to point out that under item (f) of clause 8 of the Bill a member of the Authority ceases to be a member if he has been absent for more than six consecutive meetings of the Authority. I think this is too long a period. In all statutory authorities it is usually three consecutive meetings, whereas here a member can afford to be absent for six consecutive meetings and still be a member of the Authority. I suggest that this clause be suitably amended.

In clause 11 of the Bill the authority has got the power to associate with itself certain members. If this is intended to consult expert opinion they can consult the experts even without associating them as members of the Authority. These members are to have no power to vote, they have power only to discuss. If the idea, however, is really to have them as expert members the proper word would perhaps be to "co-opt". Then they would remain as full members and they can give the benefit of their experience and opinion to the Authority. I want the Select Committee to look into this question also.

There is a provision under clause 18 for an Advisory Council. But how it is to be formed, who is to form it and what are its exact powers have not been specified.

**Mr. Deputy-Speaker:** That will be done by the Rules.

**Shri S. V. Krishnamoorthy Rao:** It is stated here "as may be prescribed". But I would like the Act to be clear on this point.

Nationalisation should not be an end in itself. Unless it conduces to efficient and economic working, mere transfer from private ownership to state ownership will not help the community. In fact the community which it serves must feel that it is its concern. Now, this Authority mainly serves Delhi Province. So I would submit that specific provisions may be made by which Delhi Municipality—New Delhi Municipality and Delhi Municipality—as also the travelling public and the employees who actually work in the concern will find representation on the Advisory Council and their suggestions may be taken into consideration when any matter is decided by the Authority.

The only power that is given to the Advisory Council, as I find, is in regard to consultation on new schemes. I submit that the exact powers of the Advisory Council may be defined better by the Select Committee.

As regards the schemes themselves, clauses 22 and 23 refer to the preparation of the schemes. Under clause 22 the various items give the nature of the schemes, but the proviso to clause 23 says that no scheme estimated to result in a capital expenditure exceeding Rs. 10,000 may be sanctioned by the Authority without the approval of the Government. I wonder if any scheme can be put into execution within a cost of Rs. 10,000. I do not know what use there is by including a provision of this nature. Even to replace a bus today costs more than Rs. 10,000. Therefore, when a statutory authority like this is constituted I think either we must give them more powers so that they can boldly put through these schemes for the benefit of the public or not have a provision of this nature at all which, I think, is practically useless.

[Shri S. V. Krishnamoorthy Rao]

Then there is no provision for labour welfare, bonus, Provident fund and such other things to the employees of the Authority.

As regards compensation clause 47(c) provides that an appeal shall lie to the District Judge against the decision of the tribunal. The point whether a decision of the District Judge will be final or whether there is a further appeal to the High Court should, I think, be made clear.

These are some of the suggestions I would like the Select Committee to take into consideration.

**Shri O. V. Alagesan** (Madras: General): At the outset I assure you that I shall not cover the ground already covered by other hon. Members. I shall also try to be very brief.

The Ministry deserves congratulation for having brought forward this Bill and for having set an example to other Provincial Governments who run such road transport undertakings. In running such services departmentally there are several handicaps; it is therefore good that it is entrusted to a separate Authority. The Hon. Minister in charge of the Bill also being the Minister of Railways has naturally patterned this on the lines of the railway administration. Perhaps it is well that it is so. It has been provided, on the model of the railway administration, that there should be an Advisory Council. But in view of clause 11 under which you can take associate members I do not think there is any necessity for a separate Advisory Council as it may not be conducive to smooth working. Once we have an Advisory Council, though of course it is well understood that its functions can only be in an advisory capacity, there will be complaints that their advice is not being taken. For a limited area and for a small concern I do not think there is any necessity for a separate Advisory Council as is provided under clause 18 as there is room for taking associate members and taking their advice.

It has been laid down in clause 29 that it shall be the general principle of the Authority that in carrying on its undertaking under this Act it shall act on business principles. It is good that it has been stated in such clear terms, because the main object in Government taking over such undertakings is to run them more efficiently and in a more satisfactory manner than private concerns can ever do.

After having laid down such a healthy principle an attempt is made under clauses 48 and 49 to run away from the responsibilities. Under clause 48 this Authority is exempted from the operation of Chapter IV of the Motor Vehicles Act more or less. I do not know why this Authority should be a law unto itself, why it should not be controlled by the Motor Vehicles Act under which other concerns are working. The fourth Chapter provides for fixing the number of passengers, the amount of luggage that is to be carried and several other things like speed limit, hours of work for workmen etc. Is it the intention that this Authority should escape from all these sections? Why should there be such a differential treatment to this authority and why should it escape its responsibility? There is no necessity for it and it should submit to the same rules and regulations and other Acts that are in force.

Under section 49 the Authority need not pay any taxation. The other day the hon. the mover of this Bill gave us certain figures and said that this concern has made a profit of about Rs. 10 lakhs. I don't know the number of vehicles, there may be 200 of them, and if they have to pay taxation at the rate prevalent in Madras—the Punjab rate may be different and a little less—a major portion of that Rs. 10 lakhs would have been swallowed for paying taxation. My point is that when the Authority runs this service the Government should not lose it

normal income which it would otherwise have got if it had been run by a private concern. There is absolutely no reason why the Authority should be exempt from paying any taxation. It should be subject to the same provisions of taxation etc.

Again, if we turn to section 53, a sweeping provision has been made that the 'provisions of this Act or any rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or any instrument having effect by virtue of any enactment other than this Act'. I don't know why such an exemption should be given for the entire Act. It may perhaps be proper for any one or two sections to have this protection but here the other Acts in entirety are completely prohibited from having any force. It is not right that this protection should relate to the entire Act. Supposing in the Motor Vehicles Act or any other regulation there is a provision as to speed limit; is it meant that this Act should supersede any such limit and should have its own separate rules and regulations regarding all these matters? I don't think that it is right.

The Bill fails to make one important provision. Under section 94 of the Motor Vehicles Act, the Provincial Government, the Central Government and any other local authority have been exempted from taking out a policy of insurance. The section relates to insurance for third party risks. This Authority cannot be classified as Central Government or Provincial Government and if no mention is made it will be liable to take out policies of third party insurance and that will be a huge waste. I don't mean that persons affected by accidents etc. should not have any compensation from this Authority. For that purpose the authority should constitute a separate fund and from that fund should pay such claims. An independent tribunal may also be provided for who may examine impartially and make these allotments. So, there should be a section to provide for exemption.

**The Honourable Shri K. Santhanam:** What about 49?

**Shri C. V. Alagesan:** No, I don't think 49 will cover it. A provision should be made specifically exempting this Authority from section 94 of the Motor Vehicles Act.

Again, coming to sections 6 and 17 which provide for disqualifications for members of the authority and for officers and servants of the authority, the healthy provision that we find in section 44 of the Motor Vehicles Act is not here. That provision is that anybody having financial interest in any other road transport undertaking cannot be a member of the various Authorities that it seeks to set up. It is necessary to have a similar provision in this Bill also in order to prevent such people from becoming either members or servants or officers of this authority.

Section 44 relates to supersession of the Authority. It is provided that the Government may supersede the authority on any complaint and ask them to show cause why they should not be superseded and after having got their explanation they can do one of these three things:

- (a) extend the period of supersession,
- (b) reconstitute the authority in the manner provided, or
- (c) by notification in the official Gazette direct that the Authority shall be reconstituted by the persons who vacated their offices under clause (a) of sub-section (2) and shall recommence functioning as if it had not been superseded.

When the Government supersedes the authority after having asked them to show cause why they should not be superseded, the Government is expected to

[Shri O. V. Alagesan]

go into the *Pros* and *cons* of the case and then take a decision after mature consideration. After having done that if they go back and say they will reconstitute the authority with the same members, that will mean as though Government owns its mistake in having superseded the authority in the first instance.

There are other questions also. As many hon. Members had occasion to point out, the drafting is defective and one thing should be said in that connection. Wherever provisions have been bodily taken from other Acts, they are all right. I don't say this in any spirit of criticism. It is good that we copy other provisions which have been passed by this House or any other House so that we may commit the least number of mistakes. There is nothing wrong in copying. After all, we don't claim any originality in drafting Bills. So, it is good that we copy provisions from other Acts. But wherever any attempt at originality has been made here, it has been a failure and the Bill requires a great deal of trimming. I hope the Select Committee will take into consideration this fact and when the Bill emerges from the Select Committee I hope it will emerge a trimmed and a neat Bill.

**The Honourable Shri K. Santhanam:** Mr. Deputy-Speaker, as usual the Bill has been subjected to a very critical examination by many Members. I am sure that the Select Committee will look into all the points mentioned and see that wherever they can be improved they are improved. I may also make one other general remark. Many Members have complained about the drafting of the Bill. I may confess that this Bill had to be prepared in a hurry so that it might be introduced in the last session and having introduced it we could not make any changes and therefore we have reserved our own remarks also for the Select Committee. But I am afraid some of the criticisms at least are not quite accurate. I would just run over the criticisms made by various speakers.

I am sorry that my hon. friend Prof. Shibban Lal Saksena is not here. He complained that we did not take inspiration from the British Transport Commission Act. As a matter of fact, some of the provisions have been adapted in the light of the provisions of this British Act. The composition of the Executive which he commended for our acceptance is almost exactly the composition of the authority which we have formulated in this Act.

My hon. friend Mr. Subramaniam complained that for an object of this nature the Bill is too long. I would point out to him the criticism on the other side made by my hon. friend Mr. Jain that in many matters we only indicate what action should be taken, leaving the actual material to be filled by rules and regulations. If we take the advice of Mr. Jain, the whole Bill would have to be doubled or trebled in size. I may also inform my hon. friend Mr. Subramaniam that owing to its extreme brevity, the Road Corporation Act which we brought and which the House passed, could not apply to the provinces and so at the last meeting of the Transport Advisory Council we had to adopt a more detailed Bill which is going to be introduced in the House and will be taken up for consideration in due course. In this matter, I think it is better to steer a middle way and not make the Bill too elaborate, at the same time taking care to see that all the important points are covered to a reasonable extent. That is the procedure that has been adopted in this Bill.

One point which was mentioned by Mr. Subramaniam and others is in regard to sub-clause (3) of Section 55 which provides that a regulation may contain punishments which may extend to three months or with fine which may extend to Rs. 500. I do appreciate the objection, but what is the alternative? We will have to put in a section in the Bill to make any breach of regulation punishable to this extent. In fact, this particular clause is meant to so regulate



punishment that for minor offences such heavy punishments need not be necessary. We cannot give any authority the power to make regulations and provide no sanction whatsoever. Those regulations will not be worth the paper on which they are written. Therefore, we have the Hobson's choice. Either we put in the punishment here—it must be the maximum punishment; or we leave it to the authority with the approval of the Central Government to prescribe punishment subject to the prescribed maximum. If the Select Committee thinks it preferable that the punishment should be incorporated, I shall have no objection, but I hope to convince it that it will be making a worse choice.

As usual, my friend Mr. T. T. Krishnamachari had his own method of criticism. I have nothing to say regarding the remarks he made about the value of the G.N.I.T. or of our wisdom in taking over the assets of the old company. That is the inherent difficulty of nationalisation by taking over old concerns. We have to take over the old concerns with all their assets and what is worse with all their liabilities, and in this case the liabilities, I admit, were at least as onerous as the assets, and much of the criticism and the public complaint is due to the fact that we had to take over these liabilities of the old G.N.I.T.

Many of my hon. friends have objected to the composition of the Authority. They wanted some qualification to be prescribed. I do not know if they would like us to put in a clause as in the British Transport Commission Act regarding the qualifications. This is what that Act says:

"The Commission shall consist of a chairman and not less than four nor more than eight other members, all of whom shall be appointed by the Minister from among persons appearing to him to be persons who have had wide experience and shown capacity in transport, industrial, commercial or financial matters, in administration, or in the organisation of workers, and of whom the Chairman and not less than four other members shall be required to render whole-time service to the commission."

To put qualifications in such wide terms is purposeless, as the Central Government is bound to appoint people with some qualifications or other. On the other hand, if we are to prescribe specific qualifications as experience in transport, business, etc. then I am afraid we may not be able to find such persons at all. This motor transport industry is still a sort of infant industry in this country and even for getting high level executives we are finding it very difficult. It is only after a great deal of difficulty and search, we were able to get a new General Manager for the Delhi Transport Service. We have not yet been able to get a proper Mechanical Engineer or other officers. Therefore, to put in specific qualifications will be to defeat the purpose. Moreover, it should be remembered that the function of the Authority is to exercise the powers which are now exercised by the Transport Ministry. Therefore, it is to take away the work of the Ministry we want this Transport Authority. We want it to be composed of able and intelligent people, composed partly of officers who will function as watch-dogs of the Central Government and partly of public men who will function as watchdogs of public interest.

**Shri B. K. Sidhva:** Where are they? I mean the public men.

**The Honourable Shri K. Santhanam:** My hon. friend thinks that the only public men are within the precincts of this House.

**Shri B. K. Sidhva:** I have not said so. Actually, I have sent in an amendment that they should be members of municipalities and similar institutions. I asked where are they?

**Sjt. Rohini Kumar Chaudhuri (Assam: General):** Is the Hon. Minister not aware that the Provincial Transport Authorities are presided over by Provincial Ministers of Transport?

**The Honourable Shri K. Santhanam:** Among the non-officials all non-officials excluding the Members of the Constituent Assembly are included and our choice is entirely free. I may explain why Members of the Assembly have been excluded. We are following the very worthy example of the British Transport Commission Act which says:

"A person shall be disqualified for being appointed a member of the Commission so long as he is a member of the Commons House of Parliament."

**Shri E. K. Sidhva:** If so, follow it in entirety. Why pick up one clause?

**Shri Mahavir Tyagi:** Is membership of the authority an office of profit? Is it a wholetime service?

**The Honourable Shri K. Santhanam:** Out of the 8 members 4 other members may not be wholetime members. In the Act constituting the Reserve Bank and other Acts which we have passed in this legislature, we have accepted the salutary principle that the Members of the House should not be members in such Authorities. It is for this simple political principle, that responsibility should be clear and distinct and the frontiers should not be blurred. We are the guardians of the people over all these institutions. If Members of the Assembly get entangled in these institutions, then the responsibility of the House becomes blurred and we shall not be able to fulfil our trusteeship for the country at large. That is the only reason why the members of this Parliament are excluded from such Authority, and it is not a matter of reflection on their capacity or any other way. Therefore, it is a salutary principle which I hope will be followed in every such independent autonomous Authority.

It is our intention to nominate one of the non-officials from Delhi Municipality. That is our intention, but we do not want to commit ourselves, because in that case if we get a much better choice we shall be precluded from taking him.

Sir, some remarks were made regarding the limitation of expenditure of the Transport Authority. While this Transport Authority will be autonomous, the capital is going to be given by the Central Government and in certain matters it is certainly necessary that the approval of the Central Government should be obtained. In this particular case the approval should be very easy, because the representatives of the Ministries of Finance and Transport will be there. It is only when any scheme is framed about which they feel grave doubts that the question of approval or non-approval would arise. Otherwise, normally speaking, if the official representatives of the Government of India approve of the schemes, then the approval of the Government of India will become more or less a formality.

**Shri Ajit Prasad Jain:** Does it mean that the official becomes the approving authority?

**The Honourable Shri K. Santhanam:** If the Transport Authority accepts a scheme by a majority of four to three and the representatives of the Ministries of Transport and Finance are among the dissentients, then it will be a matter which the Central Government will have to consider whether such a scheme will be in the interest of the tax-payer and will not involve the Government in a loss. That is a salutary safeguard which I thought the House itself will insist on, even if we had not put it in.

Sir, some other hon. Member objected to the limitation on the power of disposal of this authority. Ordinarily speaking this Authority's business is not to sell any kind of material. Its business is to buy buses and spare parts and use them for road service. If for any reason it wants to dispose of materials and makes some mistake or miscalculation, it is certainly good that the matter should be brought to the attention of the Central Government. That is why in the disposal of assets, for instance, movable or immovable property, the Central Government should have a voice. As I have already explained, in the

ordinary course there should be no difficulty. It is only when instances arise when the action of the authority is disputed by the representatives of the Government of India that the question of reconsideration will come in.

Some hon. Members objected that certain provisions are vague or undefined. I think it was Mr. Jain who pointed out that the provisions relating to the Advisory Councils are not sufficiently specific. We did not want to cumber the Bill with detailed provisions and it is essential that both the composition and the functions of the Advisory Council should be elastic. Therefore provision is made for the making of rules which can be changed in the light of experience. We do not want that every time the composition of the advisory council has to be changed or its functions have to be enlarged or curtailed an amending Bill should be introduced.

I am afraid my hon. Friend Mr. Jain was rather mistaken in his attempt to prove that clause 8 relating to disqualifications was not quite consistent with the spirit of the Bill. Here the Central Government is nominating the members and so initially at least they will be able to see that no one who is a lunatic or insolvent gets in.

My hon. Friend, Mr. Algesan, said that people with interests should be excluded from membership of both the authority and service. I think this has been provided in clauses 6 and 17.

**Shri O. V. Alagesan:** I meant that a person with financial interest in any other road transport undertaking should not be included as a member.

**The Honourable Shri K. Santhanam:** I am prepared to look into that point Sir.

In the end, I may assure the House that all the other points made during the course of the debate will be duly examined.

Before I sit down I have to make a request. I understand that Shri Mohan Lal Gautam finds himself unable to serve on this Select Committee. I would request your permission to substitute Shri C. Subramaniam in place of Shri Gautam. I may assure the House that in the Select Committee every suggestion will be carefully examined and we shall be ready to accept as many amendments as may be necessary to make the Bill acceptable to the whole House. I move:

"That in the motion for the name of Shri Mohan Lal Gautam, the name of Shri C. Subramaniam be substituted."

**Mr. Deputy-Speaker:** I will first put the substitution to the vote of the House. The question is:

"That in the motion for the name of Shri Mohan Lal Gautam, the name of Shri C. Subramaniam be substituted."

*The motion was adopted.*

**Mr. Deputy-Speaker:** I will now put the motion to the House. The question is:

"That the Bill to provide for the establishment and regulation of a Road Transport Authority for the promotion of a co-ordinated system of road transport in the Province of Delhi, be referred to a Select Committee consisting of Shri Satish Chandra Samanta, Ch. Sanbir Singh, Shri Yashbhai Mier, Dr. P. S. Deshmukh, Prof. Shibban Lal Saksena, Shri B. K. Sidhva, Shri Ram Chandra Upadhyaya, Shri Krishna Chandra Sharma, Mr. T. J. M. Wilson, Sardar Hukam Singh, Shri C. Subramaniam, Sardar Suchet Singh, Shri Deshbandhu Gupta and the Mover, with instructions to report on or before the 12th December 1949, 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.*

*The Assembly then adjourned till a Quarter to Eleven of the Clock on Friday, the 2nd December 1949.*