

Wednesday,
3rd March, 1948

THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

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SECOND SESSION

of the

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Wednesday, 3rd March, 1948

The Assembly met in the Assembly Chamber of the Council House at 4 Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

DECLARATION BY MEMBERS

The following member made the declaration under Rule 2C:

Shri S. A. Sudhakar (Baroda State).

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

MERGER OF FRENCH INDIA WITH INDIAN UNION

571. *Mr. R. K. Sidhva: (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware that the French India People's Convention met in Pondicherry on the 23rd January, 1948 and resolved for the complete merging of French India with the Indian Union?

(b) Has their deputation met the Ministers of the Government of India?

(c) What action do Government intend to take on the resolution passed at Pondicherry?

(d) Are Government in communication with the Government of France in respect of the French possessions in India? If so, with what result?

The Honourable Pandit Jawaharlal Nehru: (a) The Government of India have received a report to the effect that the French India People's Convention met on the 25th January, and passed a resolution for "the immediate unconditional withdrawal of French Sovereignty from the five settlements", and expressed its determination to merge with the Indian Union.

(b) No.

(c) and (d). The Government of India are in communication with the French Government over the future of the French Establishments in India.

Mr. B. K. Sidhva: May I know whether the French Ambassador has brought any proposals to the Government of India and whether he has had any talks with the Honourable the Prime Minister?

The Honourable Pandit Jawaharlal Nehru: The French Ambassador has recently come back from Paris. I have not had an occasion to meet him yet.

Mr. Tajamul Hosain: Are the Government in communication with the Government of Portugal in respect of the Portuguese possessions in India?

Mr. Speaker: That does not arise out of this.

Shri H. V. Kamath: Has the attention of the Honourable the Prime Minister been drawn to a statement made by M. Daniel Levi, the French Ambassador in India to the effect that a plebiscite would be held in India to determine the future of the French possessions: and if so, whether this referendum would be held solely under the French Government's auspices or jointly with us or under some international auspices?

The Honourable Pandit Jawaharlal Nehru: It is I think common ground between the Government of India and the French Government that the future of the French possessions should be decided by the people of those possessions. As to how it should be decided, according to the wishes of the people there.

Obviously some arrangement will have to be made so that they might have full opportunity to give expression to their opinion. We have not discussed this matter.

Shri H. V. Kamath: Are negotiations in progress between our Government and the French Ambassador?

The Honourable Pandit Jawaharlal Nehru: Not about that particular detail, but as I have stated in answer to the question, about the future of these possessions.

CONSTRUCTION OF QUARTERS FOR SECRETARIAT STAFF.

572. *Mr. R. K. Sidhva: Will the Honourable Minister for Works, Mines and Power be pleased to state:

(a) how many buildings have been sanctioned for the staff of the Government of India, when the construction of the same will be started and when it is expected to be completed;

(b) in view of the transport difficulties, whether Government propose to select sites for the staff quarters near the Secretariat office and its surroundings;

(c) whether Government are aware that large open sites are available in the vicinity of the Secretariat offices; and

(d) whether Government are aware that residential quarters nearer the offices would save the staff from conveyance expenses?

The Honourable Shri N. V. Gadgil: (a) The number of buildings recently sanctioned is as follows:

New Delhi.—(i) 200 officers' flats, (ii) 1,000 clerks' quarters, and (iii) 1,000 peons' quarters.

Old Delhi.—(iv) 36 clerks' quarters at Karolbagh, (v) 1,000 clerks' quarters at Timarpur, and (vi) 250 peons' and duftry quarters at Timarpur.

These construction schemes will start very shortly and are expected to be completed within about fifteen months.

(b) No. Sites for the above schemes have already been selected in the Lodi Road, Factory Road and Aliganj areas in New Delhi and in the Karolbagh and Timarpur areas in Old Delhi. The sites near the Secretariat will be required for permanent office accommodation.

(c) Yes. At present there are three large open sites near the Secretariat, viz., the Central Vista and the North and South Avenues, but these are not suitable for housing schemes. Other big sites near the Secretariat are mostly occupied by temporary hutments, which cannot be demolished at present, owing to acute shortage of office accommodation.

► (d) Yes.

Mr. R. K. Sidhva: May I know whether any quarters for the staff are being built in the Civil Lines?

The Honourable Shri N. V. Gadgil: No.

Mr. R. K. Sidhva: May I know why Government do not think it desirable to build all quarters near Lodi, so as to allow the staff to attend office conveniently?

The Honourable Shri N. V. Gadgil: For the simple reason that the density of population will be much more and not in the interests of public sanitation and health.

Prof. N. G. Ranga: In view of the fact that many of these places are far away from the Secretariat, and these people are low-paid, have Government considered the possibility of covering them with suitable bus services, by means of which, they can come here?

The Honourable Shri N. V. Gadgil: That question could be more appropriately addressed to the Ministries of Transport and Finance?

Shri K. Santhanam: What is the number of storeys for each house?

The Honourable Shri N. V. Gadgil: So far as officers' flats are concerned, they are to be four storeyed: As regards the clerks' quarters they are to be three-storeyed houses: as regards the peons' quarters, they are to be one-storeyed.

Prof. N. G. Ranga: In planning the situation for the building of these Houses, will Government keep the earlier consideration prominently before their mind?

The Honourable Shri N. V. Gadgil: In planning all factors, including transport facilities are taken into consideration.

Mr. R. K. Sidhva: When is the work likely to start?

The Honourable Shri N. V. Gadgil: As a matter of fact the construction with respect to peons' quarters had started but had to be suspended on account of civil disturbances. But it has started again.

As regards the other matters, the Standing Finance Committee was good enough to sanction these schemes recently, and the construction will start in two months and the scheme will be completed in fifteen months.

Mr. R. K. Sidhva: Is the work done departmentally or are tenders invited?

The Honourable Shri N. V. Gadgil: It is done according to the usual procedure.

Mr. R. K. Sidhva: What is the usual procedure?

The Honourable Shri N. V. Gadgil: The usual procedure is to call for tenders.

PROVINCIAL CONTRIBUTION FOR POST WAR DEVELOPMENT SCHEMES

573. ***Mr. R. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to refer to his answer to my starred question No. 234, asked on the 21st November, 1947 regarding the Post War Development schemes, and state how much money out of the sum of Rs. 13 crores paid to the Provinces each Province has spent upto December, 1947 and on what schemes?

(b) While implementing the schemes, what amount has been contributed by each Province and what amount has each one of them actually spent from its own funds?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). The information asked for by the Honourable Member is not readily available as the accounts for the period ending 31st March, 1947 have not yet been closed. The Honourable Member must have seen from the Finance Minister's Budget Speech for 1948-49 that it has now been made clear to the Provinces that in future the grant from the Centre upto the maximum agreed to will be contingent on the Provinces spending from their own revenues at least an equal amount.

EXPORT QUOTAS OF JUTE TO SINDHI MERCHANTS

574. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Commerce be pleased to state whether it is a fact that the Sind Works Merchants Association, Bombay, made a representation to Government for granting Export quotas of jute goods to Sindhi refugees?

(b) Are Government aware that several Sind Works Evacuee merchants and firms who evacuated from Far Eastern countries sent applications to the Chief Controller of Exports, for allotment of quotas in pursuance of the notification dated the 5th July, 1947?

(c) If so, were quotas granted to them and if not, why not?

(d) Are Government aware that after the partition of India, most of these Sind Works Evacuee merchants and firms have abandoned their trade in Sind and have migrated to the Indian Union?

(e) If so, do Government propose to consider their applications for export quotas for jute?

The Honourable Mr. C. H. Bhabha: (a) and (b). Yes, Sir.

(c) Quotas have been granted to Sind Work evacuee merchants and firms who were eligible for quotas in accordance with the principles adopted for distribution among various applicants. The Honourable Member's attention is invited in this connection to my reply in this House on the 9th December, 1947 to part (d) of Shri Ramnarayan Singh's starred question No. 737, which lays down the principles that have been followed by this Ministry in the distribution of newcomers' quotas.

(d) Yes, Sir.

(e) Under the revised scheme, quotas of jute and jute goods are being distributed half-yearly on a *pro-rata* basis to those parties who are in a position to produce evidence of having concluded contracts with importers abroad. If, therefore, these refugees are able to produce the necessary evidence before the Deputy Chief Controller of Exports, Calcutta, by the dates prescribed by that officer, they would be also able to secure the necessary quotas for exports.

ALLOTMENT OF RESIDENTIAL AND BUSINESS PREMISES TO REFUGEES

575. *Shri Deshbandhu Gupta: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the number of applications received from refugees for allotment of residential houses and business premises respectively;

(b) the number of allotments made by the Custodian of Evacuees' Property in respect of residential and business premises respectively;

(c) the number of allottees who have been given actual possession of houses and business premises allotted to them; and

(d) the total number of houses and business premises which had been forcibly occupied by refugees and other persons, and how many of them were got vacated by the Custodian of Evacuees' Property with the help of the Police and have been allotted to refugees?

The Honourable Shri K. O. Neogy: It is presumed that the question relates to Delhi.

(a) 24,208 applications were received for allotment of residential houses and 10,800 for business premises.

(b) 2,593 residential houses have been allotted. No business premises have so far been allotted, though care-takers from among refugees have been appointed in some cases.

(c) 72 allottees have been given actual possession of houses.

(d) 9,926 houses and 3,733 business premises have been forcibly occupied by unauthorised persons. 1,400 eviction warrants have been issued. The police have evicted 19 unauthorised occupants of houses and 3 such occupants of business premises.

Shri Deshbandhu Gupta: In view of the fact that 2,500 allotments have been made and only 72 have been given actual possession, may I know if Government has considered the desirability of making an announcement that people should not look forward to the Government or the Custodian of Evacuees' Property for getting houses or business premises?

The Honourable Shri K. C. Neogy: As I have already stated, 1,400 eviction warrants have been issued and until and unless Government get a report from

the authorities, whose responsibility it is to have these warrants executed, that it is not possible to execute these warrants and evict these persons, no such statement as suggested by the Honourable Member can be made.

Shri Deshbandhu Gupta: Is it not the settled policy of the Government at the moment that the unauthorised persons who are occupying these houses should not be evicted and the police is not co-operating in the matter of their eviction at all?

The Honourable Shri K. C. Neogy: I would not say that.

Prof. N. G. Ranga: What is the average period that is taken between the issue of these warrants and their actual enforcement?

The Honourable Shri K. C. Neogy: Having regard to the fact that only in very few cases actual execution has taken place, it is difficult to give an estimate of the average period.

Prof. N. G. Ranga: How does Government justify the failure on their part to evict these people after having given warrants to them and only 22 people have been evicted?

The Honourable Shri K. C. Neogy: I would ask my Honourable friend to wait for the reply to the next question because this issue is raised there and I have attempted an answer to this point.

Shri H. V. Kamath: Does Government propose to regulate the business that is carried on on the pavement premises not far from the Council House opposite the Rehabilitation Ministry's Office?

The Honourable Shri K. C. Neogy: I am afraid that does not directly arise out of this question.

BUSINESS PREMISES ALLOTTED TO REFUGEES BY SECTOR CUSTODIANS OF EVACUEES PROPERTY

576. *Shri Deshbandhu Gupta: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the number of houses, business premises and factories which were sealed by the Custodian of Evacuees' Property and are still lying vacant;

(b) the number of business premises which were allotted by Sector Custodians without reference to the Advisory Committees or without previous permission of the Custodian of Evacuees' Property;

(c) how many of them have since been got vacated;

(d) whether it is a fact that most of the allotments made by the Sector Custodians to refugees have not been put into effect; and

(e) if so, where Government propose to provide these people with accommodation?

The Honourable Shri K. C. Neogy: (a) 28 houses were sealed by the Custodian. None of them is vacant now. The number of business premises and factories sealed by Custodian and still remaining vacant is 61 and 38 respectively.

(b) and (c). No allotment of business premises has so far been made.

(d) and (e). Due to the unauthorised occupations during the period of disturbed conditions in the city, most of the allotments remained ineffective. The eviction of refugees on a mass scale was not considered practicable or conducive to the restoration of normal conditions. Government is attempting with some success to provide shelter to refugees but has decided that any more refugees coming to Delhi will be sent out to refugee camps in Bihar and Orissa.

Shri Deshbandhu Gupta: May I know what progress Government have made with the different proposals to rehabilitate these people and provide them with housing accommodation?

The Honourable Shri K. C. Neogy: The Rehabilitation and Development Board are actively engaged in examining these various proposals and they are expected to take an early decision—at least in one particular case.

Shri Deshbandhu Gupta: Is it not a fact that there are about 1,600 plots belonging to the Delhi Improvement Trust, duly serviced and ready for allotment or auction, and Government has not decided as yet whether these plots should be allotted to the refugees and temporary buildings should be put on them?

The Honourable Shri K. C. Neogy: This matter again is under the consideration of the Board.

Shri Deshbandhu Gupta: Is it not a fact that this information was brought to the notice of the Government as early as November but no action has so far been taken on it?

The Honourable Shri K. C. Neogy: There have been discussions between the different Ministries concerned, and in view of certain difficulties that were put forward by the other Ministries in regard to these various plots it was not possible to make any progress. For instance, there are certain commitments. The question of slum clearance and the question of prior claims of the people who had been dispossessed—all these questions—came up for consideration and it was felt that the question of reserving these plots for refugees was not so simple as was originally thought.

Shri Deshbandhu Gupta: Is it not a fact that even during the last month some plots were sold by auction by the Delhi Improvement Trust?

The Honourable Shri K. C. Neogy: The Delhi Improvement Trust is at liberty to proceed with their duties as authorised under the law which applies to them. There is again some difficulty about Government controlling the Delhi Improvement Trust in the matter of restricting the scope of their authority so as to benefit the refugees.

Shri Deshbandhu Gupta: Have Government not issued any instructions to the Delhi Improvement Trust that pending bigger decisions about housing it would not be wise to part away with the land which is readily available for building purposes and which belongs to the Government?

The Honourable Shri K. C. Neogy: On the other hand I have received representations from certain sections of refugees who are in a position to invest capital that they would benefit if these auctions were to take place.

Pandit Hirday Nath Kunzru: May I ask what is the total number of refugees who are without any shelter at present?

The Honourable Shri K. C. Neogy: I am afraid I should ask for notice of that question.

Pandit Hirday Nath Kunzru: Is it not a fact that a considerable number of them have still not been accommodated in houses, notwithstanding the promise given to them by the Prime Minister about a month ago that everyone of them would be so accommodated within the space of a week?

The Honourable Shri K. C. Neogy: I should not think so, because still there is accommodation in Purana Qila.

The Honourable Pandit Jawaharlal Nehru: I am afraid my Honourable friend does not remember the words I used. I did not say that they would be not be accommodated in houses because the houses were not there for accommodation to be given to them. What I said was that there should not be any shelterless person in Delhi, that shelter adequate as far as possible and such other amenities would be provided for them. I believe those were provided in larger numbers than were necessary for the refugees at that time in Delhi.

When news of that fact was bruited abroad, far greater numbers came to Delhi and continue to come. We have provided shelter for everyone. I cannot say offhand whether there are any persons who are without shelter—there may be a few. But I can say that in effect there should be none and there should not be any considerable number of shelterless persons. It is true that the kind of shelter which we provide is not first-class. In the nature of things that is a little difficult. As a matter of fact, the conditions in regard to refugees in Delhi have improved so considerably that a considerable number of semi-settled refugees in East Punjab wanted to come to Delhi, and did come to Delhi and created further difficulties, so that, apart from this, any undertaking that was given by us, I do think, was fulfilled.

Pandit Hirday Nath Kunzru: What was the number of refugees who were provided with shelter in pursuance of the Prime Minister's undertaking?

The Honourable Shri K. C. Neogy: I presume what the Honourable Member means is the number of persons who have been provided with shelter since the statement was made by the Prime Minister. If that is so I should like to have notice and can furnish the figure later on.

Diwan Chaman Lall: Is it not a fact that in Purana Qila shelter has been provided for about 9,000 refugees?

The Honourable Shri K. C. Neogy: That is the full capacity. But nothing like the full capacity has yet been utilised.

Diwan Chaman Lall: Is it not a fact that two to three thousand people have already been accommodated in Purana Qila?

The Honourable Shri K. C. Neogy: Yes.

Pandit Hirday Nath Kunzru: What is the total accommodation in the refugee camps and how much of it has been occupied?

The Honourable Shri K. C. Neogy: I think it does not arise out of this. In any case I should like to have notice.

The Honourable Pandit Jawaharlal Nehru: It is difficult to give numbers offhand without enquiry. But there has been a considerable addition in the Kingsway camp. About 4,000 people have been provided for in the Purana Qila. The fact that at the present moment we are prepared to provide for two or three or four thousand more people in the Purana Qila but people do not come, goes to show that people think that they are better off without the accommodation provided for them. Nobody need therefore be shelterless.

Shri Deshbandhu Gupta: Is it not a fact that assurances were given by the Rehabilitation Commissioner that satisfactory arrangements for transport would be made from Purana Qila to the city but those arrangements have not yet been made and this is one of the reasons why people are not attracted to that camp?

The Honourable Shri K. C. Neogy: I shall look into this matter. This is the first time I hear about this complaint.

EVACUEES' PROPERTIES IN DELHI

577. *Shri Deshbandhu Gupta: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the total number of houses, factories and business premises which have been declared as Evacuees' Property in Delhi; and

(b) the total rent collected till 31st January, 1948, in respect of these premises and the principle followed in fixing the rents?

The Honourable Shri K. C. Neogy: (a) About 12,512 residential units, 3,866 business premises and 420 factories (most of them small workshops, brick kilns, lime kilns and the like) were declared Evacuees' Property.

(b) The total rent collected upto 31st January, 1948 was Rs. 46,993. The rents have been fixed on the basis of amount of rent previously charged by the landlord, if known, or assessment record of the Municipal or Notified area concerned. Where the Municipal record also is not available, the rent is fixed on the basis of prevailing rent for similar accommodation in the area. In order to check and rectify errors, a Departmental Rent Committee will review the rents fixed from time to time.

Shri R. R. Diwakar: Is there any time limit fixed by the Ministry to keep these evacuee properties vacant and unoccupied?

The Honourable Shri K. C. Neogy: As a matter of fact the complaint is none of this property which has not been specially reserved is vacant.

Shri Deshbandhu Gupta: Is it not a fact that out of these residential houses, quite a large number—as many as over 2,000—are still lying vacant and the Government has not yet made up its mind whether it should proceed to allot those houses to the refugees or not?

The Honourable Shri K. C. Neogy: So far as I am concerned, there is no intention to make any allotment of these houses to the refugees.

Shri Deshbandhu Gupta: May I know if it is the intention of the Government to keep these houses vacant indefinitely?

The Honourable Shri K. C. Neogy: I should not say that.

Shri R. R. Diwakar: May I know the time-limit fixed for it?

The Honourable Shri K. C. Neogy: We will wait and see.

Pandit Thakur Das Bhargava: Why is the allotment not made?

The Honourable Shri K. C. Neogy: The Honourable Member is fully aware of the circumstances in which this step had to be taken, namely to keep these houses vacant.

Shri Deshbandhu Gupta: Will Government consider the desirability of reserving a certain percentage of these houses for possible evacuees returning to these houses or for meeting other requirements of evacuees and proceed to allot the rest of them to refugees?

The Honourable Shri K. C. Neogy: As at present advised it has been decided that the houses that my Honourable friend mentioned should be kept vacant for the time being.

Mr. Speaker: The matter has been sufficiently discussed now. Next question.

EMPLOYMENT OF REFUGEES THROUGH INSTITUTIONS RESIDES EMPLOYMENT EXCHANGES

578. *Shri Deshbandhu Gupta: Will the Honourable Minister of Relief and Rehabilitation be pleased to state what steps other than those through Employment Exchanges are being taken to provide jobs to the refugees at an early date?

The Honourable Shri K. C. Neogy: The Honourable Member is referred to my replies to (i) Starred Question No. 56 on 31st January, 1948. (ii) Part (a) of Starred Question No. 109 on 4th February, 1948. (iii) part (b) of Starred Question No. 459 on 25th February, 1948. (iv) For refugee officers of the provincial governments of West Pakistan a Transfer Bureau has been functioning under the Ministry of Home Affairs. A special Employment Bureau is being set up in the Ministry of Relief and Rehabilitation for specially qualified displaced persons drawn from trade, business, commerce, industry and professions as also for displaced employees of local bodies.

Shri Deshbandhu Gupta: Are Government satisfied with the progress of work reported by these exchanges?

Mr. Speaker: Order, order. I think that is a matter for opinion.

Dr. V. Subramaniam: What steps have been taken to collect the pension and other dues so that they may be distributed monthly to the retired government servant refugees who have come from the Pakistan area?

The Honourable Shri K. C. Neogy: This is a matter which has formed the subject matter of negotiations with Pakistan.

Dr. V. Subramaniam: Are Government aware that these retired government servants from Pakistan are here for six months and will Government please see that arrangements are not delayed so that these people may not die of hunger?

The Honourable Shri K. C. Neogy: In so far as anything depends upon us, we certainly give the guarantee that nothing would be delayed.

Dr. V. Subramaniam: Can any advance be paid of those pension amounts?

The Honourable Shri K. C. Neogy: That is a matter which may have to be considered hereafter.

FOOD AND TRADE AGREEMENTS WITH PAKISTAN

579. *Seth Govinddas: Will the Honourable Minister of Commerce be pleased to state:

(a) the terms of agreement entered into between India and Pakistan in respect of food; and

(b) whether the Government of India propose to have a general trade agreement with Pakistan?

The Honourable Mr. C. H. Bhabha: (a) This part of the question should really have been addressed to the Honourable Minister for Food and Agriculture. A copy of the Memorandum of Agreement entered into between India and Pakistan has, however, been placed on the table of the House.

(b) As the Honourable Member is aware, the Standstill Agreement which was in force and under which there was to be free trade between the two Dominions has expired on the 29th February, 1948. The question of a general trade agreement with the Dominion of Pakistan is at present engaging the attention of Government.

Seth Govinddas: In view of the fact that the Standstill Agreement has expired on the 29th February, what is the position at present as far as trade between Pakistan and India is concerned?

The Honourable Mr. C. H. Bhabha: That position has been explained in a communique which was issued a couple of days ago and which says that Pakistan for purposes of trade, will be treated as foreign territory.

Prof. N. G. Ranga: Has the Pakistan Government made any proposal so far in regard to the negotiations and the conclusion of a general trade agreement?

The Honourable Mr. C. H. Bhabha: Some preliminary talks are taking place.

ESTABLISHMENT OF A BUREAU FOR COMMERCIAL INFORMATION

580. *Seth Govinddas: (a) Will the Honourable Minister of Commerce be pleased to state whether Government are aware that the present *Indian Trade Journal* is not able to cater to the needs of all the export and import traders in India?

(b) In view of the greater necessity for information regarding the possibilities of foreign trade, do Government propose to consider the desirability of establishing a separate bureau of commercial information?

The Honourable Mr. C. H. Bhabha: (a) The *Indian Trade Journal* is not the only publication which caters to the needs of the trade in India. Weekly reviews of India's and foreign market conditions based on internal advices and

reports received from Trade Commissioners are also issued for the general information of the trading and business public. An *Indian Trade Bulletin* is also published fortnightly with the object of giving wider publicity to principal developments in the realm of Indian trade, Industry and Finance. Press Notes, based on Trade Commissioners' reports, are also put out from time to time bearing on important matters which require immediate and wide publicity.

(b) The Department of Commercial Intelligence and Statistics at Calcutta exists for the purpose of giving information to traders regarding the possibilities of foreign trade and there is no necessity therefore for setting up a separate Bureau of Commercial Information. I may add, however, for the Honourable Member's information that proposals are under consideration for strengthening and reconstituting this Department with a view to its rendering the maximum assistance possible to the commercial community in the development of India's overseas trade.

Seth Govinddas: Have the Federation of Indian Chambers of Commerce and other such bodies applied to Government in this respect?

The Honourable Mr. C. H. Bhabha: A suggestion has emanated from the Federation of Indian Chambers of Commerce for strengthening and reorganizing the Commercial Intelligence Bureau which exists at Calcutta.

Shri T. T. Krishnamachari: Will the Honourable Minister consider the desirability of having one journal instead of a multiplicity of journals which will confuse the interests concerned?

The Honourable Mr. C. H. Bhabha: That may be taken into consideration.

Prof. N. G. Ranga: Will Government be prepared to supply to such of the members of this House as are interested in this matter copies of the *Indian Trade Journal* as well as the fortnightly summaries?

The Honourable Mr. C. H. Bhabha: That may also be considered. They can be supplied. They are usually placed in the Library, I am told.

NATIONAL ANTHEM FOR INDIA

581. *Mr. R. K. Sidhya: (a) Will the Honourable the Prime Minister please state whether any steps have been taken to have a National Anthem for India composed?

(b) If so, what stage has it reached and when will the same be ready?

(c) Has the work been entrusted to one or more experts and what is the prize fixed for the best composition?

The Honourable Pandit Jawaharlal Nehru: (a), (b) and (c). Before finally deciding on a National Anthem it is considered desirable to give trials to orchestral renderings. With this object in view such orchestral renderings have been prepared by experts of Tagore's *Jana Gana Mana*, and a number of military bands have been asked to practise them.

Seth Govinddas: Has the Government considered the desirability of changing certain songs like Jhanda song which have now become obsolete and by certain changes can be made into a national song?

Mr. Speaker: I am afraid these are suggestions for action and need not be answered.

Shri H. V. Kamath: Considering that Hindi or Hindustani is going to be the *lingua franca* or *lingua indica*, will Government consider the desirability of giving a trial to that famous song beginning "*Shubh Sukh Chain ki barsa barsa.....*" popularized and immortalized by Netaji Subhas Chandra Bose?

Mr. Speaker: I cannot allow any questions giving suggestions. Members may ask for information

Shri Mihir Lal Chattopadhyay: May I know whether the traditional *Bande Mataram* song has ceased to be a national anthem now?

The Honourable Pandit Jawaharlal Nehru: Certainly not.

Mr. Tajamul Hosain: May I know who will be the body of persons who will select that a particular song should be selected as a national anthem?

The Honourable Pandit Jawaharlal Nehru: I cannot precisely answer that question immediately, but may I point out to the House that a national anthem is something far more than the words. The most important part of an anthem is the music of it and most people do not realise that. They go by the words. Therefore it has been decided that Tagore's *Jana Gana Mana* with the orchestral renderings should be examined. Other songs no doubt can also be so examined. My friend wishes *Bande Mataram* too. Unfortunately the words of some songs that are very good are not capable of good orchestral renderings, tunes and etc., and as national anthems played as orchestra, they are not very impressive. We want something with life in it and yet with great dignity. We want both. If either is lacking, it is not good. If it is all dignity and no life, then it falls flat. If it is all life and no dignity, then it is theatrical. So we have to strike a balance between the two.

Now, to answer the Honourable Member's question, I imagine that at first some committee of Government (or Government itself) or some committee of this House will probably make a recommendation and ultimately it will be for the House itself to adopt finally the National Anthem, as it adopted the National Flag.

Seth Govinddas: Will Government consider the desirability of appointing a committee of musicians and experts who may report to Government?

Mr. Speaker: These are suggestions for action.

Shri Rohini Kumar Chaudhuri: But, is it a fact, Sir, that, in the meantime, our Army is required to play the National Anthem of *God Save the King*?

The Honourable Pandit Jawaharlal Nehru: I do not know what the army is enjoined to play, but sometimes they do play that, though, nowadays, the general practice is to play *Jana Gana Mana*. Now, if I may be permitted to branch off a little from the context, the normal army toast has thus far been to the King Emperor. That is the toast at the gathering of officials. Now so long as we are connected with the King that toast to a certain extent continues. Quite recently, there has been a gradual change: there are two toasts, one to the King and the second one to India. At the official and army functions, normally speaking, unless the Governor-General is present when *God Save the King* is played, some other anthem like the *Jana Gana Mana* is played, although it has not yet been officially recognised.

Mr. Tajamul Hosain: May I know, Sir, whether the Prime Minister can give us an approximate idea as to how long it will take before we shall have a National Anthem of our own?

The Honourable Pandit Jawaharlal Nehru: I cannot say. I should, however, like the matter to be decided fairly early, though there is no extreme urgency about it. The point is that the tune should be fairly well known before it is imposed upon the people. Therefore the way we try to proceed is this. Some of these tunes are played—not in the normal sense of school-girl renderings at public meetings and conferences—but by regular expert orchestras, bands etc. When people get used to them, then will be the time to adopt them finally and give them the official impress.

EVACUATION OF NON-MUSLIMS FROM BANNU

582. *Shri Jaspal Roy Kapoor: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the number of Hindus and Sikhs who are awaiting evacuation from Bannu;

(b) how long it will take to evacuate them; and

(c) what arrangement is being made for their evacuation?

The Honourable Shri K. C. Neogy: (a) About eight thousand.

(b) It is hoped that the evacuation will be completed during the month of March, 1948.

(c) Evacuation has to be carried out mainly by rail. Some trains have already come out but since the attack at Gujrat on one of these trains, no further trains have been laid on by Pakistan Government for security reasons. It is hoped that it will be possible to resume evacuation by rail in the near future. A few aeroplanes are also sent as and when possible.

Diwan Chaman Lal: May I ask my Honourable friend whether adequate arrangements have been made to provide the refugees in Bannu with food?

The Honourable Shri K. C. Neogy: I have had complaints that there are difficulties experienced at Bannu about this matter and we have asked our High Commissioner to find out the position.

REMOVAL OF PROPERTY FROM SAFE DEPOSIT VAULTS IN PAKISTAN

583. *Shri Jaspal Roy Kapoor: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) the number of Indians who have been granted permits and have been able to remove their property from the safe deposit vaults in Pakistan since 1st January, 1948;

(b) in how many cases during the above period were claims put in by the Government of Pakistan against the applicants for such permits;

(c) how many such claims have been allowed; and

(d) how many such claims have been rejected?

The Honourable Shri K. C. Neogy: (a), (b), (c) and (d). Conditions governing operation of safe deposit vaults by non-Muslims evacuees vary in the different Provinces constituting Pakistan. In East Bengal, Sind and Baluchistan no restrictions have been placed by Government on the operation of safe deposit vaults and hence no permits are required.

In West Punjab 670 safe deposit lockers have been operated under permits issued since the 1st January, 1948. All these applications have been allowed excepting those of seven depositors against whom claims have been preferred. These claims are under examination of the Custodian of Evacuee Property, West Punjab. The total number of claims preferred against holders of safe deposit lockers is not known.

Shri Khurshed Lal: Is it a fact, Sir, that not more than twenty depositors are allowed to operate these safe deposit vaults daily?

The Honourable Shri K. C. Neogy: That was the original figure but it has since been raised to about forty and my information is that in addition to these forty, the Custodian gives certain special permits, so that the number of lockers that can be operated per day is about fifty.

Shri Jaspal Roy Kapoor: What is the total number of lockers belonging to non-Muslims in West Punjab?

The Honourable Shri K. C. Neogy: I have no information.

Diwan Chaman Lall: May I ask my Honourable friend whether it is a fact that in the permit that is issued by the West Punjab Authorities it is specifically stated that securities and bonds will not be removable from these vaults?

The Honourable Shri K. C. Neogy: I do not know what exactly is entered in the permits, but the information that I have with me is this that the Custodian has imposed a police search on the contents of the lockers and has ordered the taking out of security bonds and other scripts.

Diwan Chaman Lall: May I ask my Honourable friend whether this particular restriction is not in contravention of the agreement arrived at between us and Pakistan?

The Honourable Shri K. C. Neogy: Well, the agreement in specific terms did not refer to any restrictions of this kind and, therefore, we have taken this matter up with the Government of Pakistan and repeated telegrams have been sent to them. We have also instructed our Deputy High Commissioner at Lahore to take up the matter with the authorities there.

Diwan Chaman Lall: May I ask my Honourable friend whether he has found out any reason for the restrictions that are placed; has it anything to do with any action taken in East Punjab?

The Honourable Shri K. C. Neogy: I could not say that off hand, but generally speaking whenever we raise any issue of any restriction, the usual reply from the Pakistan authorities is that somewhat similar restrictions have been imposed in East Punjab.

Shri Deshbandhu Gupta: May I know the number of lockers used by the evacuees either in East Punjab or Delhi?

The Honourable Shri K. C. Neogy: I am afraid I have no information.

Shri Deshbandhu Gupta: Have any restrictions been placed by Government in respect of lockers which belong to the evacuees and who have gone away from Delhi?

The Honourable Shri K. C. Neogy: We have placed no restrictions.

Shri Krishna Chandra Sharma: Has the Government enquired if any restrictions have been placed by the East Punjab Government?

The Honourable Shri K. C. Neogy: As far as I am aware, no such restrictions have been placed by the East Punjab Government either

REMOVAL OF DOMICILE RESTRICTIONS FROM REFUGEES IN INDIA

584. *Shri Jaspat Roy Kapoor: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether it is a fact that Government have accepted the principle that refugees from Pakistan are to be treated as domiciled in the Province or State in which they propose to settle or seek employment, and that all domicile restrictions are to be removed in their case; and

(b) if so, whether the Provincial Governments and the acceding States have also been requested to accept this principle and to act accordingly, and if so, what has been the response from the different Provinces and States?

The Honourable Shri K. C. Neogy: (a) The Honourable Member is referred to the answer given by the Honourable the Prime Minister to starred question No. 723 by Dr. N. B. Khare on the 9th December 1947 and also to clause 5 of the Draft Constitution of India.

(b) The Honourable Member is referred to my answer to starred question No. 459 (b) by Mr. R. K. Sidhwa on the 25th February 1948.

PROVINCIAL RESTRICTIONS ON PRACTICE OF REFUGEE LAWYERS

585. *Shri Jaspal Roy Kapoor: Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that Government have requested the various High Courts in India to remove the Provincial restrictions in the matter of enrolment and practice of refugee lawyers from Pakistan, and if so, what has been the response from the different High Courts?

The Honourable Shri K. C. Neogy: The Ministry of Home Affairs have requested the Provincial Governments to move the Provincial High Courts in this matter. Decisions of the Provincial High Courts are awaited.

SURPLUS STORES FOR REFUGEES TO START BUSINESS ETC.

586. *Shri Jaspal Roy Kapoor: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether it is a fact that Government have frozen and set apart out of surplus stores, any material to be made available to refugees for helping them to start business or establish industries;

(b) whether Government propose to publish at an early date a pamphlet giving the details of such goods and the manner of obtaining them; and

(c) whether any definite scheme has been drawn up in this connection, and if so, whether Government propose to lay a copy thereof on the table of the House and also publish it at an early date to enable the refugees to take full advantage of it?

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

(b) Yes.

(c) The scheme has not yet been finalised. It will be announced in the Press and placed on the table of the House as soon as it is finalised.

REVISION OF BOUNDARY BETWEEN EAST AND WEST BENGAL

587. *Shri Arun Chandra Guha: (a) Will the Honourable the Prime Minister be pleased to state whether Government of India have taken any steps to revise the boundary between West Bengal and East Bengal as demarcated by the Radcliffe Award?

(b) Is it a fact that the question of the Chittagong Hill Tract was considered to be outside the terms of reference to the Radcliffe Committee and that, therefore, the present decision regarding that Tract is *ultra vires*?

(c) If so, what action has been taken to remedy the position?

(d) Have the Government of India set up a Committee to find out ways and means to revise the boundary?

(e) If so, what action has that Committee so far taken, particularly with regard to the revision of the question of the Chittagong Hill Tract and of the district of Khulna?

The Honourable Pandit Jawaharlal Nehru: (a) No, Sir.

(b), (c), (d) and (e). Government have examined the Boundary Commission's Award regarding Bengal but I do not think that it will be in the public interest to disclose at this stage either the nature of their discussions or the decisions thereon.

Shri Arun Chandra Guha: Is it a fact, Sir, that the Chittagong Hill Tracts contain three Tribal Chiefs who enjoy some of the rights of ruling Princes?

The Honourable Pandit Jawaharlal Nehru: So far as I know they do enjoy some special rights, but not those of ruling Princes.

PROBLEM OF REFUGEES FROM EAST BENGAL INTO WEST BENGAL

588. *Shri Arun Chandra Guha: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether Government have received a representation from the President of the Bengal Provincial Congress Committee regarding the problem of refugees coming into West Bengal from East Bengal?

(b) If so, what are the contents of that representation and what suggestions have been made therein?

(c) What action has been taken so far on that representation?

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

(b) and (c). A copy of the letter is laid on the table of the House. The entire question is under discussion with the Government of West Bengal who are taking the initial steps in the matter of relief to refugees. I hope to be in a position to make a detailed statement on the subject before the end of the Session.

Copy of letter No. nil dated the 19th December, 1947, from Mr. Surendra Mohan Ghose, President, Bengal Provincial Congress Committee, 10, Suburban School Road, Calcutta, 25 to the Honourable Minister in charge of Relief and Rehabilitation, New Delhi.

On several occasions we have tried to bring to the notice of the Government the problem of refugees in West Bengal. So far, the Central Government do not seem to have any idea of the gravity of the situation there. Problem there is not of a few thousand refugees from Bihar and Punjab; the problem there is of several lakhs of Hindus who have migrated from East Bengal. There has not been any riot or violent outburst in East Bengal. Economic pressure and the new social order consequent upon a somewhat aggressive assertion of Muslim supremacy in an avowedly Muslim State have forced many Hindus to cross the frontier to West Bengal. The Urban middle class Hindu suddenly finds himself bereft of all means of livelihood. So to keep his own physical existence, the middle class Hindu has been and will be coming to West Bengal.

Then the educational institutions of Pakistan do not suit the Hindu students of East Bengal. Moreover, the situation has become almost impossible for the girls to continue their studies in East Bengal. Perhaps you are aware, that area for area compared, East Bengal has the largest number of educational institutions in the whole of India. So the number of migrating Hindu students—boys and girls—must have been several thousands. It is a problem of gigantic magnitude.

I think by now about 8 lakhs of Hindus have migrated to West Bengal from East Bengal. In Calcutta alone the number of new entrants is not less than 2 lakhs 50 thousands. Navadwip has got about a lakh. Similarly other towns, townships, industrial areas and countryside have got large influx. A fair portion of this are urban people.

I learn so far the West Bengal Government have asked for only about 3 lakhs of rupees from the Central Government for refugees in camps and for non-Bengalee students from Punjab. The more serious side of the problem i.e. of this near about 8 lakhs from East Bengal, has not yet attracted sufficient notice. It has been reported that the Central Government is not willing to expand their scope of refugee succour beyond those from the West Pakistan. As far as I have been able to gather from the responsible utterances of Ministers in the Assembly, I think this is not true; and I may say this should not be the attitude. Bengal problem should be faced even now. The number that has already come makes the problem too big for the Provincial Government to tackle. More is sure to come in steady stream. Moreover, the Government should be ready for all eventualities. Any day, one crore twenty five lakhs Hindus may find their stay in East Bengal no longer possible. After what has happened in the Punjab, we cannot be too complacent.

However leaving that contingency aside, rehabilitation of those who have already come should be undertaken immediately. Satellite towns and model villages should be set up with due industrial avenues—so that those men may find accommodation and vocation. At Kanchrapara, there is a big plot of land 3,500 acre—occupied by the Defence Department but now requisitioned by the Government of West Bengal; at Biratia wayside station about 12 miles off from Calcutta 1,400 acres of land under the Government of India is lying vacant. These two plots can be suitable sites for settling about a lakh of urban people. Being near Calcutta, the settlers on these plots would get sufficient means of livelihood. On a liberal calculation, this near about 5,000 acres of land can accommodate 3,500 urban families; i. e. about 2 lakhs urban people can be rehabilitated. Calcutta has been overcrowded to the extreme. Municipal arrangements never up to mark, have been unable to cope with the problem. Health of the city is sure to be undermined unless congestion is relieved at an early date. Every week about 35,000 more

immigrants are entering the city—according to the report of the “Statesman” (December 14) So the tasks of finding accommodation and vocation for this overflow people should be undertaken immediately. For this, at least, 2 crores of rupees would be required; and this has to be undertaken by the Central Government.

Then comes the question of several thousands of students who have migrated from East Bengal. I agree with the Prime Minister—when he put these young students as the first charge of the Government. To set up schools, colleges, technical institutions and hostels is a huge task—which only the central Government can undertake adequately. Moreover, many of these students have come to West Bengal in a desperate state and have no personal means to meet their educational expenses. Many of them have their families financially ruined due to the changed political and social situation. They would require help from the Government. I may mention there are quite a good number of girl students also.

The cost of setting up of educational institutions, hostels and of personal help to the needy students cannot be met from the Provincial Exchequer. This would cost about 50 lakhs of rupees—which only the Central Government can undertake.

Before concluding, I may say—the refugee problem is politically a problem for the Central Government. Provincial revenues should not be charged for this. Moreover, the centre has a moral responsibility towards the Hindus of East Bengal whose sufferings, sacrifices and service for the sake of country's freedom are unique.

So I hope you will please allot the required amount for rehabilitating the Hindus of East Bengal who have already come over to West Bengal.

Thanking you.

Your sincerely,

Sd/-

President,

Bengal Provincial Congress Committee

RESTORATION OF REFUGEES PROPERTIES IN PAKISTAN

589. *Shri Ramnarayan Singh: Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether statements of the sufferings undergone by individual refugees coming from Pakistan and their claims to properties left behind by them in Pakistan, have been recorded and if so, how;

(b) whether any portion of the properties referred to in part (a) above has hitherto been recovered, and if so, what portion; and

(c) whether any agreement has been arrived at between the Governments of Pakistan and India with regard to the restoration of the properties left behind, in their respective spheres, and if so, whether any action has been taken to give effect to that agreement?

The Honourable Shri K. C. Neogy: (a) Yes. Facts Finding organizations have been set up at Delhi, Bombay, Ajmer-Merwara and various centres in East Punjab for recording statements of refugees of sufferings undergone by them in Western Pakistan.

Claims to properties left behind in Western Pakistan by non-Muslim refugees are being recorded by the Registrar of Claims in Delhi Province. Similar arrangements have been made in East Punjab. In other Provinces and States of the Indian Union this work is being done by officers of the local administration.

(b) Persons have been able to move their property to certain extent from Lahore. Government have no exact information about the quantity of property thus moved nor about its value.

(c) The matter is still under negotiation between the two Dominions.

Prof. N. G. Ranga: Are Government aware of the fact that if anyone wants to remove his car from West Punjab into East Punjab, he is expected to take one car from this side and hand it over to the West Punjab Government?

The Honourable Shri K. C. Neogy: I have heard such stories, but I am not in a position definitely to say whether this is invariably followed as a practice; but I am satisfied that this has happened in individual cases.

Prof. N. G. Ranga: What steps do Government propose to take if regular orders are placed before Government stating that private cars would not be allowed to be removed from West Punjab unless cars are taken in their place from East Punjab into West Punjab?

The Honourable Shri K. C. Neogy: When copies of such orders are supplied to me, we will consider what action should be taken.

Shri Ramnarayan Singh: How many claims by refugees have been registered so far?

The Honourable Shri K. C. Neogy: A very large number. In fact, I gave the numbers the other day in reply to a question. So far as Delhi is concerned, we have recorded the claims of a very large proportion of the refugees who are here; as far as the other areas are concerned the work is proceeding.

Prof. N. G. Ranga: Are any steps being taken by representatives of our Government in West Punjab to ascertain whether there are any boxes containing valuables left behind in West Punjab as per the information supplied to them by the refugees, and see whether these boxes are properly kept and safely returned to these people?

The Honourable Shri K. C. Neogy: I am sure whenever such information is conveyed to our representatives in West Pakistan, they take whatever action is possible to safeguard the interests of our people.

Diwan Ghaman Lall: May I ask the Honourable Minister as to whether the claims that are registered in Delhi and East Punjab would be centralised at some time or other?

The Honourable Shri K. C. Neogy: That is the intention.

ABOLITION OF DISTINCTION BETWEEN ORTHODOX AND UNORTHODOX QUARTERS

590. ***Shri T. A. Ramalingam Chettiar** (on behalf of **Shri Mohan Lal Saksena**): (a) Will the Honourable Minister for Works, Mines and Power be pleased to state whether it is a fact that the distinction between what were previously called "Orthodox" and "Unorthodox" clerks' quarters has been abolished?

(b) If so, have any structural alterations been effected to remove the disparity that existed in the amenities provided in the two types of quarters?

(c) If the reply to part (b) above be in the negative, what safeguards have been provided in the allotment rules to ensure that the better type of houses i.e., "Unorthodox" houses are allotted strictly according to seniority?

The Honourable Shri N. V. Gadgil: (a) Yes.

(b) No.

(c) The Allotment Rules provide for the strict observance of seniority by date of arrival or eligibility to the class of quarters to which the applicants are entitled and for which they have expressed preference in their applications.

Shri H. V. Kamath: Sir, do the terms *orthodox* and *unorthodox* refer to the diet or habits or the religious faith and practice of the clerks concerned?

The Honourable Shri N. V. Gadgil: In this particular context, to accommodation.

Shri H. V. Kamath: How can accommodation be described as "orthodox" or "unorthodox"?

Mr. Speaker: Order, order. There can be no argument about it.

CONSTRUCTION OF MULTI-STOURED HOUSES IN NEW DELHI.

591. ***Shri T. A. Ramalingam Chettiar** (on behalf of **Shri Mohan Lal Saksena**): (a) Will the Honourable Minister for Works, Mines and Power be pleased to state whether Government propose to build more multi-storied houses in New Delhi?

(b) If so, what steps do Government propose to take to ensure accommodation for those living on the ground floor for sleeping in the open during the hot weather?

The Honourable Shri N. V. Gadgil: (a) Yes.

(b) Tenants on the ground floor can sleep on the open lawns in front during the hot weather and in fact many do so even at present. It is not possible for Government to make special arrangements for those who wish to sleep in the open.

Shri H. V. Kamath: Arising out of answer to part (a), do Government aspire to emulate the sky-scrapers of New York?

The Honourable Shri N. V. Gadgil: If this House donates crores of rupees, that may be considered.

APPLICATIONS FOR CHANGE FROM ORTHODOX TO UNORTHODOX QUARTERS

592. *Shri T. A. Ramalingam Chettiar (on behalf of **Shri Mohan Lal Saksena**): (a) Will the Honourable Minister for Works, Mines and Power be pleased to state how many applications for change from what were previously known as "Orthodox" clerks' quarters to "Unorthodox" clerks' quarters were received by Government during the period from 1st August to 30th November, 1947?

(b) How many such applications were accepted and how many were rejected?

(c) What was the basis on which they were accepted or rejected?

The Honourable Shri N. V. Gadgil: (a) Twentyfive.

(b) Changes were allowed only in 8 cases and the others were rejected.

(c) Changes were allowed in cases where there was evidence to show that the applicants were accustomed to live in the 'unorthodox' type of houses for a number of years, or when there was constant illness in the family in a particular house.

Prof. N. G. Ranga: May I know, Sir, for what purposes or reasons the houses are called as *orthodox* or *unorthodox*?

The Honourable Shri N. V. Gadgil: Just to suit the way of living of different persons.

Mr. R. K. Sidhya: Who has introduced this word?

The Honourable Shri N. V. Gadgil: Well, at the worst, the English language is responsible for that.

INDIANS IN AREAS OCCUPIED BY CHINESE COMMUNIST FORCES

593. *Shri V. G. Kesava Rao: (a) Will the Honourable the Prime Minister be pleased to state whether there are any Indians in the areas recently occupied by the Chinese Communist forces?

(b) Have the Indians suffered any loss of life or property owing to the Civil War in China?

(c) Has any request been received from the Indians in Mukden for evacuation?

The Honourable Pandit Jawaharlal Nehru: (a) The Government of India have been informed by their Embassy in Nanking that there are no Indians in these areas.

(b) There have been no reports of loss of life or property suffered by Indians as a result of the Civil War.

(c) No, Sir. Government's information is that there are no Indians in Mukden.

UN-OCCUPIED ROOMS IN WESTERN HOUSE ALLOTTED TO A. I. R. EMPLOYEES

594. *Shri V. G. Kesava Rao: Will the Honourable Minister for Works, Mines and Power be pleased to state whether it is a fact that rooms allotted to the employees of the All India Radio in the Western House have been lying un-occupied for the last one year?

The Honourable Shri N. V. Gadgil: The question should have been addressed to my Honourable colleague in the Ministry of Information and Broadcasting.

INSTALLATION OF PRE-FABRICATED HOUSES IN NEW DELHI AND DELHI

595. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister for Works, Mines and Power be pleased to state whether Government propose to instal pre-fabricated houses in New Delhi and Delhi?

(b) Has the said question been examined in all its details by Government and if not, do Government propose to give an early consideration to it?

The Honourable Shri N. V. Gadgil: (a) The question is still under consideration.

(b) Preliminary enquiries show that the cost of pre-fabricated houses is much higher than that of our ordinary comparable buildings. They also require a larger proportion of steel and wood.

The question will be pursued further.

NATIONALS IN KASHMIR OF COUNTRIES OTHER THAN PAKISTAN.

596. *Shri V. C. Kesava Rao: (a) Will the Honourable the Prime Minister be pleased to state whether nationals of any country other than those of Pakistan are among the Kashmir raiders?

(b) If so, has the attention of the respective Governments been drawn to this fact?

The Honourable Pandit Jawaharlal Nehru: (a) Members of certain tribes belonging to the Afghan side of the border have been identified among the raiders.

(b) The matter was brought to the notice of the Afghan Government and they promised to take deterrent action.

Prof. N. G. Ranga: Is it a fact, Sir, that some American and British citizens have joined forces with these raiders?

The Honourable Pandit Jawaharlal Nehru: One American, Mr. Haight, I believe was his name, did certainly take an active part, but then he was recalled by the American Government. I am not personally aware of any other Americans or British people who are taking part.

Prof. N. G. Ranga: Have not Government seen press reports to the effect that some British citizen anyhow has been taking part as a sort of 'mystery man'?

The Honourable Pandit Jawaharlal Nehru: Perhaps my Honourable friend is referring to a certain person who is called *mystery man*. So far as I know that *mystery man* was more or less a junior Muslim officer in the Defence Department here for some time till the partition.

Maulana Hasrat Mohani: Is the Government aware that some of the so-called raiders belong to Chinese Turkestan or Sinkiang, and whether some of the war materials are supplied to them by some other foreign power?

The Honourable Pandit Jawaharlal Nehru: No, Sir; the Government is not aware of this—in fact, it is positively unaware of it.

Maulana Hasrat Mohani: May I know to what country Sardar Ibrahim belongs? He is not an Afghan nor is he a Pakistani. I understand he belongs to Sinkiang or Chinese Turkestan.

The Honourable Pandit Jawaharlal Nehru: I must confess my ignorance about Sardar Ibrahim's ancestry and what he had done previously. I had never heard of this gentleman three or four months previously and I do not think most other people had heard of him either. But I had a vague impression that

he did belong to some territory round about the frontier in Kashmir. This is the first time I have heard of any suggestion that he comes from outside India.

Maulana Hadrat Mohani: Is it not a fact, Sir, that Ibrahim is called Mirza Ibrahim and he is a Mongol and not an Afghan or anybody else?

The Honourable Pandit Jawaharlal Nehru: I have not heard anything of this.

Shri H. V. Kamath: Is the Honourable the Prime Minister in a position to assure us that the statement made by this American adventurer Haight, who is alleged to have risen to the rank of a Brigadier-General in the so-called Azad Kashmir Government, to the effect that tribesmen are being equipped with Russian rifles, is a pure fabrication?

The Honourable Pandit Jawaharlal Nehru: Any statement made by Brigadier—whatever his official designation is—Haight ought to be examined closely because he makes all manner of statements. But in regard to the question of a certain person having a rifle or not, obviously I cannot say what type of rifle a person has been using somewhere. But there is absolutely no ground for anyone to imagine that any kind of help or aid from the Soviet side of the border has come or can have come. So far as the Government of India are concerned, we are not worried about that in the least. In the course of the War, rifles have exchanged hands; there are plenty of rifles about, of all makes; it is quite possible that some type of rifles may have been found there. But we have not captured any such rifle nor have we seen them.

Shri V. C. Kesava Rao: Is it a fact that Russian and German ammunition was used by these raiders?

The Honourable Pandit Jawaharlal Nehru: I do not know anything about these questions; I do not know how to answer them.

Mr. Speaker: They need not be answered. We shall proceed to the next question.

SHORT NOTICE QUESTION AND ANSWER

NEW SYSTEM OF JUTE LICENSING

Shri Khurshed Lal: (a) Will the Honourable Minister of Commerce be pleased to state whether it is a fact that a new system of jute licensing has been adopted in 1948?

(b) If so, what is the nature of the scheme?

(c) What are the special reasons for adopting this scheme?

(d) Why is it necessary to continue the quota system for jute goods?

(e) Has the attention of Government been drawn to the agitation against this system and the continuance of the quota arrangements?

The Honourable Mr. C. H. Bhabha: (a) Yes, Sir.

(b) Quotas of raw jute and jute goods are allotted by Government for export to various destinations. These quotas are announced to the trade through a notice issued by the Deputy Chief Controller of Exports, Calcutta, and applications are invited by that officer by a particular date from intending exporters with definite evidence of having concluded contracts with overseas buyers. There is no restriction in regard to the eligibility of an applicant and thus any trader who has contracted with an overseas buyer for sale of jute or jute goods is eligible to apply. Provisional quota slips are then issued to these applicants on a strictly *pro-rata* basis. The quota-holders are then required to produce before the Deputy Chief Controller of Exports, Calcutta, within 15 days of the receipt of the quota evidence of the foreign importers having opened Letters of Credit in their favour. The quotas are not confirmed unless this evidence

is produced. The Deputy Chief Controller of Exports, Calcutta, has also been instructed to ensure that the Letters of Credit are (i) from the same parties who placed the orders originally and (ii) in their own names. This should ensure that quota-holders are *bona fide* applicants and do not sell their quotas to other parties.

(c) The licensing procedure which was followed in 1947 was based on the established shippers' principle. According to this principle, 90 per cent. of the quotas were reserved for established shippers and allotments were made on the basis of the percentage share of their exports in the year selected by them. They were given the option of selecting any basic year in the 10 years ending the 25th June, 1946 in the case of raw jute and the 31st December, 1946 in the case of jute goods. The balance *viz.*, ten per cent. of the quota, was reserved for new comers for which applications were invited by the Chief Controller of Exports, New Delhi.

This system came in for much adverse criticism as introducing an entirely new feature into the jute trade which had not existed even in the war years and as favouring mostly non-Indian firms, since Indian firms in large numbers had actually started doing substantial business only in 1946 and in the beginning of 1947.

As regards the new comers scheme, since allotments were made on the basis of the orders produced by them in their applications to the Chief Controller of Exports and not on their ability to do business, a very large number of undesirable persons got licences, which they openly advertised for sale.

When the question of a loting quotas for the half year 26th December, 1947 to 25th June, 1948 came up for consideration, it was decided, after very careful consideration and after discussing the matter with the various interests concerned, to abandon the established shippers scheme and to revert to the *pro-rata* scheme as explained in reply to (b) above.

(d) It is necessary to continue the quota system for jute goods for the following reasons:

(i) The quantum of goods available for export is far from sufficient to meet the world demand;

(ii) we have to maintain directional trade to the hard currency areas;

(iii) jute goods are to be prevented from going to South Africa; and

(iv) large quantities are necessary to be earmarked for export to various countries, *e.g.*, Argentine in return for foodstuffs.

(e) Yes, Sir.

Shri Khurshed Lal: Sir, is it a fact that in the half year before the establishment of the established shippers system the share of the Indian and the foreigner was 50/50 in the jute trade and thereafter in the half year after its introduction, the Indian share went down to 30 per cent. and the foreigner's share rose to 70 per cent.?

The Honourable Mr. C. H. Bhabha: Definite statistics are not available, but from the information that was supplied by the West Bengal Government, the statement made by the Honourable Member is correct.

Shri Khurshed Lal: Is it a fact that the West Bengal Government protested against the introduction of this established shippers system?

The Honourable Mr. C. H. Bhabha: That is so. It was after receipt of all protests that the whole scheme was reconsidered and a new one was introduced.

Shri Khurshed Lal: Has the attention of the Government been drawn to an article appearing in yesterday's *Statesman* in which it is alleged that the representatives of a foreign power have made representations against this system and that this system is designed to deprive Calcutta of its established trade?

The Honourable Mr. C. H. Bhabha: Our attention has been drawn to that article, but the representation was only made by some Association from abroad, and that representation was officially communicated. All the information that was needed by the foreign authority, or rather the foreign Association, was supplied to them.

Shri Deshbandhu Gupta: Is it a fact that much of the trade has already been diverted from Calcutta to Bombay as a result of this new policy?

The Honourable Mr. C. H. Bhabha: That is not so.

Shri Deshbandhu Gupta: What is the percentage of trade licences given to Bombay during the last six months as compared to the previous six months?

The Honourable Mr. C. H. Bhabha: Our attention has been drawn to some such allegations that have appeared in the Press from time to time, but the statistics before us prove that these allegations are absolutely untrue. In particular cases, the percentage of licences which was given to non-Calcutta firms including Madras was 6 per cent. and for the information of the Honourable Member I may state that there are certain firms not in Calcutta who are also classified as established shippers and who were in the jute trade even before the quota system was introduced.

Shri T. T. Krishnamachari: May I ask the Honourable Minister if the Government acts on its own or whether it has got any Adviser or any Advisory Board representing the trade to advise it in this matter?

The Honourable Mr. C. H. Bhabha: Government have got an Adviser called Jute Adviser who is very often consulted on several matters of this type. In addition, trade Associations are also usually consulted.

Shri T. T. Krishnamachari: Has this Jute Adviser been consulted in regard to the various changes that have been made in regard to this particular matter?

The Honourable Mr. C. H. Bhabha: A discussion was held with him.

Shri T. T. Krishnamachari: May I ask the Honourable Minister if he had noted the wording of the communication that appeared in the *Statesman* referred to by my Honourable friend Mr. Khurshed Lal, and are the Government going to allow such a threat to go unchallenged?

The Honourable Mr. C. H. Bhabha: Well, for clarification purposes, Government are considering issuing a Communique to explain the whole situation.

Shri T. T. Krishnamachari: Has the Government of India noted the contents of this particular article?

The Honourable Mr. C. H. Bhabha: Yes, we have noted it.

Shri Deshbandhu Gupta: In view of the fact men who are neither established shippers nor those in the trade have been given a concession, which has been abused by them, do Government propose to give up the practice of reserving that 10 per cent. for them?

The Honourable Mr. C. H. Bhabha: There is no reservation, as I explained under the new system. All persons connected with the jute trade or other trades with foreign countries are allowed to put in their applications and substantiate those applications with firm orders. After receipt of that, a sort of an interim quota is granted, which they have further to substantiate by a Letter of Credit.

Shri Khurshed Lal: Is there any truth in the allegation that in case of other applications invited for January and February, the quota was actually given for the period from January to June, 1948 for Australia and America?

The Honourable Mr. C. H. Bhabha: That is so, Sir. On representations from foreign countries and because of the necessity of our securing further exchanges from these countries additional quotas were given for these two destinations.

Shri Khurshed Lal: Do Government propose to allow quota firms which did not apply for January quota in the belief that this could apply for March and June quota?

The Honourable Mr. C. H. Bhabha: Well, further applications will be invited and Government will sympathetically consider such applications.

Shri Deshbandhu Gupta: Is there any truth in the allegation that people who have been granted quotas and who are actually in the trade are mostly related to some of the officials of the Department, Sir?

The Honourable Mr. C. H. Bhabha: That is not true, Sir.

Shri Khurshed Lal: Will Government see that when they appoint a Jute Adviser, he is one who is not actively concerned with the jute trade?

The Honourable Mr. C. H. Bhabha: The very nature of the Adviser's duties makes it necessary that he must be well connected with the trade and have sound knowledge of the same.

Shri Khurshed Lal: May I ask whether Government will bear all these considerations when they select an Adviser and then appoint.

Shri T. T. Krishnamachari: Do Government propose to permit diplomatic channels to interfere with the normal methods of trade in this country which Government controls?

The Honourable Mr. C. H. Bhabha: There is no such thing as diplomatic interference, Sir. But if certain statements or representations are brought before Government, Government do consider and suitably explain the situation to these diplomatic channels.

THE GENERAL BUDGET—GENERAL DISCUSSION
FIRST STAGE

Mr. Speaker: Before the general discussion of the General Budget commences, I have to announce to the House that under rule 46, I fix the time limit for speeches as 15 minutes for each Honourable Member excepting the Honourable the Finance Minister for whom 45 minutes or more will be allowed, if necessary.

May I also invite the attention of the Honourable Members to the fact that I have received a long list of people who wish to speak and though the time-limit is fixed by me as 15 minutes, if it is desired by the House that a larger number of Honourable Members should be allowed to participate in the debate, each Honourable Member wishing to speak, will strictly confine himself to relevant remarks and will avoid repetitions and try to close his remarks within 10 minutes.

I want to make one other position clear. I understand that there is a general agreement in the House as regards the time to be allotted for discussing Demands for Grants and the Cut Motions. The time-table placed in my hands is as follows:

Friday, the 5th March, 1948

Industry and Supply	2½ Hours.
Labour	1½ Hours.

Monday, the 8th March, 1948

External Affairs and Commonwealth Relations	2½ Hours.
Cabinet (Planning)	1½ Hours.

Wednesday, the 10th March, 1948

Home	1½ Hours.
States	1½ Hours.
Information and Broadcasting	1½ Hours.

Thursday, the 11th March, 1948

Works, Mines and Power	2½ Hours.
Education	1½ Hours.

Friday, the 12th March, 1948

Health	1½ Hours.
Communications	2½ Hours.

Saturday, the 13th March, 1948

Defence	2½ Hours.
Transport	1½ Hours.

Monday, the 15th March, 1948

Commerce	2½ Hours.
Relief and Rehabilitation	1½ Hours.

Tuesday, the 16th March 1948

Food and Agriculture	1½ Hours.
Finance	2½ Hours.

Mr. Speaker: I will arrange to see that copies of what I have read will be distributed to the Honourable Members for their convenience.

Shri Deshbandhu Gupta (Delhi: General): On a point of information Sir. There is no mention about Home as Home. You have mentioned Information and States.

Mr. Speaker: The Honourable Member did not catch it.

Shri M. Ananthasayanam Ayyangar (Madras: General): Mr. Speaker, Sir, the first full year budget of the Honourable the Finance Minister has been received in this country with mixed feelings. The rich and the industrialists whom the Honourable the Finance Minister wanted to encourage to increase production in this country—which of late has gone down—have not been fully satisfied with the Honourable Minister, because they expected that the business profits tax would be entirely abolished. Concessions have been given to the industrialists which amounted to nearly 2 crores out of which one crore will come back by way of additional income-tax. There is in the budget a deficit of 9 crores which is sought to be made up by indirect taxation. By such indirect taxes the lower middle-class men and the poor will be affected badly. The articles of consumption which some years ago might have been luxury articles, have all been taxed, though they have now become necessities to the middle-class men. Tea and Coffee are being freely taken even by the poor section in that part of the country wherefrom I come. On account of prohibition they have taken to the sober stimulus in the form of tea and coffee and they have given up the strong stimulus by way of liquor. As I would presently show, there is not much justification to impose this kind of indirect taxation and to come forward with a huge paragraph on the advisability of imposing such taxation and following the model of indirect taxation adopted in the U.K., where under certain unavoidable circumstances they have preferred indirect taxation to direct taxation. After all, we are getting only 9 crores by this kind of taxation. The estimate of losses for the year or the real deficit has been concealed. Instead of 27 crores shown, there is really a deficit of 27 plus 10 plus 14. Ten crores have been made up by utilising the advances that have been made by income-tax assesses in advance of their assessment and which are till now kept in a suspense account. Fourteen crores of rupees which normally, for defence purposes, must be taken from revenue, though they may relate to capital works, have been put under capital expenditure. Therefore if both these items are to be met by Revenue, *i.e.*, if these are legitimately put under Revenue expenditure, we would have a deficit of 27 plus 10 plus 14 crores or 51 crores. War conditions have not yet disappeared we need not therefore be worried about a deficit in our budget.

The system of preparing the budget for a single year is losing ground in the world; they are budgetting for cycles of years. In a particular year there might be a slump and in another year there may be a boom; there might be inflation on one side and depression on the other. Therefore a particular year ought not to be taken as the test; nor should Government get absolutely panicky merely because there is depression or there is a chance of a deficit or depression. Whenever there is depression it is advisable to make up the deficit by borrowings and to tax when there is inflation, and then keep the surpluses and make good the losses in the other period. I would urge—and I expected that the Honourable Minister would plan for a five-year programme ten years would be too long in the world as we are situated at present—and then think of budgetting for this year in a cycle of five years. A five-year programme is also, in the context of the world as we are now in, very necessary for another reason. The clouds of war are thickening all round; there are groups being formed in the world, and it is not easy to say whether any country that wants to remain neutral can do so at all. It does not seem to be possible, as we have seen in the U.N.O. We expected great things from the UNO and a dispassionate approach to the problems of any country like our own. Our matter was referred to the UNO, but unless we can easily get into the pockets of this country or that we do not seem to have a place there. Still I have not lost faith in the UNO: I still have faith in them and I hope they will decide properly without allowing these various considerations. As to whether there is to be a third world war and where India will stand,—that ought not to be a consideration

[Shri M. Ananthasayanam Ayyangar]
 with the UNO in deciding these matters. If they side-track the issue and allow these considerations to come in, I am sure India knows what to do then. It is too premature to decide what action we should take. Now judging from the circumstances of the world five years will be too long a period for any third world war to come. I am not anxious that this war should come but we must be realists. What steps should we take? I entirely agree with the Honourable the Finance Minister when he says that we must step up production, not because we should have some more consumer goods now but for the larger purpose that we should be able to defend our country thoroughly and stand on our own legs. In the last world war Belgium and Holland were not able to keep their neutrality and when they were not able to stand by themselves they were overrun by Germany in a short time. Unless we make ourselves thoroughly strong we may not be able to influence world opinion to prevent war or at any rate to remain neutral. Therefore our Defence industries must take the first priority. The Honourable the Finance Minister did not diagnose the disease properly; he thought that industrialists had not been able to make the largest contribution or to step up production merely because they have been taxed. But the business profits tax was not imposed last year and it has not been collected. So it is not on that account that industrialists did not step up production or delayed production. The main reason is that it is all the fault of this Government. Even to this day Government have not come forward with a plan. Again and again we talk of nationalisation. Certainly I am for nationalisation of certain industries. But how can any industrialist decide as to what industries be nationalised straightaway? It may be our object but we can only nationalise having regard to our means and only certain things. I expected that after the Industrial Conference that took place two months ago Government would come forward with a definite announcement of policy that these are the industries which they are to take over immediately and that therefore they expect no private industrialists to come forward; the rest is field for private industries, or this field is reserved for joint participation by Government and the industrialists. If we have such a demarcation I am sure industrialists would have at least some peace of mind for five years and embark upon industry. It is not the business profits tax but the want of policy that stood in the way.

The other point is in respect of my Honourable friend Dr. Matthai; he has not been as alert in his department as I expected him to be. Unfortunately during the war the wagons moved very rapidly; on the B.B. and C.I. the wagon miles were 77 per day, and today it is only 33 miles per day. What is that due to? After all there can be only ten bottlenecks. It is exactly this that stands in the way in addition to the other,—the want of policy. The next is the want of communications or at any rate quick transport. Evidently we are more afraid of the European than of the dark man. The establishment now must be made to feel that we have got rid of the European who was having a stranglehold on this country. They must feel that it is their country also.

Thirdly, take some of the industries. There are industries to which relief should go. We want textiles to improve, iron and steel to put forth greater production as also cement, apart from the armament industry which is the concern of the State. In the textile industry you may again and again pamper, the industrialist but he will have his own way. He produces the finest variety of cloth which the ordinary man cannot use, and this fine variety of cloth goes into the black market or is exported. They can easily turn to other varieties of cloth; and although this country is the largest producer of cotton, next to the U.S.A., we are naked or at least not properly clothed. Therefore in the matter of stepping up production it is not the business profits tax which sits over the industrialist but other things. He wants to make huge profits and that is why he does not turn his machine to the production of ordinary consumer goods. He must have a plan and go forward with

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it now at least. Even now it is not too late. Certain industries like arms and ammunition, aeroplanes, snipounding and motor cars and lorries are necessary for Government in the case of war for defence purposes, and they have to be taken over by the State. It is impossible to expect that private industry will address itself to it. We know the case of the Hindusthan Motors started by a very big company with one of the biggest or richest men in this country. But what is its position today? It merely assembles Morris parts that are brought in here and for a car which you can get for Rs. 8,000 you have to pay Rs. 12,000. Their shares are selling at a discount. Therefore I am not accusing any industrialist. Our country ought not to be compared with other countries of the world where private industrialists have made a great headway in industries; in our country there is not a surplus of private enterprise. We have not any key industries; and having regard to the enormous outlay of capital involved, it is useless to expect private capitalists to come forward, if within a period of five years we have to make ourselves sufficiently strong. And with respect to other consumer goods they have to be helped. Sir, I suggest that the reduction of the business profits tax will help not only the producers of necessities of life like iron and steel, cement and cloth, but it will also help the producers of luxury goods like cosmetics and hair oils and toilet goods. I suggest that there are many other ways. If the Finance Minister had bestowed some consideration he would find that there is an incessant demand for removing the import duty on capital goods for the purpose of various industries. Till now I do not know why it has fallen on deaf ears. The Honourable the Finance Minister has not been able to reduce that duty or remove it. Instead of removing the business profits tax he should collect it and then give help to those industries which according to the plan I have thought of should be given certain priorities. In the interest of the country and to make it absolutely self-sufficient in a period of five years, they should be helped by way of subsidies and helped with capital goods without the import duty.

These are the ways in which they can be helped. So far as the middle-class man is concerned, I feel that we could have refrained from imposing this duty.

I will show in the short time allowed to me how we could have made this money. I entirely agree with the Honourable the Finance Minister that our financial position is sound. But it reminds me of the saying that there is everything in the sweatmeat shop but there is Saturn in the mouth of the son-in-law. The son-in-law is not able to eat in the sweatmeat shop because Saturn is sitting there. We have so many crores of sterling rupees due to us. Altogether there are 2,000 crores and out of the debt we owe, Rs. 800 crores are covered. They are all productive debts. A small balance of unproductive debt is more than covered by the resources we have and with the able Finance Minister that we have got, we can never be unsound in this country. Therefore he has been somewhat a little panicky. He wanted to tax coffee and tea, and small things. He said that for burning and keeping oneself warm he caught hold of a few hairs from here and there and then he tried to burn it. But you can not warm yourself like that. You must have coal. You cannot clip off hairs here and there and warm yourself. He promised to refer the question about the poor man to a Select Committee. We are all interested in seeing that our finances are sound. We ought not to have a deficit. Even if there is a deficit we should not worry. We need not at any rate reduce these taxes. As a matter of fact prices have gone up. I have tried to calculate the yield expected. But it will come up to only Rs. 50 crores in an expenditure of Rs. 200 crores. Therefore, he should consider this. So far as the poor man is concerned, his kerosene, his matches and such things should be made a little cheaper. But he has not done so. As against all this, I know the Honourable the Finance Minister would expect me to say, what would you suggest? I would

suggest. Our raw materials are going down and naturally imports and customs duties too. I would urge upon the Finance Minister to start a Commercial Corporation in India so that foodstuffs may be purchased on account and motors also. So far as exports are concerned, I would like to relieve my Honourable friend, Mr. Bhabha who is worried with quotas and this and that for essential articles, with respect to which we have a monopoly. Thereby we may earn something.

I am appealing to the Railway Member also. Let him not feel that he is not bound to contribute towards this because to-morrow he may become the Finance Minister.

I expected from the speech of the Finance Minister that he would take up some monopolies as the French Government has taken a monopoly over production: for example matches, which is a Swedish concern: and so far as cigarettes, are concerned, he can become the biggest cigarette dealer in this country!

As regards the sterling balances, it is a very wretched question. I will reserve it for a time when you may not have a control over me and you must leave it to my good sense to speak or sit down. All that I can say is that I expected, with all my admiration for the members of the staff of the administration who negotiated with Sir Jeremy Raisman, something different. My point is this: If I had been asked to interview a man under whom I had worked for 25 years, I could not oppose him. Likewise to leave Mr. Narahari Rao or other friends to discuss matters with Sir Jeremy Raisman is placing them in an awkward position because these people will naturally have a sense of delicacy with regard to him. The Englishman knows the tricks too well and that is why they sent an erstwhile boss to negotiate with us. The Finance Member should have asked Members of this Assembly to negotiate with Sir Jeremy Raisman, members who were not afraid of him. That is a lacuna which I wish to point out. Besides, the Honourable the Finance Minister does not by his appearance look the age that he is. He appears to be 40. May he live a long time. But I want a programme for our country for five years. We have no friends in this world. On account of community, religion or creed or political affiliation, we seem to be orphans in the world. I am not afraid of defence expenditure. When the Britishers wanted to impose extra military expenditure on us I was the first to quarrel with them. Today I will vote any amount for them. Let us utilise all our resources. Let us make ourselves perfectly strong. Our position in the world is absolutely sound both with respect to money and intellect.

I welcome this Budget. I want, even if it is not too late, that the Honourable the Finance Minister will see his way to assuage the feelings of the poorer sections of the middle-classes, lest his predecessor who went to Pakistan be taken as the friend of the poor. I know my friend is a much greater friend of the poor than any other person. But he is anxious to place the country's interests before the individual's. No one need criticize him as having pampered the rich and trying to exploit the poor. Production has to be stepped up. This is one of the main considerations. I hope he will consider without prejudice to his budget all the financial proposals, accept some, reduce some and give relief to all.

Sir, I welcome the budget.

Kazi Svod Karimuddin (C. P. and Berar: Muslim): I entirely agree with the remarks of the Honourable the Finance Minister that we are meeting under a heavy cloud. That one of the greatest benefactors of humanity and the greatest planner of the nation, *i.e.* Mahatma Gandhi, is no more amongst us to

shape the destiny of this country or of a newly born State. I also agree with you, Sir, that with the liberation of our people we are faced with the stupendous difficulties of rehabilitation of refugees and also the military operations in Kashmir. But what next? These are difficulties to be faced. But is there any plan chalked out by the Honourable the Finance Minister in his budget? That is a point which has been stressed by the Honourable Mr. Ayyangar. I find, Sir, that there is absolutely no plan in the budget. The budget is only attempted to be a balanced budget. The only attempt that has been made is that there should not be a very big deficit. What we want today—that is a point which ought to have been considered and plans should have been made out accordingly—is impregnable military might. What we want in this country is the satisfactory food position: and an efficient transport. As the Honourable Mr. Ayyangar has said, war clouds are growing in the international atmosphere. He has also said, and I entirely agree with him that in Europe there are already blocs. This country has to prepare against aggression and I say that our military strength and our naval strength is nothing compared to England, America or Russia. We have to go a long way to build up this navy, air force and army. But there is absolutely no plan in the budget as to what he proposes to do in future.

The next item about which there ought to have been a plan is food.

I am sorry to say that in spite of the vastness of our country, in spite of the vastness of our resources, in spite of the very big area of land, we are half fed and half clothed. Why? Because there is no mechanisation of agriculture in this country.

A resolution was moved by Mr. Ayyangar that there should be a permanent Famine Commission in this country. In the Budget I do not find any announcement regarding the appointment or creation of a permanent Famine Commission. There is absolutely no mention in the Budget speech that the Government has any scheme about the introduction of collective or co-operative farming, although the Prime Minister said the other day that that scheme was acceptable to the Government. There are no state farms to be introduced by the Government and there is no announcement about the Royal Commission that was promised to be appointed to inquire into the production of this country.

The next item about which there should be planning is transport. We have already discussed about the efficiency or otherwise of the transport system in this country, particularly the railways. In his attempt to make a balanced budget the Finance Minister has deprived the railways of 4½ crores. It is a staggering blow for the expansion and development of that industry, which is the only nationalised industry. When there was a surplus budget of 10 crores, that was the proper occasion for expansion of the railways. Which is a nationalised industry. A huge amount has been taken away in order to have a balanced budget, from this nationalised industry and therefore there are very remote possibilities that any considerable improvement will be made in the expansion of the railways of this country.

The third point is about the necessities of life. I do not find any plan in this budget that any industries are to be nationalised. The other day the Prime Minister stated in a very historic statement on the floor of this House that the Government was considering as to which industries should be nationalised? Not one industry is nationalised, nor is there any indication that the Government proposes to start any industry which would be nationalised. Last time the Honourable the Finance Minister adumbrated the theory of mixed economy and when there was so much criticism this time there is no mention about mixed economy or socialist economy.

What has the Finance Minister done in this budget. I do not want to use any strong language but he has robbed Peter to pay Paul. This was the time when people had accumulated their war fortunes and they should have

[Kazi Syed Karimuddin]

been taxed. The rate of the business profits tax has been reduced. He had given an indication in the last budget speech that due to the fiscal policy pursued last year productivity of industry had suffered. In spite of the fact that he has accepted the principle that the rates of business profits tax should be reduced in this Budget no reasons have been assigned for it to show that this was alone responsible for the fall in production. The only reason that has been assigned by him is that he wants to give an incentive to industry and capital in this country. It is an accepted fact that labour, capital and capital goods are three factors which go to the making of an efficient industry. The business profits tax is reduced but there is no incentive to labour. The cry of the capitalist always is that because of the strikes in the country production has fallen. In the name of national patriotism appeal is made to labour that they should not go on strikes but what is the incentive in this Budget that has been given to the labourer? The incentive to capital is that some of the riches taken away from them will be compensated. Is there any incentive to labour except an appeal to their sense of patriotism? I submit that there is not the slightest doubt that the productivity of this country is falling. It is devastatingly falling. It is alarming. It is the duty of every citizen of India to see that production increases. But what are the remedies? Those remedies have not been discussed in the budget. We are thinking of giving incentive to industry and capital but is there any chance of getting capital goods? We have given their money back but is there any possibility of getting capital goods at all? I have learnt on reliable authority that these capital goods are booked up to 1952 and it is very difficult to get capital machinery before that. In the case of labour there is a cry that these people go on strike and therefore the production has fallen. The capitalist pleads that the laws, suppressing the activities of labour should be brought into force in the interest of the nation and production. This is no solution of the problem. You have taxed the middle classes and the poor people. You have taxed the only luxuries of the middle classes and the poor man, *viz.*, coffee, tea, kerosene, cigarettes, etc. Some of them are necessities. As against this why have you relieved the rich people? The reason is not given. As I have been insisting, the only remedy which will increase production is that you have to nationalise some of the industries.

The last para. of the speech mentions about post-war development schemes. The Honourable the Finance Minister says that he has not withdrawn the promise that was given to the provinces regarding the contribution of the Centre for post-war development schemes. We thank him for not withdrawing the promise but that promise is also contingent on two other conditions. One is that the Government of those provinces should spend an equal amount; otherwise this promise would be withdrawn. The second condition is that in the case of re-adjustment or reallocation of revenues it would be again re-adjusted. Practically it will be found that the post-war development schemes may not be brought about for 10 or 15 years. According to me this is a barren speech and the outlook of the Budget is a capitalistic one. With this fiscal policy at the Centre it is very difficult to improve the condition of labour, agriculture and industry.

Sir, I also join the Honourable the Finance Minister in his prayer and in his singing the hymn "Lead kindly light."

Shri Harihar Nath Shastri (U. P.: General): Sir, it is customary on an occasion like this to offer congratulations and to shower praises. In fact I have been looking forward for such an opportunity, in the hope that the first annual budget of independent India would be radically different from the previous ones and that it would reflect the new urge of the masses of this country. But I regret to confess that I am considerably upset to read the budget proposals as presented by the Honourable the Finance Minister. I can say this much

that it was not to witness a budget of the present description that the masses of this country wrought for freedom. Sir, it was hardly four months back when the great national organisation, that most of us here have the proud privilege to owe allegiance to, passed a resolution on its objective, wherein it was clearly stated that political independence having been achieved the Congress must address itself to the next great task, namely, the establishment of real democracy in the country and a society based on social justice and equality. While passing the said resolution the All-India Congress Committee appointed a Committee to draw up a detailed economic programme. This Committee laid down that a quick and progressive rise in the standard of living of the people should be the primary consideration governing all economic activities and relevant administrative measures of the Central and Provincial Governments and that the achievement of a national minimum standard within a reasonable period must be pursued as the practical goal of all schemes for economic development. The Committee also came to the conclusion that to establish a just social order and to raise the standard of living of the people it was necessary to bring about an equitable distribution of the existing income and wealth and to prevent the growth of disparities in this respect with the progress of industrialisation of this country. Now that the reins of the government of this country are in the hands of the Congress the principal criterion on which the budget of this country is to be judged is as to whether there is any scope in it to move towards the objective as visualized in the report of the Economic Programme Committee of the All-India Congress Committee. Looking at it from this point of view one feels greatly disappointed. With an outlook as revealed in the budget the prospects of achieving a national minimum standard within a reasonable time have receded to the background. Nor is there any serious effort visible in the budget to prevent the growth of disparities. Our viewpoint in this respect was clearly stated in a resolution passed some months back by the Working Committee of the Indian National Trade Union Congress wherein it was stated that the difference between the minimum and the maximum incomes should not exceed twelve times. The economic programme committee of the All-India Congress Committee, while accepting a difference of forty times as a temporary measure, fixed twenty times being the difference as a lasting solution. But the Finance Minister has ruled out the possibility of checking or regulating disparity to any extent. Last year when the Interim Government presented the budget, the popular verdict was that the burden of taxation had fallen on the right people; but due to the panic organized by the industrialists of this country the budget had to be modified. Even then it was welcomed by the people of this country as a progressive budget. Dr. John Matthai who is supposed to have no less concern for the industrial development of this country than our Finance Minister had observed in the course of the discussion on the said budget that in his opinion industrialists have no right to expect greater return. Replying to the bogey of production being hampered as a result of the modified budget proposals, Dr. John Matthai had remarked that "if that issue was going to be raised then this country would have to face very seriously the question whether it was in India's interests that capitalism should have a longer lease of life." Circumstances have not since then altered to warrant any departure from the policy pursued last year. If there is any difference, it is in the person of the Finance Minister. But I humbly submit that, whatever may have been or are the views of Mr. Shanmukham Chetty, the same should not have influenced the policy of a Cabinet with which the very prestige of the Congress is inseparably linked up and which includes our respected and great leaders like Pandit Jawaharlal Nehru and Sardar Patel, of whom we all here are so very proud. One fails to understand why a present of about three crores of rupees in so many forms is going to be made to the capitalists of this country? If it is proved, as it has been proved, that the existing taxes have not adversely

[Shri Harihar Nath Shastri]

affected the industry to the point of stopping enterprise, what justification is there to give up this income? Why is it proposed to benefit the capitalist class by affording it an astoundingly excessive relief at the cost of the middle and the poor classes of people. Sir, although a socialist, I do recognize that our country is passing through a phase of transition when the best interests of the country can be served by giving a further lease of life to capitalism. But the capitalist classes should understand that the old days are gone—gone with those who enslaved the country—and that the capitalists have to adapt themselves to the spirit of the new age. Let them have their due. But no exploitation can be tolerated in Free India. The Honourable the Finance Minister has laid great emphasis on the desirability of increased production. In this connection he has also referred to the three years' industrial truce that took place in December last at the Industrial Conference. There is perhaps none in this House who does not share the anxiety of the Honourable Minister for stepping up production to the maximum possible limit. But permit me, Sir, to observe that the policy underlying the present budget is not conducive to that objective. As you may be aware, Sir, our organisation—I mean the Indian National Trade Union Congress—had some hand in bringing about that truce.

Although a great deal of false and malicious propaganda has been carried on against our organization on that account, we still stick to it as we are convinced that the course that we adopted was the only right course in the interests of the working class and the community as a whole. It may however be noted, Sir, that the truce was tripartite in character. There were obligations imposed not only on labour and industry, but no less on the government. Leaving aside other obligations, I may be permitted to point out that there was a distinct understanding that the amount over and above a fair remuneration to capital would be taken away in the form of increased taxation to be utilised for the benefit of the whole community. Hardly has the ink on the agreement paper dried up and we find that far from taking any concrete step in that direction, there is a distinct move to add to the profits already being made by the industrialists. If that sort of thing takes place, labour cannot be expected to fulfil its obligations. Those of us here who draw our inspiration from the Congress and its great leaders are doing our level best to create a sense of responsibility and a spirit of sacrifice amongst the working class but it must be clearly understood that in a free country labour is not prepared any more to make sacrifices to fill the pockets of a vested class. It may be enthused to make sacrifices only if it is convinced that those sacrifices will promote the well-being of the country and the community as a whole. The only ray of hope in the Budget is that the whole of the Budget proposals are going to be scrutinized by a Committee of the House. I have no doubt that members of the Committee will remodel the Budget in a manner which will be just and fair and which will receive the approval and acclamation of the masses of this country.

Sir, before I conclude there is just one word which I want to say. It is my proud privilege to avail myself of the present opportunity when the first annual budget of our free country is under discussion to offer my felicitations to our great leader Pandit Jawaharlal Nehru. Though the division of the country has deprived us of a part of our natural territories the loss has been amply compensated by the unexpected consolidation of our country. In this connection I cannot refrain from mentioning one factor which to me, and I presume to most of us here, has been a great miracle. On the 15th of August 1947 when we achieved independence we were faced with the menace of the division of the country into hundreds of Pakistans in the form of native states trying to assert their independence. The country has noted with delight and satisfaction that such a tendency was not only curbed but much to our pleasant surprise most of the native states were brought close to us and the time is fast approaching

when the natural distinction between native states and real India will disappear. Another feature in this connection is that responsible government has been gratulate the Honourable the Finance Minister on having presented to the bloodshed could have brought about what has been achieved by the boldness, tact and imagination of our respected leader Sardar Vallabhbhai Patel. I am voicing the feeling of all of us here when I offer my respectful felicitations to him. With these few words, Sir, I resume my seat.

Shrimati G. Durgabai (Madras: General): Mr. Speaker, Sir, I rise to congratulate the Honourable the Finance Minister on having presented to the nation an almost balanced budget. Sir, he has endeavoured to prove to all of us that our country's finances are on a strong and healthy basis, and that our country's credit is high enough. The main thing, as I understand it, in his policy seems to be this, that the present phase of inflation is due to our having abundance of spending power without having goods to spend on, and also that if you want to have a more favourable balance of trade and to stop further inflation, then you will have to increase production, and that further the more you tax the business profits, the less will be the incentive for increased production. Sir, it is on the basis of this that he tries to justify the kind of policy which he recommended in his taxation proposals. Sir, the policy of taxation should be such that it raises fresh revenues in the least objectionable way. In a country like ours, which is a poor country and where basic needs elsewhere are considered luxuries, the least objectionable way to raise any revenues should be more by way of direct taxation. Sir, the Honourable the Finance Minister tried to impress on us that the existing level of direct taxation now in our country is not below that prevailing in England or America. But there is a background against which we should consider this matter. In England, where the basic needs are already met, the existing level of direct taxation may be considered reasonable enough. But in our country, where even the basic needs are not met,—the basic needs are considered here as luxuries—I think it calls for a far higher level of direct taxation. Now it is curious to note some people argue that the taxation policy of the Central Government has little concern with the welfare of the masses. But, Sir, may I say that really the welfare of the masses is directly concerned with such measures as are adopted here by the Central Government, measures like social insurance or old age pensions.

They are certainly interested in such measures because they raise their standard of living. But how can such measures be taken up by the Central Government unless a bold policy of direct taxation is resorted to?

I say that the poor man is not really interested in dispossessing the possessed class; but he certainly is interested, and he is certainly within his rights to protest, when he is dispossessed of what little he has. When I say this, I refer not only to the poor man's cup of tea, but also to what little surplus remained in the Railway Budget which would have certainly given a sitting accommodation to his ailing wife or sleeping accommodation to his child. We have taken away that surplus from the Railway Budget in order to encourage the so-called incentive of the industrialists.

Our country expected from Freedom's first Budget that there will be an attempt made to rectify the economic maladjustments; but unfortunately our circumstances have driven us to give more relief to those who can pay more. I realise, Sir, that increased production is the great need of the hour; but is it necessary, I ask, that we should go on humouring the capitalist-owned industrialists by telling them, by assuring them, "We assure you that we touch little of your profits. Please go ahead and produce more". Is it necessary to do this? Did we do this during war-time? Did they not have incentive enough and to spare? Did they not go on producing more in order to make money? They did it: they did it at a time when there was the Business

[Shrimati G. Durgabai]

Profits Tax and a host of other taxes. Now is it not the time, when a national emergency has arisen which is grave enough, to call for a little sacrifice on the part of these industrialists. Can they not be told, can they not be made to realise, that they should be prepared to continue to help a little more in order to give some relief to the poor? Sir, in this connection I should also say that in order to set off the relief given to the rich, the Honourable the Finance Minister had taken recourse to tax consumer goods. When I say this with regard to the levy on motor cars, I say that a pleasure car may be a luxury; but I have absolutely no quarrel with him if only he can see his way to exempt school buses, medical vans or transport buses even, if it comes to that.

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance)
The duty is not applicable to these classes of vehicles.

Shrimati G. Durgabai: I am glad of that. I said this because these vehicles are as important as anything to these institutions or social service organisations and I thought this duty might adversely affect them. The Madras Government have already adopted a policy of nationalizing transport and many other Governments are following suit. I am now glad that the Honourable the Finance Minister has made it clear that they are exempted.

A word about the levy on oilseeds. Certainly I welcome this levy because it is admittedly a measure to make the foreigner pay.

About tea, the less said the better, because the poor man who was addicted to toddy is now falling back on tea to stimulate his spirits; now the poor man is made to pay more for it.

With regard to matches, I say that the businessmen had failed to pass on relief to the consumer, a relief which was given to him in the last Budget. But now it is extremely doubtful whether the businessmen would not be quick enough to shift the new burden on to the consumer. I would request the Honourable the Finance Minister to tell me what safeguards he had taken to see that the prices will not soar high.

With regard to salt let me congratulate the Government for having abolished the duty. Gandhiji had insisted on this relief to the poor, but it is curious to see that with the abolition of the duty, we do not know why salt has disappeared or the price has risen so high, but it has now become almost a luxury.

I must mention here that charitable institutions and social service organisations—scores of them—will be grateful to the Honourable the Finance Minister because donations made to these institutions are exempt from tax. The Honourable Minister said he would prepare a list of such institutions with the help of Provincial Governments. May I appeal to the House and the Honourable Member that the Secretaries and Organizers of these institutions should not be made to depend for their inclusion in the approved list, upon the whims and fancies of the Provincial Governments? It is already very difficult to secure a donor—it should not be made more difficult to secure inclusion in the approved list.

One word more, and I have done. Sir, it is very difficult to reconcile the Nation's needs with its ability to pay. It not only calls for a great administrative ability, but it also calls for a very great imaginative leadership. The Honourable the Finance Minister has shown this; he has not only presented a balanced Budget, he has also provided for carrying out development plans in the Provinces—a job which is well done and which calls for the Nation's thanks to him. Sir, I have done.

Shri S. V. Krishnamurthy Rao (Mysore State): Sir, I am neither a financial expert nor a financier nor an industrialist. I face this Budget just as an ordinary citizen would face it. There are several items of tax proposals to

cover the deficit. Of course, the Honourable Member Mr. Ananthasayanam Ayyangar has shown the fallacy of including Rs. 10 crores of deposits in the revenue item. It may be all right for this year and it may be all right for the next year, but when we think of the Finance Minister two years hence we have to shudder at his position. There is also no justification, Sir, to include the expenditure of 15 crores under Defence under Capital Expenditure. That also Mr. Ayyangar referred to.

Now, coming to the tax proposals, I find that certain angularities and peaks in the income-tax structure have been softened, but even there we have to see it from the point of view of the effect it has on the business community. Take the share market. We find that the shares have gone down. It has neither satisfied the business community as such nor the common man. The only healthy principle of differentiating between the earned and unearned income has been done away with.

The Honourable Shri R. K. Shanmukham Chetty: You are wrong. It is still there.

Shri S. V. Krishnamurthy Rao: That is how I understood it—of course, I stand corrected. I do not see why the man who earns by the sweat of his brow, by using his brain, should be differentiated from the man who sits in his Rolls Royce car and earns his income through his share capital and dividends.

Then again if we take the common man, I mean especially the labourer and the agriculturist from the hilly parts from which I come, coffee and tea to them have become national drinks just as beer is to an Englishman. I find that my coffee has been taxed, my tea has been taxed, my tobacco has been taxed and the match box has been taxed. Simply because the Government could not effectively control the tax difference between 40 and 50 matches, it is no justification why 40 stick matches should be brought to the level of 50 stick match boxes and the duty raised from Rs. 1-12-0 to Rs. 2-8-0. If at all, it should have been the other way about and relief should have been given at a lower level. This taxation directly hits the poor man.

Again, Sir, some relief has no doubt been given to the betel nut grower. On behalf of the betel nut growers, I certainly thank the Honourable the Finance Minister for the great relief that has been given, but I say sufficient protection has not been given. Rs. 5 lakhs was provided in the previous Budget for the improvement of the arecanut cultivation. That has been done away with in the present Budget. Again the Honourable Minister has not assured us that the arecanut grower will be protected from indiscriminate import of foreign nuts. I suggest that a certain target, specially to cover the deficiency of Indian production, should be fixed as the quantity to be imported into India. That will assure the Indian betel nut grower some security for increased production and satisfy the Indian market by increase in production.

Then, again, Sir, I refer to the sterling debt. Of course, I am not an expert. I would leave it to Honourable Members like Mr. T. T. Krishnamachari to dwell upon it, but still, even as a layman it would be very difficult to understand the position without certain details. As the Honourable the Finance Minister's speech shows, we do not know what the existing balance in Account No. 1 is, and we do not know what amount is to be transferred to Pakistan. He says that certain amount will be transferred to Pakistan account, but he has not given us the amount we have to transfer to Pakistan account. Again, some amount is to be borrowed from International Monetary Fund. What is the amount that we are likely to borrow from the International Monetary Fund? Again, he has not given us what is the amount that is at our credit in Account No. 1 and Pakistan account also has to be dealt with in this connection. Even the roughest estimate has not been given to us of the effects that the partition has had on external trade. In regard to balance of pay-

ments with Pakistan also, even the roughest estimate has not been given to us. Without some rough estimate, without some material, it is I believe very difficult even for an expert to understand the sterling balance position of India.

Mr. Speaker: The Honourable Member may resume his next point after Lunch.

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.

Shri S. V. Krishnamurthy Rao: Mr. Speaker, Sir, I was just referring to the new tax proposals. I submit, Sir, that the principle of sound finance should be a simple tax structure and I think our tax structure is rather cumbrous. I suggest that the Finance Bill as it emerges from the Select Committee may remove these taxes from the poor and middle-class citizens and if any taxes are necessary, I suggest the Finance Minister may kindly examine whether we cannot totally prohibit the export of oilseeds so that the oil cake can be spared for use in India for manure purposes. The Estate duty can be introduced straight off. Again, Sir, the duty on foreign liquors, cosmetics and other luxurious articles can be enhanced and the Finance Minister may kindly see if there cannot be a small increase on air mail rates. Generally, only persons to whom time is money make use of air mail facilities and as a measure of economy air-mail envelopes and air-mail cards can be printed and supplied to the people. It will save lakhs of rupees in printing and stationery and also save the time of the people. I also suggest that there should be a stringent economy drive in the various Departments of the State. Vast sums of money are given to the research institutes. I want to know if our research is in tune with the man in the field. I am reminded of a passage from Wendell Wilkie's 'One World' where he says when there was a break of cattle disease in Russia, the expert did not go in time and prevent the rot. The expert was given transportation for life. I do not want that we should take such stringent measures, but the researches carried on by the experts must be useful to the agriculturist. After all, let us not forget that our economy is agricultural economy. The cottage industries should be co-ordinated with our agricultural production on one side and on the other side cottage industries should be co-ordinated with the large industries. Only yesterday the Commerce Minister told us that the proposals to co-ordinate cottage industries with large industries is still being considered. I do not see why we should not stop this drain of 110 crores for purchase of food. The reason for the deficit budgetary position is given as the great drain on the import of food articles. Sir, can we not make a capital out of this great Punjab calamity and try to start agricultural farms? The Finance Minister has told us that 50 lakhs of persons have come from Western Pakistan to Eastern Punjab and I am sure without disturbing the agricultural economy of East Punjab or the Delhi Province, we can make use of the experience of these agriculturists for starting agricultural farms throughout the length and breadth of India, wherever we have got vast arable lands. I wish the Finance Ministry, the Agricultural Ministry and the Rehabilitation Ministry may consider this proposal.

Sir, I find that there is no co-ordinated programme of production in India. We may be shown the proposals to start the Damodar Valley or the Mahanadhi Valley or the Sindri Chemical Fertiliser plant, but they take about five years or even more, but till then what is to be the food position in India. By the time the Honourable the Finance Minister presents the next Budget, let us have a drive for producing more food by starting agricultural farms by making available more manure to the agriculturist and let there be a co-ordinated

planning for production of more food. I fail to see any provision for such a plan or for such a drive in the Budget presented to us.

Sir, to conclude, I would only pray with the Finance Minister *Lead Kindly Light* to the next step, but I want that step should be a firm one, a correct one and a right one.

Shri R. R. Diwakar (Bombay: General): Mr. Speaker, Sir, I join with my predecessors in appreciating the Budget that has been presented to us under the difficult circumstances through which we are passing; but at the same time, I will not have done my duty if I do not point out certain defects and offer some criticism on the proposals made to this House. The Budget proposals on that day were really heard and followed with rapt attention by a very full House. The proposals were very well padded by a piece of poetry in the beginning as well as in the end, but in between there was a pudding or a cake which was really of mixed taste and as we went along analysing, we found certain important defects in the proposals. My friends have said that there is a lack of general overall planning in the proposals. Really speaking after freedom had been won, the first thing that we ought to have done was to seriously address ourselves to a long-term planing rather than to a kind of hand to mouth economy and hand to mouth proposals. I am quite aware, Sir, that the problems which face the Government and which are still facing are such, that they are chasing each other with great speed and we have very little time to consider long-term proposals. But this is a kind of vicious circle. If we do not address ourselves to long-range proposals we shall never be in a position to solve adequately even the day to day problems that arise. And therefore even in the midst of these difficulties that surround us overwhelmingly we have to take particular pains to see that we have some definite plans before us to solve the various problems that face us. Though we all take a very optimistic view of the present position and though the Finance Minister has tried to prove our position to be sound by comparison with the United Kingdom and the United States in the matter of public debt, etc., I do not think that so far as the general deterioration in our economic position is concerned, we have either turned the corner or that we have got over the difficulties.

No doubt, our Finance Minister has tried to stimulate and give incentives to industries in our country; but I should like to point out that lightening of the burdens of taxation or giving some relief here and there regarding super-tax or business profits tax is not really going to stimulate industry to the extent the country needs. In fact, if we study the reactions of the industrialists and of the share market we see that there is a demand for greater relief and the share market does not seem to have improved on account of the proposals made. That clearly shows that there are various other elements as well which go to stimulate industry and make money flow into production.

Sir, our economic condition cannot improve unless two or three very important things happen. One is that we should not be obliged to go to the foreign market for food; because that ties us down and limits our purchasing power of capital goods and other essential goods we require for the development of the country. As regards that point, other Honourable friends have dealt with it. All I wish to say is that the subsidies that have been earmarked for food in this country must be used as carefully as possible to see that agriculturists really improve their methods of agriculture and that there is a permanent gain from the money thus spent. Otherwise it may happen that all this money would give a temporary stimulus and nothing more. That is not really enough. We are told that we have a deficit of about 6 per cent. in food. That is not a very big percentage to be wiped out if real improvements are carried out in the methods of agriculture.

[Shri R. R. Diwakar]

The second important thing naturally is the production of consumer goods here. Of course the Finance Minister has made an effort by giving some relief to industrialists here and there. But, as I pointed out just now, there are various other things which are necessary, I may just enumerate a few of them. For instance, there is the transport bottleneck which has been admitted by the Finance Minister. Then there is the question of availability of capital goods. And we see that out of the sterling balance about 13:13 crores of rupees only is available for multilateral convertibility; and possibly the purchase of capital goods may be handicapped not only by non-availability but by our limited power to purchase.

Then the question of raw materials is there. Not all the raw material that we want for numerous industries do we get here; take, for instance, a number of chemicals. I know that sometimes for want of caustic soda or some such simple chemical, industries like those of soap and other things are held up for months.

Then there is also the important question of technical skill which comes in the way of production. Last but the most important is the question of willing labour. That point has been very well touched upon by my honourable friend Mr. Shastri. But I wish to point out that this question of labour is not going to be solved by a temporary truce for three years. A truce is often utilised by both parties for preparing for the next battle, and in this case too that may happen. Even the truce that has been concluded does not seem to be in operation at all. But even if it begins to operate seriously, I do not think that unless there is a clear policy by which we lead labour to believe that within a measurable space of time—they are going to be prospective partners in production and in profits, they would really be helpful or that a psychology can be induced in them which would be very helpful to our industries. I would therefore plead for a very long-range policy in this matter. If capital is important, labour is equally important; and unless labour is made a willing partner in this whole big drive for production, I do not think we shall be able to step up production to the extent that we want.

About Defence expenditure, I should like to point out that it continues to be as heavy and as high as in the days of British rule. There was a resolution before this House in the last session that a national militia should be raised. That Resolution was no doubt withdrawn on an assurance from Government. What the Resolution aimed at was that the citizens of the country should be given some kind of military education by which they would be able to supplement the army in times of emergency. But I do not see any such proposal in the budget this time.

Then about mass education for citizenship—as one might call it—that too is lacking in the whole programme. That is a very great constructive programme. For the lack of it we are suffering immensely since the communal virus has spread and entered into the roots of our social and political life. If that is to be removed by a long-range programme, then education of the masses on a national basis and on a national scale is the only remedy. That too, unfortunately, we miss in this whole programme.

As regards taxation proposals, my friends have pointed out many defects. I want to touch only one, the taxable minimum in income-tax which today is only 2,500. I would like to point out that that ought to be raised to 3,500 to give relief to persons who really need relief. The prices of agricultural products and manufactured goods have gone far over 300 per cent. since 1939 and so this relief is very much needed and the loss can be made up by a slight change here and there in the scales above that amount.

With these few words, I commend my suggestions to the House and to the Honourable the Finance Minister.

K. T. M. Ahmed Ibrahim Sahib Bahadur (Madras: Muslim). It is a matter for gratification that the Honourable the Finance Minister has been able, with his wonted dexterity and cleverness, to almost balance the budget, which would otherwise have shown a heavy deficit. It is also a matter of pleasure that he has been able to confirm the assurance that he gave us last November that the financial position of the country is intrinsically sound, even after a detailed investigation of the financial position for a longer period.

He has also rightly emphasized that the paramount need of the country is to stimulate production and for that purpose he has been able to lessen the taxation on certain businesses and industries. I would submit that the desired effect would not be produced by merely lessening the severity of taxation. The country still has to obtain from the Government an assurance regarding the scope and extent of private enterprise. Attempts have been made on previous occasions on the floor of the House for such an assurance and I am yet to see any such assurance given to the fullest extent.

Now, Sir, for the purpose of stepping up production we require capital goods and for that purpose we have to get an adequate quantity of foreign exchange resources. Unfortunately as a result of the negotiations between the British delegation and our representatives, we have not been able to secure an adequate quantity of foreign exchange resources. On the other hand, even compared with what we were able to get last time the amount has been considerably reduced now, though when the delegation came to India it was pointed out that Egypt had been able to get almost double the foreign exchange this time, and that it also got gold reserves, but in spite of the fact that we are badly in need of foreign exchange both for our capital goods and for the purpose of import of foodgrains, the amount of foreign exchange resources at our disposal for the next six months have been reduced and for whatever urgent need we have to meet, we have to draw on other resources like the International Monetary Fund and to exhaust even resources like the Post-war Dollar Fund. I hope that the Government will take the matter further and try to get more foreign exchange resources for our country.

As regards industries I would lay emphasis on three industries. First of all comes the tanning industry, which is the largest exporting industry of my province and the third largest exporting industry in the whole country and as such it deserves proper consideration at the hands of the Government. After all we want more exports and for the development of these industries the necessary raw materials must as far as possible be made available in the country. Since a long time there has been a demand for the imposition of a fair export duty on skins and hides exported to foreign countries. For the development of this industry, it is necessary that a high export duty must be imposed on these raw products. By imposing such a duty we will not in any way be suffering any loss because the world cannot but get our skins and hides either in the raw form or in the tanned condition; it is always preferable in the interests of the country to send out our skins and hides in a tanned state and the world cannot do without our tanned skins and hides because in no part of the world is such a quality of tanned skins and hides being produced. Therefore, we will not be affected adversely if we impose a high rate of export duty.

Again, with regard to the mineral resources, I would point out that whatever may have been the intention of the previous bureaucratic Government in not helping the mineral resources of the country, it is time we took measures for its development. It was at one time thought that South India was a burnt out land geologically. But now it has been found that there are very rich mineral resources there. Recently coal has been found and also iron ore

[K. T. M. Ahmed Ibrahim Sahib Bahadur]

in the district of Salem; it is said that the iron mines are inexhaustible. On the floor of the Madras Legislature it was mentioned that the Government of India is not willing to send out even the necessary number of officers to survey the geological resources of the province. I would appeal to the Government of India to render the necessary help in not only surveying the province with regard to the mineral resources but also in tapping those resources speedily in the most profitable manner for the good of the country.

When the Finance Minister imposed last November a heavy export duty on Handloom cloth, those who were engaged in the industry pointed out that the industry could not and cannot stand such a heavy duty and I am glad that the Finance Minister has realized the justice of the contention of the industry and has removed it. But along with that he has removed the export duty on yarn. Well he may be aware that the handloom weavers, especially of my province, are getting no more than 10 days yarn in a month. Such being the case, how can you export yarn outside the province? Therefore, it is better that we impose a heavy duty on the export of yarn, so that the people may have a proper livelihood by working for a larger number of days. We can send the finished products outside. There is also a sort of excise duty on the yarn. That is being consumed by these handlooms, and it is necessary that that excise duty is also withdrawn in the interests of the development of the handloom industry.

Again, Sir, the Madras province has become very much trade-mark conscious and it is deplorable that even now after the Trade Marks Act has been in operation for the past six years, it has not been possible to establish a Branch office in Madras. The people in Madras have to go to Bombay or Calcutta for making enquiries and getting the necessary assistance from the Government offices concerned. It is high time that a Trade Marks branch office is established in the province.

Sir, I feel compelled to mention another important matter. The Government of India banned the Muslim National Guards Organisation throughout the whole of India. Certain arrests have been made in Madras and other Provinces. I would like to emphasise that this organisation was not at any time intended to commit nor had it at any time engaged itself in acts of violence, nor was there any disposition on its part towards acts of violence.....

Mr. Speaker: I believe that is a provincial subject, as the banning of the organisation must have been done by the Government of Madras.

K. T. M. Ahmed Ibrahim Sahib Bahadur: The organisation was banned by the Government of India. When we approached the Madras Government we were definitely informed that they have no discretion in the matter and that they were acting only on the orders of the Government of India.

Mr. Speaker: The question is by whom the orders banning the Muslim National Guards were issued.

The Honourable Sardar Vallabhbhai Patel (Minister for Home, Information and Broadcasting and States): It is the Provincial Government. No orders have been issued by us.

Mr. Speaker: If there is any grievance on that matter, it should be raised in the Madras provincial legislature.

K. T. M. Ahmed Ibrahim Sahib Bahadur: The Provincial Government said that they acted on the orders issued by the Government of India. The organisation was banned by the Government of India.....

Mr. Speaker: Is there any authoritative statement to that effect?

Pandit Lakshmi Kanta Maitra (West Bengal: General): I can understand raising a matter like this in connection with the Finance Bill, but how is this germane to the General Discussion on the Budget?

Mr. Speaker: That is another point. Let us be clear as to whether this order was issued by the Government of India or not.

Mr. B. Pocker Sahib Bahadur (Madras: Muslim): I can authoritatively state the Honourable the Premier of Madras told us when we waited on him in deputation, that he was acting on the orders of the Government of India and that he had no discretion in the matter.

Mr. Speaker: I thought he must have said very probably that he was acting on the advice of the Government of India. But that is a different matter. But here the Home Minister says that no orders were issued by the Government of India.

The Honourable Sardar Vallabhbhai Patel: Advice has been given to all provinces to ban all private armies.

K. T. M. Ahmed Ibrahim Sahib Bahadur: We have raised the matter on the floor of the provincial legislature also and we have had no remedy. Not a single person who belongs to this organisation has been released, whereas people belonging to other organisations are being released from day to day.

Sir, I was speaking about trade marks registration. People have to go either to Bombay or Calcutta for the purpose of registering trade marks. There is provision under Section 76 of the Indian Trade Marks Act for the establishment of branches. Even small States like Cochin and Udaipur have branches on a reciprocal basis. Why should a major province like Madras be denied the right of having a trade marks office, I cannot understand.

I come now to the Madras High Court. Out of the total strength of 16 of the High Court Bench of Madras, including the two temporary judges, there are now only 8 judges and the vacancies have not been filled up for some time, with the result that on certain days of the week the admission court does not even sit; no judge sits for the disposal of admission work on some days. I appeal to the Government to see that these vacancies are filled up as early as possible.

I am sorry that the budget does not give any substantial help to the provinces financially. When the Madras provincial budget was introduced on the floor of the House our Finance Minister said that he had made repeated representations to the Government of India for giving us a larger share both in the income-tax and the corporation-tax. I find here a slight hint that even the amount promised for postwar development schemes may be cut down if the Provincial Government does not spend an amount equal to that given by the Centre. These are times when provinces need very great financial help from the Centre. I would appeal to the Honourable the Finance Minister to see whether it is not possible for him to increase the share to the provinces in certain items of income and whether it is not possible for him to give favourable consideration to the representations that have been made to him by our Finance Minister.

With regard to food, in the budget speech the Honourable Minister says that during 1947-48, 110 crores were spent on the import of foodgrains, while this year only 61 crores will be spent. I am sorry that that amount has been reduced. I am quite aware of the difficulties with regard to the financial position.....

The Honourable Shri R. K. Shanmukham Chetty: 61 crores for the first half of the current year.

K. T. M. Ahmed Ibrahim Sahib Bahadur: I do not know whether even that would be sufficient to meet the demand. The Honourable the Finance Minister who comes from my province knows that famine is at our doors on

[K. T. M. Ahmed Ibrahim Sahib Bahadur]

account of the failure of the North East Monsoon. Unless we are able to get foodgrains in larger quantities from outside the country it would be impossible for us to tide over the crisis. This morning I read in the papers that the Foodgrains Policy Committee of the Government of India has recommended that potatoes, tubers and bananas should be used as food. I do not know whether it would be possible to make the people use such things for their diet. Whether they will suit their stomachs and other factors have to be taken into consideration. We know how the attempt to substitute groundnuts for 2 ounces of rice failed and nobody even in the villages was prepared to take groundnuts.

Then I come to the excise duty on tea and coffee, which is direct taxation on the poor. In our province where total prohibition has been introduced those people who have been addicted to some sort of stimulants would naturally like to have some mild stimulants like tea and coffee and it is not fair that they should be asked to pay more by the imposition of this duty.

Another matter is this. When the British Bureaucracy was ruling the country certain books, pamphlets and brochures published by eminent public men in the country,—i.e. by our national heroes—were proscribed and I do not know why this Government should not lift the ban on such books. For instance.....

Mr. Speaker: That is a provincial subject.

K. T. M. Ahmed Ibrahim Sahib Bahadur: I refer to books that have been banned by the Government of India. For instance I refer to the famous article written by Maulana Mohammad Ali in the Comrade under the title of *The Choice of the Turks*. With regard to import licenses I desire to point out that there is very great irregularity in the issue of licenses.

Mr. Speaker: The Honourable Member's time is up. I cannot permit him to continue.

Shri Arun Chandra Guha (West Bengal: General): Sir, if I utter a few words of criticism of the Budget I am not forgetful of the fact that this is the first annual budget of Independent India and that this is the budget presented by the Cabinet of the Congress to which I have the honour to belong. Whatever criticism or suggestion I may make is only in a helpful spirit. I expected that the new budget would bear some stamp of independent India but I am constrained to say that I am disappointed. The budget as presented before us is just the same type as had been presented year after year up to 1947. It is only an attempt to adjust revenue and expenditure.

But I expected that this budget of the new independent India would make an attempt to adjust our national economy and would try to adjust the unfavourable trade balance. That is the real problem. Unless we can solve that problem it is no use adjusting the revenue and expenditure by imposing certain taxes or giving some relief to certain categories of people. The greatest malady in our present economy is that we have an unfavourable balance of trade. There should be a planned attempt to remedy this. The first thing we can do is to control haphazard imports. The system of controlling import by way of licences as is prevalent now is far from satisfactory. Mostly it is done to accommodate certain individuals or certain groups of persons who have been in the trade of importing or exporting certain goods, so that they may not lose their means of livelihood. But in a free India the importing system should be based mainly from the point of view of putting our trade balance on a right footing. We should try to stimulate export for which there must be planned economy and systematic campaign. The Honourable the Finance Minister has rightly stressed the importance of increasing production. To increase production he has given some relief only to the rich people. He has given them relief by reducing super-tax

and business tax. But that is not enough. It is apparent that this concession to the big capitalists has not satisfied them. The Honourable Finance Minister ought to have understood by this time that these big capitalists won't be satisfied by these petty concessions. They all want to have their full pound of flesh. The Finance Minister ought rather to have concentrated on cottage industries and on increasing food production. India must have to develop her cottage industries if she wants to have a favourable balance of trade. In the matter of helping cottage industries the Finance Minister has only given relief to the handloom industry by withdrawing the export duty on handloom cloth. In this connection he might have done something more. The Cotton Textile Equalisation Fund which was mainly derived from the handloom weavers might have been given as a subsidy to the handloom weavers.

As for food production, there is absolutely no system and no planning. Year after year our food import is increasing. Last year it was Rs. 110 crores and this year it is expected or apprehended to reach Rs. 125 crores or something like that. If we are to import so much foodgrain from outside and to pay hard cash for it, it will be difficult for us ever to have any favourable trade balance. So this is the first point on which the Finance Minister should have devoted his attention.

Then, Sir, the Finance Minister has imposed excise duty on tea and coffee. Instead he might have imposed export duty on tea and coffee. I think Ceylon tea is even now selling at a higher price in foreign markets. By imposing a small export duty on tea and coffee he might have got enough revenue and at the same time I think, there would not have been any diminution in the export of Indian tea or coffee. Instead he has taxed the poorman's tea. Tea is not only a poor man's drink—it is even his food now. In towns as well as in rural areas the labouring classes have almost nothing else than tea for breakfast—tea or coffee. In Northern India it is tea and in Southern India and at least in some districts there it is coffee with the labouring classes for breakfast. I would implore the Finance Minister that instead of imposing the excise duty on coffee and tea he may put an export duty on coffee and tea which may give him some revenue and also give some relief to the poor.

Then, the match duty ought not to have been increased. That is also a tax directly on the poor consumers. The town people have mostly got their electric lights. Except the smokers they do not use much of matches. But the rural people have always to use matches, and this article essential necessity should not have been taxed rather the tax should not have been increased.

As regards our sterling balances for the next six months we have got only 18 million sterling, or Rs. 24 crores. Of course there is a balance of the last six months which may leave us some fair amount at our credit. Even then, of this Rs. 24 crores we will have only Rs. 13 crores which will have dollar convertibility. Because we have only such a small sum at our disposal, in regard to transactions with dollar regions we shall have to borrow from the International Monetary Fund. I do not know what interest we shall have to pay for this and who will pay it.

As regards the different heads of expenditure naturally Defence consumes more than 50 per cent. including capital expenditures. Defence expenditure has always been the target of attack from the nationalist benches in the past. But in Free India we shall have to build up our defences and we do not grudge this expenditure. We only wish that the money may be rightly spent. In this connection I must say a word about what the Indian Army has done for evacuating millions of people from Western Pakistan to India. It is splendid and they have done immense service to humanity and to India. And what they are now doing in Kashmir we appreciate and recognize. Yet I think

[Shri Arun Chandra Guha]

there might have been some economy and some money might have been better spent. One point I would like to stress, namely, that there should no longer be any such thing as martial and non-martial races in the Army. No distinction like that should be prolonged.

While speaking on the subject of defence I must mention West Bengal. India has practically two frontiers on the eastern side—one Assam with China and Burma and another, West Bengal with Eastern Pakistan. Unless the position of Western Bengal is strengthened it will be very difficult for the Indian Union to defend her frontiers from that side. So I hope the Government as a whole and the Defence Department will give due attention to the defence of West Bengal by strengthening its position and developing Home Guards and Frontier Guards there. That is of the utmost importance not only for the defence of West Bengal but also for the defence of the whole of India.

In this connection I must also point out another matter. What is happening in East Bengal should also be remembered. One crore and twenty-five lakhs of people are involved there. What has happened in Western Pakistan is nothing in comparison with what may happen in Eastern Bengal and Western Bengal. I do not want to be panicky. We have been trying our best to keep our people in Eastern Bengal and we have asked them not to leave their hearth and home, and not to cross the frontiers. We have been trying our best and on behalf of the Congress of Bengal I can say that the Bengal Congress have been doing all that is possible to allay the people's fears and to restore communal harmony. Yet things are becoming very difficult for the minority community in East Bengal, and for that also the Defence Department and the Relief and Rehabilitation Department should have some provision even from now. In the Western Punjab, Sind and the Frontier, the government were taken almost unawares. A similar situation may not face them again. They should be prepared against a possible development of such a contingency in Eastern Bengal. That contingency will be like an avalanche before which the whole structure of our infant state may have to crumble. So from now on the Government should pay utmost attention to defence as well as to other matters in Western Bengal.

The Finance Minister has imposed certain extra charges. He has raised the surcharge on trunk telephone calls from 40 per cent. to 60 per cent. and he has increased the registration fee from 3 to 4 annas. These increases yield an additional revenue of only 40 lakhs. I think he can easily forego this. 40 lakhs is not a big sum; and the increase of the registration fee may hamper the development of business, trade and commerce. Instead the Finance Minister might have given some more attention towards economy. He has made a token economy cut of 2½ crores. That is nothing compared to the expectations of the people and the members of this House. There ought to be more economy. There should be a systematic attempt at economy in all the departments.

Then before concluding, Sir, I must say a word about the income-tax allocation. I do not know on what basis the Niemever Award has suddenly been upset. It is an interim arrangement. West Bengal has been given only 12 per cent. while it was previously getting 20 per cent. Undivided Bengal was getting only 30 or 40 lakhs of rupees from the East Bengal regions as Income Tax collections. As regards population, West Bengal has still a larger population than Bombay. Then why Bombay is getting 21 per cent. and West Bengal is getting 12 per cent.? I expect the Honourable the Finance Minister will look into this. Bengal has already suffered much due to many causes—the war policy of the government, famine, communal rioting and last of all due to partition, and I hope our Congress government will not inflict any more injury

or create difficulties for West Bengal in recouping herself. So, before concluding, I implore the Finance Minister to allocate a larger sum. It is an interim arrangement after all. Till we can reach a final settlement let the previous arrangement stand and 20 per cent. be allocated to Bengal. The Finance Minister concluded his admirable speech by saying "The next step is enough for us if it is illumined by the star of our ambition and fortified by the faith in our destiny." I say this will not be enough. The whole budget should bear the stamp of the Congress party. Unless we have also the torch light of Gandhian socialism and Gandhian social ideas, I think the whole budget will become a failure and Independent India cannot be satisfied with a budget of the stereotyped class that has been presented year after year before this House. With these few words I commend my suggestions to the Honourable Finance Minister.

Mr. Speaker: In view of the large number of Honourable Members who seem to be anxious to speak, I am reducing now the time-limit from 15 to 10 minutes. A larger number of people will be able to speak if I can snatch away 5 minutes from each. Ordinarily therefore I would allow 10 minutes except in special cases where I may allow a few more minutes.

Shrimati Dakshayani Velayudhan (Madras: General): Mr. Speaker, Sir, instead of giving some sort of joy during the presentation of the budget, just the opposite has happened, and I must say that this budget is not in any way different from the budget which was presented by the British Government in former years. We can say that this is a budget of free India but we cannot say that this is a budget of *Swaraj*. We all heard the Finance Minister quoting the words of Gandhiji, but one is surprised to find that the budget is devoid of any spirit of the Gandhian ideology or the Gandhian ideals of economy. So we have either to accept this budget or reject it on its face value. The only new item in the budget is the expenditure on Relief and Rehabilitation Administration. All the other items are as they were in the former budget, and we find in the budget the same figures, the same form, the same meaning everything. We all know that the British Government tried to keep the people away from the administration of this country and they did not provide us with any details of the expenditure or anything of that kind. In this budget also one fails to see any detail or explanation of the various items of expenditure involved. If we take, for example, one department, we find this. They are given like this:

Secretary 1, Deputy Secretary 1, Assistant Secretary 1, and other officers 54. One fails to understand what is meant by other officers. I think it would be better if the designations and the grade of all the officers are given there, and the number of the different kinds of officers. Then also we are not provided with details of the establishment, and there is also an item called 'Miscellaneous.' These are all items which involve crores of rupees.

To keep his promise to the capitalists he has tried to please them by reducing the taxes on them and the Honourable Finance Minister has tried to balance the budget by indirect taxation of the poor man. We could have welcomed even a deficit budget if it had given any relief to the common man. I do not think it would be a repetition if I were to say the budget has taken away even the small comfort that the common man enjoyed by taking a cup of coffee or tea. Two days back I had to pay an additional three annas for a pound of coffee, and during the introduction of the budget they knew about the duty on tea and coffee and the dealers had begun exploitation even before the budget came into operation. I think a wiser method would have been to impose a duty on costly drinks like whisky, brandy or wine. If such a step had been taken many people would have become irritated. If that course had been adopted it would have paved the way for the introduction of one of the constructive programmes of the Congress, namely prohibition.

[Shrimati Dakshayani Velayudhan]

Sir nowadays one hears much about 'production' 'production' 'more production.' As an incentive to the capitalist taxes on business have been reduced. But I fail to understand what relief this budget is going to give to the common man. I must in this connection bring to the notice of the Honourable the Finance Minister that production does not depend on the capitalist alone. We find people going without cloth not because there is no cloth in the country, but because the purchasing power of the people is limited. People go without food not because there is no food in the country, but because they have no money to purchase food.

If you go through the budget you find that huge sums of money are set aside under each Department for the expansion of Departments, increase of staff, etc., but when you come to Departments like Labour and Education, they are left as they were before. Not even an attempt has been made to make an experiment in compulsory education; even the basic education scheme which was so dear to Gandhiji, has not been given a fair trial. In short in the first budget of free India one fails to find any ideal. It is only confined to the exploitation of the poor tax payers to meet the demands of a top-heavy administration. The Congress Government have been repeating time and again that they do not approve of the top-heavy administration, but when they have the power they let the old state of affairs continue, and are content with putting forward some excuses. It is therefore imperative that in order to do justice to the poor people of this country some sort of policy should be evolved by which the economic structure of this country will be changed and the disparity in the income of the rich and the poor be made little or nothing. It is the duty of the Government and of the Honourable the Finance Minister to see that something is done for the relief of the common man by taking into consideration the suggestions put forward by the Honourable Members of this House.

Shri Rohini Kumar Chaudhuri (Assam: General): Mr. Speaker, Sir, it is unnecessary I think for me to congratulate the Honourable Minister for Finance for his budget, because not only fairminded men, but also members of fair sex

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shrimati Ammu Swaminadhan (one of the panel of Chairmen)].

have already done so. There is absolutely no doubt, that the author of this budget is a man of great talents. It is quite obvious that his talents are of a very high order. But the budget has been elusive. A rich man going through the budget speech will exclaim: "Well, look here, our old friend Mr. Shanmukham Chetty has not entirely forgotten us. The Congress benches which he now adorns, has not been able to spoil him yet." That is the first reaction. But when the rich man goes deeper into the budget he finds that his first impressions were not correct. If he has been given something by one hand, that has been taken away by the other. The poor man on hearing of the remissions of certain taxes exclaims: "Look here, I had misjudged him. I had unnecessarily listened to what the socialist leaders have been saying—in fact some of them went to the length of saying that he should be withdrawn from the Treasury Benches." That was my first impression also when I heard that the tax on betel nuts was withdrawn. When I go further into the matter I find that it was merely a will-o'-the-wisp which I was running after. When I think of the tax on tea, when I think of the increased tax on matches, I see that I was mistaken. It is all like this. You dream of getting large amounts of money; you tighten your grip on the nuts you suddenly wake up and find that there is nothing in your palm. A great disappointment! I have personal experience of that kind of disappointment. Here in Delhi where only one gallon petrol is given for each day of sitting, we feel great want for this and on one occasion I dreamt that I had sheafs of petrol

coupons—I tightened my grip and roused myself only to find them gone. The Honourable Finance Minister has done the same thing in matter of distribution of receipts and burdens. As between the rich man's claim and the poor man's claim, he has behaved exactly like the one who distributed cheese between the two cats; and after cutting one portion from one share and another portion from another, he has taken the main quantity of cheese for himself—when I say *for himself*, I mean he has added to the public exchequer—he has not given much to others.

Madam, I am very glad that I have this opportunity of addressing you in the Chair. My honourable friend the Finance Minister has proved a veritable juggler. He has the whole set-up of a juggler, and if he had only the magic wand he might have been able to compete with the best Continental magicians of the Western countries; but our Indian jugglers have always been far more effective than the European jugglers. I have heard the budget speeches of European Finance Members, and I am sure their jugglery would pale into insignificance compared to our jugglery. Madam, after all, Indian jugglery is superior. Everybody knows, and I think you have seen it, that the Indian juggler has his *Bhanumati*. That *Bhanumati* is not any woman or lady; it is a figure in a wooden frame which every juggler carries about with him. The *Bhanumati* in the case of the Finance Minister was a steadfast determination to get all he can for the Government of India so that the country may advance in the way of progress.

I think, Madam, it is hardly necessary for me to remind the House that I come from Assam. So, I would just briefly state some of the grievances of that Province. When my honourable friend Sardar Patel went to visit our Province—he had the courage to do so; other ministers of the Bench would not dare because there is a prejudice against Assam that whoever goes to Kamrup never comes back; there is a popular belief that in Kamrup one would be converted into a lamb. When Sardar Patel went there and he had given us the assurance that whatever is needed for the development of the Province, he would always be prepared to give. But, Madam, I find myself sorely disappointed when I look into the Budget: there is nothing special given for the development of that Province. That Province is a double frontier; it has not only to protect the frontier against Pakistan, but it is also generally speaking the Eastern frontier. But what have you got there? What additional advantage have we got there excepting the fact that the original promise, which was made perhaps by Sir Archibald Rowlands or somebody else, has now been repeated? Nothing new has been given to us.

Certainly, I am grateful to the Honourable Minister for removing the tax on betel nuts, which was a pressing tax and cruelly realised. But he had raised the tax on tea. Madam, tea is a beverage, it is almost a food.

Shri T. Channiah (Mysore State): Madam, I congratulate the Honourable the Finance Minister for the way in which he began his speech when he presented free India's first Budget before this House; and also the way in which he ended his speech is a thing which is to be noted. He began by paying a tribute to Mahatma Gandhi, and at the end of his Budget Speech on Saturday last he concluded with the words, *Lead Kindly Light*. Of course, Madam, it is very good and it is very kind of him to say such words. But when I read those words, the very essence of Mahatma Gandhi's ideals do not find a place in the frame-work of the Budget. One of the objects of his high ideals, namely, the unprivileged people, the Depressed Classes in the country, who form about one-fifth of the population of India, have been totally neglected and no mention in the whole of the Budget has been made about the Harijans. I feel very sorry for the very unkind attitude the Finance Minister has taken towards this aspect of the problem, of the amelioration of the depressed classes.

[Shri T. Channiah]

Madam, I am really worried in one or two respects. Mahatma Gandhi wanted that the Harijans in India should form the strength of the Hindu community and that unless they are elevated Hinduism would be lost. They are the real tillers of the soil; they form the backbone of the country; they are the real warriors in times of danger. Mahatma Gandhi wanted in his life time to see untouchability removed; and we the Harijans in India feel that God has snatched him away and we find no help at the present time. We thought that the first and foremost priority of this Government was to take up the amelioration of the Depressed Classes. They are labouring in India, as you can see, under very great disadvantages. Not even a single rupee has been allotted for their amelioration anywhere in the Budget.

Let me place before the Honourable Members of this House the various disadvantages under which they are labouring now. Wherever we go in villages, we see most of these depressed classes, those who are weavers, tanners and *mochis*, they have no place because the modern machine has replaced their work. Therefore, they cannot find any employment. Government has not thought of helping them, say, for instance, by way of co-operative societies, by way of cheap credit, by way of selling raw materials and improved methods of machinery and by way of giving loans to these people. No such thing has been provided in the Budget.

Another aspect which I want to mention is that the artisans and tenants are suffering from very great poverty because most of them are involved in debts. Most of the depressed classes in rural areas are under the system of born-slavery because on account of extreme poverty and on account of their indebtedness, they cannot free themselves from these zamindars. What is the Government going to do for that? They have not stated any definite policy in regard to the amelioration of the condition of the depressed classes in India.

First and foremost, the depressed classes in India want educational facilities. As we can see, they have not been given any residential schools or hostels. They should be provided with these things. There must be legislation to abolish born-slavery and also serfdom. Legislation should also be brought forward to remove social disabilities. Unless social disabilities are removed and the economic condition is improved, I do not think the depressed classes in India can ever come forward and assume equal status with other communities. I gathered from the Prime Minister of India very recently that unless the depressed classes are made to stand on equal level with other communities, we cannot boldly say that we are having a real democratic Republic of India. Unless the present Government takes it into its head to lift the depressed classes, to bring them on equal footing with others, to improve their economic condition, etc., I do not think that the democracy in the true sense will be achieved; it will remain a dream.

In these circumstances, madam, there is nothing for me to appreciate, nothing to congratulate the Honourable the Finance Minister upon, as he has not set apart any sum either for the educational facilities or for the large scale housing-scheme of these depressed classes.

An Honourable Member: This is more of provincial concern.

Shri T. Channiah: May be, but the Government of India have not definitely stated their policy towards the depressed classes. That is why I am mentioning this. I wish that the Central Government take earnest steps to improve the condition of the depressed classes, which is entirely their duty and not that of the provinces.

Madam, I thank you.

Dr. V. Subramaniam (Madras: General): Madam Chairman, after the decease of the Father of the Nation, this is the first Budget which the Finance

Minister has placed before this Assembly. We know the difficulties in placing this Budget. I am not going to repeat every subject which has been dealt with previously by my honourable friends, but I have to mention a few points as a common man, as a representative of the people, in regard to what the man in the street thinks and what he wants.

First of all, I take the concessions given to the business people. The Business Profits Tax has been brought down from 16 $\frac{2}{3}$ per cent. to 10 per cent., and the abatement amount has been raised from one lakh to two lakhs. All these proposals I quite welcome. But while I have no objection to raising the maximum amount for which super-tax is to be levied, there was no necessity to reduce the rates of super-tax. As regards the Business Profits Tax, no doubt they are having the benefit, but I have my own doubt whether the benefit obtained will be utilised for the benefit or for the increase of business in the land so that the national wealth may be increased. If it had been a condition that the business people will invest that amount for the enlargement of their business, it would have been very good. Anyhow, business people must invest that saving at least in Government bonds so that it may be of some use. Otherwise, if it is possible—I will welcome such a proposal—some enactment may be made that the three crores of rupees which will be saved should be diverted to a business concern and short-term proposals should be brought forward for the industrial development of the country. Of course, I do not know the legal implication of this suggestion, but I am merely giving out the idea which strikes my mind.

Then, Madam, in order to give relief to the ordinary common man—the middle class people—it was suggested that income-tax must be exempted up to incomes from Rs. 2,500 to Rs. 3,500. I do not know what will be the idea of the Honourable Minister. Anyhow, as an alternative relief, I think the income of those people who get below Rs. 5,000, at least 10 per cent. of it may be exempted from income-tax so as to give them house-rent relief and other benefits. Let me illustrate. Suppose a man is getting Rs. 3,000 or 4,000, he may be paying Rs. 60 or 50 as house-rent; that amount can be deducted from his income and the balance may be taxed as income-tax, so this will give some relief to the middle class people.

The other thing, Madam, is that after the attainment of freedom we want to encourage cottage industries. I have great faith in the *Khadi* scheme. The different provinces are putting up different schemes. The Centre, as a token, might set apart a certain sum, say a few lakhs, and make grants to each province, so that each province may put in *Khadi* schemes as a national and economical emblem so to say. We can then call it more of a national policy. We want a national tinge in the Budget.

Then we want prohibition throughout India. It is a provincial concern; yet some relief must be given to the Provinces by the Centre in this respect also.

Then about coffee and other things, my honourable friends have already taken that portfolio, so I would not talk about them.

As regards the export duty, there are many articles which could have been taxed. Take the case of mica. An export duty can be levied on mica. There are many such articles. I have not got the list of all articles that are being exported to foreign countries.

As regards prohibition, I thought we will be having prohibition even at Delhi, but Delhi is not going dry; I think it is already wet. I would suggest that foreign liquors may be heavily taxed, so that we can increase our income.

Next to Defence, food, clothing and housing are the most essential things in the country and as regards food problems there is no use in getting food-grains from foreign countries to the tune of 50 or 60 crores. At least 200 crores may have been taken as a loan and that loan may be given for Provinces for the construction of tanks and wells as a short-

[Dr. V. Subramaniam]

term measure, for the reason that Damodar Valley and other large scheme will take at least ten years for its completion. It will be a really a long-term relief, and as a short-term relief the Provinces must be helped with some amount for one portion as grant and one portion as loan, so that small tanks wells and other irrigation channels may be dug. In this way the Provinces might be made self-sufficient. After all, if the problem in the province is solved, naturally the Centre will have no burden after some years. I hope the Honourable Minister will consider these matters.

As regards medical relief, I must say that the medical system in our country is far below the average in foreign countries and it is not at all touching the villages. I heard many interpellations in this House itself regarding the Ayurvedic system. Even today more than 85 per cent. of the population of India are being treated by the Ayurvedic system, but there is no place for it in the Budget. The Honourable the Health Minister was very kind enough to consider this subject. I know it may be a Provincial Concern. I feel that all research must be made a Central subject. Research in medicine or research in agriculture or research in any subject whatever it may be—there must be co-ordination between the Provinces and the Centre. There is no co-ordination between one province and another and even the Centre when finding out certain research as good, they are not being utilised by the Provinces or for the use of the nation itself. The provinces are going in one way and the Centre in another way. I think that every branch of science and research must be brought and co-ordinated. Then only the nation will be developing.

As regards the housing scheme, though it is a provincial question, co-operative housing schemes can be started and the provinces may be induced by token grants and in that way they may be compelled to take up the schemes on a uniform basis.

As regards engineering schemes, I feel that there must be co-ordination between Provincial highways and national highways and in each and every department there must be a proper, thorough overhauling and co-ordination.

Madam, the Budget which the Honourable Minister has put before us is a satisfactory one and I congratulate the Finance Minister on it. I am sure that when relief is necessary for the poor class of people, it will be forthcoming. With these words, I resume my seat.

Shri Lal Mohan Pati (Mayurbhanj State): This is the very first opportunity in my life to congratulate the Finance Minister of the Independent India on the occasion of his presenting the annual budget before the House for consideration and adoption. While I would join in chorus with all the other Honourable Members who have spoken before me in congratulating the Honourable the Finance Minister, I, however, while congratulating him reserve the right of making certain observations, which, I think, are not only relevant but pertinent to the questions at issue now. The whole budget has been prepared and presented and over which the Honourable the Finance Minister have enlightened the House by quite a lengthy speech, explaining matters as sufficiently as under the circumstances would be possible. I beg to observe that I have not been quite satisfied with the budget now before us. This budget appears to me nothing better than the old wife in a new saree. It is almost the same old-fashioned budget which used to be presented in this house from year to year but only with certain changes here and there. Now so far as the nation is concerned, we have all been shouting both day and night that ours is a free country, we are the legislators of a free independent sovereign India and this is the first budget of such a free and sovereign India. Now in that case for a people like that the two things which I consider to be the most vital and important are the nation-building programme and the nation's saving programme.

These are the two vital factors on which the new born freedom of our country must give the fullest possible attention. So far as these two matters are concerned, I confess I have failed to find any such thing in the whole budget, which is quite a lengthy one. There is nothing which inspires confidence that our Government is going to have a sufficient nation-building programme or a sufficient nation saving programme before it. There is no plan either for the purpose of nation saving or for the purpose of nation building. It is something like this: A physician may be going on his way and he prescribes some medicine or something like that and whether it fits in or not with the disease, he does not care to know what is the disease or the true remedy of the disease but administers some doses and goes away. There does not appear to be any such thing in the budget which goes to the very root of our disease. We have been speaking and speaking quite for a long time. The country is poor. We have been importing into India foodgrains worth 100 crores from year to year and there should be an all-round attempt made for growing more and more food, but merely saying this would not suffice. There must be some definite, concrete plan and there must be a definite attempt made for the execution of the plan. So far as a plan is concerned, there is absolutely nothing to be found in this budget. Of course we find that there are agricultural research institutions, which have been there for a very long time. But I must say that all these researches that have been made—if at all—in these institutions have not proved to be of any benefit so far to agriculture in India or to agriculturists as a class. Vast sums of money must have been spent on them from year to year and probably there is no one in the whole administrative system of Government to see and to know whether the so-called researches are really researches which are beneficial to the peculiar soil, temperament and environments of India. What may be true of the American soil or American conditions may not always be good for Indian soil, Indian society and Indian environments. I think there is no machinery in Government to see whether our research institutions are alive to this or not. Therefore I have my objection to the grant of such a huge sum of money to this branch of Government unless and until there is satisfactory evidence before Government that this research is really of benefit and is sure to impart its beneficial effect to the country in the very near future.

One feature of the budget is that a strenuous attempt has been made to equalise its debit and credit side, that is, to produce as far as possible a balanced budget. I should like to observe that even if a budget in a particular year or over a consecutive number of years is a deficit budget and still there is a definite programme before the nation and before the country for its development, that budget would not be very bad. Here in this present budget I find one thing. Everybody has come to know that now this new born freedom of India is passing through a very critical time. The international situation is fraught with danger and it is not unlikely that in the very near future there may be a flare-up. Signs are evident that the fate of the present U.N.O. may go on the same lines as the old League of Nations. All nations of the world now appear to be lining up as they used to do some time after the establishment of the League of Nations. We also see that the most powerful nation—the United States of America—which proclaims from the housetops that she is the most democratic country in the world and has no empire-making ambitions, has in recent years established military and naval bases in almost all the accessible islands of the Pacific, and fire is already being kindled in the middle east. We are now living in this situation and India on account of her geographical position and various other circumstances occupies a very strategic position. So much greater attempts should have been made and much greater attention should have been paid to the military development of the country, not for the purpose of aggrandisement or invasion of any other country, but for the purpose of self-preservation and self-defence. If in order to develop our country militarily we are required to spend a few more crores of rupees—and if need be by fresh

[Shri Lal Mohan Pati]

taxation—I would not mind it, because I want first to live and save myself. So in regard to this I submit the present budget is lacking in very vital and material respects.

Sir, I hope my observations will be taken into account by the Select Committee that takes up this subject.

डाक्टर घर्म प्रकाश : माननीया सभानेत्री जी, इस समय जो बजट हमारे सामने

पेश किया गया है, मैं समझता हूँ कि देश में पूंजीपति ज़मींदार और ताल्लुकदार लोग हैं इससे उनको ही प्रसन्नता हुई होगी, लेकिन जहाँ तक गरीब जनता का सवाल है उसको इससे कोई विशेष प्रसन्नता नहीं हुई है। आप लोग भली भाँति जानते हैं कि देश में सबसे बड़ी आबादी किसानों और मजदूरों की है और उन्हीं की कमाई को इकट्ठा करके आप देश के कामों में बाँट रहे हैं। जिस प्रकार वर्षा होती है और वह प्रत्येक गरीब और अमीर के घर में समान रूप से होती है, ठीक उसी प्रकार से हमारी राष्ट्रीय सरकार के अनेक विभाग रूपी जो बादल हैं उसकी वर्षा भी समान रूप से जनता पर होनी चाहिये, तब देश में उन्नति और प्रसन्नता हो सकती है और गरीब जनता को संतोष प्राप्त हो सकता है। इस सम्बन्ध में बजट को देखकर मैं कुछ बातें आपके सामने रखना अपना कर्तव्य समझता हूँ।

एक बात मैं आप से यह अर्ज करना चाहता हूँ कि आपने नशीली चीजों पर थोड़ा बहुत टैक्स बढ़ाया है, भले ही उससे पैसे वालों पर भी असर होता है लेकिन साथ ही आपको इस बात का भी ध्यान होना चाहिये कि नशीली चीजें गरीब जनता ही ज्यादा इस्तेमाल करती है और इसका ज्यादा बोझ उन्हीं के ऊपर पड़ेगा। इससे हम उनकी यह बुरी आदतें दूर नहीं करते। इससे तो अच्छा यह था कि इन चीजों को ही बिलकुल बन्द कर दिया जाता। हमारी प्रान्तीय सरकारों ने इस ओर कुछ कदम बढ़ाया है और कुछ जिलों में नशा बन्दी भी की है, मगर उस मात्रा में अभी नहीं किया गया है जिससे हमारे गरीब लोग इस चीज़ से मुक्त हो जायें। इससे हमारे देश को लाभ ही होगा, करोड़ों रुपया जो हमारा इससे विदेश को जाता है वह सब बच जायगा। इस ओर भी मैं सरकार का ध्यान दिलाता हूँ।

दूसरी बात जो मैं आपसे अर्ज करना चाहता हूँ वह यह है कि जो करोड़ों रुपया कर्ज के रूप में आप उन शरणार्थियों की व्यवस्था में खर्च कर रहे हैं। मेरा अपना विचार है कि यह रुपया किसी तरह से भी शरणार्थियों को फायदा नहीं पहुँचायेगा। इसका कारण यह है कि अभी तक गवर्नमेंट की वह मैशिनरी उसी ढंग से चल रही है जिस ढंग से वह पहल चला करती थी। उसमें अधिकतर अधिकारी उसी नीति से काम करेंगे जिससे अधिकारी लोग वंचित रह जायेंगे और अन्य लोग फायदा उठा लेंगे। इससे अच्छा तो यह था कि छोटी २ इंडस्ट्रीज गवर्नमेंट खोलती, छोटे २ शहर बसाती और उसमें शरणार्थियों को लगाया जाता। इस तरह से रुपया भी सुरक्षित रह सकता था और शरणार्थियों को भी फायदा पहुँचता और रुपया बरबाद होने से बच

जाता। लेकिन इस बजट में इस तरह की कोई चीज नहीं है। इस समय देश में ट्रान्सपोर्ट की बड़ी दिक्कत है अगर इन करोड़ों रुपये में से लाखों रुपये को आपरेटिव सिस्टम से लगाया जाय तो काफी हद तक शरणार्थियों को भी मदद मिल सकती है, देश में जो कष्ट है वह भी दूर हो सकते हैं और रुपया भी सुरक्षित रह सकता है।

इसके अलावा एक बहुत बड़ी बात जो इस बजट में देखने में आई है वह यह है कि इस बजट में हरिजनों के उत्थान के लिए कुछ भी नहीं रखा गया है और न कोई ऐसी ही योजना इसमें है। प्रान्तीय सरकारों ने भी कुछ न कुछ अपने बजट में हरिजनों के उत्थान के लिए रखा है। यहां तक कि हैदराबाद स्टेट ने भी हरिजनों के उत्थान के लिए दो करोड़ रुपया रखा है, जहां तक मुझे मालूम है कि पिछले कुछ दिनों से वहां के हरिजनों को काफी कष्ट सहन करना पड़ रहा है। हो सकता है कि इन दो करोड़ रुपयों को रखने में हैदराबाद रियासत की कोई गहरी चाल हो जिससे इस की आड़ में हरिजनों का धर्म परिवर्तन किया जा सके, मुझे स्टेट मुस्लिम लीग के कुछ कारनामे मालूम हैं जिनसे स्टेट के अन्दरूनी षडयन्त्र का पता चलता है। कुछ भी हो आखिर हरिजनों के नाम पर वहां की सरकार ने कुछ रुपया तो रखा है। लेकिन हमारी राष्ट्रीय सरकार ने हरिजनों के उत्थान के लिए कुछ भी नहीं रखा। तो मैं आपसे यह कहना चाहता हूं कि इस बजट में हमारा यह कर्तव्य होना चाहिये कि उन गरीबों के उत्थान के लिए जरूर कुछ रखना चाहिये जिससे वह उन्नति कर सकें।

इसके अलावा एक बात जो मुझे इस बजट के बारे में कहनी है वह यह है कि हम देश को अगर धनवान् बनाना चाहते हैं, खाद्य पदार्थों, कपड़ों वगैरह में अगर हम तरक्की करना और उत्पादन ज्यादा करना चाहते हैं तो हमको जो गरीब मजदूर लोग हैं उनकी भलाई की तरफ ध्यान देना चाहिये। मजदूरों को जो भाग उनकी मजदूरी से मिलना चाहिये वह उनको दिलाना चाहिये। इस समय अधिकांश भाग मिल मालिकों के पास चला जाता है। पूंजीपतियों और कराखानों वालों के पास चला जाता है, तो ऐसी अवस्था में अगर इस बजट में यह व्यवस्था कर दी जाय और मजदूरों को विश्वास दिलाया जाय कि १० या १५ साल तक यह सब हो जायगा तो इससे हमारे देश की भलाई होगी। इसके अतिरिक्त एक बात यह भी आवश्यक है कि यदि हम खाद्य पदार्थ और कपड़े इत्यादि के उत्पादन को बढ़ा कर देश की उन्नति चाहते हैं, तो हमें किसान और खासकर मजदूरों को यह विश्वास दिलाना चाहिये कि दस पांच वर्ष में यह सब कल कारखानों के वे ही मालिक बन जायेंगे। आज तो उनकी कमाई का अधिकांश भाग पूंजीपति या मिल मालिकों के पास ही रह जाता है।

अब समय बहुत कम है। अभी दो तीन बातें मुझे और कहनी थी मगर अब एक खास बात की ही तरफ सरकार का ध्यान दिलाकर मैं खत्म करूंगा। वह बात हरिजनों से खास सम्बन्ध रखने वाली है, और वह है चमड़े का व्यापार, अगर हम

[डाक्टर धर्म प्रकाश]

इस व्यापार और व्यवसाय को कोआपरेटिव ढंग से करें और करावें तो इससे बहुत लाभ होगा। हमें इस बात की भी कोशिश करनी चाहिये कि हम जो कच्चा चमड़ा बाहर भेजते हैं और बाहर से चमड़े का जो सामान मंगाते हैं उसको किसी प्रकार रोके। अगर हम कच्चे चमड़े को बाहर न भेजें और न बाहर से चमड़े का सामान मंगाएँ तो हमारा करोड़ों रुपया बच जायेगा और वह रुपया हमारे ही देशवासियों को मिल जायगा जिससे गरीब जनता और सरकार को भी फायदा पहुंचेगा। इस तरफ सरकार को फौरन ध्यान देना चाहिये। यदि हमने गरीबों के सिर से आर्थिक बोझ को हलका किया तो जिस प्रकार हम यहां बैठकर अर्थ मन्त्री को बघाई या धन्यवाद दे रहे हैं उसी प्रकार गरीबों की झोपड़ियों में से भी धन्यवाद मिलेगा। जब गरीबों को हमारे बजट में रोटी, कपड़ा और रहने को जगह आराम के साथ मिलेगी तभी हमारी राष्ट्रीय सरकार का बजट सार्थक और प्रशंसनीय कहलायेगा। इस सुझाव के साथ मैं बजट का समर्थन करता हूँ।

(English translation of the above speech.)

Dr. Dharam Prakash (U. P.: General): Madam Chairman, I feel that the Budget which has now been presented before us will only afford gratification to the capitalists, zamindars and taluqdars in this country. But so far as the poor man is concerned, he has not been happy in the least.

You are very well aware that the agriculturists and labourers constitute the majority of the population of this country, and by consolidating their earnings, you are utilizing these in connection with the affairs of the country. Just as rain benefits equally both the rich and poor, similarly the various Departments constituting our National Government which resemble the clouds should shed showers of rain on the masses alike. The country can only then progress and achieve happiness and the poor people can feel satisfied. Keeping this in view and after looking through the Budget, I consider it my duty to place certain points before you.

One thing I would like to say is that you have increased the tax on intoxicating articles to some extent. No doubt it affects the rich also, but at the same time you should keep this in view that such articles are used by the poor people in a greater degree and the burden of incidence of such taxation will fall more on them. By this method, we cannot relieve them of this evil habit. It would have been much better if the use of all these articles is prohibited. Our Provincial Governments have taken some action towards this direction, and have introduced prohibition in certain districts. But this has not yet been accomplished to such an extent as would enable the poor people to get rid of this evil. This would benefit our country. We would then be able to save crores of rupees which are drained out to foreign countries. I would like to draw the attention of the Government to this aspect as well.

Another point which I would like to say is that in my opinion crores of rupees which you are spending in the form of giving loans to refugees through the Rehabilitation Administration will not in any way benefit them. The reason for this is that upto now the Governmental machinery is working in the same manner as it used to be in the past. Many of the officials will work in such a manner as would deprive the deserving people from being given the help

and others would derive the benefit. It would have been better if the Government had started small scale industries, set up small townships, and the refugees were absorbed there. In this manner, the money would have been secure and the refugees also benefited and the money saved from being wasted. But this Budget does not contain any proposals to this effect. At present great difficulties in regard to transport exist in this country. If out of these crores of rupees, hundreds of thousands of rupees were invested on a co-operative system, it can benefit the refugees to a considerable extent. The turmoil through which the country is passing can also be removed and the money kept secure.

Besides this, one of the most important points which has been noticed in this Budget is that neither does it contain any provision for the uplift of Harijans nor is there any proposal to this effect. The Provincial Governments have provided something in their Budgets for the amelioration of Harijans. So much so that even the Hyderabad State Government has provided rupees two crores for the cause of Harijan uplift. So far as I know the Harijans in the State have had to undergo a good deal of suffering during the past few days. It is just possible that there might be some deep rooted conspiracy by the Hyderabad State in earmarking these two crores of rupees under the garb of which the Harijans may be made to change their religion. I am aware of certain activities of the State Muslim League which gives an idea of the internal conspiracies of the state. Whatever it may be, after all the Government there has provided some money for the sake of Harijans. But our national Government did not make any provision for the Harijan uplift. Therefore, I would like to say that it should be our duty that some provision should be made in this Budget for the uplift of those poor people to enable them to progress.

Besides this, another thing which I have to mention in regard to this Budget is that if we want to make this country rich and step up and increase production of foodgrains, cloth etc., we should devote our attention to the amelioration of the condition of the poor labourers. We should ensure the payment of the wages due to the labour. At present, the major portion of the earnings goes to the mill-owners, the capitalists and industrialists. In such circumstances if provision is made in this Budget and an assurance is given to the labour, that all this would be done in the ensuing ten or fifteen years, it would surely benefit our country. In addition to this, it is also necessary that if we want that our country should progress by increased production of foodgrains and cloth etc., then we should give an assurance to the agriculturists and labourers in particular that within the period of 5-10 years they will be the owners of all factories. To-day a major portion of their earnings is snatched away by the capitalists and mill-owners.

Time is very short. I had yet to say two or three things more, but I will now finish my speech after drawing Government's attention to a certain important matter, which relates to the Harijans particularly, and that the trade in hides. If we undertake and conduct this business and industry on a co-operative basis, it would surely result in great benefit. We should also try to devise some means to prevent the export of raw hides and import of leather goods. If we do not export raw hides and also refrain from importing leather goods from abroad, we will be saving crores of rupees and that money will go into the pockets of our own countrymen which will benefit both the Government and the poor masses. The Government should devote immediate attention towards this direction. If we lighten the financial burden thrust on the poor, then we will be receiving the same congratulations from the slums of the poor as we are now offering in this House to the Honourable Finance Minister. If our budget provides food, cloth, shelter and safety to the poor, it is then only that the Budget framed by our National Government will be called useful and praiseworthy. With these suggestions, I support the Budget.

श्री लक्ष्मी नारायण साहू : सभापति जी, यह खंडित भारतवर्ष का सन् १९४८-४९ का बजट जब मैं पढ़ता हूँ तो दिल में बड़ा दुख होता है, क्योंकि यह सुन्दर नहीं है। पहले तो दुख इसका है कि भारतवर्ष खंडित हो गया और हम लोग अभी तक जब स्वप्न देखते हैं तो सोचते हैं कि वह खंडित भारतवर्ष फिर एक में मिल जायगा। और जब इस खंडित भारतवर्ष के लिये हम लोगों को इतना दुख और दुर्दशा भुगतनी पड़ी है, तो यह हम लोगों का जो ४८-४९ का बजट का हिसाब जो हमारे पास है, उसमें बहुत गड़बड़ हुई है, इसमें कोई शक नहीं है। लेकिन अर्थ मन्त्री को हमको भी बधाई देनी होगी क्योंकि उन्होंने कोशिश की है कि इस बजट को जहाँ तक हो सके अच्छा बनाना चाहिये। लेकिन मैं इतना जरूर कहना चाहता हूँ कि हालांकि अर्थ सचिव के बजट के शुरू और आखिर दोनों जगहों में महात्मा गांधी का नाम लिया गया और महात्मा गांधी के प्रति आदर भाव प्रकट किया गया, लेकिन बीच में उसमें बिल्कुल अंधेरा मालूम पड़ता है। इसलिये मैं कहना चाहता हूँ कि जब तक हम अंधेरे में पड़े हैं, तब तक हम लोगों का बजट भी अंधेरे में रहेगा। मेरा कहना है कि महात्मा गांधी के जो आदर्श हैं और जिनके कारण हमने स्वाधीनता पाई है उन आदर्शों को हम जीवन में पालन करेंगे और हमें चाहिये कि उन्हीं के आधार पर हम अपना बजट ठीक करें। ऐसा हम लोगों का आज प्रण होना चाहिये। बहुत आदमी कहते हैं कि महात्मा गांधी एक आदर्शवादी थे उनको अमल में नहीं लाया जा सकता। उन्होंने स्वाधीनता हमें ला दी, बस उनका काम खत्म हो गया लेकिन मैं कांग्रेसवादी न होते हुए भी मैं इतना कहना चाहता हूँ कि हम लोग जब सच्चे आदमी होंगे, तो महात्मा गांधी के जो आदर्श हैं, उस पर हम लोग बजट बनायेंगे। हम ऐसा बजट बनाने का प्रयत्न करें जिससे हमारे गांव वालों की आत्मा सुख में रहे। और शहरवालों की जो समस्याएँ और अड़चनें हैं, उन्हें हटाना होगा। हम लोगों को रूरल Rural बनना पड़ेगा जो कि महात्मा गांधी का आदर्श है। मैं उड़ीसा से आता हूँ उड़ीसा का नाम कलिंग देश था, वहाँ इतने (वीवर्ज) weavers हैं, दस लाख या सात आठ लाख जो (वीवर्ज) weavers हैं, उनको कुछ काम नहीं मिलता है। वह बेकार बैठे रहते हैं और कभी-कभी जमशेदपुर और कलकत्ता में जाकर काम करते हैं, वहाँ मिल मालिक उनको और उनके बच्चों को रहने के लिये घर नहीं देते हैं। वह बच्चों को पीछे छोड़कर कभी-कभी आसाम चले जाते हैं और वहाँ से सारी बीमारियाँ घर साथ ले आते हैं।

मैं कहूँगा कि हम लोगों के देश में ढाई करोड़ आदिवासी हैं, उनकी तरफ हम ध्यान नहीं देते हैं। मैं जानता हूँ और मैंने देखा है कि उनमें से सौ में से साठ फीसदी aboriginal (अबोरिजिनल) हैं, उनको गरमी (Syphillis) और दूसरी कई बीमारियाँ घेरे रहती हैं। मैं तो कहना चाहता हूँ कि हम लोगों को सारा ध्यान इस तरफ देना चाहिये। हरिजन आन्दोलन के लिये हम लोग बहुत पैसा खर्च करते हैं लेकिन आज

भी हमारे देश में ९९ फीसदी स्त्रीयां एसो हैं जो यह समझती हैं कि हरिजनों के मन्दिर में प्रवेश करने से हिन्दूधर्म का नाश हो जाता है और भगवान् का मन्दिर अपवित्र हो जाता है यह जरूरत है कि उनको (स्त्रियों) को उचित शिक्षा देने का प्रबन्ध किया जाय जिससे वह इस छुह्राछूत के वायुमंडल से निकल सकें और तभी हरिजनों का प्रश्न वास्तविक रूप में हल हो सकता है। हमने इस तरफ अभी तक ध्यान नहीं दिया है।

आज सबसे बड़ी आवश्यकता कृषि की उन्नति और प्रचार की है। यह बड़े दुख की बात है कि हिन्दुस्तान को जो एक कृषि प्रधान देश है अन्न की कमी पड़ती है और बाहर से मंहगे दामों में उसे अन्न खरीदना पड़ता है और इस काम के लिये बजट में ११० करोड़ रुपये का provision किया गया है। मैं कहता हूँ कि जब हम लोगों की agriculture policy अच्छी तरह से ठीक हो जायगी तो हम लोगों को खाने पीने की कोई अड़चन नहीं होगी। यह मौजूदा food policy ठीक नहीं है। इसलिये हमें १२५ करोड़ रुपया अभी बजट में लेना पड़ा है। इसलिये मैं कहता हूँ कि यह बजट जो है इस बजट को हम ठीक करने के लिये ऐसा प्रबन्ध करेंगे, जिससे हम लोगों के जितने आदमी है और कितने ही उनमें aboriginals (अबोरिजिनलस) लोग हैं, उनको क्या सुभीता होगा। हमें यह देखना होगा कि हरिजनों पर जो अत्याचार हुए और हो रहे हैं, उनको कैसे दूर किया जा सकता है। हम लोगों को Villages विलिजिस को ठीक करना होगा और उनकी उन्नति करना होगा और अब से (सिटी लार्डफ) City life को खत्म करने की कोशिश करना होगा। बजट बनाते समय हमें इन सब बातों को ध्यान में रखना पड़ेगा। मैं यह नहीं कहना चाहता हूँ कि हम लोग Research (रिसर्च) नहीं करेंगे और विज्ञान की बड़ी बड़ी theories (थ्योरीज) पर अमल नहीं करेंगे। मैं कहना चाहता हूँ कि अब जरूरत यह है कि हम लोगों का ध्यान गांवों की तरफ जाय, हरिजनों की तरफ जाय जिससे हमारी उन्नति हो सके। यह Key Industries (की इण्डस्ट्रीज) और बड़ी बड़ी स्कीमस (Schemes) की जो बातें हैं यह इतनी जरूरी नहीं है। इन बड़ी स्कीमस (Schemes) में दामोदर वैली प्रोजेक्ट (Damoder Valley Project) में इतना पैसा बरबाद होता है। वह सब फिजूल है और इसमें धोखेबाजी है। वह बड़े आदमियों को ही फायदा पहुंचाने वाली है।

अन्त में इतना ही कहकर खत्म करूंगा कि हम जो बजट बनायें उसमें सबसे गरीब गांव वालों और हरिजनों का ध्यान रखा जाय और उन्हें ज्यादा से ज्यादा सुविधा दी जाय।

(English translation of the above speech)

Shri Lakshminarayan Sahu (Orissa: General): Mr. Chairman, I am deeply pained when I read this Budget of a divided India for the year 1948-49 be-

[Shri Lakshminarayan Sahu]

cause it is not good. Firstly I am grieved that India has been divided and we people even now dream and cherish the hopes that divided India will be reunited. And when we had to undergo so many trials and tribulations for the this divided India, undoubtedly there has been a good deal of shuffling in these Budget estimates for the year 1948-49 which have been placed before us. But even then we will have to congratulate the Finance Minister because he has endeavoured that this Budget should be given a good shape as far as possible. But I should like to say this much atleast that although the name of Mahatma Gandhi has been mentioned in the Budget presented by the Honourable Finance Minister both in the beginning and at the end and reverence has been shown to him but in the midst of all this absolute darkness prevails. Therefore I would like to say that whilst we are engulfed in darkness our Budget will so long remain obscure. My point is that the ideals of Mahatma Gandhi through which we have achieved independence be given practical effect to in our life and we should therefore, adjust our Budget on those very basis. We should take such a pledge today. Many persons are of the opinion that Mahatma Gandhi was an idealist and his ideas cannot be practically acted upon. He got us independence and thus his object was accomplished.

Though not a Congressman, I would like to say that when we achieve righteousness, we shall frame our Budget on the basis of ideals profounded by Mahatma Gandhi. We shall try to prepare such a Budget as would afford solace to the hearts of villagers. The problem concerning the urban people will have to be solved and their difficulties removed. We shall have to adopt ourselves to rural conditions which is the ideal of Mahatma Gandhi. I come from Orissa. The name of Orissa was 'Kalinga'. There are about ten lacs of weavers out of which seven or eight lacs are unable to find any work. They remain unemployed and sometimes go to Jamshedpur and Calcutta and find some work. There the mill-owners do not provide them and their children with any residential accommodation. After leaving behind their children they sometimes go to Assam and from there they bring along with them all sorts of the diseases.

I must say that there are about 2½ crores of *Adibasis* (aborigines) living in our country and we do not devote any attention to them. I know and have noticed that 60 per cent. of them are aboriginals. They are generally suffering from syphilis and various other kinds of diseases. I would assert that we must devote our entire energies to this problem. We are incurring a large sum on Harijan movement, but even today there are 99 per cent. women living in this country who think that with the entry of Harijans into temples the Hindu Religion is destroyed and the God's temple is desecrated. It is quite imperative that proper education should be imparted to these women which would enable them to emerge from this vicious atmosphere of untouchability. It is then only that the Harijan problem can be solved in reality. We have not upto now paid any attention towards this aspect. Today there is a vital necessity for agricultural production and development. It is a matter of deep regret that India which is predominantly an agriculturist country is short of food-stuffs and it has got to purchase foodgrains from abroad at high prices and for this purpose a provision of Rs. 110 crores has been made in this Budget. I, therefore, say that as soon as our agricultural policy is carefully set right we will not feel any difficulty in procuring foodgrains. Our present food policy is not right. Therefore, we had to provide for 125 crores of rupees in the Budget just at present. I, therefore, say that we should take necessary steps to set right this Budget so as to afford comforts to all of us, many of whom are aboriginals. We shall have to see and find out ways so as to relieve the Harijans of the tortures which have been and are being inflicted upon them. We will have to improve and develop our villages and to try to liquidate the

city life. While framing the Budget we shall have to keep all these things in view. I do not want to say that we should not undertake the research work and act upon the important theories propounded by science. I would like to say that it is the high-time that we should direct our attention towards the villagers and Harijans so that we may progress. These key industries and other schemes are not so vital. Amongst the major projects, a good deal of money is being wasted on Damodar Valley Project. This is all useless, and it constitutes a fraud. This is likely to benefit big people only.

In the end I will conclude my speech with the observation that while preparing the Budget we should keep in view the poor villagers and Harijans and they should be given the greatest possible facilities.

Shri K. Santhanam (Madras: General): Madam, I find that the debate on the budget is taking the form of a debate on the Finance Bill. I shall try to avoid matters which deserve to be treated at the time we come to the Finance Bill and confine myself solely to the demands which have been placed before us as they should properly form the subject of our debate.

Madam, I wish to confine myself to the head of Defence. As you know, we are asked to give 121 crores as expenditure and nearly 15 crores as capital for purposes of defence. Till 1938-39 the average military expenditure of this country was of the order of 45 crores and we were banging at the then Government that it was too high and that the country could not bear so much expenditure. Now we are supposed to have only two thirds of the Indian army and this two thirds, on the standard of the old expenditure, must cost only 30 crores whereas it now costs 121 crores, which is four times as much. I do think that this is a very big bill for us to pay and we should see that it is strictly justified. If there is no alternative but to pay such a huge sum for the defence of the country we have somehow to foot the bill but I am far from convinced that it is a bill which we ought to pay. There are many items which are a mere legacy from the old regime and which the Defence Minister, I think, has not had the time to look into. Take, for instance, the educational establishments, which have been handed over to us. Many of them were meant only for the children of British officers, which were born here and were to be educated in this country. It costs more than 36 lakhs a year. It is to be found in the Defence Expenditure Estimates page 18. I will read just one item to show what sort of schools we have got:

“Lawrence Military Schools: There are three schools at Sanawar, Mount Abu and Lovedale. These schools were founded for children of British soldiers serving or having served in India. They are now open to all: a few Indian children have been admitted already and more are expected. These schools are expected to be converted eventually into Indian public schools.”

I would ask whether this is the way in which Indian finances should be dealt with. We ought to be glad that the old British rule is at an end so that all the superfluous institutions which were built up for their own convenience should be scrapped. So I would suggest that the Defence Minister should look into this and see that these schools are handed over to civil authorities if they want to keep them or close them for all time. If they are superfluous they should be closed down.

If you will please look into the budget estimates, the pay and allowances of the fighting services cost only 17 crores, the administrative services 22 crores and the stores cost 26 crores. The whole position has been reversed. It may be due to the war. It is said that now our army is mechanised and the stores are complicated and very costly. Still I do think that under the head of administrative services there is a great deal of retrenchment possible and under the head supplies and stores a large slice can be cut down.

I suggest to our Finance Minister that he should have two special Economy Committees who will go into these specific problems. I do not think a general Economy Committee going into the whole field of either civil expenditure or defence expenditure can do much.

The Honourable Shri R. K. Shanmukham Chetty: The Economy Committee is not expected to scrutinize defence expenditure.

Shri K. Santhanam: That is true. I am suggesting that when he thinks of economy in the Defence Services he should not take up the whole field but a specific field and appoint a small Committee for that. It can go into it and in two or three months' time give him a report. I suggest that he should concentrate his attention on these two particular heads—Administrative Services which are now costing Rs. 22 crores and Supplies and Stores costing Rs. 25 crores. A scrutiny of the expenditure under the head Supplies and Stores is important from a further aspect. We must find out how much of these stores is being bought abroad and how far these stores can be manufactured in this country. A mere scrutiny of these stores may open up a great way for the industrial reconstruction of this country.

There is the item of Remount Depots and the Veterinary establishment. These are days when the cavalry has no more function and all the breeding establishments have gone to Pakistan. Is it not time that we liquidate this archaic item from our defence expenditure? And all the veterinary services can be sent to look after our cattle. Whatever horses may remain may be sent to those who indulge in races.

Pandit Lakshmi Kanta Maitra: Why not give them to the *tongawalis* here?

Shri K. Santhanam: They may do anything they like with them. But I do not want that our military budget should pay for them.

If you would look into the item Military Engineer Services there is an item of expenditure of over Rs. 11 crores. To it you must add a further Rs. 3 crores which is found under Administrative Services. Electrical and Mechanical Engineer Services have been duplicated. I do not know why they should be first included under Administrative Services and again a further item should appear under Engineer Services. I would like to say that the whole estimates are presented in a fashion in which even the most conscientious member could not make much out of them. I think this is not a fair way of dealing with this Assembly. They should give us proper figures. They should give us comparative figures also. Even if they had given figures for the army of United India we could have compared what was the extent of these Engineer Services before and what is it now, why has it expanded, how much has been the increase in pay, how much in materials etc. All these facts should have been presented to us. As it is, we have been given only the most elementary facts.

To illustrate my point I would like Honourable Members to take the head of our toy Navy. It is to be found in page 56. A curious thing about the personnel of the Indian Navy is this. There are 138 Commissioned and Warrant Officers and 1,730 ratings. To manage these 138 Commissioned and Warrant Officers and 1,730 ratings you find a Naval Headquarters staff of 101 Officers, 101 ratings and 364 others at Delhi. It can be found in page 60. To provide training for these 138 officers who are mostly trained abroad, there are 595 officers, 4,529 ratings and 1,649 others with Rs. one crore and 34 lakhs of budget. I wonder whom these 595 officers, 4,529 ratings and 1,649 others train, how they train etc. The whole thing is a racket which deserves to be closely looked into. I have indicated some of the points in the defence budget which require the serious scrutiny of the Finance Minister. I think half of the defence budget is a mere waste. Within half the budget the present establishment could be kept and the present army could be doubled with the present expenditure. I think this is a matter which requires the closest attention of the Government and I hope they will look into it.

Shri Biswanath Das (Orissa: General): Madam, the budget was presented on the 28th February and we are called upon to make a study of the budget and offer our preliminary observations on the 3rd March. I would appeal to the Honourable Minister to arrange the presentation of the budget in such a way as to afford the Honourable Members of the House the fullest opportunity to go through the budget in all its details so as to make our observations really helpful to the Honourable Minister in charge of the Department as also the Government. With this preliminary observation I proceed to discuss the budget.

In the constitution of the U.S.A. it has been stated that common defence and general welfare of the population shall be the aim of the budget. Judged from this standard I must frankly confess that a budget of a different nature is called for. About defence, my honourable friends have already stated the gravest anxiety and sounded a note of warning. I would not therefore take the little time that is offered to me in discussing the Army portion of the budget which will be done in due course. The rest of the expenditure is mainly consumed by the provision for expenditure under two heads, namely Rehabilitation of refugees and Purchase of foodstuffs. My honourable friend calls it practically a balanced budget but as has already been pointed out by my honourable friend Mr. Ananthasayanam Ayyangar with whom I fully agree, it is really a deficit budget. Madam, having seen that we have very little dollar resources and having seen that we have to go with our beggar's bowl from country to country for purchase of foodstuffs, I would appeal to my honourable friends to show us what provision they have made for the development and advancement of agriculture to see that within a specified period we do not have to go to any country for purchase of foodstuffs. Except for my honourable friend the Minister in charge of the Department of Works, Mines and Power I do not see any hope in this regard. And that again will take five or six or ten years before his programme is made operative, is made useful and we are able to see the results. Till then unless a bigger and broader programme is taken up, more or less on the lines indicated by the Famine Commission or even a still more ambitious programme. I think India has to find dollar resources and has to go with her beggar's bowl from country to country. In that view of the question I would strongly protest again that little attention has been paid. We have been talking much of the Grow More Food Campaign. You are thinking of bigger industrial magnates and development of production. But what about the primary necessities of life which the people of this country require, namely wheat and rice?

You have done very little for them. What to speak of the other requirements? The bare necessities of agriculture, namely manure and implements that are essential for agriculture. These are not provided for the agriculturists. First priority should have been given to these things, and I again very strongly record my protest in this regard, that sufficient attention has not been paid to this aspect of the question all these months or for the last one and a half years during which period our national Ministry has been in office.

Having stated so far, I come to a discussion of certain items of the budget about which I feel very unhappy and uncomfortable. My Honourable friend has taken a new course of action which is unknown to any religious persuasion in this country, namely that he is trying to encourage charity by inducements, and what are those inducements? They are financial inducements offered to business men to contribute their mite to charity. This is a thing which is unthinkable I think he imagines a different society altogether than the one which has been thought of by all the seers, great men, and specially by Mahatma Gandhi. In the first place the proposal is not possible of being given effect to. If I have known anything of incometax and its assessment, income-tax is assessed on the basis of the previous year's profits. Now how can you encourage charity by individual industrial magnates by a provision in this year's

[Shri Biswanath Das]

budget which would come into operation, if at all, in the coming year? From that point of view I am afraid that for the year 1948/49 his proposals will have absolutely no effect. And if industrial magnates, clever as they are, are going to take advantage of the proposal, if this is given retrospective effect, they will take advantage of it and make contributions to charity. That means, if and when an industrial magnate sees that by giving to charity he saves more than what he gives, then he will make a contribution to charity, gets for himself a name and loss to the country. Why on earth should you offer a greater inducement to have a smaller amount? Why not straightaway impose a tax and give it to technical education? I would appeal to my honourable friend not to think of constituting a society on this basis of charity and inducement but on a higher and nobler basis than the one he has conceived of. That is a thing which offends me as a Hindu and that should offend anyone whether he is a Christian, a Jew or a Muslim or of any other persuasion in this country. Society should be broad-based and reconstructed on a higher and nobler basis than the one that has been envisaged in this budget.

Madam, having stated so far about this, I will deal with the rest of the subject when I come to the motion. Now I come to the other item in the budget, namely the attempt he has made to catch hold of tax-dodgers, and I offer my heart-vote of congratulations on the great work he has done in catching hold of the British tax-dodgers who were escaping taxation all these days since the British rule started in India. Here a casual observer might think that this is discriminative tax. Really it is not so. It is really a move in the right direction, wherein a government, after lapse of hundred years or more wake up to see that the tax-dodgers generally are people living outside India and are escaping taxation, and the measure has been well conceived and well devised, and thus the money that was being taken away by people who had no right to it is being arrested and brought to the treasury. I might state in this connection that since 1918 our Income-tax Law was on a proper basis. Under the Act of 1918 something was done to put the law on a proper basis and we had something approaching the modern income-tax law. Even then the law was thought to be defective and the result was that the tax evasion was going on. There was again an amendment of the Income-tax Act in 1939, with the result that specific provision has been made in the Income-tax Act that any dividends earned in India shall be liable for taxation. As an instance, let me take the case of the Electricity Corporation of Calcutta. The Corporation earns its benefits in Calcutta, and the dividends are divided in London. The result is that tax evasion is going on ever since the Corporation was instituted, and the most unfortunate part of it is that our Law Department, staffed as it is with very high legal luminaries, have never been able to bring this to the notice of the government. I do not know what the Central Board of Revenue has done, but the fact remains that up to this day these people were evading taxes and it remains to the credit of the Honourable the Finance Minister today to catch hold of them by the throat. I would have been glad and congratulated him further if he had pursued them and realised their dues for the last three years or more if he has power to do so. I think he has the necessary power for that and I think he could have realised the amount and made good the deficit that he speaks of. In this view of the question I again offer him a very hearty vote of thanks. After having said so much about tax-dodgers, I come to the next item, namely the benefits of his proposals.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Thursday the 4th March 1948.