

THE  
LEGISLATIVE ASSEMBLY DEBATES  
Official Report

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Volume III, 1947

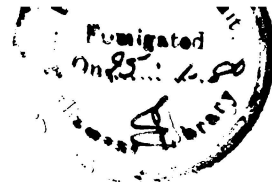
*(10th March, 1947 to 24th March, 1947)*

THIRD SESSION  
OF THE  
LEGISLATIVE ASSEMBLY  
1947



A. B.

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LEGISLATIVE ASSEMBLY

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*President :*

The Honourable Mr. G. V. MAVALANKAR.

*Deputy President :*

Khan MOHAMMAD YAMIN KHAN, M.L.A.

*Panel of Chairmen :*

Syed GHULAM BHIK NAIRANG, M.L.A.

Mr. P. J. GRIFFITHS, M.L.A.

Sardar MANGAL SINGH, M.L.A.

Shrinati AMMU SWAMINADHAN, M.L.A.

*Secretary :*

Mr. M. N. KAUL, Barister-at-Law.

*Assistants of the Secretary :*

Mr. A. J. M. ATKINSON.

Mr. HASAN MOHAMMAD KHAN.

Mr. N. C. NANDI.

*Marshal :*

Captain Haji Sardar NUR AHMAD KHAN, M.C., I.O.M., I.A.

*Committee on Petitions :*

Khan MOHAMMAD YAMIN KHAN, M.L.A. (*Chairman*).

Syed GHULAM BHIK NAIRANG, M.L.A.

Shri Sri PRAKASA, M.L.A.

Mr. C. P. LAWSON, M.L.A.

Sardar MANGAL SINGH, M.L.A.

CORRIGENDA

to

Index to Legislative Assembly Debates, Volumes I to V, 1947

(3rd February, 1947 to 12th April, 1947)

- Page 11, transfer line 9 above line 6.
- Page 13, omit line 12 from bottom and transfer line 11 from bottom after line 32 from top.
- Page 17, omit line 6 from bottom.
- Page 19, insert "Reserve Bank of India (Second Amendment) Bill. 3092, 3095-96, 3099, 3104." above line 20 from bottom.
- Page 27, insert "Publicity by certain newspapers of the recommendations of the Select Committee on — before the presentation of the report. 1538-39." over line 2 from bottom.
- Page 29, omit existing line 9 and in existing line 25 for "BISCUIT(S)—" read "BIRD(S)—".
- Page 36, omit lines 7 and 8.
- Page 42, after line 16, insert "CIVIL SUPPLIES—".
- Page 43, for line 2 under "COACH(ES)—", read "Air conditioned — on G.I.P., B.B. & C.I., M. & S.M. Railways. 2905-06."
- Page 46, above line 4 from bottom, insert "Terms of reference of Armed Forces Nationalisation Committee. 2940."
- Page 51, under "COTTON—", in line 3, for "907-07" read "906-07".
- Page 58, above line 12 from bottom, insert "Capital Outlay on Civil Aviation. 1966."
- Page 60, for existing line 5, read "Functions of the Commodities Prices Board and matters connected therewith. 1626-42."
- Page 62, under "DEMONETIZATION—", for "2399" read "2390".
- Page 65, last line, for the illegible figure read "3140".
- Page 78, under "FORCES—" after line 3, insert "See also 'Army(ies)'".
- Page 80, in line 3, for "Allied" read "Armed".
- Page 84.—(i) omit line 2;  
(ii) above line 32 from bottom insert "Consideration of Clauses. 510, 528, 945."; and  
(iii) omit line 30 from bottom.
- Page 86, under "GOVERNMENT SERVANTS—" after line 4, insert "See also 'Employee(s)'" and omit line 6 from bottom.
- Page 100, under "HOUSING—" in line 2, after "re-housing" insert "scheme".
- Page 103, in line 9, for "1958-69" read "1968-69".
- Page 107, for line 28 from bottom, read "INDUSTRIAL DISPUTES BILL—"; and omit line 24 from bottom.
- Page 110, above line 11 from bottom, insert "Motion re—".
- Page 122, at the end of last line, read "Simla. 3068-69."
- Page 123, omit line 3 from top.
- Page 127, under "LANGUAGE—" after line 3, insert "order in addressing the House in a vernacular and ruling by Mr. President that an Honour-".
- Page 134, omit line 5 from bottom and in last line, for "890-92" read "990-92".
- Page 138.—(i) under "MANUFACTURE—" in lines 13 and 14, for "dry-stuffs" read "dyestuffs";  
(ii) under "MANU SUREDAR, MR.—" omit line 4, and in line 5, insert "2753 59" before existing page numbers.
- Page 140, in line 35 from bottom, for "drystuffs" read "dyestuffs".
- Page 144, under "MATTHAI, THE HONOURABLE DR. JOHN—" after line 3, insert "Construction of new lines. 1950."

- Page 149, under "MOMBASA—" for the illegible figure read "96".
- Page 153, under "MUTINY—" after existing figures read "763-64".
- Page 154, for existing line 10 from bottom read "Recommendations of the Armed Forces Nationalisation Committee. 1758." and omit line 8 from bottom.
- Page 156, under "NAVY, ROYAL INDIAN—" in line 7, for "the Committee" read "the report of the Committee".
- Page 161, below last line, insert "See also 'Factory(ies)'"
- Page 162, for existing line 16, read "OUDH AND TIRHUT RAILWAY—" and omit lines 1 and 2 at top of the page.
- Page 169, under "PIPERADIH COLLIERY—" for "3389" read "3388".
- Page 172, omit line 7 and transfer the next line after line 1 under "POSTAL EMPLOYEE(S)—".
- Page 173, under "PRESS(ES)—" omit line 1.
- Page 180, for line 7 from bottom, read "Increase of — fares below Re. 1. 1228-29."
- Page 184, in line 10, the missing figure is "1097".
- Page 191, in line 18, for "2920" read "2926".
- Page 199, omit last line.
- Page 204, omit line 3 from bottom.
- Page 205, for existing line 3 from bottom, read "strike. 19-20."
- Page 206, at the end of last line, insert "Provinces. 169-70."
- Page 214, for existing line 18 from bottom read "SKELTON—".
- Page 220, at the end of line 9 from bottom, insert "1313-14".
- Page 223, in line 21 from bottom, for "strike as" read "strikers at".
- Page 224, under "SUGAR—" insert "Question re—" as first line.
- Page 226, under "SUNHEMP—" for "1608. 07" read "1606-07".
- Page 232, in last line, for "89" read "88".
- Page 251, line 19 from bottom, for "3396" read "3395".
- Page 252, after line 7, insert "Motion re—" <sub>1</sub>



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# LEGISLATIVE ASSEMBLY

Monday, 24th March, 1947

The Assembly met in the Assembly Chamber of the Council House at Twelve Noon, Mr. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

## STARRED QUESTIONS AND ANSWERS

### (a) ORAL ANSWERS

#### • THROWING OPEN OF THE COTTON EXPORT TRADE TO ALL EXPORTERS

1122. \***Maharajkumar Dr. Sir Vijaya Ananda:** Will the Honourable the Commerce Member be pleased to state if the Government of India propose to consider the advisability of throwing open the cotton export trade to all exporters instead of restricting the quotas to 'established shippers' and to fixed destinations?

**The Honourable Mr. I. I. Chundrigar:** In view of the internal demand for cotton by the textile mills in the country, the Government regret that they are unable to remove all restrictions on the export of raw cotton.

If the quantity allowed for export is to be limited, it is necessary to lay down rules under which the exports are to be allowed. Further, these rules have to be framed so as to restrict the discretionary powers of the officers to the minimum. Under the existing regulations, quotas are not restricted to established shippers only, but all exporters of cotton since April 1936 are eligible for the grant of a quota. 75 per cent. of the quota is allowed to be exported by 'established' shippers, that is, those who shipped cotton during April 1936—March 1939 and 25 per cent. by 'non-established' shippers, i.e., those who shipped cotton during the three years ending 26th November 1946. The quotas remaining unclaimed on account of those 'established' shippers who are no longer in business, are to be distributed equitably between the 'established' and 'non-established' shippers and also to shippers who have exported cotton during the intervening period, i.e., 1st April 1939 to 26th November 1946. Quotas are granted to all shippers on the basis of their exports during their respective basic periods.

Government has already decided to abolish the system of destination allocations.

#### CONFERENCE REGARDING THE DAMODAR VALLEY SCHEME

1123. \***Mr. Manu Subedar:** (a) Will the Secretary of the Works, Mines and Power Department please state the final outcome of the conference, which was held in connection with the Damodar Valley Scheme?

(b) What is the total estimated cost and how is it proposed to be met, or divided among the Government of India and the Bihar and Bengal Provincial Governments?

(c) How much expenditure has the Centre so far incurred and how much is it proposed to incur in the year 1947-48?

(d) Who are the officials directly concerned with the Damodar Valley Project and what are their qualifications and remuneration?

**Mr. B. K. Gokhale:** (a) A reference is solicited to replies to part (a) of question No. 176 and to parts (a) and (b) of question No. 399 by the Honourable Member, Babu Ram Narayan Singh.

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

(b) The total cost of the project is estimated at Rs. 55 crores. The allocation as between the Centre, Bengal and Bihar has not been finally settled and will be considered at the next Conference proposed to be held on 26th April 1947.

(c) About Rs. 8½ lakhs have already been spent on surveys and investigations. The expenditure during the year 1947-48 will depend on the outcome of the Conference proposed to be held on the 26th April 1947.

(d) A list furnishing the necessary information is laid on the table of the House.

List showing the names, qualifications and remuneration of officers directly concerned with the Damodar Valley Project

S. No.	Name of Officer	Qualifications	Remuneration
	<i>I. Civil and Hydraulics Section</i>		Rs. a. p.
1	Mr. W. L. Voorduin, Hydro-Electric Member, C.T.P.B.	Full Member, American Society of Civil Engineering Principal Planning Officer, T. V. A. and C. E.	4,315 0 0 p.m.
2	Mr. R. J. Mattson, Project Officer, Grade 'A'.	B.E. (Stockholm), M.E.I. (Canada), M.E.I. (Sweden).	3,000 0 0 p.m.
3	Mr. D. C. Baxter, Project Officer, Grade 'B'.	B.E. (Civil), B.Sc. Eng. (Lond.), M.I.E. (India), A.M.I.C.E. (London).	1,763 0 0 p.m.
4	Mr. K. M. Chinnappa (Project Officer)	B.E., A.M.I.E. (India)	999 0 0 p.m.
5	Mr. N. M. Chakravarty (do.)	B.E. (Civil)	470 0 0 p.m.
6	Mr. K. Chakravarti (do.)	B.E. (Civil)	470 0 0 p.m.
7	Mr. H. Ramaswamy (do.)	B.Sc., B.E.	470 0 0 p.m.
	<i>II. Electrical Section</i>		
8	Mr. H. M. Mathews, Chairman, C.T.P.B.	D.F.H., M.I.E.E.	4,750 0 0 p.m.
9	Mr. R. M. Legate, Project Officer, Grade 'A'.	M.Sc.E.E., M.A.I.E.E., Prof. Eng. (Ontario).	3,000 0 0 p.m.
10	Mr. J. N. Goswami, Project Officer, Grade 'B'.	Diploma in Mech. & Electrical Engineering (Sibpur), Associate in Mech. Engineering (B.E. College).	1,263 0 0 p.m.
11	Mr. A. K. Bhaumik, Project Officer	B.Sc. (Cal.), B.Sc. Eng. (Lond.), A.M.I.E.E.	1,134 0 0 p.m.
12	Mr. R. P. Patel do.	B.E. (Civil), B.Sc. (Elec.), (Lond.), A.C.G.I.	884 8 0 p.m.
13	Mr. N. J. Balani do.	B.Sc. (Eng.), A.M.I.E., (India).	884 8 0 p.m.

S. No.	Name of Officer	Qualifications	Remuneration
			Rs. a. p.
14	Mr. S. C. Varshney, Project Officer	L.M.E. (Hons.), B.Sc. (Hons.) (Eng.), A.M.I. E.E. (Lond.), A.M.I.E. (India).	884 8 0 p.m.
15	Mr. H. R. Varma do.	A.M.I.E.E. (London)	758 0 0 p.m.
16	Mr. M. K. Gopaliengar do.	B.Sc., (Hons.), Diploma in Electrical Technology of the Indian Institute of Science (Bangalore).	758 0 0 p.m.
<i>III. Irrigation Section</i>			
17	R. B. A. N. Khosla	Indian Service of Engineers, Formerly Chief Engineer (Irrigation), Punjab	3,750 0 0 p.m.
18	Mr. Man Singh, Director, CWINC	Indian Service of Engineers, Superintending Engineer, Bengal.	2,400 0 0 p.m.
19	Mr. M. B. Ranganawamy, Assistant Director, CWINC.	B. E. Madras Service of Engineers.	1,054 0 0 p.m.

**Mr. Manu Subedar:** Will the Honourable Secretary kindly inform the House whether this is a productive scheme or a protective one? If it is a protective one, what is the nature of the return which is expected on this enterprise and the outlay of 55 crores?

**Mr. B. K. Gokhale:** The total of 55 crores refers to three main aspects of this project—flood control, irrigation and electricity. Now, there are a number of different ways in which the cost of the project could be allocated to these three main items; but the one which is generally followed in most of these schemes in America is to find out what is the separate cost for each purpose and also what would be the cost for that particular purpose if the scheme was only meant for that particular purpose and then to apportion how the total cost should be allocated as between these three. In that manner, it has been ascertained—this is purely a rough calculation—that about Rs. 14 crores may be allocated to flood control, Rs. 13 crores to irrigation and the balance, roughly 28 crores to electricity. The estimates show that the electric part of the scheme will be self-financing, that is, 28 crores. The irrigation part of it will be more or less self-financing, depending, of course, on what we charge for irrigation. The flood control part of it will be entirely protective. There will be hardly any income accruing from flood control except indirectly by way of protection of crops, prevention of famines and so on.

**Mr. Manu Subedar:** Will the Honourable Secretary, give this House an estimate of the amount of power which is expected to be generated with the outlay of 28 crores?

**Mr. B. K. Gokhale:** With the help of thermal units, the power is estimated at 300,000 kilowatts. Out of this, about half will be hydro-electric and half will be thermal.

**Dr. Zia Uddin Ahmad:** Has the Honourable Secretary worked out the detailed schemes of this expenditure of 55 crores? Will he lay on the table of the House or circulate among the Members the whole scheme giving definitely the amount of yield from that particular scheme? I would also like to know whether the expenditure under the irrigation and power and other things will be reserved for cotton only or will it also be utilised for other agricultural products?

**Mr. B. K. Gokhale:** The preliminary memorandum was published in 1945 and I believe copies of it were laid on the table of the House. As regards the other details, they are still more or less in the drafting stage. They have not yet been finalised; but we hope that they will be finalised on the 26th of this month. I was not able to follow the last portion of the Honourable Member's question.

**Dr. Zia Uddin Ahmad:** Will other agricultural products be also benefited by this scheme besides cotton?

**Mr. B. K. Gokhale:** Certainly. Irrigation will benefit all the crops and not any particular crop.

**Seth Govind Das:** What would be the acreage of land which is expected to be irrigated by this scheme?

**Mr. B. K. Gokhale:** About 800,000 acres.

**Sri V. C. Vellingiri Gounder:** Considering the amount of money that is going to be spent on the development of electricity in this area, may I ask whether there will be sufficient scope for the consumption of that electricity in that area?

**Mr. B. K. Gokhale:** The demand in that particular area is so vast that this 300,000 kilowatts will be a mere fleabite.

**Mr. N. M. Joshi:** In view of the fact that this scheme is likely to cost 55 crores, will the Government of India take steps to place the whole scheme and secure the approval of the Legislature for that scheme before it is launched?

**Mr. B. K. Gokhale:** As soon as this Conference on the 26th of April is over, Government expect that there will be a cut-and-dried scheme which can be placed before the Legislature and at that stage it is contemplated that a Bill to constitute a Damodar Valley Corporation will be placed before this House and the Legislature will be asked to pass that into an Act. At that stage, of course, full details will be placed before the House.

**Mr. K. C. Neogy:** While this ambitious project is being actively considered by the Government in all its aspects, have Government done anything so far to solve the difficult problem of finding the necessary technical staff in India?

**Mr. B. K. Gokhale:** Every effort is being made to find the technical staff, but the shortage of trained personnel is well-known to this House and it is not an easy problem to solve in a very short time. But every effort is being made to send out our men to foreign countries for training. Possibly, to start with, we may have to get some men from abroad, but there is no rough and ready or easy solution of this problem.

**Mr. K. C. Neogy:** May I know whether Government have any definite scheme under consideration for the purpose of recruiting the necessary staff either in this country or from abroad?

**Mr. B. K. Gokhale:** So far as this scheme is concerned, we do not yet know what will be the agency for designing and construction of these dams. That is a matter which will be discussed with the provinces on 26th April. The Damodar Valley Corporation will then be set up. The present idea is that it is for this Corporation to decide how the scheme will be proceeded with. The Government at present have certainly not got the staff to implement this scheme. It is a question of finding out that staff. Whether the Damodar Valley Corporation will find men from abroad or will get men here, that is more than I can say. It is a question of making an effort and I hope we shall succeed.

**Dr. Zia Uddin Ahmad:** How much money has already been spent on this scheme before any sanction has been obtained?

**Mr. B. K. Gokhale:** About 8½ lakhs.

**Dr. Zia Uddin Ahmad:** I understand the Damodar Valley scheme will be worked out in Bihar for irrigation purposes. How will it help the growth of cotton or any cotton research in that particular area?

**Mr. B. K. Gokhale:** I do not know that it is meant to help cotton. It is meant to help all crops. I do not know whether cotton will be included. That depends upon the Agricultural department of the Province.

#### SANCTIONED HYDRO-ELECTRIC SCHEMES SINCE THE BEGINNING OF WAR

**1124. \*Mr. Manu Subedar:** (a) Will the Secretary of the Works, Mines and Power Department please state how many hydro-electric schemes have been sanctioned in British India and the Indian States since the beginning of the war?

(b) What is the total estimated outlay on such schemes?

(c) What is the total estimated cost of equipment to be imported from abroad?

(d) How much of this equipment has been on order and how much has already arrived?

(e) Which of these schemes are expected to be completed and to function during the next three years?

**Mr. B. K. Gokhale:** (a) Fifteen hydro-electric schemes have been sanctioned since the beginning of the war. In addition, the extension of five existing schemes has also been sanctioned. A list of the names of the schemes is laid on the table of the House.

(b) The total estimated outlay on the sanctioned schemes would be approximately Rs. 78.25 crores.

(c) About Rs. 19.51 crores.

(d) About 51 per cent. of the equipment is now on order and 9 per cent. has already arrived.

(e) All the schemes excepting the Machkund, Bhandardara, Rohri Canal, Pykara, Poringalkuthu, Radhanagari, Dochi and Gondal Schemes are expected to be completed during the next three years.



Scheme sanctioned	Capital Outlay (lakhs)	Cost of equipment to be imported (lakhs)	Cost of plant on order (lakhs)	Equipment arrived (lakhs)
<b>PART A</b>				
<b>NEW SCHEMES</b>				
<i>Madras</i>				
1. Machkund Project* . . . .	752 00	93 00	40 00	
2. Moyar Scheme . . . .	288 00	60 00	60 00	...
<i>Punjab</i>				
3. Rasul Scheme . . . .	689 05	274 16	274 16	...
4. Nangal Project . . . .	1744 00	625 00		...
<i>United Provinces</i>				
5. Sarda Scheme . . . .	925 00	100 00	100 00	
6. Mohemmadpur Scheme . . . .	55 00	41 00	41 00	...
<i>Bombay</i>				
7. Bhandard a Hydro-electric* Scheme.	399 00			...
8. *Rohri Canal Hydro-Electric Scheme.	165 00			
<b>INDIAN STATES</b>				
<i>Hyderabad</i>				
9. Nizamsagar Scheme . . . .	85 91	55 56	55 56	
<i>Kolhapur</i>				
10. Radhanagri Scheme* . . . .	161 00	30 00	30 00	...
<i>Mysore</i>				
11. Jog Scheme (First Stage) . . . .	565 50	140 00	140 00	110 00
<i>Cochin</i>				
12. Poringalkuthu Scheme* . . . .	100 00	25 00	5 00	...
<i>Gondal</i>				
13. Gondal Scheme* . . . .	50 00	10 00		
<i>Manipur</i>				
14. Manipur Scheme . . . .	3 50	2 00	2 00	
<i>Patiala</i>				
15. Dochi Hydro-Electric* Project . . . .	500 00	80 00		...

Scheme sanctioned	Capital Outlay (lakhs)	Cost of equipment to be imported (lakhs)	Cost of plant on order (lakhs)	Equipment arrived (lakhs)
<b>PART B</b>				
<b>EXTENSIONS TO EXISTING SCHEME</b>				
<i>Madras</i>				
1. Papanasam . . . . .	39·40	10·00	10·00	
2. Pykura* . . . . .	413·79	63·00	7·00	
<i>Punjab</i>				
3. Jogindernagar . . . . .	99·52	42·80		...
<b>INDIAN STATES</b>				
<i>Mysore</i>				
4. Jog Scheme (Second Stage) . . . . .	500·00	200·00	134·00	...
<i>Travancore</i>				
5. Pallivasal Scheme (Second Stage) . . . . .	310·00	100·00	100·00	65·00
Total (in lakhs of rupees) . . . . .	7825·67	1951·52	998·72 or 51·2%	175·00 or 8·9%

NOTE.—All the Scheme except those marked thus \* are expected to be completed during the next three years.

**Mr. Manu Subedar:** May I know whether Government have taken care, and if so, in what manner to see that the prices for capital goods in connection with these schemes are not inflated and that they are not very high and to give us, if not now, perhaps later in the session some idea of the increase over pre-war prices which have been borne by these orders?

**Mr. B. K. Gokhale:** All these are provincial or State schemes. None of the orders have been placed by the Government of India; orders have been placed by the provinces or the States concerned. The Electricity Commissioner with the Government of India is generally asked for his advice—which may or may not be accepted. I have not got the information which my Honourable friend desires. I will try to get the same and supply it to the Honourable Member later on.

**Mr. Manu Subedar:** Considering the very heavy outlay of 78 crores out of which 19 crores are to be spent in importing equipments from abroad, may we not have some little report on this subject indicating the prices paid or may be paid by the Provinces and the States—that is also Indian money—and may we not have a statement given to us indicating the prices paid and their corresponding prewar price so that we may know what is the excess of Indian money spent on these huge orders?

**Mr. B. K. Gokhale:** As I said, I will try to collect this information.

**Prof. N. G. Ranga:** Is the Machkund project included in this?

**Mr. B. K. Gokhale:** Yes, Sir.

**Prof. N. G. Ranga:** Will the Government convene a conference of provincial governments and States which are interested in these schemes and help them to pool all their orders and place the orders between these different countries so that they can get the best possible material through the good offices of the Government of India?

**Mr. B. K. Gokhale:** The point will be considered. The good offices of the Government of India are already at the disposal of the States and the provinces.

**Seth Govind Das:** Are there any more hydro-electric schemes under contemplation?

**Mr. B. K. Gokhale:** My Honourable friend may please await my answer to Question No. 1128 coming later on?

**Mr. Tamizuddin Khan:** Do the Government of India bear any share of the expenses of these schemes?

**Mr. B. K. Gokhale:** So far as the sanctioned schemes are concerned, I believe that the Government of India do not bear any share of the expenditure. But in connection with the Damodar Valley Project and some of the bigger schemes which are under consideration, there is a proposal that the Government of India should bear some part of the capital expenditure.

**Mr. Tamizuddin Khan:** So far as these schemes are concerned, are these included in the post war electrical development schemes for which the Government of India will bear certain share of expenditure?

**Mr. B. K. Gokhale:** The Government of India are not bearing any portion of the capital expenditure. It is quite possible that individual provinces may come up to Government of India for loans to bear the cost of these schemes and to that extent they would be certainly part of the post war development schemes. The Government of India will be giving loans in accordance with the terms which they have laid down for post war developments.

**Seth Govind Das:** Are Government of India going to bear any portion of expenditure over the Rewa scheme about which I raised a question on the other day?

**Mr. B. K. Gokhale:** It is still in process of consideration and nothing has been decided as to who is going to bear the expenses. The information of the Government of India is that the U.P. Government are going to bear the entire expenditure, possibly coming to the Centre only for loans.

**Prof. N. G. Ranga:** Has the dispute about Machkund project been settled and if so, how? Are funds to be placed by the Government of India at the disposal of the provincial governments to be treated as advances or subsidies?

**Mr. B. K. Gokhale:** The Machkund project is no longer in dispute. Final agreement was reached between Madras and Orissa and there is no further dispute as far as I am aware. About the money to be paid by the Government of India, whether it is a loan or subsidy, I do not think it is a subsidy, but money may be advanced as a loan on the usual terms governing such advances from the Centre to the provinces. As I said at the beginning in connection with the Damodar valley project, there is a proposal that there should be a subsidy in addition to a loan; but that matter has not been finalised and when it is finalised, it will come up before this House for sanction.

**Sri V. C. Vellingiri Gounder:** Since all these big schemes originate from the provincial governments, in what way does the Central Government come into the picture for consideration of these matters?

**Mr. President:** As the Honourable Member replied, the Government of India are giving advice.

## SANCTION OF PROVINCIAL AND CENTRAL GOVERNMENTS FOR IRRIGATION PROJECTS

1125. \*Mr. Manu Subedar: (a) Will the Secretary of the Works, Mines and Power Department please state in which cases irrigation projects are entirely Provincial and in which cases the Central Government's sanction has to be taken?

(b) How many such schemes have come up for sanction and from which Provinces?

(c) What is the position when any irrigation scheme affects partly British India and partly an Indian State?

(d) How many such schemes have been referred to the Government of India for their approval and which are they?

**Mr. B. K. Gokhale:** (a) The subject of water, that is to say, water supplies, irrigation and canals, drainage and embankments, water storage and water power forms items 19 of the Provincial Legislative List under the Government of India Act. But where provinces require financial assistance from the Centre, either in the shape of loan or grant, as also where more than one province is concerned, a reference is generally made to the Government of India who scrutinise the schemes and give financial assistance if they are satisfied that the schemes are financially and technically sound. The sanction of the Government of India is also required in respect of "Grow More Food Projects" to which the Centre gives financial assistance.

(b) A list of "Grow More Food Schemes" which have come up for sanction from various provinces during the last four years is placed on the table.

(c) This is a matter for negotiations between the provinces and states concerned. The Government of India and the Crown Representative are also consulted where necessary.

(d) No such schemes have been specifically referred to the Government of India for their approval in recent years, but questions of water rights and submersion of land have been referred to the Government of India and the Crown Representative e.g., Tungabhadra Project concerning Madras, Hyderabad and Mysore and Bhakra dam project concerning Punjab, Sind and Bilaspur State and so on.

Statement showing number of Irrigation Schemes sanctioned by the Government of India in pursuance of the 'Grow More Food' campaign.

S. No.	Name of Province	No. of schemes sanctioned in				Total
		1943-44	1944-45	1945-46	1946-47	
1	Madras	—	32	1	8	41
2	Bombay	—	2	7	—	9
3	Bengal	17	13	19	126	175
4	U. P.	1	2	1	1	5
5	Bihar	3	1	1	1	
6	C. P. & Berar	2	1	3	3	9
7	Assam	1	1	1	1	4
8	N. W. F. P.	1	13	10	7	31
9	Orissa	—	3	8	8	19
10	Punjab	—	1	—	1	2
Grand Total						301

**Mr. Manu Subedar:** The Government of India are maintaining a very elaborate service for advising provincial governments on the matter of irrigation. Would the Honourable Secretary tell us the nature of the work done by the Central Irrigation and Water Board and the nature of the advice which it offers to the provincial governments before these projects are finally taken up by the provincial governments?

**Mr. B. K. Gokhale:** The Board was started only a very short time ago and there have been great difficulties in recruitment of staff. But with whatever staff is available every effort is made to scrutinise all schemes which come up and advise provinces whether they are technically sound and financially likely to be remunerative. The nature of the advice depends on the examination of each particular scheme and how it strikes the expert. It is very difficult for me to say what advice is given; it all depends on the merits of each individual scheme.

**Mr. Manu Subedar:** Is it a fact that Indian State Governments also approach the Government of India for advice because they have not the highly skilled personnel which the Government of India have? And is it a fact that advice is also given to the Indian States with regard to their own smaller irrigation schemes?

**Mr. B. K. Gokhale:** Yes, Sir; advice is available both to provinces and States.

COST OF CONVERTING THE LIBRARY HALL OF THE INDIAN LEGISLATURE INTO CONSTITUENT ASSEMBLY HALL

1126. **\*Mr. Ahmed E. H. Jaffer:** Will the Honourable the Leader of the House be pleased to state:

(a) the amount spent by Government in converting the Library Hall of the Indian Legislature into the Constituent Assembly Hall along with the cost of furniture, electric fittings and other fixtures:

(b) the amount spent on the first session of the Constituent Assembly;

(c) the amount paid as allowances to the Members of the Constituent Assembly for the whole period of the First Session;

(d) the monthly expenditure incurred for the Secretariat of the Constituent Assembly by way of salaries of the entire staff;

(e) the salary fixed for the President of the Constituent Assembly; and

(f) whether this salary is fixed after taking into account his salary which he already draws by virtue of his appointment as Member of the Interim Government?

**The Honourable Pandit Jawaharlal Nehru:** (a) The expenditure incurred by Government in making necessary alterations to the Library Hall of the Indian Legislature, and providing furniture and other fittings, is as follows:—

Cost of building portion—Rs. 26,595.

Cost of electric fittings—Rs. 1,75,865.

Cost of furniture and other fittings—Rs. 2,02,100.

Total—Rs. 4,04,560.

(b) (c) and (d). I invite the Honourable Member's attention to the reply given by me on the 22nd February to the Honourable Sardar Mangal Singh's Question No. 502. The Auditor-General who audits the accounts of the Constituent Assembly will in due course arrange for the insertion of a suitable note in the appropriation accounts giving details of the amounts spent by the Constituent Assembly.

(e) and (f). The President of the Constituent Assembly gets no salary in respect of that office.

**Mr. Ahmed E. H. Jaffer:** May I know if these works were carried out departmentally?

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

**Mr. Sasanka Sekhar Sanyal:** In view of the fact that the Library now occupies only the outer circle of the main hall, is it not possible to keep it undisturbed even when the Constituent Assembly is in session because that Assembly does not use it?

**The Honourable Pandit Jawaharlal Nehru:** I do not know what the Honourable Member means by "keeping it undisturbed". It is there and it is totally undisturbed unless some member goes there and takes out a book and disturbs it.

**Mr. Sasanka Sekhar Sanyal:** Is the Honourable Member aware that when the Constituent Assembly is in session the Library which is now housed in the outer circle has to remove its books and furniture to some other place and when the session is over they have to be taken back?

**The Honourable Pandit Jawaharlal Nehru:** I do not exactly know what happens, but we shall certainly try to meet the convenience of members who want to refer to the Library.

**Mr. Sasanka Sekhar Sanyal:** Sir, is the Honourable Member aware that while the Constituent Assembly was in session some members wanted some books from the Library and they were told that some books and furniture had been removed to other places and they were not properly docketed and sorted out and kept in proper places, and that it would take some time to bring the books out?

**Mr. President:** I am afraid the Honourable Member is not aware of the facts. The question of the Library came to me and I stated that while the Constituent Assembly is in session the lobby of this Assembly may be made use of; the Librarian may sit here and if any member wants a book and wishes to read it quietly he can sit here instead of going to the Library while the Constituent Assembly is in session.

**Mr. Sasanka Sekar Sanyal:** Since the Library is now housed in the outer circle which is not used by the Constituent Assembly at all, is it not possible to keep it there without shifting the books and furniture while the Constituent Assembly is in session?

**Mr. President:** Except perhaps a small number of reference books, there has been no shifting.

**Mr. Sasanka Sekhar Sanyal:** Even these things create confusion.

**Mr. President:** The Honourable Member's information is not correct.

#### FINANCIAL ASSISTANCE TO INDIANS IN GERMANY

1127. **\*Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable Member for External Affairs please state what financial and other assistance has been given during the year 1946 to Indians in Germany?

(b) What is the extent of the support and relief given to Indians in Germany by the Indian Military Mission in Berlin since the cessation of hostilities?

**The Honourable Pandit Jawaharlal Nehru:** (a) Financial assistance has been given to any Indian nationals who applied to the Indian Military Mission for it in cash and by payment of hospital bills. No application from any Indian for financial assistance has been refused by the Mission. Advances have also been given on behalf of the Government of India by the Indian Military Mission and by the High Commissioner for India in London to cover the cost of repatriation by sea or air as the case might be, and incidental expenses on the journey.

(b) For a full statement of the general support and relief given by the Indian Military Mission in Berlin to Indians in Germany I would invite the Honourable Member's attention to the Press Note issued recently of which a copy was laid on the table of the House in connection with Question No. 718 by Mr. G. B. Dani, which I answered on the 4th March 1947.

#### EXTENSION OF HYDRO-ELECTRIC POWER IN INDIA

1128. \*Mr. Ahmed E. H. Jaffer: (a) Will the Secretary of the Works, Mines and Power Department be pleased to lay on the table of the House a statement on the proposals, to extend the Hydro-Electric Power in the country?

(b) Have Government considered the question of cost of these new Schemes?

(c) What will be the saving in coal by use of Hydro-Electric power for lighting purposes?

(d) Do Government propose to extend the use of electric power so as to enable the villages of India to have the benefit of cheap electricity?

(e) Have Government received any comprehensive scheme for the whole country with one universal class of machinery, which will produce one universal class of current and which will provide also the towns and villages with electric power lighting?

(f) If so, do Government propose to place it on the table of the House?

Mr. B. K. Gokhale: (a) I would refer the Honourable Member to the statement placed on the table of the House to-day in reply to part (a) of Mr. Manu Subedar's Starred Question No. 1124. In addition to the schemes mentioned in that statement 20 hydro-electric power projects are at present under investigation by the various Provinces and States in India.

(b) The responsibility for implementing these schemes rests mainly with Provincial and Indian State Governments. These Governments will doubtless consider the various aspect of the projects including the cost before deciding to implement the schemes.

(c) The power consumed for lighting purposes only, is a small fraction (approx. 11 per cent.) of the total sold for all purposes and the saving effected by the use of hydro-electric power for lighting purposes alone would therefore be very small.

(d) The Honourable Member's attention is invited to the reply given to parts (a) and (b) of Pt. Sri Krishna Dutt Paliwal's Starred Question No. 840 on the 11th March, 1947, and to the Broadcast talk given by the Honourable Mr. C. H. Bhabha referred to therein.

(e) No. Sir.

(f) Does not arise.

#### FOREIGN MARKETS FOR INDIAN TEXTILE GOODS

1129. \*Seth Govind Das: Will the Honourable the Commerce Member be pleased to state:

(a) the names of the countries to which India has been exporting manufactured textile goods during the last three years;

(b) whether Government are aware that a good market for Indian textile goods has developed in Australia in recent years;

(c) whether it is the policy of Government to foster India's foreign trade in textiles and to encourage its growth; and

(d) if so, the steps that Government propose to take in this connection?

The Honourable Mr. I. I. Chundrigar: (a) I lay a statement on the table on the presumption that the information is required for cotton piece-goods as well as goods manufactured from them.

(b) Yes.

(c) and (d). Yes. However, in view of the present difficult supply position of textiles in this country, it has not been possible to permit free exports of cotton textiles outside India. They are therefore regulated on a quota basis and allowed up to the level of destinational quotas which are fixed after taking into account all considerations, including the supply position in India, and the relative importance of individual markets.

*Names of countries to which India has been exporting manufactured Indian Textile Goods during the last three years (1944, 1945 and 1946).*

- (1) Abyssinia. (2) Aden and Dependencies. (3) Afghanistan. (4) Anglo Egyptian Sudan. (5) Arabia. (6) Arab Sheikdoms in the Persian Gulf (Bahrein, Muscat, Dabai, Kewait, Gwader). (7) Australia. (8) Belgian Congo. (9) British East Africa. (10) British Pacific Islands. (11) British West Africa. (12) Burma. (13) Ceylon. (14) China. (15) Cyprus. (16) Egypt. (17) Free French Africa. (18) French North Africa. (19) French Somaliland. (20) French West Africa. (21) Hongkong. (22) Iran. (23) Iraq. (24) Italian East Africa. (25) Madagascar. (26) Malaya. (27) Mauritius. (28) Nepal. (29) Netherland East Indies. (30) New Zealand. (31) Palestine. (32) Portuguese East Africa. (33) Reunion. (34) Rhodesia. (35) Seychelles. (36) Syria and Lebanon. (37) Transjordan. (38) Turkey. (39) Union of South Africa (now no exports). (40) United Kingdom.

**Prof. N. G. Ranga:** Have Government examined the relative prices at which our textiles are purchased by the Australian people and the prices at which they are sold in Australia itself?

**The Honourable Mr. I. I. Chundrigar:** Prices in Australia are controlled and they give only a fair margin of profit to the importer.

**Mr. Manu Subedar:** Will Government give due weight to the other consideration than the one which is urged in this question, namely, whether some of the goods which are badly required in this country and in which black marketing is rampant could not be imported in exchange for cloth which we give? Will Government give due consideration to that factor also instead of the factor referred to in this question, namely, that India must build up its own textile market and export market for the future?

**The Honourable Mr. I. I. Chundrigar:** So far as quota for export to Australia is concerned, not only the factor mentioned in part (b) of the question but also the factor that Australia supplies some essential goods to India is taken into account.

**Mr. Sasanka Sekhar Sanyal:** What are the agencies through which these textiles are sent to Australia and other countries?

**The Honourable Mr. I. I. Chundrigar:** It is on a trade to trade basis.

**Mr. Sasanka Sekhar Sanyal:** Is it a fact that the trade agents who sell these textiles outside make an inordinately huge profit in proportion to the prices here?

**The Honourable Mr. I. I. Chundrigar:** It is not so in the case of Australia because, as I said, the prices in Australia are controlled and they give only a small margin of profit to the importer.

**Mr. Sasanka Sekhar Sanyal:** What is the position in regard to other countries to which textiles are exported?

**The Honourable Mr. I. I. Chundrigar:** The exporter at this end is required to charge only controlled prices from importers from those countries where there is price control.

**Mr. Sasanka Sekhar Sanyal:** Will Government consider the question of examining this proposition with a view to see that the export is done in such a way as to make available a share of this profit to the Government of India?



**The Honourable Mr. I. I. Chundrigar:** That is a very difficult proposition.

**Seth Govind Das:** Are there any such countries where our textile goods are exported and where there is no control of prices?

**The Honourable Mr. I. I. Chundrigar:** There are countries, in which there is no control over the prices of textile goods exported from India.

**Dr. Zia Uddin Ahmad:** May I know from the Honourable Member whether Government have got any special officer to scrutinize in each case and see whether the article for which an export licence is given is an article which we can spare and also to see whether the articles which we import in place of those articles are the articles which we require very urgently?

**The Honourable Mr. I. I. Chundrigar:** These questions are examined by the Inter-departmental Committee, because it requires a lot of examination.

**Dr. Zia Uddin Ahmad:** Our belief is that some of the articles which we require very badly are exported so that people in those countries are in an advantageous position than those who actually manufacture those goods.

**Mr. President:** Next question.

#### PROVISION OF BETTER HOUSING FACILITIES FOR INDUSTRIAL LABOUR

**1130. \*Seth Govind Das:** Will the Honourable the Labour Member be pleased to state:

(a) whether the Government of India in consultation with the various Provincial Governments propose to introduce any scheme for providing better housing facilities for industrial labour; and

(b) whether Government propose to consider the advisability of sponsoring a hire-purchase scheme with a view to providing such facilities?

**The Honourable Shri Jagjivan Ram:** (a) Provincial Governments have been advised to consider and draw up such schemes where the urgency is so pressing as to necessitate implementation even with the present abnormally high building costs.

(b) Government welcomes such a scheme in principle but are afraid that with the prevalent high building costs a scheme of this nature may not be practicable at present.

**Mr. Manu Subedar:** Are Government aware that every Provincial Government is complaining to the Central Government with regard to the lack of facilities by the Central Governments for making available steel quota, timber and various other articles, and more particularly transport for the building material?

**The Honourable Shri Jagjivan Ram:** It is not for me to give a reply to all these questions, but I may draw the attention of my Honourable friend to the fact of which he is already aware that there is a genuine shortage of all these things, and the Government cannot help as long as the production is not speeded up.

**Seth Govind Das:** In view of the fact that so many new industries are being set up, will the Government think it advisable to have a definite plan of industrial labour quarters in all these new industries, and will they advise the Provincial Governments in this respect?

**The Honourable Shri Jagjivan Ram:** We have got a plan for industrial housing, and in the last Provincial Labour Ministers' Conference we discussed it and requested the Provincial Governments, in view of the scarcity of building materials and the high costs, to examine such urgent schemes in their respective provinces which should be implemented very soon. We are still expecting replies from the Provincial Governments in order to co-ordinate all those schemes.

**Miss Maniben Kara:** Will the Honourable Member inform this House whether the Tripartite Labour Conference did not discuss this question and whether they recommended setting up of housing boards for industrial workers?

**The Honourable Shri Jagjivan Ram:** I fail to understand how a housing board is going to help in the matter when there is a scarcity of building materials and the work is not being held up due to lack of intention or determination on the part of Government but due to lack of building materials.

**Seth Govind Das:** In view of the fact that buildings will have to be built for these new industries which are going to be established, will the Government see that along with these buildings proper labour quarters are also built, and will Government provide a definite plan for such quarters?

**The Honourable Shri Jagjivan Ram:** Yes, Sir. I propose to bring very soon before this House a Bill to amend the Factories Act. One of the provisions in that Bill will be that an industrialist who wants to start a new factory will have to take a licence from the appropriate Government and one of the terms of that licence will be that he will have to build quarters for labourers as well.

**Mr. Manu Subedar:** Having regard to the difficulties of housing generally and the new provisions which the Honourable Member proposes to introduce, will Government consider the advisability of having a housing ministry or some other body at the Centre who will examine the difficulties because the difficulties of the building trade over-step the bounds of one particular department? They are covered by many departmental functions and at present the departmental people find it difficult to cope with this work. Will Government examine this question?

**The Honourable Shri Jagjivan Ram:** It is very difficult to answer a question of this nature.

**Dr. Zia Uddin Ahmad:** With reference to the Honourable Member's reply to Seth Govind Das's question, may I just draw his attention to the fact that the Government also are employers of labour, and ask whether the steps which are taken by the Government to provide labour quarters will also be binding on the Government? May I also know whether the Honourable Member is aware of the suggestion made on the floor of this House that it should be the responsibility of the employers to provide housing accommodation to their menial servants?

**The Honourable Shri Jagjivan Ram:** I have already replied that question. In the proposed amendment of the Factories Act, this provision is going to be made. As regards the Central Government undertakings, the House is already aware that I have a scheme of building 50,000 houses for the coal miners during the course of the next five years. The Railway Board is also going to take up the scheme for providing quarters for their employees. Other departments are also being insisted upon by the Labour Department to provide suitable quarters for their employees.

**Sri V. C. Vellingri Gounder:** May I ask whether the Honourable Member will also consider including in his scheme the feasibility of using pre-fabricated houses as is being done in Western countries?

**The Honourable Shri Jagjivan Ram:** All these questions are being examined and we are striving to see how cheapest we can provide accommodation to the labourers that may be regarded as a reasonable accommodation.

## INDIAN CONSULATES AND EMBASSIES IN FOREIGN COUNTRIES

1131. \***Seth Govind Das**: Will the Honourable Member for External Affairs be pleased to lay on the table of the House a statement showing:

(i) the names of foreign countries other than U.S.A., U.S.S.R., and Great Britain in which Indian Consulates are in existence;

(ii) the status of these Consulates as compared to the Embassies of independent sovereign states in the said countries; and

(iii) the measures that the Government of India propose to take in order to make these Consulates equal in status and authority to the Embassies of Sovereign States?

**The Honourable Pandit Jawaharlal Nehru**: (i) Iraq, Saudi Arabia, Siam, China, and French Indo-China.

(ii) and (iii). The Honourable Member appears to be under some misapprehension. The functions and status of Consulates are entirely distinct and different from those of Embassies. Where there is a Diplomatic Mission, whether an Embassy or a Legation, Consular posts are subordinate to it. The Government of India are actively pursuing plans for the establishment of Indian Diplomatic Missions abroad to which, when they are established, Indian Consulates will be subordinate.

## CONTROL ON EXPORT OF URANIUM AND THORIUM

1132. \***Mr. Tamizuddin Khan**: Will the Honourable the Commerce Member be pleased to state:

(a) whether the export of Uranium and Thorium from India is controlled and if so, the nature of the control;

(b) whether there was any export of these metals in the year, 1946; and

(c) if so, what were the quantities exported, and what are the countries to which they were exported?

**The Honourable Mr. I. I. Chundrigar**: (a) Yes. Export of Uranium and Thorium is prohibited, but export of Monazite sand which contains Thorium was permitted during the war in consultation with the Secretary of State. It has now been decided not to consult the Secretary of State but to consult the Works, Mines and Power Department.

(b) and (c). No, but 227 tons of Monazite was exported to United Kingdom and 400 tons to United States of America in the first ten months of 1946. Government have decided to be strict in respect of these exports in future.

## ALLOTMENT OF LAND TO WAR-RELEASED MUSLIMS OF CHITTAGONG TO SETTLE IN PATKOI RANGE

†1133. \***Maharajkumar Dr. Sir Vijaya Ananda**: (a) Will the Honourable Member for External Affairs be pleased to state whether it is a fact that land has been allotted to nearly 16,000 war-released Muslims of Chittagong to settle in the plains of Patkoi range in Tirrap Frontier tract near Ledo and similarly to the Muslim immigrants in Ballipara frontier tract?

(b) Are Government aware of the anxiety of the Assam tribal people on account of this allotment?

**The Honourable Pandit Jawaharlal Nehru**: (a) and (b). No, Sir, it is not a fact that land has been allotted in the Tirap and Balipara Frontier Tracts to immigrants from Chittagong. This rumour was contradicted in an official communique issued by the Governor of Assam on the 20th January 1947 of which a copy is placed upon the table of the House.

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

*Communique.*

The attention of His Excellency the Governor of Assam has been drawn to reports in the Press, which appear to have been disseminated by a correspondent at Tezpur, that endeavours are being made to settle war-released Muslim labourers in certain excluded areas of Assam. In particular 16,000 such men are alleged to have been given loans by the Political Department and to have been settled in the plains of the Patkoi range in the Tirap Frontier Tract near Ledo.

The whole story is a pure invention. No loans whatever have been given to any labourers, Muslim or other, to enable them to migrate to any tribal area or settle there, nor has any scheme for such settlement been ever considered.

R. W. GODFREY,

*Secretary to the Governor of Assam.*

SHILLONG;

Dated the 20th January 1947.

EXPRESSION OF VIEWS OF GOVERNMENT OF INDIA ON GERMAN AND AUSTRIAN  
PEACE TREATIES

†1134. \***Maharajkumar Dr. Sir Vijaya Ananda:** Will the Honourable Member for External Affairs be pleased to state whether in view of the decision of the Government of India not to express their views on the German and Austrian Peace treaties at the Big Four Deputy Foreign Ministers meeting in London, they propose to submit a Memorandum at the Moscow meeting of the Big Four Foreign Ministers' Council on 10th March 1947?

**The Honourable Pandit Jawaharlal Nehru:** The Government of India have informed the Council of Foreign Ministers that they consider themselves vitally interested in the future settlement of Germany in view of the part played by India in the war against Germany and the intimate connection of the German settlement with the peace of the world. They have asked to have the opportunity to put forward their views, to comment on the views of other States and to ask questions through their representatives during the drafting of the treaty, and to take part in the study of the questions of substance involved.

WELFARE CENTRES FOR THE UPLIFT OF TRIBAL PEOPLE OF ASSAM

1135. \***Sreejot Rohini Kumar Chaudhuri:** (a) Will the Honourable Member for External Affairs be pleased to state if they propose to open welfare centre for the uplift of the tribal people living in the trans-frontier areas of Assam?

(b) If so, have Government prepared any scheme for such work?

(c) Do Government propose to entrust the Government of Assam to carry on such work?

•(d) Do Government propose to open basic education schools in the following areas (a) Membas (b) Akas (c) Daffalas (d) Apa Tenang (e) Abor Area (f) Mishmi Area (g) Tirap Naga Area?

**The Honourable Pandit Jawaharlal Nehru:** (a), (b) and (d). A five year plan for the development of the tribal areas of Assam has been prepared and is under the Government of India's consideration; it contemplates, among other beneficent activities, the opening of certain schools, hospitals and agricultural farms in the tribal areas, distributed in the first instance throughout the more accessible regions.

(c) The exact manner in which the development of these areas will proceed will depend ultimately on the Constituent Assembly's views in regard to their future, based on recommendations from the advisory committees and the sub-committees thereof constituted specifically to advise on these areas.

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

**Sreejot Rohini Kumar Chaudhuri:** May I know if the Government of Assam was consulted in the preparation of this scheme which is now under the consideration of the Government of India?

**The Honourable Pandit Jawaharlal Nehru:** I am not sure whether they were officially consulted or not. But certainly before we proceed much further we should like to consult them.

**Prof. N. G. Ranga:** What is the approximate amount of money which the Government expects to spend on this scheme?

**The Honourable Pandit Jawaharlal Nehru:** I am sorry I cannot give the figures straight off but I could supply it to the Honourable Member after a slight enquiry.

**Prof. N. G. Ranga:** Is it to be a joint scheme between the Government of India and the Assam Government?

**The Honourable Pandit Jawaharlal Nehru:** No, Sir. The tribal areas are directly under the Government of India. There is no question of the Provincial Government coming into the picture.

**Khan Abdul Ghani Khan:** Could the Honourable Member say whether any schemes are being prepared for the tribes on the western side of India?

**The Honourable Pandit Jawaharlal Nehru:** Of course, not only have they been prepared, but reference has been made to them in this House, and I am sorry that the Honourable Member was perhaps absent when this reference was made here. There is a five-year plan for the North-West Tribal areas and this has been passed on to various development boards. I do not know exactly when it is going to start.

**Sreejot Rohini Kumar Chaudhuri:** Will the Honourable Member inform the House if the scheme which is now under the consideration of the Government of India was placed before the Standing Committee of the Government of India for External Affairs?

**The Honourable Pandit Jawaharlal Nehru:** I do not know. But not in my time. These schemes have been incubating for many years and the steps that were taken were previous to our assumption of office.

**Sreejot Rohini Kumar Chaudhuri:** May I even now ask the Government of India to consult the Government of Assam before coming to final conclusions?

**The Honourable Pandit Jawaharlal Nehru:** We should gladly consult the Government of Assam or anyone else the Honourable Member suggests. But the present position is that the tribal areas are not within the scope of the Government of Assam.

#### IMPROVEMENT OF CERTAIN TRACKS IN TRANS-FRONTIER AREA OF ASSAM

1136. \***Sreejot Rohini Kumar Chaudhuri:** (a) Will the Honourable Member for External Affairs be pleased to state whether Government propose to enlarge and improve the following tracks in the Trans-Frontier Area: (i) from Darranga via Dewangiri to Punakha in Bhutan; (ii) from Odalguri to Rupa and thence to Lhassa?

(b) Are Government aware that this trade route from Odalguri to Lhassa via Rupa will be shorter and easier than the route via Sikkim?

**The Honourable Pandit Jawaharlal Nehru:** (a) (i) With the exception of a few miles, the track from Darranga to Punakha via Dewangiri lies wholly within Bhutan, and is therefore not the concern of the Government of India. It is understood however that the Bhutan authorities are endeavouring to improve communications within their territory.

(ii) There is no proposal to improve the track from Odalguri to Rupa, since it lies in difficult hill country. There is however a proposal to improve

the track from Doi Mara through Rupa to Dirang Dzong (on the Indo-Bhutan frontier).

(b) For travellers from many parts of Assam, the route *via* Rupa to Lhasa would evidently be shorter in total distance than the well-established route *via* Sikkim. It does not necessarily follow that it would be easier.

**Sreejut Robini Kumar Chaudhuri:** So far as (a) (i) and (ii) are concerned, is the Honourable Member aware that a contribution is paid by the Government of Bhutan for maintaining a road in the British Indian portion?

**The Honourable Pandit Jawaharlal Nehru:** I do not know anything about it. I do know that a large contribution is paid by the Government of India to the Government of Bhutan.

#### EMPLOYMENT TO I. N. A. MEN THROUGH LABOUR EMPLOYMENT EXCHANGES

**1137. \*Pandit Sri Krishna Dutt Paliwal:** Will Honourable the Labour Member please state:

(a) the number of Indian National Army men who have received employment through the Labour Employment Exchanges so far;

(b) whether it is a fact that these Exchanges have some instructions from Government not to help Indian National Army men;

(c) the number of Indian National Army men who have been given the benefit of Government's post-war re-settlement schemes; and

(d) whether it is a fact that a few men who got into the subordinate services were removed as soon as it became known that they belonged to the Indian National Army?

**The Honourable Shri Jagjivan Ram:** (a) and (c). The Employment Exchanges do not maintain separate records for the various categories of ex-servicemen assisted by them. From time to time indications have been received that Indian National Army men have been placed in Employment, but figures are not available.

(b) No such instructions have been issued by Government. On the other hand the policy followed by the Resettlement and Employment Organisation is to make no distinction between the I.N.A. men and other categories of ex-servicemen.

(d) Government have no such information.

**Prof. N. G. Ranga:** Will Government enquire whether their officers with the various labour exchanges are not actually making any distinction between I.N.A. men and others?

**The Honourable Shri Jagjivan Ram:** The function of the employment exchanges is to register the names of ex-servicemen and, when there is a demand from any employer, to recommend a panel of men possessing the necessary qualifications. The actual employment is made by the employing authorities and in that the exchanges have no hand. As regards registration and recommendation, no discrimination is made between I.N.A. and other ex-servicemen.

**Pandit Sri Krishna Dutt Paliwal:** Is the Government aware of the complaints made by the All-India I.N.A. Relief Committee that the I.N.A. men are being refused registration by the labour employment exchanges?

**The Honourable Shri Jagjivan Ram:** I received a letter from the General Secretary, I.N.A. Relief and Enquiry Committee, and after that I made a thorough enquiry into the matter. I am satisfied, and I gave a reply to that effect that no discrimination in the employment exchanges themselves is made between I.N.A. men and other ex-servicemen.

**Mr. Sasanka Sekhar Sanyal:** Is it a fact that with reference to (b) above some of the men who got into the subordinate service were subsequently removed?

**Mr. President:** Removed by whom?

**Mr. Sasanka Sekhar Sanyal:** By the authorities who gave the employment. The question (d) was rather general and the Honourable Member has replied in general terms. But the question was whether there was such removal and the further question would be relevant whether some of these people so removed were I.N.A. men.

**The Honourable Shri Jagjivan Ram:** I have not been able to follow the question about subordinate service. Was it under the Government of India? If so, I shall certainly make enquiries if specific instances are given to me.

**Sardar Mangal Singh:** In view of the public importance of this matter, will the Government of India find out what number of I.N.A. people have been actually taken into service. Will the Honourable Member make a special effort?

**The Honourable Shri Jagjivan Ram:** It is very difficult because at the time of registration in the employment exchanges no record is made whether a particular ex-serviceman is an I.N.A. or otherwise. So it is very difficult often to ascertain whether the employment that has been secured for ex-servicemen through our agencies was for I.N.A. or other categories.

**Shrimati Ammu Swaminadhan:** May I ask whether some directions cannot be given to the Provincial Governments that there should be no ban on I.N.A. men with regard to any employment? They are told by the Labour Exchange officers that because they are from the I.N.A. and the character certificate classes them as grey or black they will not be taken in. This is the biggest difficulty they are facing today.

**The Honourable Shri Jagjivan Ram:** I think in our directive which we issue to the resettlement directorate, we have made it clear—it was the same before—that no distinction is to be made in the employment exchanges between I.N.A. and other ex-servicemen. As regards the category, we do not show in our registers the character of particular ex-servicemen and when we recommend their names to the employers, we do not indicate anything as regards their character. It is for the employer to be satisfied with the character of the particular candidate and it is not for the employment exchanges. I will however keep this suggestion in view and I will bring it to the notice of the Provinces.

**Seth Govind Das:** The Honourable Member said that it is difficult to know who are the I.N.A. men. Can he find out how many I.N.A. men have been refused employment because they were I.N.A. men?

**The Honourable Shri Jagjivan Ram:** It is very difficult for me even to find out that. I may explain it in detail. If there are two vacancies under a particular employer, he will approach the employment exchange and the employment exchange, if it has got persons with requisite qualifications, will forward all the names of the persons that possess the necessary qualifications and the employer is free to make his choice. The persons employed do not take care to report and even those who are refused employment do not take care to report to our exchanges and so it becomes difficult for the exchanges to maintain those figures.

**Mrs. Maniben Kara:** What is the scope of the Employment Exchange? Does it find employment for demobilised personnel only or it functions for technical civilian personnel also?

**The Honourable Shri Jagjivan Ram:** Primarily the labour exchanges were meant for ex-servicemen but some of the provincial governments have expanded the scope of the employment exchanges in their jurisdiction and civilian personnel are also being assisted through the exchanges.

**Miss Maniben Kara:** Do the Government of India not propose to continue the labour exchanges even after the work of getting employment for demobilised personnel is completed?

**The Honourable Shri Jagjivan Ram:** Under the Government of India Act 1935 the question of employment is a provincial responsibility. The present scheme is for five years. I am already in touch with the provincial governments as to whether they want to continue the scheme further than this period and in that case the exchanges will have to be handed over to the provincial governments.

**Sardar Mangal Singh:** May I know whether the Government of India will issue instructions to their employment exchanges to the effect that the appointing authority should not be influenced by the remarks made on the discharge certificate of the I.N.A. men? That is the chief trouble. The Honourable Member said that there was no discrimination. I agree. But in actual practice the officers are influenced by the remarks made on the discharge certificates, which are of course not favourable and that is the whole trouble. If the Government of India issue instructions to the effect that the officers should not be influenced by the adverse remarks made on the discharge certificates, the trouble of the I.N.A. men will be over.

**The Honourable Shri Jagjivan Ram:** I have already explained the matter in detail. I am afraid that the matter of appointment is not with the employment exchanges, or with the Government of India but it is with the employing authorities, whether they are provincial governments or private employers. I shall examine that question further and see what I can do in the matter.

#### AGE LIMIT FOR APPLICATIONS FOR COMMISSION FOR EX-SERVICE MEN

**1138. \*Sjt. Seth Damodar Swroop:** Will the Honourable the Labour Member please state:

(a) whether Government are aware that there is a general complaint to the effect that although the Employment Exchanges put in advertisements in the newspapers asking employers to recruit their staff through them, the response from the employers has been unsatisfactory;

(b) whether Government are aware that the applications for Commission from Ex-Servicemen above 21 years are turned down despite the fact that the candidates were 'Other Ranks' when they attained the maximum age and had exceeded it only after demobilization; and

(c) whether Government are aware that a large number of Ex-Servicemen become overaged for re-employment because Government recognise the period of approved war service only between September 3rd 1939 and December 31st 1945 and that all Ex-Servicemen were not released by December 31st 1945?

**The Honourable Shri Jagjivan Ram:** (a) Government consider, that private employers are not utilising to the fullest extent possible the facilities offered by the Employment Exchange Organisation. Efforts are being continued to persuade employers, both through visual and oral publicity and through individual canvassing, to notify their vacancies to Employment Exchanges and there are already indications that private employers are becoming more Exchange-minded.

(b) It is not known to which type of commission the Honourable Member refers. The maximum age limits for the various types of commissions are:

(i) Regular Commissions granted to civilians after passing through the Indian Military Academy under 21 years on the 1st January of the year in which the course at the Indian Military Academy starts.



(ii) Regular Commissions granted to Indian Emergency Commission Officers under 25 years (30 years in the case of Indian Electrical and Mechanical Engineers) on the date the applicants were granted their Emergency Commissions. These age limits are 29 years and 33 years respectively in the case of outstanding officers. In all cases these age limits for this type of commission are waived for Indian Emergency Commission Officers who were serving in the regular I.A. in a military capacity on 1st September 1939 and who have continued so to serve without a break.

(iii) Short Service Commissions—42 years for a 3-year Commission and 35 years for a 5-year Commission.

(c) The age concession is so designed as to render eligible persons who undertook 'war service' before the 15th August 1945 and who were eligible to compete for the civil appointments on the date of entry into war service. The date upto which persons can count their 'war-service' is related to the date on which the candidate is required to satisfy the prescribed age-limits.

All servicemen on war time engagements were not released by 31st December 1945.

### MOTION FOR ADJOURNMENT

#### MURDER OF MUSLIMS NEAR KOTWALI CHANDNI CHOWK, DELHI

**Mr. President:** I have received from Mr. Muhammad Nauman notice of an adjournment motion to discuss a matter of urgent public importance, namely, "the murder of two Muslims very near the Kotwali in Chandni Chowk, Delhi, yesterday and the failure of the police to protect the life and property".

**The Honourable Sardar Vallabhbhai Patel** (Home Member): Sir, I received the notice of this adjournment motion after the question hour had commenced this morning and therefore I have not been in a position to ascertain whether the facts stated in the notice are correct. There is in the notice a presumption of the fact of murder. I do not know whether there were murders or there was fracas in which parties were involved or whether it was a matter of self-defence. I know nothing about it. Also I do not know whether these alleged murders were committed near the Kotwali or not: I have no information. It is very difficult to get all this information in one hour.

**Mr. President:** In that case, the Honourable the Home Member may take some time and ascertain the facts. We will take up the motion tomorrow.

**The Honourable Sardar Vallabhbhai Patel:** I have no objection if the Honourable Member thinks that this kind of motion is in the interest of public peace and will do any public good. I shall ascertain the facts . . . .

**Mr. President:** Let us keep over the matter for the present. The Honourable the Home Member may ascertain the facts and perhaps the Honourable Member who has given notice of the motion may see the Home Member before the House meets tomorrow, so that he may also satisfy himself about the other aspect of the matter which the Honourable the Home Member has mentioned.

### MESSAGE FROM THE COUNCIL OF STATE

**Secretary of the Assembly:** Sir, the following message has been received from the Council of State:—

"The Council of State at its meeting held on the 21st March, 1947, agreed without any amendment to the following Bills, which were passed by the Legislative Assembly at its meeting held on Monday, the 17th and Wednesday, the 19th March, 1947, namely:

1. A Bill to provide for the continuance of certain emergency powers in relation to requisitioned land.
2. A Bill to continue for a limited period powers to prohibit or control imports and exports.

## ELECTION TO STANDING FINANCE COMMITTEE FOR RAILWAYS.

**Mr. President:** I have to inform the Assembly that upto 12 noon on Friday, the 21st March, 1947, the time fixed for receiving nominations for the Standing Finance Committee for Railways, fourteen nominations were received. Subsequently three members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following members to be duly elected to the Committee for the year commencing, 1st April, 1947:

1. Shri Satya Narayan Sinha.
2. Pandit Balkrishna Sharma.
3. Sri M. Ananthasayanam Ayyangar.
4. Rai Bahadur Devendra Mohan Bhattacharyya.
5. Srijut Dharendra Kanta Lahiri Choudhury.
6. Mr. Frank R. Anthony.
7. Mr. P. K. Salve.
8. Mr. M. A. F. Hirtzel.
9. Khan Mohammad Yamin Khan.
10. Mr. Mohammad Nauman.
11. Hajee Choudhury Mohammad Ismail Khan.

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## ELECTION TO STANDING COMMITTEE FOR DEPARTMENT OF TRANSPORT

**Mr. President:** I have also to inform the Assembly that upto 12 noon on Friday, the 21st March, 1947, the time fixed for receiving nominations for the Standing Committee for the Department of Transport, eleven nominations were received. Subsequently three members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare the following members to be duly elected to the Committee for the financial year 1947-48:

1. Miss Maniben Kara.
2. Khan Bahadur Sharbat Khan.
3. Sri. A. K. Menon.
4. Sardar Sampuran Singh.
5. Mr. M. A. F. Hirtzel.
6. Sardar N. G. Vinchoorkar.
7. Maulvi Shah Abdul Hamid.
8. Mr. Shah Nazar Hasan.

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## RECOMMENDATION ADOPTED BY 27TH SESSION OF INTERNATIONAL LABOUR CONFERENCE: AND REPORT OF INDIAN GOVERNMENT DELEGATION TO PARIS SESSION OF INTERNATIONAL LABOUR CONFERENCE, 1945 (LAND ON THE TABLE)

**The Honourable Shri Jagjivan Ram** (Labour Member): Sir, I beg to lay on the table a copy of the Recommendation (No. 74) adopted by the 27th Session of the International Labour Conference together with the Report of the Indian Government Delegation to the Paris Session of the International Labour Conference, 1945.†

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† Not printed in these Debates. Copies placed in the Library of the House.—Ed. of D.

**Mr. N. M. Joshi** (Nominated Non-Official): May I ask the Honourable Member as to what his intentions are in regard to this report? Under the constitution of the International Labour Organisation he has undertaken the obligation to place the conventions and the recommendations of the I.L.O. before an authority which is competent to ratify these conventions and recommendations. I want to know how the Honourable Member proposes to consult the legislature, which is one of the competent authorities to ratify these conventions and recommendations. I am asking this question because it is a question of the rights and privileges of the legislature and how the Honourable Member proposes to give to the legislature what is due to it.

**The Honourable Shri Jagjivan Ram**: There is no intention on my part to bring any resolution. The Government ratifies a convention as far as possible and for ratification we have either to bring in a Bill or do it by executive authority. If we have to bring in a Bill we have to come before the legislature. As regards the rights and privileges of the House I have already placed the papers before the House and it is open to any Member in the House to move a motion to discuss these matters, if he so chooses.

**Dr. Zia Uddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): In the past these Conventions were ratified by the Assembly by means of a resolution which was brought forward by the Labour Member.

**Mr. N. M. Joshi**: Sir, the point is this. I shall explain how the rights and privileges of the Legislature are involved in this. If the Government proposes to ratify the Convention and if legislation is necessary, then Government comes before the Legislature. But if Government does not propose to ratify it, then it is for the Government to bring forward a resolution that it does not propose to ratify it. It is not fair to the Legislature that Government should content themselves by placing the Report on the table of the House. Government have undertaken an obligation to consult a competent authority and that obligation is not discharged by merely placing the Report on the table of the House and leave it to non-official members to raise the question before the Legislature by a resolution which is to be balloted. I think Sir, this is not a proper discharge of the obligations which the Government of India have undertaken. My friend Dr. Zia Uddin Ahmad has informed the House that there was a time when the Government of India used to bring forward resolutions and consult the Legislature. Unfortunately Sir, for the last few years the Government of India have given up that practice and I had always protested that the Government of India have not been fair to the Legislature which they used to be before. I would like the Honourable Member to consider this question rather seriously. If he has not considered it I would suggest to him to make a statement on this question a little later on, but I would not like him to act in such a way that the rights and privileges of this Legislature will be reduced.

**Sjt. N. V. Gadgil** (Bombay Central Division: Non-Muhammadan Rural): May I say a word, Sir? The former practice has been that even if the Government does not want to ratify all or any Convention, Government used to bring a resolution to that effect. The Honourable Member may just consider the former practice.

**The Honourable Shri Jagjivan Ram**: Sir, as I have already said, on examination if we find that we have not to ratify certain Conventions, then I will bring it before the House.

**Dr. Zia Uddin Ahmad**: Even if it is not to be ratified.

**Mr. President**: He will consider the position and make a statement.

## ELECTION TO CENTRAL ADVISORY COUNCIL FOR RAILWAYS

**The Honourable Dr. John Matthai** (Member for Railways and Transport): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, Six non-official members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1947."

**Mr. President:** The question is:

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, Six non-official members to serve on the Central Advisory Council for Railways for the year commencing 1st April, 1947."

The motion was adopted.

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## ELECTION TO STANDING COMMITTEE FOR DEPARTMENT OF LABOUR

**The Honourable Shri Jagjivan Ram** (Labour Member): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official members to serve on the Standing Committee to advise on subjects with which the Department of Labour is concerned, for the financial year 1947-48."

**Mr. President:** The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official members to serve on the Standing Committee to advise on subjects with which the Department of Labour is concerned, for the financial year 1947-48."

The motion was adopted.

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## ELECTION TO STANDING COMMITTEE FOR HOME DEPARTMENT

**The Honourable Sardar Vallabhbhai Patel** (Member for Home and Information and Broadcasting): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official members to serve on the Standing Committee to advise on the subjects in the Home Department for the financial year 1947-48."

**Mr. President:** The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official members to serve on the Standing Committee to advise on the subjects in the Home Department for the financial year 1947-48."

The motion was adopted.

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## ELECTION TO STANDING COMMITTEE FOR DEPARTMENT OF INFORMATION AND BROADCASTING

**The Honourable Sardar Vallabhbhai Patel** (Member for Home and Information and Broadcasting): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official members to serve on the Standing Committee to advise on subjects in the Department of Information and Broadcasting."

**Mr. President:** The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official members to serve on the Standing Committee to advise on subjects in the Department of Information and Broadcasting."

The motion was adopted.

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

---	Date of nomination	Date for election
1. Central Advisory Council for Railways .	26th March, 1947 .	28th March, 1947.
2. Standing Committee for the Department of Labour.	26th March, 1947 .	28th March, 1947.
3. Standing Committee for the Home Department.	26th March, 1947 .	31st March, 1947.
4. Standing Committee for the Department of Information and Broadcasting.	26th March, 1947 .	31st March, 1947.

The nominations for all the four Committees will be received in the Notice Office upto 12 Noon on the dates mentioned for the purpose. The elections, which will be conducted in accordance with the Regulations for the holding of elections by means of the single transferable vote, will be held in the Assistant Secretary's room in the Council House, between the hours of 10-30 a.m. and 1 p.m.

#### INDIAN FINANCE BILL

**Mr. President:** The House will now proceed with the Legislative Business which includes the consideration of the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April 1947. Before the motion is formally moved I might just inform the House that I am informed that parties have agreed that the consideration and all the stages of this Bill will be finished by 5 p.m. on Friday, the 28th March, and all questions outstanding at that time will be put to the House and disposed of. This gives five days. Out of this, four days are earmarked for general discussion and Friday, the 28th will be for the clause by clause reading and the final stage of the Bill.

As regards the allotment of time, the House will get 14 hours for general discussion and one day for the clauses. The fourteen hours will be distributed between the various parties in the following proportion (I am not referring to hours but only to proportions):

Congress	League	European	Unattached	Government
4	2	1	1	1

That is how I understand the parties have agreed to the distribution of time.

**The Honourable Mr. Liaquat Ali Khan** (Finance Member): Sir, I beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1947, be taken into consideration."

**Mr. N. M. Joshi** (Nominated Non-Official): May I ask a question of the Honourable Member? We read in the papers of attempts at arriving at a settlement. We would like to know before the discussion begins whether any settlement has been arrived at and on what conditions?

**Mr. President:** I will just put the formal motion to the House and then the Honourable the Finance Member may reply, if he wishes to.

Motion moved:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1947, be taken into consideration."

**The Honourable Mr. Liaquat Ali Khan:** My Honourable friend has asked me a question. I am afraid I am not in a position to state definitely anything at this stage. If the Honourable Member would remember, there was some difference of opinion amongst the members of the Select Committee on the two Bills which were considered by the Committee—the Business Profits Tax and the Capital Gains Tax Bills. As far as this Bill is concerned, there is no difference of opinion because it never went to the Select Committee and it is being considered by the House now. With regard to those Bills, when I come up before the House and move for their consideration I hope I shall be able to make a statement.

**Mr. N. M. Joshi:** I would like the Honourable Member to realise the difficulties of the members who would like to take part in the general discussion on the Finance Bill. In the general discussion, I think it will be necessary for them to refer to the Government's other proposals; if they know that there is a settlement, well, they will make a speech accordingly. If they find that there is no settlement, their speeches will be a little different. From that point of view I would like the Honourable Member to announce to the House as soon as he is in a position to make an announcement. If he is not in a position to make an announcement today, I can understand it but as soon as he is in a position to make that announcement, the House should know what the position is, because the members will have to make their speeches according to the fact whether there is a settlement or not.

**Sjt. N. V. Gadgil** (Bombay Central Division: Non-Muhammadan Rural). They can make alternative speeches.

**Dr. Zia Uddin Ahmad** (United Provinces Southern Division: Muhammadan Rural): It is not necessary. We have got the Report of the Select Committee and we frame our speeches accordingly.

**Mr. N. M. Joshi:** That may be so from your point of view.

**The Honourable Mr. Liaquat Ali Khan:** If that is the general desire of the House, as soon as I am in a position to inform Honourable Members I shall be glad to do so.

**Mr. President:** Before the House rises for Lunch—it is barely two minutes now—I should like to state that the time limit which I propose is 15 minutes or more if necessary for each individual speaker and in case more time is taken up by the member of a party, there will be a deduction from the party's time, as time for each party is proposed now to be rationed and this is agreed to by the parties.

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. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

**Pandit Lakshmi Kanta Maitra** (Calcutta: Non-Muhammadan Urban): Mr. President, Sir, we are now entering upon the consideration of the financial proposals providing the wherewithal to the Government for the coming year. I may at once say that this budget, which is the first budget of the National Government, has startling features. It has both a positive and a negative character. With regard to this budget, it has been said on the one hand, that it is a socialistic budget, a poor man's budget. On the other hand, it has been said that it is a budget which gives or aims to give a death blow to

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the industry in this country. Probably both are extreme views and the truth lies between the two. During the time at my disposal it is not possible for me to enter into a meticulous examination of the different proposals, but I would say this that this extreme opinion on either side is based on superficial view of things. Be that as it may, I need only tell the House that it places Members like us in a very intriguing position. There is the negative side that no new burdens are imposed on the poor people, on the general mass of people. From that point of view it has a great merit no doubt. But, Sir, on the positive side there are some aspects in the financial proposals which, unless they are radically altered and modified, will have very adverse repercussions on the whole industrial progress of this country. As I rose to speak, I was told that the dead-lock which was continuing all these days over these financial proposals is on the way to resolution. I will not, therefore, enter into details as I do not know the terms in which these have been solved. I must, however, congratulate the Honourable Member that his name will be remembered for many a long year to come for his bold venture in abolishing the salt tax. From time immemorial salt has been a symbol of fidelity between man and man and on the issue of the salt tax one of the most momentous of Indian battles has been fought and eventually won. But, Sir, after all is said and done, from the point of view of pure economics, I can say that it will give at best a sentimental satisfaction. Nothing more than that. The incidence of tax on salt is very low and I agree with those who think that the benefits can never be ultimately passed on to the consumers who buy salt in very small quantities. But all the same, I support the principle of it.

In this connection, I would like to draw the attention of the present Finance Member to a very important passage in the speech of the last Finance Member, Sir Archibald Rowlands when he was contemplating to abolish the salt tax. On page. 3035 of the debates he says :

"I would make this suggestion to my successor; I believe the revenues of Government controlled salt can be increased by better arrangements made for marketing which would produce nearly as much as the present tax produces. That would, however, take some time to work out and that may be a solution which I commend for the consideration of my successor or successors."

I would like to ask my Honourable friend, the Finance Member, what he has done with regard to the suggestions made by the last Finance Member. Reading the report of the Government Commercial Appendix I find figures which are of a striking character. Output of Salt, manufactured by Government, rose to about 21.5 million maunds. in the year 1943-44, but in the next year it fell down to 15.4 million. There has been an appalling drop in the production of salt and consequently there has been considerable loss of Government revenue. I want the Members of the Public Accounts Committee to carefully pursue this matter. It is to be found on pages 36 to 42 of the Commercial Appendix to the appropriation accounts. This is a very important matter, for I feel that if the suggestions given by the last Finance Member and the Commercial Appendix are carefully gone into, one will get an idea of the huge amount of losses. This is very necessary in this way that while the Honourable the Finance Member estimates that there is going to be a deficit of 56.54 crores in his budgetary proposals, a proper handling of the Salt operations is sure to give him something to the tune of ten crores of rupees. Sir, another matter to which I want to draw attention is the question of sterling balances. My Honourable friend has given the assurance that he will be very careful to see that the sterling resources are not frittered away. But, Sir, there is an alarming feature in connection with sterling balances. I have been carefully noticing that in the course of the last year,

the balance of trade in this country with the rest of the world has been adverse. From the figures available at the present moment, I find that we have already lost some 400 crores worth of sterling balances by our foreign trade, inasmuch as we are importing good deal more than we are exporting. This is an alarming condition. A country which is really a creditor country now may easily become a debtor country again in the near future special care is taken now to safeguard the sterling balances.

Now, I want to tell my Honourable friend that though no fresh burdens have been imposed on the general mass of people, yet the prodigious weight of indirect taxation has been so crushing that the people in this country have been literally groaning under it. Some effective relief should have been provided in the Budget. The most oppressive of all taxes we pay today is the tax on human endurance. The primary necessities of life have all been so heavily taxed that life has become intolerable. I looked in the Budget in vain for any relief in that direction. In the context of present conditions, a man's life is a long drawn battle for the procurement of one commodity or another. Unless this position is eased and softened out, the miseries are not going to diminish to any extent. We had a full dress debate in the House the other day on the question of Controls. My Honourable friends on the other side felt they should maintain controls on essential commodities for some time more. I have no objection to that. But my suggestion is that you should have an effective machinery by which you can control the distribution. You have to see that there is equitable distribution of the controlled commodities in all parts of the country. For this purpose you have to issue special directives to the provincial governments, and to see to it that the directives are rigidly followed and enforced. Leaving aside this topic, I shall now deal with one or two aspects of the expenditure of the central revenues bearing on my province of Bengal.

Sir, I find that the Central Government has during the last three years made a contribution of nearly 18 crores to Bengal. I have before me certain reports and representations from the Members of the Bengal legislature which all clearly prove that there have been culpable extravagance and waste so much so that the audit department had to make scathing criticisms on the expenditure. I ask my Honourable friends over there, whether the Government of India have been satisfied that the amounts that are made available to the provincial governments, and the Government of Bengal, in particular—which by the way raises a large amount of tax for central government—are properly spent, whether rigid economies are maintained. To mention only one item, I find that out of three crores of rupees made available to the Bengal Government for relief operations in connection with the last famine, only Rs. 6,40,000 were spent by way of gratuitous relief and nearly Rs. 23,60,00,000 were wasted on office, staff, and contingencies. The contingencies alone amounted to more than 1½ crores. I want my Honourable friend on the other side to visualise this, to realise what it means when hundreds of thousands died of starvation, that though relief was made available by the generous contribution of the central government to the provincial government, only a fraction of it was spent on actual relief and the rest misused on establishments and contingencies. This appalling waste into which the Central Government must look. I understand that the Central Government also makes payments to the Bengal Government as "police grant" in connection with the central government undertakings in the province. That grant is something in the neighbourhood of one crore. The grants made to the Bengal government are not spent for the purpose for which they are granted and that is my greatest objection to those provincial grants. This year also the Central Government have made certain grants to provincial governments for certain projects, with certain conditions attached to those grants. One condition, among others, is that the provincial governments must exploit their resources to



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the full and safeguard them. I ask Honourable Members sitting over there whether they have satisfied themselves as to the solvency of the provincial governments finances, if they have satisfied themselves that the money that is made available to them is spent for the purposes for which they are earmarked or whether they are diverted or abused for purposes other than those for which they are meant. Sir, in the Bengal Legislative Assembly recently there was an acrimonious debate raised on this question in connection with the discussion on the Public Accounts Committee report. Prominent Members of the Congress party brought to the notice of the House cases of extravagance, of gross abuse of funds, and the ways in which the moneys were diverted. What was the reply of the Government? The reply was amazing. The Finance Member said that their Government were raising revenues, and not the Congress, and it was for the party in power, namely, the Muslim League party, to judge whether the amount was properly spent or not.

**Mr. President:** Order, order. The Honourable Member will restrict himself solely to the amount sanctioned by the Government of India as a grant to the Bengal Government and to no other sources of provincial revenues. The entire field of provincial revenue is not under discussion now.

**Pandit Lakshmi Kanta Maitra:** I was not intending to touch on other sources of provincial revenues. I have hitherto confined my observations to the grants made by the Central Government to the provincial government. My grievance is that these grants are misapplied. They are spent for purposes for which they were not meant. A grant is made to the provincial government of Bengal for policing. Do you know what is happening? The Bengal Government are utilising this grant for importing Pathans from the Punjab and that from the Muslim community for policing work. They have imported nearly 1,600 and more are on the way and this is being done with the money advanced by the Central Government. I ask the Central Government to be careful about this, because we have seen what happened recently in the Punjab. The Central Government should take time by the forelock and they should be cautioned against allowing the provincial government to utilise this 'police fund' for such nefarious purposes.

**Khan Abdul Ghani Khan:** There are no Pathans in the Punjab.

**Pandit Lakshmi Kanta Maitra:** They are all ex-military men from the Punjab and that from only one community. They are all drawn from the Muslim community. Some 1,600 have come and more are on their way. Sir, we are passing through tremendous changes now. The political situation that is now facing the country demands the most serious consideration from all elements in the country. Sir, at long last the British have decided to leave this country by June 1948. The challenge has been accepted by Pandit Jawaharlal Nehru, and all honour to him. It is up to all to see that the transference of power is rendered smooth. But coming from Bengal and living there, I have a great fear, there is a great consternation among my whole people, because closely following this announcement, there has been a pronouncement from Sind and Bengal that both of them want to form an independent Sind and an independent Bengal, independent of British control, independent of control from the Centre. I ask the Government to visualise what that means to the Hindus of Bengal. It means that Bengal is to be one of the Balkan States in India, and she will have nothing to do with the rest of India. Well, Sir, coming from Bengal and from the minority community which has made tremendous sacrifices for the independence and freedom of this country, now in sight, we cannot view the situation with equanimity. Our province, I claim has made sacrifices comparable to those made by any other province. We earnestly appeal to the rest of India not to leave us in the lurch. Sir, we pay more than 80 per cent of the revenues to the provincial government. We,

Hindus, have not any voice or share in the administration of the government. Why? That is because of the communal award which has installed a perpetual communal majority in our province. We had committed serious mistakes in the past, we did not oppose the communal award with one voice and consequently we are now testing the bitter fruits of these communal disturbances and communal *raj* in some of the provinces. Let us not make that mistake again. We also made another mistake; we were not allowed to form a coalition of the Krishak Proja party and Congress party in 1937. If we could do that much of the communalism would have vanished from the province and peaceful atmosphere there would have been possible. I say all this more in sorrow than in anger, more in anguish than in anything else. I ask my leaders to be very careful and firm. I want them to remember that we have been all along with them in the past. We want them to see that in the shape of things to come we may have a voice. We want to tell them that my province which has sacrificed the flower of its youth at the altar of freedom should not now be sacrificed by them. The political and nationalist Bengal is ever anxious to remain associated with the rest of India, come what may; she wants to be within the Union Centre, come what may. Let there be no mistake about that. I want our leaders to realise that we refuse to be segregated by force from the rest of India with whom we have cast in our lot for the last century and a half. I am gratified that with regard to the Punjab the Congress Working Committee has taken a momentous decision, and by implication perhaps also in regard to Bengal. I may tell them that Bengal stands on an equal if not a better footing. We do not want separatism; we have always pleaded for oneness and unity. We refuse to be in isolation.

**Mr. President:** I am afraid the Honourable Member is going beyond the scope of a legitimate speech on this subject. There can be no political speeches regarding the constitution for future India. The Honourable Member should restrict himself to the administration of the Government of India. He has already exhausted his time, and so far as grant by the Central Government is concerned he has had his say. He can criticise that aspect of the provincial administration which concerns grants by the Central Government; but so far as matters outside the administration of the Government of India are concerned, they are beyond the scope of the Finance Bill.

**Pandit Lakshmi Kanta Maitra:** I am grateful to the Chair and I accept these observations without reserve. I want to show the relevance of it in this way, that this Assembly provides money for the Constituent Assembly which is shaping the destiny of this country. However, I am closing. I make this final appeal to all that in these critical times we must work together and evolve a constitution in which every community in India will have its proper and rightful place, and that in such a scheme of things we the Hindus of Bengal may not be lost sight of, ignored or sacrificed.

**Sir Oowasjee Jehangir (Nominated Non Official):** Sir, I had a dream in which I saw the Honourable Finance Member sitting in an armchair trying to frame his budget. He had around him some of his trusted advisers and he asked them whether it was a fact that large profits were being made by the sale of all sorts of articles from a pin to a valuable diamond and from shares to industrial concerns. They admitted that it was true. "Well", said the Finance Member, "tax them." "But", said his advisers, "we have no precedent to go on; no such tax exists in England; there may be one in the United States but we know nothing about it. We have not even got the Act here." Said the Finance Member, "I am the first Indian Finance Member of the Government of India. I care not for precedents and I care not for advice. I tell you, tax these wretched fellows and get money out of them. Do not in any way be hampered by safeguards or by any questions of equity or honesty or justice; tax them". And so the Bill was framed. Then the Finance Member asked how companies are taxed. They said they were liable to income-tax and corporation tax. "Double the corporation tax" said he and it was done. Then he asked,

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"Is it not a fact that in England individuals are taxed to the extent of 19 shillings and six pence in the pound?" "Yes", they said, "that is a fact". "Well", said he, "see that the individual in India is taxed 15 annas and six pies in a rupee at a much lower level than in England. They deserve to be taxed higher than in England. If England has the notoriety of taxing her individuals the highest let me have the honour and privilege of taxing individuals in India higher than anybody else in the world." And the slab was changed. Then the Finance Member lectured to his officers on the impropriety and the unwisdom of getting rid of the Excess Profits Tax. They explained to him the reasons. He said, "Well, if there is any objection to the Excess Profits Tax invent another tax frame a Bill and tax all these fellows, and see that nobody is let off. Even if a company does not make any profit commensurate with its capital or commensurate with its earning capacity,—let them all be taxed. No such idiotic idea as standard profits. Let every company be taxed whether it earns any money or not." And the Bill was framed. Then the last injunction to his men was, "See that my successor has no further scope for taxation". Sir, then I awoke to find myself listening to the very lucid and well delivered speech of the Finance Member. And I began to think.

Sir, this is a Finance Bill and there usually is no limit of time. You mentioned that this time limit had been agreed to. I was not consulted and I trust you will give me a little latitude.

Sir, I am quite prepared to agree to the dictum that in ordinary times we should not have deficit budgets. But are we in ordinary times? Is not the defence budget swollen? Has any of the war-time extravagances been curbed? Are there not many departments in existence today which would not have been in existence but for the war? Are these ordinary times? Are not other countries which had been involved in this war having deficit budgets? I say these are extraordinary times. This year which we are discussing is a reflex of the war and a deficit budget to a certain extent is justified. But to my surprise I found that my Honourable friend Dr. Matthai stood up to defend the budget. He said:

"It would be detrimental to India's credit to leave any part of this year's budget deficit uncovered."

I should have thought that my Honourable friend the Railway Member would be the last Member of Government to stand up and defend this budget. As you know, Sir, he was part author of what is now well known as the Bombay Plan; and that plan advocated a three thousand crore deficit by the use of the printing press for what was called an expansionist economy. Did he realise that by supporting this budget in its entirety he was going against the very object which he had advocated at a cost of three thousand crores to this Government? Some times we had extra direct taxation of about 1½ to 2 crores; and many doubted the wisdom of a direct tax of this nature in the interests of this country,—whether it would not tend to harm our industries and trade. This year direct taxation was proposed to the extent of 36 crores and the Honourable Member who put his signature to a report which advocated a deficit of three thousand crores for an expansionist economy had nothing to say against this extraordinary direct taxation which went solidly against the objects which he had advocated in that report. My Honourable friend, Dr. Matthai then went a little further and gave an extraordinary argument. He began to feel that compared with the low rate of interest at which Government can borrow, the high rate expected by the industrialists is not justified, and he wondered whether this difference will not be off-set by the loss of efficiency, enterprise and initiative shown by private enterprise. He seems to believe that the difference can be computed

by an arithmetical calculation. Mr. President, you have had a great deal to do with commercial concerns. Dr. Matthai, with whatever experience he has had, seems to have forgotten that companies that are floated can make a loss, that companies and industrial concerns can sometimes—for the first six or seven years—not pay a dividend, that companies have to set aside reserves to pay the loss and on many occasions it has been known that they had even to depreciate their capital. Dr. Matthai ought to have known all that when he tried to compare these returns on industrial concerns with the returns on Government paper, and he was doing no good to Government when he compared the security of industrial shares with the security in an investment in Government paper. Does he believe that there is no difference between the safety of investment in Government paper, and the safety or risk in investments in commercial and industrial concerns? If such a comparison can be made on the floor of the House, how can the credit of Government be maintained and that by an Honourable Member of Government. He seems to forget what risks are run by industrial concerns, by poor investors in industrial shares, and seems to believe that an arithmetical comparison can be made on the low rate of interest paid by Government and what he called the high rate of interest demanded by industrialists. He has done no good to the credit of Government, and let me tell him—I am sorry he is not here, and I regret I have to make these remarks in his absence.

**Mr. Ahmed E. H. Jaffer** (Bombay Southern Division: Muhammadan Rural): His spirit is there.

**Sir Cowasjee Jehangir**: I hope it is, and he will learn. If he does not, his spirit will. At any rate, Sir, it is surprising that such a comparison should have been made on the floor of the House.

And then he went on to say that because there was such a difference, difference, of 2 to 3 per cent. between the returns of Government paper and the expected returns on industrial investments, they would seriously have to consider the question of nationalization. (Interruption). I do not object to nationalization of industries if it is in the interest of India, but let not my Honourable friends in season and out of season threaten nationalization which does the country no good, which lowers the financial credit of India, which goes on bringing fear and hesitation in the minds of investors. If this sort of statements are made in season, and out of season, can you expect poor people, or rich people, to invest in industrial concerns, or to go in for starting new industries? No, Sir. Nationalization, let it come, but let not Members on the Treasury Benches go on crying wolf when they are not in a position to carry out their threats. It stops industrialization, it hinders production, and deadens all initiative for further production. My Honourable friend seems to have forgotten the days when industrial concerns were brought into existence with preference shares at 7 to 7½ per cent. and with such speeches as we have heard those days will return. After this Budget was introduced, confidence was shaken. I do not say this merely as an arguing point; I say it with a full sense of responsibility that after the declaration of this Budget confidence has been shaken. Even before this confidence was shaken, I know of an industrial concern which was floated with 5 per cent. preference shares and the underwriters had to take up 61 lakhs out of 175. That shows how difficult it is to raise money even today for industrial concerns. My Honourable friend, Dr. Matthai, forgot all that.

I know the time is slipping by. I will take the opportunity on the other Bills to say more on the subject but I much regret that the Finance Member himself should have repeated these threats: "If industrialists were not prepared", he said, "to help the country, Government will resort to other methods. Is not Russia industrialized? India will also be industrialized." What he meant to convey was that if the industrialists in India did not support

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his budget wholeheartedly, he would nationalise Indian industries as in Russia. That was another threat. I am not here to examine the standards of civilization that prevail in Russia today. India will have to be satisfied that the adoption of Russian economy can be fitted into a political set up of a free democracy for which we have yearned for so long. I will say no more. The Honourable the Finance Member has two courses open to him: Either he expresses words of encouragement and support to industrial enterprise and allows industrial enterprise to thrive to supply the many goods that India wants or he nationalizes Indian industries. Let him not believe for a moment that the agitation against his Budget is propaganda, mere propaganda, coercion, and blackmail.—These are the words he used. I was sorry to read them in the press; I had not the privilege of listening to him. Let me tell him in all earnestness that industrialists in India will be prepared to help Government in every way, but they will not submit to coercion and to blackmail. Now, Sir, as time is running fast, I will not take up very much of your time except to go through very very sketchily some of the proposals. take the tax and Capital gains. Before such a tax was levied there ought to have been a thorough investigation. We do not know the repercussions of such legislation. We do not know what is the legislation in America. But we do know one thing, that there were certain safeguards in the American legislation which have been omitted in the Bill presented to this House. In America they took good care to see that long-term investments were encouraged and short-term speculative ventures were discouraged. Is there anything in the Bill in regard to that? As the Bill is coming before the House, I will not speak more about it except to state that I do think that even if the Bill is to last even for a short term, there should be a provision that all holdings for seven years should be excluded from the scope of this Bill.

Then, Sir, coming to the tax on profits, which is I believe to take the place, to a certain extent, of the Excess Profits Tax Act, I am in agreement with Government—if that is their object—to tax war profits. To tax profits such as would have accrued under the E.P.T. Act—I do not know why the E.P.T. Act was not extended—but the great defect in the Bill that we will discuss is that companies that had made no war profits in the year under consideration will also have to pay this tax. They would not have had to pay a rupee under the E.P.T. But they will have to pay it under this Bill. I say that is unfair. Take your proper share of the profits made by companies due to the reflex of the war. I have no objection but do not mulct companies that are just coming into existence or still floundering in the mud and tax them further by taking a little of their profits which are quite incommensurate with their capital or earning capacity. I would make this suggestion for consideration, and I do not think it is much to ask that all companies that would not have been liable to pay E.P.T. in the year 1946-47 if that act had been extended, should not be liable to pay this tax. That is my contention.

I have nearly finished. Before I come to Super-tax, does the House realize that under the original suggestions made by the Honourable the Finance Member, the taxation on companies in India would have been much higher than the tax on companies in England. In England it is nine shillings in the pound. By the original proposals it would have been 9½ annas in 16 annas. In England it is 47 per cent. In India it would be, under his proposals, 57 per cent. I leave it to the House to judge whether it is equitable and just.

Now coming to the slabs under the Finance Bill, the tax will be higher in India. In England sh. 19—6d. in the pound is paid by an individual whose income is over £.20,000. Under this Bill the tax on an individual's income

above 1,20,000 is 15 annas and 6 pies in the rupee. How can this be justified? I have come to the end—I am sorry that I have had to leave out a great deal I wanted to say. May I add that this tax savours of—may I call it—vindictive punishment . . . . .

• **The Honourable Mr. Liaquat Ali Khan:** Which tax?

**Sir Cowasjee Jehangir:** The slab—vindictive punishment. And may I add that it does not appear to be so much sympathy for the poor as jealousy of the rich.

**Sardar Surjit Singh Majithia** (Punjab: Landholders): The last time while I was speaking on the Defence cut, I took a good deal of the time of this Honourable House in making out one point to which somehow or other neither the Defence Member nor the Defence Secretary gave any reply. I hope that now, he will give me some reply to that point. I have been referring to the obsolete and unreliable aircraft which the Indian airforce have got. As I said, Sir, the last time, these Spit 14's, or shall I say Spitfire 14's are absolutely unreliable and if I may say so are obsolete. Is it not a fact that the technical people of the Royal Indian Air Force along with the Royal Air Force definitely gave a report that these aircraft should all be grounded? That in other words means that all flying on these aircraft should be stopped immediately. And is it not a fact that the Air-Officer-Commanding-in-Chief, instead of accepting that recommendation he put these aircraft on limited flyings? Now, Sir, the effect of this was that a good many of our budding pilots and also some of our trained pilots have been killed. I put it to the Defence Secretary, that the person responsible for these deaths, which is a national loss, should give an answer as to the reason for his putting these aircraft which were definitely not fit for flying, for limited flying.

In this case, if the Defence Secretary wants I can give him some technical details as well. For instance, one of the defects of these—I hope he does not call them modern aircraft—is that their teeth on the Bevel drive to the magneto has been found to be weak. A technical fellow from the Rolls-Royce people from England inspected this and reported that this was of a faulty construction. While, Sir, the manufacturers admitted, but our Air Officer-Commanding still does not think that these aircraft are unserviceable and he risks the lives of our young men by making them fly these unreliable aircraft. Another thing, and that is the magneto itself, which is the main part in the running of an engine, has been found to pack up a number of times. If he wants another example I can also tell him that the teeth of the main gear wheel, have also been found shearing off very soon. Well, if that is not enough to ground these machines or to pack them away and give the Royal Indian Air Force some decent machines to fly, I wonder what else is.

There is one thing more and that is about the Griffin engines. I have already put a question on that point but I may mention here that these new engines which have come all the way from England (and I believe have been paid for by the Indian Government) when they were opened their crank case was found to be rusted. I hope that the Indian Government will take proper action and see that Indian money which has been hard-earned by the Indian people is not wasted like that.

Again this reminds me of the Defence Member saying that the Indianisation of the services now rests with the Member. But I should like to remind him through the Defence Secretary, because the Member is not present here, that though he may be very keen (I know he is very keen) on Indianisation his policy has to be carried out by certain other people. If they do not fully co-operate with him, Indianisation cannot proceed. As an example I know it that in the Indian Nationalisation Committee, which had some sittings recently, it came out in evidence that three services or three parts of the defence services can be fully nationalised today. Those are the Royal Indian Air Force, the Royal

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Signal Corps and the Indian Medical Service. If they can be nationalised today why should not they be proceeded with rightaway so that the extra money that the Indian Defence Department are paying to the British officers and the British other ranks may be saved and this money can be utilised elsewhere, where it may be badly needed?

Another point which I would like to suggest is that an Advisory Committee should be formed which should see that Indian personnel are put into key positions in the General Headquarters. What I mean is that when the British quit by June 1948 we should be ready to take over all the positions that they are going to vacate. I would suggest that the Defence Member along with the Defence Secretary should see that the following posts should have Indians appointed to them: if an Indian cannot be appointed to these posts straightaway, at least a second in command should be put there, so that when the British quit they can easily take these posts over. The posts are: (1) The Training Directorate, (2) Military Operations, (3) Military Secretary, (4) Staff Duties Directorate, (5) The Directors of Warlike equipment, (6) The Brigadiers-General staff, in the Commands. These are some of the key positions which I consider it is absolutely necessary that Indians should be put on to them. I know a few Indians who are qualified to take them over. But I leave it to the Defence Member's discretion to appoint at least a second in command who can take over these posts when the time comes.

Another point which I wanted to make was with reference to the Indian brigade which is at the moment in Japan and on which a lot of Indian money is spent. If I were to give you some figures they would be very revealing. It is most astonishing to note that this Indian brigade which is supposed to represent India in Japan has got one Brigadier who is an Indian. There is of course nothing wrong with that but when I say that there is not a single Indian who is on the brigade staff of this Indian brigade, not a single Indian who is commanding any one of the three battalions in this brigade, it is quite a different matter. All these posts are held by Britishers. It is they who represent India. It is rather surprising that India which is claiming independence and which claims that her own nationals should represent India is represented by British officers, and here we find that the Defence Department cannot find Indians who can fill these posts. This is another place where I am sure economy can be effected in the Defence Department.

Another point which I would like to mention is in connection with aircraft. I would suggest that a Mission should go to England and to America to get hold of decent aircraft for the Royal Indian Air Force straightaway. As I have suggested they can go to England first and if England cannot give us the right type of aircraft then they can go to America and get the aircraft from them. I am quite sure that the American Government will surely come to our help and give us the right type of aircraft needed.

One more point and I have finished and that is with regard to the Indian National Army. This House has expressed so many times that these prisoners should be released. I hope that these fellows who have to their credit nothing more than what some of the present members sitting on the Treasury Benches have done, though in a slightly different form, should be released and why should they be penalised for those very acts? I know for a fact that the I.C.S. are still carrying on in their old way. Whenever a member of the I.N.A. applies for a job, although we have been assured on the floor of this House that there is absolutely no bar and that they have equal chances with others, the actual fact is that they are quietly told to go away. They are told "You have got no chance: you better go away, because you joined the I.N.A. you cannot be employed." I hope that necessary action will be taken and these Indian patriots are given a chance to be useful citizens of India without any

bar on them for their having served the Indian National Army. In view of the shortage of trained personnel in our Defence Services which necessitates at the moment, I believe, the keeping of British personnel, I would suggest that any member of the Indian National Army who wants to come back and serve in the Indian Army may be allowed to do so. That would overcome the difficulty of the shortage of manpower.

I am given to understand that in the Indian Medical Service the recruitment so far has been in the proportion of two Britishers to one Indian. In view of the fact that the British are quitting in fifteen months' time the position should now be that the Indian Medical Service should be for Indians alone, and in the recruitment they should have only Indians. Here again I would suggest that the key positions should be filled up by people who are good who are already in the Indian Medical Service.

There is one point to which I also referred during the cut motion and that is the duplication of certain things in the General Headquarters, for instance the labour and resettlement. You have already got a Labour Department in the Government of India. But the Defence Services are running another Department, that is, the Resettlement Department which is doing exactly the same thing which the Labour Department is doing. I see no reason why this money should not be saved. The Resettlement work should go to the Labour Department.

The Defence Secretary will bear me out when I say that when a unit moves from one place to another it moves on a warrant. This warrant, as you know, Sir, is a special concession to the Government of India. When a section of the General Headquarters moves from Delhi to Simla I believe each officer gets three first class fares which is, if I may say so, about six times the amount that an officer moving along with a unit is entitled to. This I think is sheer waste of money. I hope that in future when the General Headquarters or a part of it moves from Delhi to Simla, it will be borne in mind that they move on a warrant and not that each officer gets three first class fares. Probably the Defence Secretary will come out with the explanation that this is to compensate them for the disturbance involved in moving from one place to another. That disturbance is in no way more than the disturbance of an officer in a unit moving from one place to another. I see no justification why these officers should in any case get more than what the other officers are getting.

Sir, I have practically finished. The senior officers go on to England for short courses. What happens to them over there? They go from this place to attend a course which is supposed to be beneficial for India's Defence Forces. But as soon as they reach England they attend a two or three days' course and then they are stuck up over there—I should not like to say why—for a passage back. They actually spend probably a month or two months over there in England, living with their family or somebody. Here again, in view of the changing circumstances and the changing times in India I hope that in future it is not the British senior officers who go and attend these courses but it should be Indian senior officers who should go and attend these courses, for very soon India will have these posts filled by Indians. It is good to start off giving them training on these lines rightaway.

Another small part of this is I believe the British Other Ranks. They get special leave, probably are flown over to England to their homes, and that expense is borne by the Defence Department. This is a very considerable amount and can easily be curtailed if not altogether stopped, by changing these personnel, as I said by Indianisation. As soon as our army, our navy and our Air Force gets Indian personnel these repatriation trips which cost India so much will automatically be stopped and India will save quite a lot of money like that. Sir, I have finished.



**Sreejut Rohini Kumar Chaudhuri** (Assam Valley: Non-Muhammadar): Sir, I am a small man coming from a small province, Assam. All the same, Sir, I feel it my duty to pay my tribute of appreciation to the Honourable the Finance Member for his financial proposals. I think, Sir, it is the first genuine attempt in the right direction. By right direction I mean that to impose the burden of taxation on those people who are able to bear it and to lighten as much as possible the burden on the poorer section of the people. Sir, I do not forget that there is a sharp difference of opinion in the country on his budget proposals and that difference has also crept into the Select Committee. But I am glad to hear that a workable understanding has been arrived at and the Honourable the Finance Member has taken the practical step of making the financial proposals in a manner which will show how the future Finance Ministers have to act, namely, to lighten the burden as much as possible on the poorer section of the people. I would have been glad if I could have spoken as eulogistically about his sympathy for the poor provinces like Assam. Mountain of grievances have been pent up for a very long time and it will take a long time and it will be a tedious tale if I were to tell the House what my province and my people feel about Government of India's lack of sympathy. Lest I should not have enough time I will just give the headlines of what I want to say. If these headlines are investigated sympathetically by the Honourable Finance Minister he will be able to remove a good deal of the injustices which have been done to my province.

First of all I will refer to the excise duty on petrol and kerosene, poor grant of subvention by the Otto Neimeyer Award, the collection of excise duty on uncured betel nuts in the province of Assam, the failure to distribute any part of the export duty on tea on production basis, poor grant for post-war reconstruction work, the opium policy by which the manufacture of opium by the Government of India is still going on and which has acted very adversely on the prohibition policy adopted by the province of Assam, the refusal to employ any native of the province of Assam in the Secretariat, Postal Department, Communication, Excise Department and in the Railway Department and the discharge of Emergency Commissioned Officers in the Military Department belonging to the province of Assam.

As regards the first point, the entire excise duty which is levied is taken by the Government of India and not even a small moiety is given to the province. On this matter, for over a decade European and Indian members coming from Assam have spoken year after year. Mr. Hockenball, in this House from Assam, Mr. Abdul Matin Chaudhury and the late lamented Nabin Chandra Bardoloi and Mr. Basanta Kumar Das have repeatedly spoken about it and all Finance Ministers and Members of Assam, from Sir Abraham Lone, Sir Muhammad Saadulla and others have repeatedly stated in the Budget that great injustice has been done to the province. The Joint Parliamentary Committee which is known as the Percy Committee had also drawn attention to this injustice to Assam. Notwithstanding all this, in the Neimeyer award only a sum of Rs. 30 lakhs was given as subvention to Assam. No portion of the petrol and kerosene excise duty was given to the province. The provinces of Sind, Orissa and the N.-W. F. P. were given liberal subvention. The N.-W. F. P. got a crore. In the case of Sind it was more than a crore. Although more than three crores is collected from Assam in the shape of excise duty on petrol and kerosene, not more than 30 lakhs is given to that province as subvention. Whatever may have happened in the past, there is a popular Government in power now, consisting of representatives of the major political parties in India. That being the case, may we not expect that a good portion, at least half of this excise duty should be allotted to the province. It may be urged that the province of Assam has not been helping herself and that it has therefore been reduced to this predicament. I would in this draw the attention to the speech delivered by the Finance Minister of Assam in presenting the budget for the

next year in course of which, he had bitterly and poignantly criticised the apathy of the Central Government. In the year 1947-48 the province of Assam has a deficit of half a crore. The utmost limit of taxation has been reached in Assam. They have in order to balance their Budget done away with the remission of 50 per cent. of land revenue which had to be given before. They imposed an agricultural income-tax. Ours is one of the first provinces which has imposed agricultural income-tax. They have imposed amusement and betting taxes, revised the Motor Vehicle Taxation Act and introduced the Motor Spirit and Lubricant Tax. They have also introduced new taxation for the next year in order to balance the Budget. I repeat that the utmost limit of taxation has been reached in the province and unless the Government of India distributes a little more of the excise duty which they levy the province will be in a helpless condition. It may be said that vast areas of land are lying waste and because of that reason the province has not been able to stand on her legs. This is not so. There is not an inch of waste land available in the province and there is no room for development in that direction.

I come now to the betel nut tax. It is a small tax. I do not know how the Government of India can get any substantial amount out of it. My Honourable friend's predecessor was good enough to reduce the tax. I had assured the people in my province now that my Honourable friend is in charge of affairs and since he had visited Assam and seen the poverty stricken people of Assam I would secure for them remission from that tax. I must express my disappointment that no remission has been given but there is yet time to make that declaration. A reduction could easily have been made. Then the excise duty is levied in a very oppressive manner in our Province. Under the law, as I understand it, no tax can be levied on uncured betel-nuts, and I can tell you that there are no cured betel-nuts in my province. Betel-nuts are not cultivated on a commercial scale or sold on a commercial scale. Betel-nuts are consumed by the people themselves. But what do these excise people do? They go to the locality, count the trees and put an imaginary figure of the betel-nuts. Whereas 80 cured betel-nuts make one lb., 40 uncured betel-nuts are taken as one lb. and tax is levied which is just the double. On the one hand, it is said that there is no tax on uncured betel-nuts and, on the other hand, instructions have been issued by the Government of India that 40 uncured betel-nuts will be taken as one lb. This has been a very oppressive tax on the poor people. An ordinary peasant cannot offer tea or any other drink when a guest comes to his house, but he offers betel-nuts. Therefore, this tax on them is rather cruel. In our parts of the country we do not take spices with betel-nuts just as people do in northern India. There the poor people only take the betel-nut and the pan leaf and for that, too, they have to pay a heavy tax. Recently, I had brought to the notice of the Government of India the incidence of this tax. What happens is this. An Excise officer goes there and says that there is so much betel-nut and therefore so much tax is to be paid. I brought this matter to the notice of the Superintendent of Excise. What the Government of India Secretariat has written to me was this that because the peasants could not give account of the cured betel-nut which they had sold in the previous year, therefore the officer merely by guess had fixed this amount. There was no cured betel-nut in those villages. How could they give any account? So, unnecessarily this tax was levied. I would suggest that this small tax which is a burden on the poor people should be done away with now that you have tapped more lucrative sources of taxation.

I would also suggest, as I said before, that the export duty on tea should not be entirely swallowed by the Government of India. A part of this duty should also be given to the province of Assam. As it is, we do not get anything out of the tea which is produced there. People who live in other parts of India take much better tea than we do. The first quality of tea goes to England and the second quality goes to other parts of India and we take the very poor

[Sreejut Rohini Kumar Chaudhuri]

quality of tea dusts there, and that is all we get out of it. Then, the labourers in these tea gardens come from other places and not one of them belongs to the province of Assam. So, I say that out of this duty which is levied on Tea which is produced in Assam, we ought to get a share of it on production basis. We do not get any share of it at present. The offices of most of the companies, are either in England or in Calcutta. So, the income-tax that is levied on tea is collected either in Bengal or in England. We do not get any share of that income-tax which is levied on tea. So, I suggest that a share of the export duty on tea should be given to Assam. If it is distributed amongst the tea growing provinces in India, it should be distributed on the production basis just as excise duty on jute is distributed nowadays. We get very little excise duty on jute because our production of jute is much smaller than that of Bengal. We did not adopt the suicidal policy of substituting jute for rice. So, today fortunately we are not in such a bad need of rice as the Bengalis are because Bengal has taken to the cultivation of jute in preference to food crop.

Then, Sir, as regards the grant to the post-war reconstruction department Government has given us a grant on the basis of population, but it has entirely forgotten that the brunt of this war had fallen on the province of Assam and therefore due note ought to have been taken of the damage done to that province and the hardship that it had to undergo because a portion of this province was really the battle-field in 1942 and 1944 as well.

Then, Sir, the most disgraceful item of the budget is the item which has been shown at page 5 of the Demands for Grants. I refer to the Demand for Opium. There you will see that a large sum of money has been allotted for Ghazipur Opium Factory, payment for special cultivation in Malwa, payment for opium cultivation in the United Provinces, miscellaneous charges at the ports, Neemuch opium factory, costs of police guards, charges in England, etc. For whose benefits are you manufacturing this opium? Are you manufacturing this opium for consumption by the Indians here? Do you want to carry on consumption of opium here when provinces like Assam have adopted a complete policy of opium prohibition? They do not take any opium out of the Government Treasury at all. You are manufacturing opium here so that it may be smuggled and sold in Assam. Sir, the whole policy of opium prohibition has been made a failure in Assam for action of Government of India and we are making best efforts to stop smuggling. We are hearing of the total prohibition of liquor, much to the inconvenience of my friends to my right (meaning the European), but you are following the policy of producing opium, not for the benefit of India but for the benefit of the smugglers, who are making a huge profit out of the opium which is smuggled from here to Assam. Formerly, the price of opium was Rs. 2 per tola but now the price of the smuggled opium comes to nearly Rs. 50 per tola. This is from the official reports. Therefore, they have started investigation and they have adopted fresh measures to combat this evil. But they will not succeed so long as opium is available in Malwa and the United Provinces and they cannot stop it being smuggled to the province of Assam. So, I would humbly suggest that if your cry of prohibition has really any meaning and if you are serious about it, the first step which a popular government ought to take is to sacrifice the revenue which it derives from opium and stop its manufacture altogether in India. You might say that opium is not consumed as much by the people of India as it is consumed by the people outside India. But you have no right to give the supply of this poison to any class of human beings, no matter whether they belong to India or elsewhere.

I will only repeat what has been said over and over again. Repetition is necessary. Formerly we were begging and praying. I do not want to repeat those plaintive wails or those piteous appeals for mercy. I want to make it clear to the House that the time has changed. If you want to keep Assam within

India, if you want to include Assam in the Union Government or in any Central Government which you are going to have under the new constitution, you must make up your mind today and see that full justice is done to Assam. At this critical juncture in the history of Assam, the reply which the Finance Member is going to give to the demands of Assam will go a long way to help Assam to make her decision, whether she should at all agree to come under a constitution which is framed for the benefit of other parts of India, whether she should submit to the draining of her entire excise duty from the province for the benefit of other parts of India. You have seriously to think about it. Whether you want to include us in Hindustan or whether you want to include us in Pakistan, whatever you want to do with us, you must make up your mind, whether you belong to the Congress or whether you belong to the Muslim League, you must make up your mind and tell us what you are going to do, whether you will do justice to Assam, whether you will remove this great financial injustice which has been perpetrated for years on the people of Assam and the reply of the Honourable Finance Member to questions raised by me, will be taken as a reply of the whole Government and will go along way in helping our decision about future action.

**Miss Maniben Kara** (Nominated Non-Official): Sir, I rise to welcome the budget together with the taxation proposals contained therein. I consider the present budget as presented by the Honourable the Finance Member as a bold budget, it is a budget which definitely indicates a break with the past. It is a budget which has for the first time been presented before the country with a particular social objective. It is not only a budget to find money from the public, which has been done year after year. I who represent the common man in this country, am going to judge the budget from the social objectives which have been so ably expressed by the Honourable the Finance Member himself. The Finance Member said that he was faced with a deficit of 57 crores and he was going to fill in this gap keeping in view the social objective which he described to be "to reduce to the maximum extent possible the glaring disparity which exists today between the income and the standards of life of the wealthy classes and the vast multitude of poverty stricken masses and to contribute to the best of his ability to improve the lot of the common man". He also further pointed out "that India was a land of glaring contrasts and disparities, and during the war these have been accentuated by the rich becoming richer and the poor poorer and that a condition in which the few are able to wield such power over the many can hardly be regarded as any thing but a negation of the principles of social justice". Sir, I challenge anybody in this House and outside this House who talks in the name of common man to challenge these social objectives with which the budget has been presented to us. If for nothing else, I would congratulate the Honourable the Finance Member that he has set forth before the country, these taxation proposals with a view to achieve these social objectives which I have once again read before you to refresh the memories of the dissenting members of the Select Committee.

Sir, the Honourable the Finance Member has further said that he was willing, if he was convinced that the present proposals were going to crush industries, to revise his opinion. But, I would ask, Sir, is it not a fact that in the years of war, money has been minted by the industrialists of this country at the cost of the poor? Can anybody honestly deny that the rich have become richer at the cost of the poor, during this war judging them even by their declared profits, keeping aside the hidden profits? Can anybody deny the fact that the rich have become richer and the poor, in spite of the scanty dearness allowance given to them have reduced their real incomes and their real wages? If that is the case, and if the budget deficit is to be met, who should shoulder the burden of taxation, if not those who have minted money at the cost of the poor? My Honourable friend Khan Abdul Ghani Khan speaking on these budget proposals admitted that those only should shoulder the burden of taxation who can bear it and not the poor.

[Miss Maniben Kara]

Sir, I was surprised at the uproar created against the budget proposals in the Select Committee. I was not surprised that the Federation of Indian Chambers of Commerce or the leaders of Stock Exchanges should have raised this uproar against budget proposals. But the present Press Campaign goes to show what I have always been saying how big business controls the press today. The press is behind big business, and the press is therefore interested in running down financial proposals made by the Government which aim at collecting more taxation from the rich. But what surprised me most was that press could be so mean as to impute personal motives in the framing of the budget proposals. I may frankly say that I do not know what was the intention of the Finance Member. I am prepared to judge him from what he has done and what he has brought before the House. I am not interested in the intentions of anybody in this House. I may be alone in expressing my independent solitary voice, because I judge all proposals coming on the floor of the House, from the Congress, or from the Muslim League, or from the European Group, not from any racial prejudice or prejudice of any political party, but from purely, what these proposals will do to the common man of my country. I will not impute any motives, because I am prepared to accept the words of the Finance Member when he says that he drafted these proposals with a social objective. And as such no Member of this House who claims to represent the common man of this country can dare to oppose or dare to say that there should be changes in the proposals of taxation. I equally welcome the setting up of a commission of enquiry to find out the profits which the industrialists have made during war. I congratulate the Finance Member for wanting to appoint a commission. With due respect to the Finance Department and to all other departments of the Government of India, I am very doubtful about the success of these commissions. Knowing well as I do, the wire pullers, and the pull of the rich on the upper class parties who are represented in this House, I doubt how far these commissions will be successful. But, Sir, I would want that this Commission should bring before the public at least a few instances of black marketeers, so that the public may judge the difference between patriotism of these nationalists and real workers like my type. Sir, the big business shouts in the name of patriotism and nationalism. Now they are put to test. You, Sir, have a chance. You occupy the Treasury Benches. You can no more have the pretext of blaming the white skin for anything and everything that happens in our country today. The English have gone. (*An Honourable Member*: "Not yet".) You are occupying the Treasury Benches, and the English do not interfere in your affairs. I ask any Member of the Treasury Benches whether the Viceroy has ever vetoed what you have wanted to do and then I will blame the Viceroy and not till then. You have got every power today to frame the destiny of this country, and rather than impute motives, I would request you to judge taxation proposals on their own merits.

I do not dispute what my friend Sir Cowasjee said. Certainly the present proposals are going to hamper his private enterprise. Sir, industrialists make no secret that profit motive is behind all the private enterprise. Any attack on the percentage of private profit cannot be tolerated by private enterprise. They have made an admission. I take them for their word and I would like the Honourable the Finance Member also to take them for their word and know that they are not prepared to reduce their profits for the sake of the poor. They are not prepared, whatever happens to the country, if their profits are reduced. Reference has been made to the industrialists in England. I was in England during war time. I have met industrialists as well as the poor man of that country. I would request the capitalists of this country to follow in the footsteps of those people who have brought voluntary socialism in their country by falling in line with the march of time in their country. If the Indian capitalist to-day admit their political bankruptcy by refusing to align themselves with the needs of the people of this country, I would ask my Honourable friend the Finance

Member to accept this challenge and not be blackmailed as he had rightly stated in the beginning—but go ahead. If private enterprise is not going to come forward to help the country because they have not the profits as they used to have before, if they are not going to be as patriotic as they have been saying all these years, is it not right that the people who call themselves the representatives of the common man, occupying the Treasury Benches, should take things in their own hands? You should float Government loans for state owned industries, tax the rich, run industries and go forward. The common men of this country will co-operate to run these industries. This is the time when the country is going to judge you. All these years big promises have been given to the people. Now those promises are put to test.

A reference was also made to my friend Dr. John Matthai that even when he is a signatory to the Bombay Plan, he supported taxation proposals. I was the person who condemned the Bombay Plan in not less than 200 public meetings as a plan of the capitalists. But if the same signatory of the Bombay Plan can as presented by the Finance Member, I will not allow any prejudice to stand sit on the Treasury Benches and can have courage to support the Finance Bill against him. I extend my hand of co-operation even to that signatory if he has changed. Sir, it is a very poor argument if my friend Sir Cowasjee says that a man who signed the Bombay plan yesterday should not support or change his mind to-day. He forgets that man who progresses is a man of the day.

I do not want to say much about the salt tax, because every Group, every Party including the European Group had nothing but praise for the abolition of salt tax. I will give my opinion on this tax because I do not think we can govern the country without taxation. Money has to be found, to govern the country. I would be very frank in expressing my reaction as I have always been, regardless of my being pleasant or unpleasant, without caring for the popularity or being shouted down. I would say, Sir, that I do not consider that the abolition of the salt tax has made much difference in the budget of the common man. I would have liked this money to be spent for making life happier for the villagers by giving them a school, or hospital, or better sanitation, etc. I am sure the Finance Member would have received the blessings of the poorer people more for such relief than by abolition if the salt tax. I would once again repeat that I have never feared to talk against the popular current. I know that everyone has praised the abolition of the salt tax. I have given my own view in the matter and I am sure that many people in their hearts agree with me though-not with their lips.

I am not a big economist to be able to judge the various detailed implications of the E.P.T. and the Business Profits Tax, but I am a woman with a very strong common sense. And my common-sense tells me that no businessman and no industrialist in this country would come forward and tell the Government "Look here, if you impose E.P.T. you will get much more money than you will get by Business Profits Tax, so have E.P.T.". I have made it clear that I am not a business woman. I have not bothered to study the implications of E.P.T. and Budget proposals. I know my capitalist friends will get on their feet and criticise me by saying 'She talks of things that she does not know'. My reply is that I have plenty of common-sense, and I know that the capitalist, not only of this country, but of all other countries, will not offer or volunteer to pay more than they can help. If the E.P.T. would take away something more from their pockets the Honourable the Finance Member would take it with both hands. But I am sure there is something fishy somewhere in restoration of E.P.T. I therefore refuse to believe in spite of all the nationalist papers writing big and long editorials saying that this is a political game, that the budget proposals are intended to spite the other Party. I do not agree. With all my respect for you Sir Cowasjee I do not believe this story.

**Sir Cowasjee Jehangir:** If your attack is against the papers why come down upon me?

**Miss Maniben Kara:** It is very interesting to note that the Committee appointed by the Federation of the Indian Chambers of Commerce "also shares the desire of the Honourable the Finance Member to reduce the disparity in the distribution of wealth in the country"—I am quoting their words—and they went so far as to concede that "No one can deny the importance and need of social justice".

[At this stage Mr. President vacated the Chair which was then occupied by Mr. Deputy President (Khan Mohammad Yamin Khan).]

It is contended nevertheless "That it is not an act of social justice to try and obtain all revenues by taxing one section of the community only". With all this sympathy for the common man, and with the Finance Member, this Committee does not think it fair that only the rich should be taxed. A look at the budget will, however, show that more than half the central revenue comes from the poor section of the community: Customs, Central Excise, contribution to the Railways—all these taxes are ultimately paid by the poor people, and this amounts to 150 crores of rupees a year. Who pays all this? Is it not the common man of this country that pays all this? And if more than half the revenue is paid by the common man of this country, how can you say that to tax the rich will not be an act of justice?

Since my time is up, Mr. Deputy President, I will say . . . . .

**Some Honourable Members:** Go on, go on. We want to hear you.

**Miss Maniben Kara:** I also wanted to say that to a very large extent I am disappointed as far as the expenditure side of the Budget is concerned. I do feel that the Honourable the Finance Member has not gone far enough to achieve his social objectives. If he had brought forward proposals which would have given a practical shape to his social objectives, with which he started his speech, I would have been very happy. I feel, Sir, that the expenditure on Defence, which is about 57 per cent. is absolutely uncalled for. After all if we keep up this expenditure on Defence, it only amounts to this that it is a preparation for war. Why do we want this? Are we afraid of any foreign attack, or are we afraid that there is going to be a war? When people want bread, let us not waste our money on bullets. Let us produce enough for our people. The private enterprise has declared political bankruptcy. They say that without profits they cannot produce. Sir, there has to be greater and greater production, because the needs of the people are becoming greater and greater.

Lastly, the Honourable the Finance Member has said that because of the constitutional and political insecurity, he cannot have long term plans. I would say, Sir, who is to be blamed for that? If these two political parties go on fighting, I give you a warning that the common man of India is not going to sit and watch and be played by both these parties which are quarrelling and fighting. The common man of India will replace all of you, and occupy the Treasury Benches.

**Hajee Chowdhury Mohammad Ismail Khan** (Bakarganj *cum* Faridpur: Muhammadan Rural): Mr. Deputy President, Sir. In his speech introducing the Budget, the Honourable the Finance Member said:

"The proposals that I have placed before this House whether they involve the levy of fresh or the abandonment of existing taxation are related not to purely financial purposes, but to certain social objectives, which I am sure the House will agree must be kept in view by all those who have the good of the countless millions of the vast sub-continent at heart."

As duly elected representatives of the people who have, in the words of the Honourable the Finance Member, "the good of the countless millions" of this country at heart, we should wholeheartedly welcome the Finance Bill. In doing so, let me add my voice to the chorus of congratulations that have been showered on the first Indian Finance Member. We have had budgets and Finance Bills in the past but never have we seen a national policy underlying

them. Therefore this occasion this year is unique in that for the first time we have an Indian Finance Member and he has presented a Budget based on certain definite social objectives.

Now that the dust and storm which were the first reactions to the Budget have subsided, we can judge the merits of the budget and the consequent taxation measures in a calmer atmosphere. While on the one hand capitalist interests have described the budget as sounding the death knell of private enterprise, others have hailed it as a poor man's budget or a socialistic budget, which has for its object the levelling up of gross inequalities in the distribution of wealth. Even its severest critic must admit that the budget and the Finance Bill are only an earnest attempt at a more equitable distribution of the incidence of taxation.

One outstanding result of the last war, Sir, has been the glaring inequalities that it has created. Whereas on one side there are people who have accumulated enormous fortunes as a result of the conditions created by the war, there are, on the other hand, millions who despite the larger volume of employment and higher wages are still below the subsistence level due to the inflation, abnormal prices of essential commodities and scarcity of foodgrains and consumer goods. In this state of affairs we must congratulate the Honourable the Finance Member for having made a bold and unorthodox attempt to tackle the economic problems that have been agitating the minds of public men. The tradition with framers of budgets and finance bills has been to ignore the common man, the voiceless millions that form the backbone of this country. In the present budget and taxation proposals we can see the anxiety and desire of the Finance Member either to spare or to relieve to some extent the common man and put his hand into the pockets of those that can afford and who would be none the worse for parting with a little more to the State than what they would like to do.

Sir, chief among the reliefs to the poor man, as the House is aware, is the abolition of the salt tax, which I should describe as an epoch making event in the history of Indian taxation and it is certainly a matter for great congratulation that what has been an unfulfilled and almost universal desire in this country for a long time has become an accomplished fact in the first budget that it has been the privilege of the Honourable the Finance Member to present to this House. The history of the agitation against the salt tax goes back to over a quarter of a century, when Mr. Gandhi led the salt satyagraha and since then this question has been foremost in the public mind as a measure of taxation relief to the poverty-stricken mass of the people of this country. So at long last the poor man has come to realize that he is not the forgotten entity that he has been till now in the national economy and that he can hope that his interests will hereafter receive their due consideration at the hand of the Government.

Another relief that the Finance Member has given to the next higher strata of society, what is called the lower middle classes, in regard to whose income, exemption from income-tax has been granted up to a limit of Rs. 2,500. This is an income group which would comprise a considerable bulk of the population, which has been hit very hard due to the present day high cost of living. Any tax on this income group would have been an unjust levy, which would have been acutely felt by them under present conditions and I am sure they would be very grateful to the Honourable Member for this relief, however small. Perhaps, Sir, the Honourable the Finance Member could not unfortunately do more than what he has done, though of course there is a large field in which the poor man would have welcomed some relief. There are, for instance, commodities like kerosene, matches, betel nut, etc., in which the vast multitude of the poverty-stricken masses of this country are greatly interested, for they are almost indispensable necessities to the common man's daily existence. Any relief, however, small, in respect of these items would have earned their gratitude.



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Such relief, I am conscious, Sir, would have involved greater taxation in other directions and even as the present financial proposals are they have evoked a storm of protest from the richer classes of society. After all the incidence of a just system of taxation must bear some relation to the capacity of the taxpayer to pay. Under the present proposals business profits are subjected to a special income tax when they exceed a certain limit. Professional and vocational earnings which have been untaxed hitherto have also hereafter to pay their share due to the public fisc and nobody would take exception to this. As has been admitted by the Honourable the Finance Member himself the taxation proposals are designed to achieve a common purpose, *viz*, to reduce the glaring and obvious disparities in incomes, and it will be realised, Sir, that this is the trend of all modern progressive public finance. The abolition of the Excess Profits Tax was considered by many as not a very wise move and in view of the deficit disclosed, its retention would have helped the country's finances to a considerable extent. In view of these considerations there will be general welcome to the proposals of the Finance Member to impose a tax on business profits, to raise the corporation tax and to apply the maximum super-tax rate at levels lower than the existing ones and also to levy a capital gains tax. These proposals are in complete accord with the principles that govern the present day taxation structure of all advanced countries.

Sir, today in India the capitalist or the industrialist is not the only target of taxation. It should be realised that the aim of the major political parties in India is the abolition of the zamindari system and in pursuance of that policy zamindars are being liquidated in provinces and agricultural income is gradually becoming subject to taxation just as income from any other source. Therefore, Sir, the business man or the capitalist is only one of the classes which is asked to contribute to public revenues, because it can afford to pay.

Sir, I should like to say a word about the Private Accumulations Enquiry Commission which the Honourable Member has proposed. I welcome the proposal. It is a notorious fact that tax-evasion or tax-dodging has gone on unchecked during the period of the war and since. Considerable sums of money made either in the black market or in secret deals in these days of inflation, scarcity of consumer goods and high prices, have been concealed and the State's legitimate share thereon has been denied. I hope the Honourable Member will make the Commission a strong body, whose labours will prove useful to the Government and will produce a salutary effect on a class of unscrupulous businessmen who have thriven most during the war years and whose continued activity on similar lines will prove a menace to ordered society in times of peace.

Sir, I desire to refer briefly to the matter of grants to the provinces. Coming as I do from a province which of any province in India felt the impact of the war most, besides having faced simultaneously the ravages of famine, I submit that Bengal stands on a different footing from any of the other provinces and deserves special consideration in this matter of grants from the Centre. Other provinces might have accumulated funds for their postwar development schemes, not having had the misfortune to undergo the sufferings that Bengal went through. Therefore if Bengal is to be rehabilitated, she would need a special grant in aid and I hope she would not be treated on a par with other provinces more fortunately placed.

Now, Sir, I come to the question of sterling balances and post-war industrial development. We feel reassured by the Finance Member's statement that the privations and sufferings which India had undergone during the war are no less than those of any other country directly affected by the war and with this in view he would secure a just and equitable settlement of the sterling balances. May I submit to the Honourable Member that these sterling balances represent the potential import of capital goods into this country and I hope

he will see to it that all provinces are treated fairly in the matter of the distribution of these capital assets. In this connection I would also like to emphasise that in any industrial policy that may be adopted by the Government they should see to it that no lopsided development is permitted to take place, industries being concentrated in a few of the more fortunate provinces in preference to others, where the need for such industrial expansion may be equally great.

On the question of controls I do not propose to say much, as the question has been fully debated on a cut motion. But, Sir, I would like to add my voice to what has already been said on the subject by emphasising that it must be the earnest endeavour of Government to follow a very judicious policy in the matter of either retaining or lifting any of the controls. Government, as they have themselves acknowledged, are fully alive to the abuses like black marketing and corruption which are engendered by these controls. In view of the sufferings which the mass of people have to undergo on account of these controls I hope Government will carefully examine all the controls and see that only those are retained which are absolutely necessary to ensure a proper distribution at reasonable prices of certain of the most essential commodities. They should also see to it that in the administration of such controls utmost vigilance is maintained to prevent both corruption and black marketing.

Sir, the question of food is still a matter which demands the utmost care and attention of the Government of India. I am keenly aware of all that is being done by way of imports from abroad and increased production at home through subsidies and grant of agricultural facilities to farmers. But it should be remembered that so long as there are cash crops which pay better than foodgrains the farmer's inclination would be to grow the cash crops, because besides getting more for his produce, he will be less subject to governmental control and interference. In the purchase of foodgrains from abroad such abnormal prices are paid to foreign agriculturists and I would submit to the Government to see whether it would not be worthwhile to profit the indigenous farmers by giving them larger subsidies and thus inducing them to grow more foodcrops.

Finally, Sir, I want briefly to refer to a subject in which my community is very keenly interested and more particularly the Muslims of my province. Since the port of Calcutta was declared open for Haj pilgrimage in 1931, the question which has been agitating the minds of Bengal Muslims is the erection of a decent pilgrim camp or *musafirkhana* in Calcutta. This is a long felt need and the absence of it is the cause of considerable suffering and inconvenience to the thousands of Haj pilgrims and their relations who have to come to Calcutta. The Government of Bengal has recommended the proposal to the Government of India. Mr. J. A. Rahim who conducted the Special Haj Enquiry recommended the implementation of the proposal as soon as possible and there is a plan ready which has been drawn up by a well known firm of architects in Calcutta. The Second Haj Conference consisting of representatives of the Government of India, members of the Standing Haj Committee, and representatives of the three Port Haj Committee and two shipping companies interested in the Haj traffic which met under the chairmanship of Dr. N. B. Khare, the then Member in charge, unanimously recommended that steps should be taken as early as possible to erect a *musafirkhana* in Calcutta for Haj pilgrims. The only difficulty in the way seems to be the question of finance—whether it is the responsibility of the Provincial Government or the Central Government. May I in this connection Sir, quote the clear and emphatic words of Dr. Khare, Member for the Commonwealth Relations Department. On the 1st March, 1944, in this House he said: "Haj pilgrimage stands quite apart from all other pilgrimages. It is a pilgrimage in which pilgrims go overseas and it is a central subject." In view of this statement and in view of the fact that the pilgrim camp at Karachi is maintained by the Government of India, I feel that there

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is no doubt as to the responsibility of the Government of India for the provision of a Haj pilgrim camp in Calcutta. I am aware of the proposal of the Government of India to enlarge and rebuild the pilgrim camp at Karachi, the need and urgency of which is certainly unquestionable. But may I submit, Sir, that the need for such a camp in Calcutta is as much, if not more, and I hope that there will be no further delay in the matter and that Government will take up the work on the pilgrim camps at both places simultaneously.

Sir, I have come to the end of my speech. It was indeed a pleasure for me to speak thus far on a budget and the financial proposals embodying the same, which have for the first time in our history the achievement of a certain measure of social justice. For once a Finance Member has had the courage to put in practice the *Quranic* precept (which no one will take exception to) that wealth should not be allowed to circulate among the wealthy and that it is a danger to society to allow too large accumulations of wealth in the hands of a few individuals. Though the taxation proposals have not done as much to the poorer masses of the country as they have a right to expect, yet as the Honourable Member himself has said in his budget speech, he did not claim that his "proposals represent anything more than the first stage of a policy of social justice and development which will require years to bring into full fruition." I earnestly hope and pray that it will be the Honourable Mr. Liaquat Ali Khan's good fortune to hasten that day of fruition and to see this country's administration based on that principle of social justice which is so dear to his and our hearts.

Sir, I have done.

**Sri R. Venkatasubba Reddiar** (South Arcot *cum* Chingleput: Non-Muhamadan Rural): Sir, I congratulate the Honourable the Finance Member for having decided to abolish the salt tax. But there is one thing which he must see to. He should see that salt is available to the poor man at cheaper rates. So far as we in Madras are concerned salt is purchased from the producing centres by weight but the merchants sell by measure. There is variation in the different kinds of salts which are produced at different centres. A two-maund bag in some places contains about 55 to 60 measures and the same bag in some other places measure 35 to 40 measures. This leads to a lot of profiteering by merchants and middlemen who deal in salt. The Finance Member must issue some notification abolishing sale of salt by measure in all places. Unless this is done the poor man, for whose benefit the salt tax has been abolished, would not be able to derive any benefit from it. The merchants and middlemen who have been already making profits on the sale of salt will even now make more profits in spite of the abolition of the salt tax.

The next point which I would urge on the Honourable the Finance Member is this. In his budget speech he laid stress on the fact that in the Government of India there is a lot of wasteful expenditure which could very well be avoided. He said:

"I am aware that there is a feeling in this House that the Central Government expenditure needs scrutiny in certain respects. I agree that if only for the purpose of conserving our resources for development there may be certain directions in which such economy can be usefully exercised. It may, for instance, be found that some of the establishments of the Government of India are susceptible of reduction."

Having said this he became very apologetic in the later portion of the same paragraph, where he has said:

"I should, however, make it clear that my object in proposing an Economy Committee of this nature is not to conduct a retrenchment campaign in the sense in which that expression is ordinarily understood."

My submission is that what the Honourable Member has said in the earlier portion of the paragraph is quite correct. He should have taken courage in both hands and said that he was for retrenchment wherever it was possible and necessary. We know that the Government establishment has grown more than four times. Where there were 500 officers before, the number has become 2,000 in the gazetted posts. I do not think it can be claimed that the retention of all these posts is necessary. Is it in the interests of the country to keep all those persons whose services are not necessary and go on paying them? It does not mean that it is a productive industry. The Honourable Dr. Rajendra Prasad said that if you pay a little increased price to the agriculturist for his food crops, it means inflation and also increased wages to the labourer. If you go on paying persons whose services are not necessary, the result will be inflation and not deflation. I have heard the Leader of the House and also the Honourable Member for Industries say "What are you going to do with these people?". I have an answer. You can create opportunities for all these people. Start new industries. Nationalise some of these industries so that you can give greater scope to these intelligent men, whose services can be utilised. Most of them are very intelligent and are capable of running those industries instead of rotting in Government departments. There is no scope for them to exercise their intelligence in Government service. I want the Honourable the Finance Member to take courage and not be apologetic in having this Committee appointed at once to devise ways and means for cutting down expenditure which has grown more than four hundred per cent. since 1939.

The next item which needs scrutiny as far as expenditure is concerned is Defence. When I read the explanatory memorandum of the Defence Department I find that this year the expenditure is reduced by 50 crores. If you take into consideration the number of men who have been demobilised, it comes in the army to a little over eight lakhs. Besides that in the Air Force and the Royal Indian Navy persons have been demobbed to an extent beyond which you cannot go, according to the statement of the Defence Secretary and the Explanatory Memorandum. And they also say that you could only reduce it by demobbing two lakhs of men. Are we to expect that by reducing two lakhs of men next year you will considerably reduce the expenditure on the defence services? Surely not. The strength of the Indian army in the beginning of the budget year will be about nine lakhs and odd and the sum that is required for expenditure is about 188 crores. If we demob about two lakhs of men I do not think it will considerably reduce the amount of defence expenditure. I do not grudge money being spent on the defence services but I say that money should not be spent on items which are unnecessary. There is a proposal to purchase—I do not know if it has been completed—three cruisers from the British Government. I am told that they will cost more than four or five million pounds. I do not know what their use is; if they are useful to the British Government would they be willing to sell them to this Government? That has to be verified. And after all what is the use of these cruisers for India? In these days of air warfare these cruisers are not going to serve any purpose so far as our country is concerned. These cruisers that will be stationed on the shores on the three sides of India may not help us very much and their presence may not be useful in preventing air attacks from other countries.

Nothing has been done in our country to establish scientific research so far as production of arms is concerned. Every country is spending crores for producing atom bombs and other destructive weapons and also weapons to counter them. In this budget we do not find any provision for any of these necessary researches being made for the benefit of our country. The other day when some of us raised the question of Indian Army Ordnance Officers, the Secretary and the Honourable Defence Member emphatically stated that it was not possible to take them in and there was a proposal to demob them and send them away. But on page 19 of the memorandum supplied to us it is said:

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Not only has it become necessary to increase the length and scope of specialised training and education but questions concerning the comfort and general well-being of the soldier have assumed much greater importance. The mechanisation and modernisation generally of the forces has necessitated the provision of much more expensive vehicles, weapons, ammunition and equipment of all kinds. As a result, the cost of the administrative services has increased very considerably in relation to the direct costs of the armed forces. During the year 1947-48 the cost of those services entrusted with the custody and handling of stores will be abnormally heavy owing to the large accumulations of surplus stocks in charges of the defence services. This applies particularly to the Indian Army Ordnance Corps and the Indian Electrical and Mechanical Engineer Corps."

Again on page 29 of the same memorandum it is said:

"The Indian Army Ordnance Corps is responsible for the receipt, custody and distribution of clothing stores, M. T. vehicles, ammunition, weapons and other Ordnance stores required by all the Defence Services. The officers for the Corps are drawn from the various armed services and undergo specialised training in the Indian Army Ordnance Corps School. Other ranks are recruited through the regular army recruiting agencies and given training in the ordinary duties of the Corps in the Training Centres. Specialised training is given to selected other ranks at the School."

My information is that the officers who have been already sent and who will be sent away hereafter had their training for six months. They were selected by the university heads and most of them had undergone Federal Public Service Commission examination. They were the best from the universities, and such men have been asked to go under the pretext that these people will have to make room for men with military experience. I do not know what charm there is in trying to keep men with military experience for these posts; I am told that there is no need for any military training at all for these posts. The officers who are there—about 930 or so—have had their training and they will serve the same purpose as these other officers are serving. Sir, this deserves an explanation from the Defence Secretary.

Then coming to my usual cry about increased prices for foodgrain, I do not want to say anything more than what has already been said. I have repeatedly stated that an increase of one rupee per maund of paddy means for an individual every month about six annas and three pies. I said this several times and I am sorry to say that one of the Honourable Members ridiculed this idea, though not here but somewhere else. I do not want to repeat it again but I should like to impress the economic aspect of that demand. The economic maxim is that when a thing is wanted and a proper case for its production is made out we are not entitled to aim at its being provided at a price that will mean the degradation of the life of those who produce it. We have no right to buy coals at the price of malnutrition of the miner's child or potatoes at that of the agricultural labourer's. When the case is pressed to this extent it means the entrenchment and acceptance of poverty as a necessary evil, which it is not. It means that coolie labour standards are justifiable. If we have not income enough to pay a just price it is our standard of life that is wrong. We ought to have money enough. Then Sir, another maxim is the secret of successful industry is to buy your finance cheap and sell your produce dear. The Indian buys his finance dear and sells his produce cheap. Sir, in Madras a measure of rice sells at six annas and six pies; here in Delhi the same quantity sells for fifteen annas. I do not know why this disparity should be maintained. This needs an explanation. I do not want to repeat what I have already said on this question. I again commend this for the sympathetic consideration of the Cabinet as a whole and not of the Food Member only.

So far as this Grow More Food Campaign is concerned, I have already stated some of my experiences, and I should like to state another. The department said that we can have materials for irrigation. We were asked to apply to the Controller of Steel and Iron. I went there with an application for pipes; he said that the application should come through the Engineer of the Electrical Department. I asked him who this Electrical Engineer is to whom I should go.

It was either the Superintendent or the Assistant Secretary. I don't know what his designation was. He said 'That is not my business to tell you. We are not here to teach you. You go and find out'. If that is the sort of answer which I get, I request you to imagine the sort of reply which a poor man from the villages will get.

**Mr. Deputy President:** The Honourable Member's time is over. He can finish in one minute. He was to finish in 15 minutes. He has taken 18 minutes.

**Sri R. Venkatasubba Reddiar:** Sir, I commend to the consideration of the Secretary of the Agricultural Department all these matters. Not only the distribution of manure but also the distribution of seeds must have special attention. Either the Department must have special staff and be reorganised or they should leave it to the ordinary trade channels. With these words, I resume my seat.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 25th March, 1947.