

26th March, 1947

**THE**  
**LEGISLATIVE ASSEMBLY DEBATES**  
**Official Report**

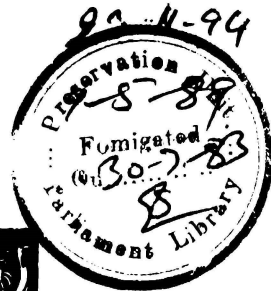


---

**Volume IV, 1947**

*(25th March, 1947 to 9th April, 1947)*

**THIRD SESSION**  
**OF THE**  
**SIXTH LEGISLATIVE ASSEMBLY .**  
**1947**



LEGISLATIVE ASSEMBLY

*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.

Shrimati 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.

# CONTENTS

Volume IV—25th March, 1947 to 9th April, 1947

TUESDAY, 25TH MARCH, 1947—	Pages
Starred Questions and Answers . . . . .	2385—2426
Unstarred Questions and Answers . . . . .	2426—27
Motion for Adjournment <i>re</i> Murder of Muslims near Kotwali, Chandni Chowk Delhi—Not moved . . . . .	2427—28
Message from the Council of State . . . . .	2428
Election to Standing Committee for External Affairs Department . . . . .	2428—30
Election to Standing Committee for Commonwealth Relations Department . . . . .	2430
Election to Standing Committee on Pilgrimage to the Hejaz . . . . .	2430—31
Election to Standing Committee for Commerce Department . . . . .	2431
Death of Dr. Sir Azizul Haque . . . . .	2432
Indian Finance Bill—Discussion on the motion to consider not concluded . . . . .	2433—66
<b>WEDNESDAY, 26TH MARCH, 1947—</b>	
Starred Questions and Answers . . . . .	2467—96
Unstarred Questions and Answers . . . . .	2496—2501
Short Notice Questions and Answers . . . . .	2502—03
Election to Standing Committee on Roads . . . . .	2503
Election to Standing Committee for Food Department . . . . .	2503
Election to Standing Committee for Industries and Supplies Department . . . . .	2503
Election to Standing Committee for Education Department . . . . .	2504
Election to Council of Indian Institute of Science Bangalore . . . . .	2504—05
Election to Standing Committee for Agriculture Department . . . . .	2505
Indian Finance Bill—Discussion on Motion to consider not concluded . . . . .	2505—43
<b>THURSDAY, 27TH MARCH, 1947—</b>	
Starred Questions and Answers . . . . .	2545—50
Election to Standing Committee for Works, Mines and Power Department . . . . .	2551
Election to Standing Committee for Communications Department . . . . .	2551
Election to Central Advisory Council for Railways . . . . .	2551
Election to Standing Committee for Information and Broadcasting Department . . . . .	2551
Election to Central Committee of the Tuberculosis Association of India . . . . .	2552
Election to Governing Body of Indian Research Fund Association . . . . .	2552
Election to Standing Committee for Legislative Department . . . . .	2553—54
Election to Standing Finance Committee . . . . .	2554—55
Indian Finance Bill—Discussion on the Motion to consider not concluded . . . . .	2555—2610
<b>FRIDAY, 28TH MARCH, 1947—</b>	
Starred Questions and Answers . . . . .	2611—34
Short Notice Question and Answer . . . . .	2635—36
Motion for Adjournment <i>re</i> Discriminative Policy of Delhi Administration against Muslim Press—Postponed . . . . .	2636—37
Election to Defence Consultative Committee . . . . .	2638
Election to Standing Committee for Home Department . . . . .	2638
Election to Standing Committee on Pilgrimage to the Hejaz . . . . .	2638
Election to Standing Committee for Commerce Department . . . . .	2638
Indian Finance Bill—Passed . . . . .	2639—72
Demands for Supplementary Grants for 1946-47—Discussion not concluded . . . . .	2673—77
<b>MONDAY, 31ST MARCH, 1947—</b>	
Members Sworn . . . . .	2679
Starred Questions and Answers . . . . .	2679—2726
Unstarred Questions and Answers . . . . .	2726—28
Short Notice Questions and Answers . . . . .	2728—30
Motions for Adjournment <i>re</i> —	
Delhi Administration's Discrimination against Muslim Press and Preferential Treatment towards Hindu Press in the matter of Publication of Reports of Communal Clashes—Ruled out of Order . . . . .	2730—32
Burning Alive of Four Scheduled Caste Men and Two Herds of Cattle in the Aligarh District, U. P.—Ruled out of Order . . . . .	2732—33

Motions for Adjournment *re—contd.*

	Pages
Appointment of an Englishman as Principal Secretary, Finance Department, Government of India, overlooking the Claims of Indians— Disallowed	2733—34
Election to Standing Committee for Labour Department	2734
Election to Standing Committee for Industries and Supplies Department	2735
Election to Standing Committee for Education Department	2735
Election to Standing Committee for Health Department	2735
Election to Indian Oilseeds Committee	2735—36
Taxation on Income (Investigation Commission) Bill—Extension of Date of Presentation of Report of Select Committee and Appointment of certain new Members to Select Committee	2736—38
Demand for Supplementary Grant for 1946-47	2738—45
Central Excises and Salt (Amendment) Bill—Introduced	2745
Capital Issues (Continuance of Control) Bill—Referred to Select Committee	2745—52
Business Profits Tax Bill—Motion to consider as reported by Select Committee not concluded	2753—72
<b>TUESDAY, 1ST APRIL, 1947.—</b>	
Starred Questions and Answers	2773—89
Message from the Council of State	2789
Election to Standing Committee for Information and Broadcasting Department	2789
Election to Council of the Institute of Science, Bangalore	2789
Election to Standing Committee for Agriculture Department	2790
Commencement of the Meeting of Assembly at 12 Noon on the 2nd April and suspension of Question Hour	2790—91
Report of the Labour Investigation Committee—laid on the table	2791
Rubber (Production and Marketing) Bill—Presentation of Report of Select Committee	2791
Control of Shipping Bill—Presentation of Report of Select Committee	2791
Reserve Bank of India (Second Amendment) Bill—Introduced	2791
Indian Tariff (Amendment) Bill—Introduced	2791
Business Profits Tax Bill—Passed as amended.	2792—2825
Income-Tax and Excess Profits Tax (Amendment) Bill—Discussion on the motion to consider not concluded	2825—32
<b>WEDNESDAY, 2ND APRIL, 1947.—</b>	
Starred Questions and Answers	2833—55
Unstarred Questions and Answers	2856
Election to Standing Committee for External Affairs Department	2856—57
Election to Standing Committee on Commonwealth Relations	2857
Election to Standing Committee of Tuberculosis Association of India	2857
Election to Governing Body of Indian Research Fund Association	2857
Delhi Sikh Gurdwaras and Religious Endowments Bill—Nomination of Members to Joint Committee	2857—58
Indian Railways (Amendment) Bill—Referred to Select Committee	2858—63
Child Marriage Restraint (Amendment) Bill—Circulated	2864—89
Indian Penal Code and the Code of Criminal Procedure (Amendment) Bill—Discussion on the motion to refer to Select Committee not concluded	2889—92
<b>THURSDAY, 3RD APRIL, 1947.—</b>	
Starred Questions and Answers	2893—2934
Unstarred Questions and Answers	2834—39
Short Notice Questions and Answers	2939—40
Election to Central Advisory Council for Railways	2940
Taxation on Income (Investigation Commission) Bill—Appointment of a Member to Select Committee <i>vice</i> another resigned	2940
Indian Railways (Amendment) Bill—Appointment of a Member to Select Committee <i>vice</i> another resigned	2941
Resolution <i>re</i> Release of Indian National Army Prisoners—Withdrawn	2941—59
Resolution <i>re</i> Appointment of a Retrenchment Committee—Discussion not concluded.	2959—75
<b>MONDAY, 7TH APRIL, 1947.—</b>	
Member Sworn	2977
Starred Questions and Answers	2977—94
Motion for Adjournment <i>re</i> Communal Propaganda by Mr. Isphani, Leader of Indian Trade Mission to Middle East—Disallowed	2994—95

	Pages
Election to Standing Committee for Health Department . . . . .	2995
Election to Indian Oilseeds Committee . . . . .	2995
Summary of Proceedings of Ninth Meeting of Standing Labour Committee— Laid on the Table . . . . .	2995
Capital Issues (Continuance of Control) Bill—Presentation of Report of Select Committee . . . . .	2996
Income-Tax and Excess Profits-Tax (Amendment) Bill—Passed as amended . . . . .	2996—3011, 3012—40
Taxation on Income (Investigation Commission) Bill—Presentation of Report of Select Committee . . . . .	3012
<b>TUESDAY, 8TH APRIL, 1947—</b>	
Starred Questions and Answers . . . . .	3041—71
Unstarred Questions and Answers . . . . .	3072
Short Notice Questions and Answers . . . . .	3072—79
✓ Motion for Adjournment <i>re</i> Pulling of the Chain and the Looting of Luggage of Passengers at Hardwagunj Railway Station—Ruled out of Order. . . . .	3079—80
Election of a Member to Central Advisory Council for Railways . . . . .	3080
Rubber (Production and Marketing) Bill—Passed as amended . . . . .	3080—88
Reserve Bank of India (Second Amendment) Bill—Passed . . . . .	3088—3104
Indian Tariff (Amendment) Bill—Passed . . . . .	3104—07
<b>WEDNESDAY, 9TH APRIL, 1947—</b>	
Member Sworn . . . . .	3119
Starred Questions and Answers . . . . .	3119—73
Unstarred Questions and Answers . . . . .	3173—82
Short Notice Question and Answer . . . . .	3183—84
Motion for Adjournment <i>re</i> Impending Danger to Calcutta Port due to suspension of Dredging Operations in the River Hoogly as a result of Strike of Opera- tives—Disallowed . . . . .	3184—86
Notification <i>re</i> Amendment in the Indian Aircraft Rules—laid on the table . . . . .	3186
Election of a Member to Standing Committee for Information and Broadcasting Department . . . . .	3186
Election of a Member to Standing Committee for Commerce Department . . . . .	3187
Election of a Member to Standing Committee for Food Department . . . . .	3187
Antiquities (Export Control) Bill—Introduced . . . . .	3187—88
Control of Shipping Bill—Passed as amended . . . . .	3188—3203
Motor Vehicles (Second Amendment) Bill—Passed as amended . . . . .	3203—15
Indian Coinage (Amendment) Bill—Discussion on the motion to consider not concluded. . . . .	3215—23

# LEGISLATIVE ASSEMBLY

Wednesday, 26th March 1947

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

## STARRED QUESTIONS AND ANSWERS

### (a) ORAL ANSWERS

#### CONSUMPTION OF NEWSPRINT IN INDIA

**1186. \*Mr. Manu Subedar:** (a) Will the Honourable Member for Industries and Supplies please state what was the annual consumption of newsprint in India before the war and what was the consumption in each of the war years?

(b) What was the consumption and import in 1945-46 and how does the consumption and import in 1946-47, compare with it?

(c) Have Government considered the desirability of not permitting special issues of newspapers and magazines?

**Mr. M. P. Pal:** (a) The consumption of newsprint in India before the war and in each of the war years is as follows:

	Tons (approx.)
Prewar annual consumption	35,000
1940	32,000
1941	27,000
1942	18,000
1943	11,000
1944	14,000
1945	23,000

(b) The consumption and import during 1945-46 and 1946-47 are as follows

	Consumption	Imports
	Tons	Tons
1945-46	25,800	23,570
1946-47	27,700	29,000 (approx.)

(c) Permission is granted for special issues on the merits of each case, and provided the newspaper has stocks of its own to use.

**Mr. Manu Subedar:** Are Government making any negotiations for the increased import of newsprint with a view to permit book printing, which is at present in very great shortage, also on newsprint?

**Mr. M. P. Pal:** No special representation as regards the supply of newsprint for books has been made, but the Delegation which toured Europe and Canada last year was asked to secure as much newsprint as it could from the producing countries without specifying what the end uses would be.

**Mr. Yusuf Abdoola Haroon:** May I know from the Honourable Member what effective help the Department is giving in the matter of securing newsprint from outside?

**Mr. M. P. Pai:** Certain allocations have been secured as a result of the tour of this Delegation. The allocations they secured were for the last year, that is 1946. We have subsequently followed up these allocations with correspondence regarding allocations for 1947 and we have kept newspapers societies in touch with the quantities which we know will arrive this year.

**Mr. Manu Subedar:** In view of the fact that certain newspapers are printed on white printing paper which is required for books will Government examine the possibility of releasing a certain limited quantity of newsprint to book publishers who may want to use it for some popular cheap edition?

**Mr. M. P. Pai:** The suggestion will be carefully considered when the supply position warrants it. But it is not correct to say that any large number of newspapers use white printing paper. There is only one newspaper which uses white printing paper and that also only to a certain proportion of its requirements.

**Mr. Manu Subedar:** Is not the Honourable Secretary aware that the *Capital Indian Finance* and many other weekly magazines come out on white printing paper?

**Mr. M. P. Pai:** I was talking of daily newspapers.

**Mr. Manu Subedar:** During the war these newspapers had to rely on newsprint. Now Government have given them permission to use white printing and they are making a depredation on the extremely limited quantity of white printing available for book publication, education, religious and so on. Will Government therefore examine the possibility of giving some of the newsprint also to book publishers?

**Mr. M. P. Pai:** Yes, Sir.

**Mr. Yusuf Abdoola Haroon:** May I know from the Honourable Member when newsprint is available to the Supply Mission in London, how they distribute this newsprint?

**Mr. M. P. Pai:** The Indian Supply Mission in London do not actually distribute any newsprint. They sponsor sales, but the negotiations are directed between the supplier and the user at this end. The Supply Mission do not make any allocations.

**Mr. Tamizuddin Khan:** May I know what are the countries from which newsprint has been imported in the current year?

**Mr. M. P. Pai:** We have secured supplies from Canada, Newfoundland, Norway, Sweden, Finland, Russia, Austria and a small quantity from Italy.

**Prof. N. G. Ranga:** What steps are being taken to produce newsprint in our country with a view to minimise our dependence on foreign countries for our newsprint requirements?

**Mr. M. P. Pai:** Two companies have been formed for the manufacture of newsprint. One of these expects to go into production at the end of 1948. The other has just gone into formation. The Government of India are themselves investigating into the possibility of producing pulp in the Andamans for the production of newsprint. The controlling factor is the price of the pulp. There is no technical difficulty in producing newsprint. But pulp must be available round about 5 annas a cubic foot.

**Seth Govind Das:** Is it a fact that Russia is willing to send us more newsprint if an order is placed with that country at an early date?

**Mr. M. P. Pai:** No, Sir.

#### STEPS FOR INCREASED PRODUCTION OF PAPER IN INDIA

1187. \***Mr. Manu Subedar:** (a) Will the Honourable Member for Industries and Supplies please state the steps that Government have taken to increase the production of paper in India?

(b) Is it a fact that production is less in 1946-47 than it was in 1945-46?

(c) If so, what are the causes therefor?

(d) How much paper, excluding newsprint has been imported during the year 1946-47?

**Mr. M. P. Pai:** (a) Honourable Member's attention is invited to the reply given to part (e) of his starred question No. 489 in this House on the 22nd February 1946. I may add that some of the existing Paper Mills have development projects in hand and necessary machinery and plants have been ordered by them from abroad. The Examiner of Capital Issues has also approved of the floatation of certain new companies for setting up more Paper Mills. If these projects materialise in the course of the next few years the production of paper in India will increase considerably.

(b) Yes. The production of paper in 1946-47 has been slightly lower than during the corresponding period of 1945-46 as will be seen from the following figures:

Year	Production of paper including Kraft and board other than strawboard and millboard
	Tons
1945-46 (9 months April to December 1945)	81,200
1946-47 (9 months April to December 1946)	79,600

(c) This slight reduction is due to (i) labour unrest and strikes; (ii) dislocation caused by the disturbances in Bengal during August and September 1946; and (iii) short supplies of coal to the paper industry due to transport difficulties.

(d) The imports of paper other than newsprint amounted to 24,975 tons in the year 1945 and 27,160 tons in 1946 on the basis of the actuals of the first nine months of that year. Figures for later months are not yet available.

#### PROJECT FOR MANUFACTURE OF PAPER PULP IN INDIA

1188. **\*Mr. Manu Subedar:** (a) Will the Honourable Member for Industries and Supplies please state if there are any projects for the manufacture of paper pulp in India on a large scale?

(b) If so, where are they and when are they expected to come into operation?

**Mr. M. P. Pai:** (a) and (b). Most of the Paper Mills in India manufacture pulp for their own use from bamboo and grass. Some of them, notably the Sirpur Paper Mill in Hyderabad State, are planning to produce larger quantities of pulp primarily for expanding their own production of paper. The Sirpur Mill's project is expected to materialise by the end of 1948.

Government have no information regarding projects for the manufacture of pulp for sale to other manufacturers of paper.

**Seth Govind Das:** Out of the new mills which are going to be established in India, how many of them are going to fix up plants for preparing newsprint particularly?

**Mr. M. P. Pai:** Two mills are going into the production of newsprint alone.

**Seth Govind Das:** And out of the remaining mills, is there going to be mixed production of newsprint and other paper?

**Mr. M. P. Pai:** Not so far as I know. So far as we are aware, the other mills will only produce paper for printing and writing.



**Mr. Yusuf Abdoola Haroon:** Will the Sirpur Paper Mill produce newsprint by the end of 1948?

**Mr. M. P. Pai:** That is what we have been told.

**Prof. N. G. Ranga:** May I know what steps are being taken to encourage the production of handmade paper?

**Mr. M. P. Pai:** Handmade paper is largely a cottage industry lying within the province of the Provincial Governments.

**Prof. N. G. Ranga:** Is it not the function of the Central Government to encourage these cottage industries, particularly handmade paper, in view of the fact that India is so much dependent upon foreign mill paper, both newsprint and other varieties?

**Mr. M. P. Pai:** The Central Government has not the machinery for taking an active interest in cottage industries.

**Prof. N. G. Ranga:** May I know what sort of assistance is given to these Provincial Governments to encourage them to promote the manufacture of handmade paper?

**Mr. M. P. Pai:** So far as I am aware, no assistance has been asked for.

**Mr. Vadilal Lalubhai:** Is the matter of encouraging small scale industries within the province of the Central Government?

**Mr. M. P. Pai:** Very largely, yes.

**Mr. Manu Subedar:** Having regard to the reduced production in 1946-47 and having regard to the increase in Government's consumption of ten thousand tons which has made a very heavy hole in the amount available to the civil population, will Government make some special efforts to import the quantity which they require and to leave free for the civil population whatever small quantity is available here?

**Mr. M. P. Pai:** As against two thousand tons programmed for imports last year, Government propose to import between ten and twelve thousand tons this year.

**Prof. N. G. Ranga:** Will Government themselves consider the advisability of taking the initiative and preparing a scheme for the development of the manufacture of handmade paper and invite the co-operation of the Provincial Governments, so that there can be an all-India development of this industry?

**Mr. President:** I believe he has already said that the initiative lies with the Provincial Governments.

**Prof. N. G. Ranga:** I suggest that the Government of India should take the initiative.

**Pandit Balkrishna Sharma:** May I know the total amount of paper which is annually consumed in the country, both newsprint as well as white paper?

**Mr. M. P. Pai:** It can only be a guess made on pre-war consumption and what we think is the increase in literacy, in political movements and so forth. On a rough guess, I think India today could easily consume something like 60 thousand tons of newsprint and about 120 thousand tons of white printing paper.

**Seth Govind Das:** Will Government see, so far as the Central Government is concerned, that for their own requirements they get this handmade paper prepared by the Centrally administered areas.

**Mr. M. P. Pai:** It is rather difficult to use handmade paper for Government purposes unless it is for demi-official communications, because we must have that paper in certain sizes and in large quantities of each size.

**Mr. Sasanka Sekhar Sanyal:** Is there any information as to what are the places where handmade paper is actually produced?

**Mr. M. P. Pai:** Handmade paper is made all over the country. There are very many centres where handmade paper is made in large quantities. It is made in various sizes which Government cannot very easily make use of.

**Mr. Manu Subedar:** Have Government examined the suggestion which I have made in this House that the import duty on paper of the quality which is being produced in India may be suspended for the next year in order to procure such minimum quantities of printing paper as may be available in foreign countries?

**Mr. M. P. Pai:** I have answered that question some time previously in the House. Government have no reason to believe that the removal of the import duties will lead to increased imports. So far as our information goes, most manufacturing countries allocate their production to various markets and India has a certain quota which will neither go up nor down according to our tariff policy.

**Mr. Manu Subedar:** Are Government aware that books printed in the United Kingdom and elsewhere come here free of duty and this has induced many people to print their books there and will they try to equalise the advantage and disadvantage between the local printer and publisher and the foreign printer and publisher?

**Mr. M. P. Pai:** The suggestion will be considered.

**Prof. N. G. Ranga:** Are Government aware that the Assembly Department is using handmade paper in certain specified sizes and everybody is satisfied with that paper and one can write much more rapidly over that paper as against the paper that you supply?

**Mr. President:** The Honourable Member is referring to the stationery supplied to members. That is only a fraction.

**Prof. N. G. Ranga:** If proper encouragement is given, similar satisfactory paper can be supplied to Government in various sizes.

**Mr. President:** This question has been sufficiently discussed. Next question.

#### PANEL FOR CONSIDERING THE DEVELOPMENT WITH REGARD TO PAPER

1189. **\*Mr. Manu Subedar:** (a) Will the Honourable Member for Industries and Supplies please state whether there was a panel for considering the future development with regard to paper and if so, whether it has reported?

(b) If so, do Government propose to place a copy of the report on the table of the House?

(c) What steps are Government taking to meet the increased demand for paper on account of (i) increase in population, and (ii) extension of education?

**Mr. M. P. Pai:** (a) Yes, a Panel was constituted to enquire into the possibilities of post-war development of paper, board, pulp and chemical cotton industries and advise Government in the matter. The Panel has submitted its report which will be published shortly.

(b) I lay on the table a cyclostyled copy of the report† as printed copies have not yet been received.

(c) The Honourable Member's attention is invited to the reply given to Part (e) of his Starred Question No. 439 in this House on the 22nd February 1946 and also to the reply to his earlier question No. 1187 today.

**Mr. Vadilal Lallubhai:** What were the conditions regarding handmade paper?

**Mr. M. P. Pai:** I want notice.

†Not printed in these Debates. A copy placed in the Library of the House.—*Ed. of D.*

## COST OF PRODUCTION OF PAPER IN INDIA

**1190. \*Mr. Manu Subedar:** (a) Will the Honourable Member for Industries and Supplies please state how does the cost of production of paper in India compare with the cost of production abroad?

(b) How do Government propose to get the cost of production in India reduced?

(c) Have Government had this question under examination and, if so, by whom?

(d) Are Government in a position to state their policy on this subject?

**Mr. M. P. Pai:** (a) It is not possible for me to give accurate information regarding the present day cost of production of paper in India or abroad. Efforts made to collect necessary information in respect of the cost of production of paper abroad through our representatives in the U. K. and the U. S. A. have not yielded any fruitful results as the authorities concerned are unwilling to divulge the information owing to its confidential character.

(b) and (c). Government have been encouraging increased production and thereby reducing costs. The measures taken by them in this direction include:

- (1) A review every month of the allocation of coal to Paper Mills and provision of transport facilities for moving essential raw materials to them;
- (2) A prohibition of the export of rags and other paper making materials so as to keep down the prices of raw materials;
- (3) Assistance is given to Paper Mills in securing raw materials and chemicals and in importing essential machinery;
- (4) Inspection of Paper Mills by the expert staff of the D. G., I & S., who give the mills advice on production problems;
- (5) Restrictions of production to certain specified varieties of paper so as to secure the maximum production.

(d) Government's policy is to secure the maximum production of paper at the minimum cost. They have succeeded in the gradual reduction of paper prices and the extent to which they have succeeded will be seen from the following figures of prices of bleached printing paper which is the basic variety:

	Price per lb.		
	Rs.	As.	Ps.
Year immediately preceding the war . . . . .	0	3	4
1943 . . . . .	0	8	0
1944 . . . . .	0	8	0
1945 . . . . .	0	8	0
1946 { January—May . . . . .	0	7	10½
{ June—December. . . . .	0	7	5
1947 . . . . .	0	7	5

**Mr. Manu Subedar:** In the recent Tariff Board inquiry on paper have not the relative costs between Indian production and the production abroad come out, and if they have come out, will not the Government consider the question of reducing the prices of paper for the consumer in this country?

**Mr. M. P. Pai:** The Tariff Board has only made more or less a guess as to what the cost of production abroad is likely to be. That cost is substantially higher than the cost of production of paper in India. It can by no means help us as to what the fair price of Indian paper will be.

**Mr. Vadilal Lalubhai:** In view of the fact that the foreigners are not prepared to divulge their secrets may I know what the Government of India are doing in regard to research so that we may be able to reduce the price of paper?

**Mr. M. P. Pai:** The Forest Research Institute at Dehra Dun has done considerable research work on paper. Besides that and besides the work which is done in the mills, there is no other means by which Government can attempt to reach such economy as is suggested.

**Mr. Vadilal Lallubhai:** May I know the result of the researches made at the Dehra Dun Institute and whether they have helped to decrease the price of paper?

**Mr. M. P. Pai:** It is rather a theoretical research which the Mills must put to practical use.

**Mr. Vadilal Lallubhai:** Will Government see to it that our research is not only in theory but it is devised in such a way that it will be able to reduce our production cost on all sides?

**Sri V. C. Vellingiri Gounder:** Considering the amount of waste-paper that is not made use of and which can be used as raw material for the production of paper, will Government take steps to see that it is not wasted?

**Mr. M. P. Pai:** Waste-paper is one of the most valuable sources of raw material for the mills and as much of it as is possible is being collected by them.

**Sri V. C. Vellingiri Gounder:** But we see every day a large quantity of waste paper being burnt?

**Mr. President:** It is more or less a question of opinion. He has already stated that it is for the manufacturers to put the theoretical results to practical test.

**Mr. Yusuf Abdoola Haroon:** May I know whether the Government are trying to collect this information from the local industries in India because I believe Sirpur representatives at least had gone to foreign countries to study the production of newsprint and its cost? Have the Government tried to collect this information from them?

**Mr. M. P. Pai:** It is true that not only the Sirpur Mills' representatives but the representatives of other mills have also gone abroad to study the production of paper in western countries, but I do not see how can the Government ask them to produce this information or pass it on to the other producers of paper here.

**Mr. Manu Subedar:** I am not clear from what the Honourable Member said. In the first part he said that people in Europe and elsewhere will not disclose their costs and then later on he said that the foreign costs are believed to be higher than the Indian production costs. May I ask the Honourable Secretary to give this House information on this subject after some inquiry as to whether foreign costs are not very much lower than the cost of production in India and if Indian costs are higher what can be done to bring them down?

**Mr. M. P. Pai:** We have no means of finding out what the actual costs are. We can only guess them from the selling prices in the countries of production.

**Seth Govind Das:** Are Government aware that waste paper, about which the Honourable Secretary just said that it is most useful for making paper, is the best raw material for hand-made paper and it is being freely used in the mills? Under these circumstances, will Government see that this waste paper is used for hand-made paper and that some such industry is established in the Centrally administered areas where hand-made paper could be made of this waste paper?

**Mr. M. P. Pai:** The suggestion will be considered.

**Mr. Yusuf Abdoola Haroon:** Is it not a fact that the Government do send for the costs of sugar factories and similar other factories in order to know their cost of production? If so, why should not the Government ask for the cost of production from the paper mills?

**Mr. M. P. Pai:** Investigations have been made to ascertain the cost of production of paper but it has not been possible to arrive at an accurate figure. We have examined the papers of paper mills but it is not possible to arrive at an accurate figure thus.

**Shri Mohan Lal Saksena:** May I know if any research work is being done in the manufacture of hand-made paper at the Dehra Dun Institute?

**Mr. M. P. Pai:** I could not tell you that off-hand.

#### PROPOSED CHANGE IN CEILING PRICE OF PAPER

1191. **\*Mr. Ahmed E. H. Jaffer:** Will the Honourable Member for Industries and Supplies be pleased to state:

(a) whether it is a fact that the ceiling price of cotton is proposed to be changed in the near future; if so, how and for what reasons; and

(b) the steps that are being taken by Government to safeguard the interests of cotton growers?

**Mr. M. P. Pai:** (a) and (b). Government have fixed floor prices in order to ensure a reasonable return to cotton growers, and have undertaken to purchase cotton if prices go down to the floors fixed. These floor prices were increased by roughly 23 per cent. in October 1946. The Honourable Member is aware that the Commodities Prices Board is in possession of the subject and any discussion on the floor of the House through interpellations will encourage speculation and do no good to growers.

**Mr. Ahmed E. H. Jaffer:** Are Government aware of the fact that the mill-owners are not buying cotton even at the floor prices and what steps do Government propose to take to see that the price of cotton does not go down further?

**Mr. President:** The Honourable Member has already replied to that. He has said that Government are prepared to purchase cotton at that price.

**Mr. Ahmed E. H. Jaffer:** May I know what arrangements Government have made to make available suitable godowns for stocking this cotton because the fact is that Government have no godowns to stock this cotton?

**Mr. President:** It is more or less giving information.

**Mr. Ahmed E. H. Jaffer:** What arrangements have Government made to make available suitable godowns if Government is going to buy this cotton?

**Mr. M. P. Pai:** Government have no permanent godowns of their own, but they have arranged with various dealers who do the buying for Government to stock it if they are ever called upon to buy cotton at floor prices. In fact, in 1945 Government purchased no less than 2½ lakhs of bales at the floor prices.

**Mr. Ahmed E. H. Jaffer:** In view of the fact that thousands of bales are lying idle in India, may I know what steps Government are taking for their export outside India?

**Mr. President:** I do not think that question arises.

**Prof. N. G. Ranga:** Will Government inquire whether it is a fact that the merchants today are not purchasing cotton at the floor prices and whether it is also a fact that Government at present are not purchasing at floor prices?

**Mr. M. P. Pai:** Government had only one offer of cotton at the floor price, which consisted of a lot of about 2,000 bales. This happened about six weeks ago, but before that offer could be accepted, it was withdrawn.

**Mr. Yusuf Abdoola Haroon:** In order to safeguard the interests of the cotton grower, is it not necessary to allow some export of this cotton in order to encourage the mills in India to buy the stock?

**Mr. M. P. Pai:** The mills carry very heavy stocks. In fact, we went into the position last month and found that most of the mills had as much as six

months stock. Nevertheless, there is a substantial export and quotas have been fixed for the year. I do not think there is any reason to suppose that prices have become depressed purely on account of the export quota being what it is.

**Mr. Yusuf Abdoola Haroon:** The interests of the industry should not be safeguarded at the cost of the agriculturist. Because the mills have got a stock of six months, there is no reason why they should not buy more and the prices of cotton should be allowed to go down.

**Mr. President:** That is a matter of argument.

**Mr. Tamizuddin Khan:** Has the Government purchased any quantity of cotton this year; and, if so, how much?

**Mr. M. P. Pai:** There was only one offer which was withdrawn before it could be accepted.

**Pandit Balkrishna Sharma:** Is there any agency to put down the throat of millowners excess cotton that might be left in the market?

**Prof. N. G. Ranga:** May I ask whether Government will consider the advisability of increasing the export quota for Indian cotton in view of the fact that millowners are not able to purchase any more from the stocks already held and there is no market for so much surplus cotton in India?

**Mr. M. P. Pai:** This question should be addressed to the Honourable the Commerce Member.

#### POLICY *re* NATIONALISATION OF CIVIL AVIATION IN INDIA

1192. **\*Mr. Ahmed E. H. Jaffer:** Will the Secretary of the Communications Department be pleased to state whether Government propose to make a statement on their policy regarding the nationalisation of civil aviation in India?

**Mr. Masarrat Husain Zuberi:** The question of nationalisation of air transport in India is still under the consideration of the Government and I am, therefore, unable to make any statement at present.

#### SUPPLY OF FOOD STUFFS FROM RUSSIA.

1193. **\*Mr. Ahmed E. H. Jaffer:** (a) Will the Secretary of the Food Department, be pleased to state what efforts Government have made to find out whether Russia could supply food stuffs to India?

(b) Has any Mission gone from India to Russia to negotiate this and to establish economic relations with that country?

(c) Have Government made any effort to negotiate barter agreements with the Governments of China, Persia, Afghanistan, Iraq, the Republics of Indonesia, Argentina and Siam and if so with what result?

**Mr. K. L. Panjabi:** (a) and (b). An approach was made to the Soviet Government through their Trade Agent in India and through a special Envoy but owing to drought in a number of important agricultural Districts of the U.S.S.R., the Soviet Government expressed their inability to send any cereals to India.

(c) China and Afghanistan are not exporting countries. As regards the other countries mentioned by the Honourable Member his attention is invited to the Memorandum on Food Situation circulated to Members of the House at the commencement of the current session.

#### HIGHER CLASS ACCOMMODATION ON DELHI EXPRESS BETWEEN BOMBAY AND DELHI

1194. **\*Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable Member for Railways be pleased to state the number of first and second class coaches attached to the Delhi Express running between Bombay and Delhi?

(b) Are Government aware that there is a great rush at intermediate stations like Dohad, Ratlam, Baroda etc., and that the compartments are overcrowded and the passengers have to sleep on the floor of the compartments?

(c) Do Government propose to take steps to have additional higher class coaches attached to this train?

(d) Are Government aware that there is no air-conditioned coach on this train?

(e) Are Government aware that there is no dining car (for English food) attached to this train?

(f) Do Government propose to take steps to have these provided?

**The Honourable Dr. John Matthai:** (a) One 1st and 2nd class composite bogie between Bombay and Delhi and one 2nd and 3rd class composite bogie between Bombay and Ratlam.

(b) Enquiries made by the Railway Administration show that such is not generally the case but, occasionally there are more passengers than sleeping accommodation is available for as opposed to seating accommodation.

(c) This has already engaged the attention of the Railway Administration and the matter is receiving consideration.

(d) No air-conditioned coaches are provided on these trains. For those who desire to travel in air-conditioned coaches between Bombay and Delhi the service is available on the Frontier Mail trains which are faster services and follow the same route as the Express trains.

(e) Yes. But these trains are timed to arrive at meal times at stations where European style Refreshment Rooms exist for service.

(f) The Honourable Member is referred to the replies given to (c), (d) and (e) above.

**Mr. Vadilal Lalubhai:** Are Government aware that Baroda station is a very small station? Is it a fact that a large number of trains pass at night through the Baroda station and that the space in the platform is so small that passengers are not able to get themselves accommodated on the platform or in the waiting rooms and in view of this fact will the Government consider the desirability of enlarging that station which is now too small for the traffic?

**Mr. President:** That question does not arise out of this question. The present question relates to running of trains and not to stations?

**Mr. Ahmed E. H. Jaffer:** With reference to part (e), in view of the fact that the trains always run four or five hours late, what is the position of passengers who cannot reach the stations where refreshment rooms are provided and are they to go on hunger strike?

**The Honourable Dr. John Matthai:** We try to adjust the situation as far as possible to the present day conditions of traffic.

#### INTRODUCTION OF "SCOOTER" TO MEET MOTOR CAR AND PETROL SHORTAGE

1195. **\*Sri V. C. Vellingiri Gounder:** (a) Will the Honourable Member for Industries and Supplies be pleased to state whether the attention of Government has been drawn to a scooter, an account of which appears on page 12 in the *Times of India Illustrated Weekly*, dated 27th October 1946?

(b) Do Government propose to make enquiries about it with a view to introducing similar machinery in India to meet motor car and petrol shortage?

**Mr. M. P. Pai:** (a) Yes.

(b) Import of such vehicles is freely allowed. The feasibility of indigenous manufacture will be examined.

**Sri V. C. Vellingiri Gounder:** On the question of allowing imports, why should not Government get some samples?

**Mr. M. P. Pai:** Similar scooters are available in this country. I have seen many myself on the roads. I do not think there is any need for Government to import this Japanese model.

**Sri V. G. Vellingiri Gounder:** Is it a power scooter on the model of what is found in that magazine?

**Mr. M. P. Pai:** On the same idea.

**Sri V. C. Vellingiri Gounder:** I want on the same model.

**DAMAGE TO FOOD CROPS IN MADRAS AND C. P. FROM HEAVY RAINS**

**1196. \*Seth Govind Das:** Will the Secretary of the Food Department be pleased to state:

(a) to what extent the recent heavy rains in certain parts of the Madras Province and in the northern parts of the Central Provinces have damaged the food crops; and

(b) what are the repercussions on the food position of the Provinces concerned and the country as a whole?

**Mr. K. L. Panjabi:** (a) Heavy rains in December caused some damage to the rice crop in certain parts of Madras. In Northern C.P., the standing rice and jowar crops which were already poor suffered some further damage but these crops are not so important in this region. It was to wheat that this rain caused serious damage. Some of the land had to be resown, and even then the area is likely to be less by 10 to 15 per cent. The damage from this rain was followed by a most severe attack of rust and the wheat crop in the C. P. is not expected to yield more than 4 annas in the rupee.

(b) On the whole the Madras rice crop has been good and certainly very much better than the poor crop of last year. The damage in the C. P. has been very serious and this Province which is normally surplus except for some quantities of wheat, will now need considerable assistance from supplies from the Centre for some months. It will be difficult to meet the wheat needs of this Province with wheat but substitute coarse grains will be available.

**Seth Govind Das:** Are Government aware that as far as the northern parts of C. P. are concerned, it is not expected that the cultivators will have even sufficient seeds for the next season and under these circumstances, what arrangements are Government of India making for giving sufficient seeds to C. P. Government?

**Sir Pheroze Kharegat:** Government are aware of the fact that a great part of wheat crop in the northern parts of the C. P. has been destroyed and that there is likely to be an acute shortage of wheat seed for the next season. Steps are therefore being taken in order to obtain suitable seed from other parts of the country, such as the Bundelkand area and southern Behar, which will be suitable for C. P. conditions and steps are being taken to purchase such seeds and make them available to the C. P.

**Seth Govind Das:** Are Government aware that in that part of the province, there is generally a complaint of rust because there is untimely rain generally there in December and January? Will Government see that the seed that is supplied to that part of the country is of such quality which though not absolutely rust proof is at least some rust proof?

**Sir Pheroze Kharegat:** Yes, Sir. There is no known wheat at present which is absolutely rust proof. Attempts are being made to supply that area with seed of I. P. 52 and such other varieties which are relatively less susceptible to rust.

**Mr. Sasanka Sekhar Sanyal:** May I know whether the Government will take into consideration the question of crop insurance, particularly after the matter came up for discussion on a Resolution on the floor of the House?

**Sir Pheroze Kharegat:** Yes, Sir. The matter was discussed at great length by this House and an assurance was then given that efforts would be made to see that we would work out some suitable system of insurance and steps are being taken in that direction.



**Seth Govind Das:** Can it be expected that by the next harvest some sort of crop insurance we shall have, so that if next year also the same set of circumstances prevail, then at least the cultivators would be helped to some extent.

**Sir Pheroze Kharegat:** I am afraid I can give no assurance that a scheme of crop insurance can really be brought into effect before next year.

**Mr. Sasanka Sekhar Sanyal:** What are the actual steps that are being taken by Government after the matter was discussed on the floor of the House and before today?

**Sir Pheroze Kharegat:** The step that has been taken is to try to obtain an officer who is an expert in such matters and who would work out a detailed scheme of crop insurance which will then be considered further.

**Seth Govind Das:** Are Government aware that in the State of Dewas (Junior) some sort of crop insurance is in existence and will Government call for statistics from that State and see how the crop insurance is going on in that small State?

**Sir Pheroze Kharegat:** Certainly.

**Prof. N. G. Ranga:** What reliefs and what encouragement are being given to peasants who had suffered seriously owing to floods in Madras Presidency, especially Katpadi area where large acres of land have been inundated and covered up? The peasants there have been asking for assistance from Government for the supply of bull dozers and have Government supplied the same?

**Sir Pheroze Kharegat:** I have no information on that point. But it is primarily the concern of the Madras Government. If they need any assistance in the shape of bull dozers or any other things, I am sure they will apply to us and we will do our best and render them all the help we can.

#### PERMITS FOR PUBLICATION OF NEW DAILIES AND WEEKLIES DURING 1946

**1197. \*Seth Govind Das:** Will the Honourable Member for Industries and Supplies be pleased to state:

(a) the number of permits that were given for publication of new dailies and weeklies during the year 1946;

(b) the number of permits that were actually availed of;

(c) the principle followed by Government in the issue of these permits; and

(d) whether the number of sanctioned permits is consistent with the paper situation in India at present?

**Mr. M. P. Pai:** (a) The total number of newspapers and periodicals permitted to start or restart publication during the year 1946 was 36 dailies and 125 weeklies. These included 30 dailies and 24 weeklies permitted on newsprint.

(b) So far as Government are aware, out of 30 dailies and 24 weeklies permitted to come out on newsprint, 13 dailies and 14 weeklies started publication before the end of the year 1946. It is understood that preliminary arrangements in respect of the others had not been completed before the close of the year. No information is, however, available as to how many of the journals that were permitted to be brought out on paper other than newsprint had actually commenced publication as unlike newsprint the Central Government do not issue permits for the purchase of such paper.

(c) In view of the shortage of paper permission to start a new newspaper or periodical has in the past been given only in exceptional cases, e.g., if it represents views of an important political party or group or advocates policy which is not already represented in adequate measure or is otherwise likely to serve a useful purpose.

(d) So far as newsprint is concerned, permission was granted to the newspapers in question when the supply position was not acute. As the Honourable Member is no doubt aware, it has already been decided to relax the control on the

acquisition and consumption of newsprint with effect from the 1st April 1947 from which date there will be no restriction on the starting of dailies, weeklies and monthlies on newsprint.

Supply position of paper other than newsprint is not quite satisfactory and permission for publication of journals on paper other than newsprint is therefore being granted sparingly.

**LATE RUNNING OF PURI-HOWRAH PASSENGER ON 18TH NOVEMBER DUE TO OBJECTION BY GUARD TO FLYING OF CONGRESS FLAG FROM BOGIE**

**1198. \*Seth Govind Das:** (a) Will the Honourable Member for Railways please state whether Government are aware that the 5 Down Puri-Howrah Passenger Train carrying Congress delegates to the Meerut Session was delayed for more than 40 minutes at Khurda Road (Bengal Nagpur Railway) on the 18th November last, following an objection by the Guard of the train, to the flying of a Congress flag from the window of a compartment of the special bogie in which Congress delegates were travelling?

(b) If so, what action was taken by the authorities in the matter?

**The Honourable Dr. John Matthai:** (a) and (b). The train in question was detained for 17 minutes, and not 40 minutes as alleged, owing to the guard objecting to the flag being flown from the window of the carriage in which the delegates were travelling, as he contended that it was likely to be mistaken by the driver for a red or green signal flag. The railway authorities, however, consider that, whatever justification there may have been for the guard's contention, he should have used his discretion and should not have detained the train on this account. The guard has been severely warned for detaining the train under such circumstances.

**Seth Govind Das:** Are Government aware that there can be no confusion as the tri-colour flag of the Congress does not contain the red colour but saffron and green and that the explanation given by the guard was only a pretext?

**Mr. President:** Order, order; I think this is a matter of opinion and argument. What is the information that the Honourable Member wants?

**Seth Govind Das:** Was the guard's explanation considered by Government to be satisfactory?

**Mr. President:** The reply has been given that he was reprimanded. The matter ends there. Next question.

**ROAD RESEARCH STATION IN DELHI**

**1199. \*Pandit Sri Krishna Dutt Paliwal:** Will the Honourable Member for Transport be pleased to state:

(a) whether Government have decided to establish a Road Research Station in Delhi;

(b) the details of the estimated initial expenditure for the establishment of the station; and

(c) whether plans for cheap and durable rural roads will also be considered there?

**The Honourable Dr. John Matthai:** (a) Yes, but the location in Delhi has not been finally decided.

(b) The initial expenditure is estimated at eleven lakhs of rupees, out of which, three lakhs will be spent on buildings and the rest on equipment.

(c) Yes.

## SHIFTING OF DACCA HEAD POST OFFICE TO OTHER LOCALITY

**1200. \*Mr. Tamiruddin Khan:** Will the Secretary of the Communications Department be pleased to state:

(a) whether Government are aware that the Dacca Head Post Office is situated in a locality inhabited almost exclusively by people belonging to one community;

(b) whether Government are aware (i) that communal disturbances are very frequent in the city, (ii) that during the worst days of the recent disturbances in the city members of the staff belonging to other communities could not go to the office, and (iii) that members of the public belonging to these other communities were deprived of certain postal facilities for not being able to go to the post office; and

(c) if the answers to parts (a) and (b) above are in the affirmative whether Government propose to consider the desirability of shifting the Head Post Office to a place safely accessible to people belonging to all the communities?

**Mr. Masarrat Husain Zuberi:** (a) Yes.

(b) (i) Unfortunately there have been several communal disturbances in Dacca.

(ii) During the worst days of disturbances members of staff belonging to both communities living at a distance from the post office and who had to pass through areas inhabited by other communities were not able to attend the office.

(iii) During the period of serious disturbances, work at the post office counters remained suspended and members of the public of both communities did not feel it safe to leave their residences.

(c) The suggestion will be examined.

**Mr. K. O. Neogy:** In connection with the reply to the last part of the question, will the position of each post office in all the areas where communal disturbances have taken place be examined from this particular point of view, and if necessary separate post offices for Muslims and non-Muslims set up in each such area?

**Mr. Masarrat Husain Zuberi:** I am afraid it would not be humanly possible to examine the position of each and every post office, but if the Honourable Member will bring forward any other particular case I will examine it.

**Mr. K. O. Neogy:** I want to know whether Government are going to pursue the matter as a matter of general policy or only on the basis of individual complaints that may be brought forward?

**Mr. Masarrat Husain Zuberi:** It depends on circumstances. It so happens that Dacca has been a very bad case of disturbed area and there have been serious complaints.

**Prof. N. G. Ranga:** What is the policy of Government in such cases? After all these communal disturbances are not confined to Dacca alone but they take place frequently in other places also.

**Mr. President:** The question will be hypothetical.

**Prof. N. G. Ranga:** Have Government any policy in regard to locating their post offices?

**Mr. President:** That has been already replied to.

**Prof. N. G. Ranga:** Only in regard to one place.

**Mr. Masarrat Husain Zuberi:** I said that if any similar case of a disturbed area is brought to my notice, I shall be prepared to examine it. The policy of the Government is to examine each case brought forward on its merits.

**Prof. N. G. Ranga:** In view of these disturbances occurring in several places have Government any policy about locating the post offices?

**Mr. President:** He said there is no policy; individual cases will be examined.

**Mr. K. O. Neogy:** Is it not a fact that in very many other post offices in some of the disturbed areas the staff found it difficult to attend their offices, to whichever community they may have belonged, and that the public at large also found it difficult to avail themselves of the facilities of these post offices?

**Mr. Masarrat Husain Zuberi:** That is unfortunately true. The question was not about the location of the post office but whether it could be shifted to a safer place. I have not said that it will be shifted but that I am prepared to examine the question.

#### ABSENCE OF WIRELESS SET IN AEROPLANE FLYING BETWEEN DELHI AND LUCKNOW

†1201. \***Maharajkumar Dr. Sir Vijaya Ananda:** Will the Secretary of the Communications Department be pleased to state:

(a) why there is no wireless set on the plane that flies between Delhi and Lucknow;

(b) whether it is a fact that during the last Budget Session, 1946 this question was brought up with great force owing to the sad death of Mr. Ramachandra Rao, who was piloting a plane similar to the one that now flies between Delhi and Lucknow; and

(c) the reason for not providing this plane with a wireless set while other planes are provided with wireless sets?

**Mr. Masarrat Husain Zuberi:** (a) and (c). Carriage of wireless set is obligatory only in air-craft the carrying capacity of which is not less than ten persons including the crew, engaged on international air navigation or regular air transport services in British India. As the aircraft which operate on the Delhi-Lucknow route are normally Dominie type, the carrying capacity of which is less than ten persons including the crew, they are not required to carry wireless sets.

(b) Yes.

#### CONTRACT FOR CASH AND PAYMENT WORK ON N. W. RAILWAY

†1202. \***Mr. Muhammad Rahmat-Ullah:** Will the Honourable Member for Railways be pleased to state:

(a) whether it is a fact that the contract for cash and payment work on Oudh and Tirhut Railway was terminated during the war and that the work is being carried out departmentally; and

(b) if the reply to part (a) above be in the affirmative, the special reasons why similar action is not possible in the case of the cash contractor of the North Western Railway?

**The Honourable Dr. John Matthai:** (a) Yes.

(b) The contracts with the O. T. Railway treasurers were terminated because their services were considered unsatisfactory and uneconomical. On the North Western Railway the contract system has worked both satisfactorily and economically and no change has been considered necessary so far, though the House will recall that I recently stated that this is a matter which will be reviewed from time to time.

---

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

## FACILITIES FOR PASSENGERS AT KACHLA BRIDGE STATION ON O. T. RAILWAY

1203. \*Pandit Sri Krishna Dutt Paliwal: Will the Honourable Member for Railways please state:

(a) whether Government are aware that the Kachla Bridge Station on the Oudh and Tirhut Railway is a very important one where not only during important *melas* but also on every *Purnamasi* day people detain in thousands to bathe in the Ganges;

(b) whether Government are aware that the station platform is too narrow to accommodate such large multitudes and that arrangements for shelter from the sun are not adequate;

(c) whether Government are aware that the waiting rooms are insufficient in number and that there is no proper arrangement to accommodate ladies at the station;

(d) whether Government are aware that there are neither arrangements for despatch of parcels, nor for sending telegraphic or telephonic messages; and

(e) the steps that Government propose to take to provide the above facilities?

**The Honourable Dr. John Matthai:** (a) Kachla Bridge Station is a Halt and is only of importance during *melas*.

(b) The platform is admittedly small. It is scheduled to be increased in width and extended by 200 ft. in length in the Postwar Reconstruction Programme.

(c) The permanent General Waiting Shed is sufficient for normal traffic. The necessity for provision of temporary sheds to meet *mela* requirements will be investigated. There is already a ladies waiting room.

(d) The station is open for the booking of all coaching traffic including parcels, but is a non-telegraphic station.

(e) The steps Government intend to take are indicated under (b) and (c) above.

**Mr. Vadilal Lalubhai:** With regard to parts (b) and (c), will the Honourable Member look to the difficulties of passengers at Baroda station?

**Mr. President:** The question relates not to Baroda but to another station.

COST OF OIL USED AND COST OF MANUFACTURE OF VANASPATI AND HYDROGENATED OIL, PER POUND

1204. \*Pundit Thakur Das Bhargava: Will the Secretary of the Food Department please state the respective prices (retail as well as wholesale) of (i) One lb. (pound) of oils used for manufacture of hydrogenated Vanaspati product; and (ii) One lb. (pound) of Vanaspati (hydrogenated oil) as well as the cost of manufacture per pound of Vanaspati?

**Mr. K. L. Panjabi:** (i) Since the decontrol of oil, prices of groundnut oil, which is the oil commonly used in the manufacture of vanaspati, have shown great variation. Just before the control was lifted, the weighted average wholesale price of oil was 8 annas and 10·2 pies per lb.

(ii) The prices of vanaspati are fixed separately for each zone. The All India average ex-factory price is 11 annas 10½ pies per lb. This includes cost of manufacture at 1 anna and 2 pies per lb., and other charges such as cost of packing, transport and the excise duty. A copy of the Notification containing wholesale and retail prices of vanaspati is laid on the table of the House.

GOVERNMENT OF INDIA

DEPARTMENT OF FOOD  
NOTIFICATION

New Delhi, the 28th February 1947

No. 6-VP (2)/47.—In exercise of the powers conferred upon me by sub-clause (1) of clause 6 of the Vegetable Oil Products Control Order, 1946, and in supersession of the Notification of the Government of India in the Department of Food No. 6-VP(2)/46, dated

the 30th November 1946, I hereby fix as follows the maximum prices at which vegetable oil products may be sold with effect from 1st March 1947 :—

## I

Locality of sale	Maximum price per lb. net of vegetable Oil Product		
	When sold by producer or producer's distributing agent in large packs	When sold by any other person	
		In large packs	Loose in small quantities
1	2	3	4
	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Bombay town and suburbs . . . . .	0 11 3	0 12 0	0 12 9
2. Bombay Province (excluding Bombay town and suburbs), but including Administered areas and Rly. Lands, in the former W. I. States Agency, Madras the Central Provinces and Berar, Coorg and Panth-Piploda.	0 11 6	0 12 3	0 13 0
3. The Punjab, the United Provinces, the North West Frontier Province, Sind, Baluchistan, Delhi and Ajmer.	0 12 6	0 13 3	0 14 0
4. Bengal Assam, Orissa and Bihar . . . . .	0 12 3	0 13 0	0 13 9

NOTE.—“Large packs” are packs (in producer's original sealed container) containing not less than 35 lbs. net of the products.

## II

Description	Maximum price per pack of vegetable oil product when sold in small packs	
	Wholesale	Retail
	Rs. a. p.	Rs. a. p.
Packs other than “Pakav” containing 10 lbs. . . . .	9 7 0	9 13 0
Packs other than “Pakav” containing 5 lbs. . . . .	4 15 3	5 2 6
Packs other than “Pakav” containing 2 lbs. . . . .	2 0 6	2 2 0
Packs other than “Pakav” containing 1 lb. . . . .	1 0 6	1 1 3
Packs containing 9 lbs. of “Pakav” . . . . .	8 13 0	9 2 6
Packs containing 3 lbs. of “Pakav” . . . . .	3 4 3	3 6 3

NOTE.—“The maximum prices specified above under I and II are inclusive of freight but exclusive of octroi, terminal tax and similar other local taxes and also of sales tax.”

When any such tax is paid, whether by the manufacturer, his distributing agent a wholesaler or a retailer the maximum price as fixed above in respect of any transaction may be increased by an amount equal to the total of the taxes so paid at or before that transaction and may after the increase, be rounded off by to the nearest pice.

N. T. MONE,  
Vegetable Oil Products Controller for India.

**Shri Mohan Lal Saksena:** Is it a fact that complaints have been brought to the Honourable Member that in Delhi itself one of the mills charged more than the scheduled rates and it has included toll tax which it is not paying?

**Mr. K. L. Panjabi:** That forms the subject matter of another question which is coming on.

**Prof. N. G. Ranga:** What considerations have been taken into account by Government in fixing such high prices as 12 annas minus  $1\frac{1}{2}$  pies, when the price of ground-nut per pound was fixed only at 9 annas minus 2 pies?

**Mr. K. L. Panjabi:** There are other factors which determine the fixation of price of Vanaspati. I might mention for the information of the House that the profit allowed to the manufacturers per ton is only Rs. 85.

**Prof. N. G. Ranga:** That gives us no idea about the percentage of profit that they are able to make in view of the fact that the cost of manufacturing Vanaspati, as the Honourable Member has himself said, is only 1 anna and 2 pies per lb., and there is a margin of as much as 3 annas between the price of ground-nuts and the price of Vanaspati. How does the Government explain this great difference between these two prices?

**Mr. K. L. Panjabi:** May I mention some of the other factors which enter into the cost of Vanaspati? Interest on capital, advertisement cost, packing, railway freight, and the Excise Duty of Rs. 100 per ton. These are some of the main factors which account for the difference.

**Dr. G. V. Deshmukh:** Could the Honourable Member tell us whether Vanaspati is used as an article of food or is it only used as a flavouring agent?

**Mr. K. L. Panjabi:** It is used for cooking.

**Dr. G. V. Deshmukh:** But has it any food value; does it produce any calories; does it act as a sort of food? I think I have explained sufficiently.

**Mr. President:** Is it a matter within the special cognizance of the Honourable Member?

**Dr. G. V. Deshmukh:** It should be. All these questions hang round this important question.

**Mr. President:** That will be a matter of argument.

**Dr. G. V. Deshmukh:** I am asking for information. Is it used as a food, or as a flavouring agent?

**Mr. K. L. Panjabi:** It is used as a food.

#### FOOD VALUE AND EFFECT ON HEALTH OF HYDROGENATED OIL AS COMPARED TO ORIGINAL OILS

1205. \***Pundit Thakur Das Bhargava:** (a) Will the Secretary of the Food Department please state whether Government ever got their experts to examine the respective effects of oils (in their original form) used for the manufacture of Vanaspati and the hydrogenated oil on human health?

(b) Are Government aware that these oils used in their original form are more health giving and less costly than the Vanaspati?

(c) Do Government propose to have the respective merits of these oils in original form and in the hydrogenated state examined by their experts for the benefit of the public at large, if it has not already been done?

**Mr. K. L. Panjabi:** (a) Yes, Sir.

(b) Oils are cheaper than Vanaspati. The result of scientific investigation which is still continuing regarding the comparative value of Vanaspati and other fats is not yet conclusive.

(c) Yes, Sir. Experiments on the composition and nutritive value of vegetable oils, hydrogenated oils, ghee and other fats commonly used in this country are being conducted.

**Mr. Manu Subedar:** Have Government seen the recent report of investigation by Col. Sokhey from Bombay in which he has given results of his experiments on Vanaspati and in which it was pointed out that this was a very deleterious material and it had a bad effect on the eyes of the individuals who consume it?

**Prof. N. G. Ranga:** Not only eyes, but stomach also.

**Mr. K. L. Panjabi:** I have seen the press report of what Col. Sokhey said and he has also mentioned that the results are not conclusive and further experiments are being conducted by him.

**Mr. Manu Subedar:** Having regard to the seriousness of this matter will Government depute an officer on this job so that he may have this matter carefully ascertained and the public may know precisely what is what, because the vegetable oil manufacturers, have come out with a rejoinder and the public is at present on a confused state? Is it not the duty of the Government to send out an officer for this work?

**Mr. K. L. Panjabi:** As I have already mentioned, no conclusive results have been obtained so far. We have an elaborate plan of research which has been put into operation. This includes feeding trials so that the effect of Vanaspati on health can be ascertained, and I do not see what else we can do at the moment.

**Pandit Balkrishna Sharma:** May I know from the Honourable the Food Secretary whether in any of the sub-committees Dr. Aykroyd expressed his opinion that it was not injurious to human health?

**Mr. K. L. Panjabi:** Dr. Aykroyd's report is that it is not injurious to human health, and that it is slightly better than bazar ghee.

**Dr. G. V. Deshmukh:** Has the Honourable Member seen some scientists' reports that Vanaspati has no food value at all, and that it is not absorbed in the body because it melts on a higher temperature on account of its being solidified?

**Mr. President:** Order, order.

**Dr. G. V. Deshmukh:** It is a very important question, Sir.

**Mr. President:** It is a very important question, but it cannot be decided by votes.

**Shri Mohan Lal Saksena:** Is the Honourable Member aware that his own Member in charge stated in this House that Vanaspati was injurious to health and experiments have been made on rats and it was found that they became blind?

**Mr. K. L. Panjabi:** The Honourable Member has stated the results which have been obtained so far. He also made it clear that further experiments were being conducted.

**Sir Cowasjee Jehangir:** For how many years has Vanaspati been used in this country?

**Mr. K. L. Panjabi:** To the best of my information since 1914.

**Shri Mohan Lal Saksena:** Is it not a fact that factories have multiplied during the last few years?

**Mr. K. L. Panjabi:** They have increased, and I believe there are about 22 factories now.

#### BLACK-MARKETING IN OILS USED FOR MANUFACTURE OF VANASPATI.

1206. \***Pundit Thakur Das Bhargava:** (a) Will the Secretary of the Food Department be pleased to state if it is a fact that oils used for the manufacture of Vanaspati are not easily available to the public and that black-marketing in them is prevalent?

(b) Do Government propose to consider the advisability of making these oils available to the public by discontinuing the supplies of such oils for manufacture of Vanaspati?



**Mr. K. L. Panjabi:** (a) The oils used for manufacture of vanaspati are groundnut and cotton seed oils—the latter being used to a very small extent. Presumably the Honourable Member has groundnut oil in mind. Government are aware that there has been a shortage of this oil in certain parts of the country and that in the scarcity areas prices in excess of the statutory limits have been demanded. With effect from 5th of March Government have removed control over prices and movement of all oils except coconut oil. The effects of decontrol are being watched.

(b) Government do not supply any oil for manufacture of vanaspati and so the question of discontinuing such supplies does not arise.

#### ARTIFICIAL INSEMINATION OF COWS.

**1207. \*Pundit Thakur Das Bhargava:** (a) Will the Secretary of the Department of Agriculture please state how long Government have been experimenting on the artificial insemination of cows and whether Government experts are satisfied with the results?

(b) What is the age of the longest lived cow or bull so produced and is the said animal in all respects like the natural born?

(c) What steps have Government taken to popularise production by artificial insemination?

(d) Have Government published any literature regarding the result of such experiments? If so, where is it to be found?

(e) Has artificial insemination been tried on other animals such as buffaloes, camels, sheep and goats?

(f) If so, on what other animals?

(g) Are the results equally satisfactory as in the case of cows?

**Sir Pheroze Kharegat:** (a) Research was started in November 1942 and actual work taken up at Izatnagar on the 1st April 1944 and at three other centres in November-December 1945. So far some 6,400 animals have been so inseminated. The percentage of fertility is 75 per cent. and the experts are satisfied with this result.

(b) The oldest calf so produced is aged three years. She differs in no way from others born to natural service.

(c) The work has to be carried out by trained men; 83 technicians from provinces and States have so far been trained in this work. Where a Centre is started, propaganda is carried on by direct contact with livestock owners and through demonstrations and lectures during fairs and exhibitions.

(d) One paper was published in Indian Farming in 1945 and seven papers on artificial insemination and semen studies were published in the Proceedings of the 34th Session of the Indian Science Congress held in Delhi in 1947.

(e) Yes.

(f) On buffaloes, sheep, goats, poultry and to a small extent on horses.

(g) Yes.

**Seth Govind Das:** Are Government aware of any such place in the world where artificial insemination is practised on human beings?

**Sir Pheroze Kharegat:** I have no information on that point.

#### FACTORIES FOR REFINING OILS USED IN THE MANUFACTURE OF VANASPATI.

**1208. \*Pundit Thakur Das Bhargava:** (a) Will the Secretary of the Food Department please state how many factories there are in the country which only refine the oils used in the manufacture of vanaspati without hydrogenating the same?

(b) Have Government given any encouragement so far to such industries? If not, why not?

**Mr. K. L. Panjabi:** (a) Detailed information is not readily available.

(b) Yes. Eleven licences for import of oil refining plant have been issued and further development of the industry is being examined by a Special Panel set up for this purpose.

**Shri Mohan Lal Saksena:** Will the Government consider the advisability of not allowing this machinery to be imported unless they are satisfied that Vanaspati is not injurious to health?

**Mr. K. L. Panjabi:** It is a question of oil refinery, not Vanaspati.

**Shri Mohan Lal Saksena:** Is it not a substitute for Vanaspati?

**Mr. K. L. Panjabi:** In the sense that oil and Vanaspati are both cooking mediums.

**Mr. President:** Order, order. The question hour is over.

(b) WRITTEN ANSWERS

RE-INSTALEMENT OF N. RAMAKRISHNAIAH OF BEZWADA ROYAL MAIL SERVICE AND OF D. VENKATESWARLU OF VIZAG. AFTER ACQUITTAL BY COURTS MARTIAL.

1209. **\*Prof. N. G. Ranga:** (a) Will the Secretary of the Communications Department be pleased to state if it is a fact that (1) N. Ramakrishnaiah of Bezwada Royal Mail Service and (2) D. Venkataswarlu of Vizag. Royal Mail Service who joined the Army were Court-martialled and finally acquitted, and if so, when and for what offences?

(b) Is there any provision to reinstate them in their old appointments?

(c) If so, when will they be reinstated?

**Mr. Masarrat Husain Zuberi:** (a) There is no record of N. Ramakrishnaiah or D. Venkateswarlu having been tried by Court Martial during their military service and of their acquittal. These two men while serving in the Far East were taken prisoners by the enemy and joined the Indian National Army. After recovery from the enemy, and in accordance with the normal procedure a Court of Enquiry was held to enquire into the circumstances in which they fell into enemy hands and their subsequent actions. Both of them were subsequently discharged from the Army.

(b) The general policy of Government in regard to Ex. I. N. A. personnel has already been made clear in reply to the Honourable Member's Starred Question No. 1032 on the 18th March, 1947.

(c) The matter is under consideration.

RECOVERY OF ADVANCE OF PAY TO OFFICIALS OF POSTS AND TELEGRAPHS IN CENTRAL AREAS DURING EVACUATION IN WAR TIME.

1210. **\*Prof. N. G. Ranga:** (a) Will the Secretary of the Communications Department be pleased to state if any advance of pay was granted to the officials of the Post and Telegraph Department in the Coastal Areas during the evacuation in war time, and if so, has it been recovered?

(b) If recovered, is it a fact that the head of the department recommended the refund of recovery; and if so, why has it not been refunded yet and when will it be refunded?

**Mr. Masarrat Husain Zuberi:** (a) Yes.

(b) Yes. The matter is under consideration.

**PLANS FOR DEVELOPMENT OF FISHERIES IN INDIA.**

**1211. \*Prof. N. G. Ranga:** (a) Will the Secretary of the Department of Agriculture be pleased to state if Government have any plans for the development of fisheries in India during the next five years and if so what are they?

(b) Do they intend to develop cooperative societies of fishermen for deep sea fishing, preservation of fish, manufacture of oils, manures and their eventual sale?

(c) Do Government propose to give any grants to Provincial Governments and if so, on what lines do they propose to develop fishing?

(d) Are any efforts being made to train fishermen in modern methods of fish culture, fishing, fish manufacturing processes, and making nets, etc.?

(e) Are there any big launches belonging to Government which can be used for fishing, and if so, how many and do Government propose to place them at the disposal of the fishermen?

**Sir Pheroze Kharegat:** (a) The plans of the Central Government provide for the establishment of (i) two marine fisheries research stations one at Karachi and the other at Mandapam (Madras), (ii) an inland fisheries research station near Calcutta and (iii) a technological research station at Bombay. In addition pilot work on deep sea fishing will be taken up with the aid of special power boats, (two of which have already been purchased) in order to assess the relative values of different types of power propelled craft and gear.

(b) The development of Co-operative Societies for fishermen is the responsibility of Provincial Governments. Until pilot work on the best methods of offshore and deep sea fishing has been carried out and some research done on the preservation of fish, the manufacture of oils, manures etc., it may not be possible to improve the methods of processing or enable Indian Fishermen to take up deep sea fishing.

(c) Block Grants have been allotted to provinces for their development schemes and it is expected that they will finance therefrom such scheme on behalf of fishermen as they think fit.

(d) Provincial Governments are expected to do this from the block grants allotted to them.

(e) Two fishing vessel have been purchased and will be used in part as training vessels for fishermen. They cannot however be placed at the disposal of fishermen. Two Marine diesel engines have been ordered which will be installed in small boats and experimental work will be started with them. It is hoped that they will be successful and found suitable for small fishermen in which cases provincial governments may help the fishermen by placing such boats at their disposal from out of their block grants.

**RE-EMPLOYMENT AFTER RETIREMENT OF GAZETTED OFFICERS IN INDUSTRIES AND SUPPLIES DEPARTMENT.**

**1212. \*Sri A. K. Menon:** Will the Honourable Member for Industries and Supplies be pleased to state:

(a) the number and the names of the Gazetted Officers who have been appointed after retirement from Government service (Central or Provincial) in the Industries and Supplies Department including Statutory bodies like Indian Rubber Production Board, Coffee Cess Board etc.;

(b) the period they have been serving after retirement; and

(c) the number of extensions given to each and whether Government propose to grant further extensions to any of the above officers and if so, the reason therefor?

**Mr. M. P. Pai:** I lay on the table of the House a statement showing the information asked for.

Statement of gazetted officers employed after retirement in the Industries & Supplies Department including Statutory bodies like Indian Coffee Board etc.

S. No.	Name of Officer (a)	Period of service after retirement (b)	No. of extension given	Whether any further extension is proposed to be given (c)	Reason for further extension
1	Mr. K. K. Mukerjee	Since August 1940	Department One	Yes	
2	Engineer Captain J. E. Maloney, C.I.E., R.I.N., (Rtd).	Since 9th May, 1942	Three	No	The Officer has not yet reached the age of superannuation. He was invalidated by an accident and retired some time back but is now fit for service. ....
3	Mr. V. G. Rose, M.B.E.	Since 2nd January, 1943	Three	No	.....
4	Mr. J. P. Harrison, C.S.I., C.I.E.	Since 25th February, 1946.	Two	Yes, upto February, 1948.	.....
5	Mr. S. N. Bunerji	Since 1st October, 1946.	Two	Question is under consideration.	Due to the experience and specialised knowledge of the officer. ....
6	M. J. S. Rogers	Since 26th April, 1945	Three	Yes	.....
7	Sir Thomas Borwick, C.I.E., D.S.O., M.C.	Since 29th May, 1945	Two	No	The Officer is employed in the coal organisation. His specialised knowledge will be useful in connection with the setting up of a second power plant at Giridih. ....
8	Mr. A. C. Gupta	Since 16th June, 1942	Four	Yes, upto February, 1948.	Due to the continuance of the Iron and Steel Control of which he has experience. Ditto.
9	Mr. L. Henshaw	Since 1st March, 1943	Four	Yes, upto February, 1948.	Ditto.
10	Mr. E. W. Sackett	Since 29th May, 1946	Two	Yes, upto February, 1948.	Ditto.
11	Mr. R. E. Brinkworth	Since 23rd March, 1946	One	No	.....
12	Rai Bahadur A. N. Banerji	Since 13th June, 1942	One	No	.....
13	Mr. W. F. West	Since 25th July, 1944	Two	No	.....
14	Mr. Hens Raj	Since 2nd September, 1945.	Two	No	.....
15	Dewan Bahadur M. V. Vallodi	Since 1st October, 1943	Two	No	.....
				<p><i>Indian Coffee Board</i> Further extension will depend on the recommendation of the Board as appointment to the post which he holds is made in consultation with them.</p>	

**RECOGNITION OF JUNIOR CAMBRIDGE CERTIFICATE AS EQUIVALENT TO MATRICULATION CERTIFICATE BY THE RAILWAY BOARD.**

**1213. \*Seth Sukhdev:** Will the Honourable Member for Railways be pleased to state:

(a) whether the attention of Government has been drawn to the letter of the Deputy Director, Railway Board, dated 26th November 1946, addressed to the General Manager, Madras and Southern Maharatta Railway, to the effect that the Board were advised that the European Middle School certificate may be treated equivalent to Junior Cambridge Certificate for the purpose of recruitment to the subordinate railway service;

(b) whether Government are aware that the Junior Cambridge Certificate is not recognised as an equivalent to the Matriculation Certificate by the Universities in India; and

(c) whether it is a fact that the Railway Board recognise Junior Cambridge Certificate as an equivalent to the Matriculation certificate and if so, why?

**The Honourable Dr. John Matthai:** (a) Yes.

(b) The Cambridge Junior Certificate examination is not recognised as being equivalent to the Matriculation Certificate for purposes of admission to Universities in India.

(c) A pass in the Cambridge Junior Certificate examination is accepted as the minimum qualification for admission to subordinate Railway service to the same extent as the Matriculation Certificate is accepted. As regards the latter portion of the question, Government consider that the standard of the Cambridge Junior Certificate examination is adequate to obtain suitable recruits for Railway subordinate posts.

**EXPENDITURE ON PRINTING PRESS FOR THE E. I. RAILWAY.**

**1214. \*Mr. Hafiz M. Ghazanfarulla:** (a) Will the Honourable Member for Railways please state what is the amount of money spent on the Printing Press for the East Indian Railway annually?

(b) What is the total strength of all the staff of the Printing Press?

(c) What is the amount of work turned out annually?

(d) Is there any officer who compares the amount of money spent with the work turned out?

(e) Is all the Printing work for the East Indian Railway done in the Railway Press?

(f) If not, what percentage of work is done by outside Presses?

(g) How does the cost of work done in the Railway Press compare with that done by the outside presses?

**The Honourable Dr. John Matthai:** (a), (b) and (c). A statement giving the information is placed on the table of the House.

(d) The usual check and supervision over the expenditure and the output of work is exercised by the Administrations' Accounts Officers.

(e) and (f). Ordinarily all the printing work for the E. I. and B. A. Railways is done in the Railway Press. Due, however, to the strike in 1945 and the subsequent "go slow" policy of the workers in the Press it was found necessary to get a certain amount of printing work done by outside agencies. This practice has since been stopped.

(g) Government are informed that the cost of the work done in the Railway Press is generally lower than the cost of work by outside Presses.

## Statement

*Printing Press, E. I. Railway.*

1. *Average amount of money spent annually on the Press.*—Rs. 23,48,000.  
(N.B.—The Press performs the work of both the E. I. and B. A. Railways.)
2. *Total strength of staff.*—1,233.
3. *Estimate of work turned out by the Press annually—*
  - (i) General Printing—18,000 pages.
  - (ii) Forms and paper tickets—290,990,000.
  - (iii) Card tickets—154,328,000.

## ALLOTMENT TO UNITED PROVINCES OF COAL DUST FOR BRICK BURNING

**1215. \*Mr. Hafiz M. Ghazanfarulla:** (a) Will the Honourable Member for Industries and Supplies please state how much dust coal has been allotted to the United Provinces for brick burning during the year 1947?

- (b) What is the total quantity supplied upto the end of February, 1947?
- (c) Will the balance be supplied by the end of the year?
- (d) What is the quantity of steam coal allotted to the United Provinces for the year 1947?
- (e) How does this compare with the last year's allotment?
- (f) Do Government propose to arrange for providing sufficient steam coal to the United Provinces for use in the Ice Factories?

**Mr. M. P. Pai:** Necessary information is being collected and will be laid on the table of the House in due course.

## EXPENDITURE ON RAIL-ROAD SCHEME BY THE E. I. AND O. T. RAILWAYS

**1216. \*Mr. Hafiz M. Ghazanfarulla:** (a) Will the Honourable Member for Railways please state what is the total expenditure incurred excluding cost of lorries in starting the Rail-Road Scheme in the United Provinces up-to-date by the East Indian Railway and Oudh and Tirhut Railway separately?

- (b) Is the salary of higher staff included in the above expenditure?
- (c) If not, what is the amount of salary of higher staff deputed for the scheme?
- (d) What is the strength of the staff now employed on this scheme on the East Indian Railway and Oudh and Tirhut Railway separately?
- (e) Who is responsible for the payment of the money spent on this scheme?
- (f) Why are the Railways still keeping their staff and incurring expenditure when their share has been reduced and they will have no voice in the management of the companies?

(g) Have the Railway authorities settled the claims of the promoters of different companies in their areas?

(h) What is the total amount which the Railway will have to pay to the promoter appointed by them?

(i) Who will bear the expenditure incurred by the Railways referred to in para (a) above?

**The Honourable Dr. John Matthai:** (a) The expenditure incurred by the East Indian and Oudh Tirhut Railways so far in connection with rail-road co-ordination schemes in the United Provinces is approximately Rs. 15,900 and Rs. 17,500 respectively.

(b) Yes.

(c) Does not arise.

(d) No separate staff are exclusively employed by the East Indian and Oudh Tirhut Railways on the scheme in the United Provinces, the staff deal with road-rail co-ordination in all provinces and with schemes for collection and delivery services in the areas served by them.

(e) The expenditure incurred by railways on the co-ordination of road and rail is borne by them.

(f) The scheme of the United Provinces Government for road-rail co-ordination provides for railway participation both in capital investment and management. The railway staff are employed to ensure that the companies work satisfactorily and in the public interests.

(g) No.

(h) Promoters for the rail-road companies were appointed in 1945 by the Provincial Government. The details of the expenses incurred by them have not yet been received from all the promoters. In the first instance, the matter is under consideration with the Provincial Government. Although the legal liability is not fixed, the Railways will be prepared, if necessary, to bear their share of the out-of-pocket expenses incurred by promoters.

(i) The expenditure referred to in part (a) of the question will be borne by the Railways.

#### UNSATISFACTORY DISTRIBUTION OF IRON STEEL FOR INDUSTRIAL AND COMMERCIAL PURPOSES

**1217. \*Sjt. Seth Damodar Swroop:** Will the Honourable Member for Industries and Supplies be pleased to state:

(a) whether Government are aware that there is a general complaint to the effect that the distribution of iron and steel for industrial and commercial purposes is far from satisfactory;

(b) whether Government are aware that the new system of issuing permits through the Provincial Controller's office is causing delay in the issue of permits; and

(c) whether Government propose to obtain reports regarding the issue of permits from the various Provincial Governments?

**Mr. M. P. Pai:** (a) Complaint is mainly about insufficient quantities of Iron and Steel and not of mal-distribution.

(b) and (c). The Honourable Member apparently refers to officers appointed by Provincial Governments to issue permits against the provincial quotas. If true, the point is a matter for interpellation in the provincial legislatures. The officers issuing permits are fully under the control of the provincial governments.

#### INSTALLATION OF ELECTRIC RAILWAY LINE BEYOND VIRAR ON B. B. & C. I RAILWAY

**1218. \*Mr. Mohammad M. Killedar:** (a) Will the Honourable Member for Railways please state whether Government propose to install electric Railway Line beyond Virar on Bombay, Baroda and Central India Railway?

(b) If so, when and up to what station is it proposed to be installed?

**The Honourable Dr. John Matthai:** (a) and (b). A proposal to extend the electrification of B. B. & C. I. main line from Virar to Ahmedabad a distance of 275 miles is now under consideration. A preliminary report by the B. B. & C. I. Railway has been referred to the Consulting Engineers for their expert advice and for working out details. As investigations are still proceeding and are yet incomplete it is not possible to say at this stage whether this electrification will materialise or when the work will be commenced.

**POLICY OF RECRUITMENT OF WOMEN IN PLACE OF MEN IN THE TELEPHONE BRANCH**

**1219. \*Mr. Mohammad M. Killekar:** (a) Will the Secretary of the Communications Department please state whether it is the policy of Government to recruit women in place of men in the Telephone Branch?

(b) What is the reason for adopting this policy?

(c) Is it a fact that female operators are paid more than the male operators? If so, why?

(d) Have Government made any experiment in regard to the outturn of the work of the male and female operators? If so, what is the result?

(e) Is it a fact that in spite of the Departmental rules restricting employment of married women, they are still being employed as operators?

**Mr. Masarrat Husain Zuberi:** (a) No.

(b) Does not arise.

(c) Sometimes. During the war, special scales which were higher than the substantive scales were sanctioned for purely temporary women operators. The scales for permanent operators are the same for women and men. The special scales for temporary women operators were introduced in order to attract suitable women who were not available on the ordinary departmental scales.

(d) No regular time tests have been carried out in India.

(e) The restriction on employment of married women was temporarily lifted during the war; some married women who were recruited at the time on a temporary basis, have been allowed to continue in their posts.

**REPLACEMENT OF TEMPORARY TELEPHONE OPERATORS BY WAR SERVICE PERSONNEL**

**1220. \*Mr. Mohammad M. Killekar:** Will the Secretary of the Communications Department please state:

(a) whether it is a fact that temporary Telephone Operators of any length of service are being replaced by war Service candidates; and

(b) the percentage that is fixed for the recruitment of War Service personnel?

**Mr. Masarrat Husain Zuberi:** (a) Temporary telephone operators recruited during the war have to be discharged to make room for departmental employees and demobilised Army personnel.

(b) Seventy per cent.

**REPORT ON COTTAGE INDUSTRY BY INDIAN TRADE COMMISSIONER AT JAPAN**

**1221. \*Sri V. C. Vellingiri Gounder:** (a) Will the Honourable Member for Industries and Supplies be pleased to state whether any action has been taken on the Report of the Indian Trade Commissioner at Japan regarding Cottage Industries?

(b) Considering the importance of Cottage Industries to our country, do Government propose to examine the possibilities of introducing such industries in this country by establishing a separate Research Institute for Cottage Industries?

**Mr. M. P. Pai:** (a) I have not been able to trace any report of the Indian Trade Commissioner in Japan regarding Cottage Industries. The Government of India asked for such a report in 1940 but no such report was received from him and the office of the Trade Commissioner in Japan was closed down in 1941.

(b) Government will consider the practical utility of the suggestion made in the question as well as of making a fresh enquiry in Japan as soon as conditions prevailing in that country improve and permit such enquiries to be made and a report can be obtained thereon.



VILLAGE POST OFFICE IN CHOTA NAGPUR AND HAZARIBAGH DISTRICTS OF BIHAR

1222. \***Babu Ram Narayan Singh:** Will the Secretary of the Communications Department be pleased to state:

(a) the number of new village Post Offices established in each of the five districts of Chota Nagpur in Bihar during the last five years;

(b) the number of new village Post Offices proposed to be started in the coming five years in each of the said five districts;

(c) the basis of starting these post offices; and

(d) whether the people of Pandepura and Pathalgara of the Chatra subdivision of Hazaribagh District, have applied for opening a village Post Office and if so, with what result?

**Mr. Masarrat Husain Zuberi:** (a) and (b). A statement is laid on the table of the House.

(c) Offices are opened when they are considered administratively necessary or when requests are made by members of the public, provided that the offices do not work at a loss above the limit prescribed, namely, Rs. 500 per annum.

(d) Yes. As the offices would have worked at a loss beyond the prescribed limit, they could not be opened. The matter is being reviewed.

	<i>Statement</i>	
(a) Singbhum	.	3
Ranchi	.	3
Manbhum	.	2
Hazaribagh	.	Nil
Palamau	.	Nil
(b) Singbhum	.	3
Ranchi	.	4
Manbhum	.	37
Hazaribagh	.	6
Pal-mau	.	2

SALE OF VEGETABLE OIL PRODUCTS AT UNAUTHORISED RATES

1223. \***Babu Ram Narayan Singh:** Will the Secretary of the Food Department be pleased to state:

(a) what are the four references he mentioned in his reply to parts (b) and (c) of starred question No. 689 asked on 8rd March, 1947 regarding the sale of vegetable oil products by producers and distributors at unauthorised rates;

(b) which two of the four references are without foundation and which two are under examination; and

(c) how long the examination will continue and how it has been or is being conducted?

**Mr. K. L. Panjabi:** (a) and (b). The four references were as follows:

(i) An allegation was made that the manufacturers were themselves doing wholesale and retail business. The case has been examined now and manufacturers have been asked to obtain previous permission of the Controller before undertaking wholesale or retail distribution of the product.

(ii) An allegation that a firm in Bombay was selling the product on condition that the containers would be returned free of charge. This allegation has been examined and has not been substantiated.

(iii) An allegation that a manufacturing firm in Northern India was similarly selling the product in 45 and 56 lb. containers on condition that the containers would be returned free of charge. This allegation is also found to be without foundation.

(iv) Information that a manufacturer in Delhi was allowed to add to his price terminal tax which was not paid. This case has been examined and it has been decided to cancel the order permitting him to do so.

(c) Examination of all the four cases has been done by the Vegetable Oil Products Controller and it has now been completed.

**RECOMMENDATIONS OF THE VANASPATI MANUFACTURERS ASSOCIATION *re* SALE OF VEGETABLE OIL PRODUCTS AT UNAUTHORISED RATES**

**1224. \*Babu Ram Narayan Singh:** Will the Secretary of the Food Department be pleased to state whether Government have considered the recommendations of the Vanaspati Manufacturers Association referred to in his reply to part (a) of starred question No. 689 asked on 3rd March, 1947 regarding the sale of vegetable oil products by producers and distributors at unauthorised rates and if so, what decision they have arrived at?

**Mr. K. L. Panjabi:** Yes, Sir. It has been decided to accept the recommendation of the Association and the manufacturers desiring to undertake wholesale and retail distribution to a limited extent have been asked to supply information regarding their production and sales organisation. At the same time they have been warned that they are not authorised to charge either wholesale or retail prices without the previous permission of the Vegetable Oil Products Controller.

**PERMISSION TO GANESH FLOUR MILLS TO CHANGE TERMINAL TAX ON VEGETABLE OIL PRODUCTS SUPPLIED TO DELHI CITY**

**1225. \*Babu Ram Narayan Singh:** (a) Will the Secretary of the Food Department be pleased to state whether the Ganesh Flour Mills Company Limited have been allowed by the Government of India to charge terminal tax on the vegetable-oil product supplied to Delhi City and if so, how the amount so collected is being spent?

(b) Has such permission been given to any other vegetable-oil producing factory?

**Mr. K. L. Panjabi:** (a) Yes. Under clause 6 of the Vegetable Oil Products Control Order 1946, the Controller allowed the factory to include in the price of vanaspati the amount payable as terminal tax in order to secure uniformity in prices of vanaspati sold within the municipal limits of Delhi. On re-examination of the case the order has been cancelled. Government is not aware how this amount is being spent.

(b) No, Sir.

**REPRESENTATION BY BEHARI LAL BANSI DHAR TO THE VEGETABLE OIL PRODUCTS CONTROLLER *re* UNAUTHORISED RATES OF VEGETABLE OIL PRODUCTS**

**1226. \*Babu Ram Narayan Singh:** Will the Secretary of the Food Department be pleased to state whether it is a fact that five vouchers granted by agents and distributors of the various vegetable-oil factories showing unauthorised rates, have been submitted to Government and seven other cash memos to the Vegetable oil Products Controller for India by Behari Lal Bansi Dhar of Delhi and if so, do Government propose to enquire into all these cases? If not, why not?

**Mr. K. L. Panjabi:** All the cash memos have been checked and it is found that unauthorised rates have not been charged except in one case relating to an oil mill in Bombay. This mill charged the wholesale rate instead of the factory rate on the ground that distribution to retailers had been undertaken by

it in order to check black-marketing of goods and to secure equitable distribution to the shops. The mill has now discontinued this practice. As it had undertaken this distribution under a *bona fide* belief that it was not barred by the Price Control Order no action has been taken against it.

#### FORWARD DELIVERY TRANSACTIONS IN COTTON AND KAPPAS

**1227. \*Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Member for Industries and Supplies be pleased to state:

(a) whether the Commerce Department Notification No. P. and S. C. 56/43, dated the 19th May, 1943, prohibiting the forward delivery transactions in cotton and kappas, is in force still, or whether it has been modified or cancelled;

(b) the places in British India where the forward delivery transactions in cotton and kappas are going on at present;

(c) the places in British India where no such restrictions exist and the reasons for not enforcing the restrictions in such places; and

(d) in what other commodities speculative transactions are allowed in British India and for what reasons?

**Mr. M. P. Pai:** (a) That notification has been cancelled, but its provision have been kept in force by other notifications.

(b) and (c). Forward delivery transactions in cotton and kappas are at present prohibited except in the ring of the East India Cotton Association Limited, Bombay, and the Karachi Cotton Association Limited, Karachi. These transactions are permitted at Bombay and Karachi because they assist and have for many years assisted in the orderly marketing of the cotton crop.

(d) The Government of India have not thought it advisable to place any other restrictions on forward delivery transactions except in respect of food grains, sugar, gur, spices, and edible oil seeds and oils.

## UNSTARRED QUESTIONS AND ANSWERS

### PRICE OF INDIAN SILK

**98. Mr. Sasanka Sekhar Sanyal:** With the reference to answer to part (f) of Starred Question No. 10 asked on the 28th October, 1946, regarding the price of Indian silk, will the Honourable Member for Industries and Supplies please state:

(a) the steps that have been taken for implementing the recommendations of the Silk Panel;

(b) the steps that have been or are being taken by Government for constituting the proposed Central Advisory Board for planning in silk; and

(c) whether Government propose to give a general outline of Government policy in the matter of silk?

**Mr. M. P. Pai:** (a) and (b). The report of the Silk Panel has been finalised only recently and is now being examined by Government.

(c) Government consider the silk industry to be a very important one. It enjoys tariff protection, and care will be taken to safeguard it against unfair competition. The post-war plans of Provincial Governments for the development of this industry are being co-ordinated, and every assistance is intended to be given in connection with its development.

### POSITION IN PRIORITY LIST OF SAINTHIA-BHERAMARA RAILWAY PROJECT

**99. Mr. Sasanka Sekhar Sanyal:** Will the Honourable Member for Railways please state:

(a) the position of Sainthia-Bheramara Railway project in the priority list;

- (b) what progress has been made in survey work during the last three months;
- (c) how many alternative routes are being considered in this connection giving a brief description of the different routes;
- (d) how Government propose to choose between one route and another; and
- (e) how non-official opinion is being collected?

**The Honourable Dr. John Matthai:** (a) The Railway Planning Sub-Committee appointed by the Bengal Government in March 1945, divided the various projects in Bengal in groups A, B and C in accordance with the priority in which investigations should be taken in hand. Sainthia-Bheramara Railway project was placed in group B, and the order of priority fixed by the Planning Sub-Committee was accepted by the Bengal Government.

- (b) The field work for the Traffic survey has since been completed.
- (c) The following three alternative routes have been investigated:
- (i) Sainthia-Kandi-Berhampore Court-Jamsherpur-Pragpur-Taragonia-Bheramara.
- (ii) Sainthia-Kandi-Berhampore Court-Bhagirahpur-Dhoradah-Jamsherpur-Chikarpur-Kulberia-Amla-Sadarpur-Halsa.
- (iii) Sainthia-Kandi-Berhampore Court-Amtala-Patkabari-Meherpur Hat Boalaia-Halsa.

(d) The most economical alignment will be selected after considering all the various aspects such as traffic prospects, physical and geological features of the country in so far as they are likely to affect the alignment, probable stability of the line and cost of construction. The views of the provincial government will also be considered before a decision is taken.

(e) Non-official opinion is collected by the traffic officer-in-charge during his field work.

#### APPLICATION OF FACTORIES ACT TO N. W. RAILWAY SHED AT BHATINDA AND JIND

**100. Seth Sukhdev:** Will the Honourable Member for Railways be pleased to state:

- (a) whether the provisions of the Factory Act are applied to North Western Railway sheds at Bhatinda and Jind; if not, why not?
- (b) whether it is a fact that the Indian Railways Act applies to these stations; and
- (c) whether it is a fact that the employees at these two sheds are given no overtime allowance after putting in 48 hours maximum work; if so, the reasons therefor?

**The Honourable Dr. John Matthai:** No. The need had not, until recently, been felt, but a proposal to apply the provisions of the Factories Act to the North Western Railway Sheds at Bhatinda and Jind is already under consideration.

(b) The Indian Railways Act, 1890, has been applied by the Crown Representative to lands occupied by the Bhatinda and Jind stations.

(c) They are paid overtime, not under the provisions of the Factories Act, 1934, but under Railway rules for working beyond daily or weekly rostered hours.

#### DELETION FROM THE STATE RAILWAY ESTABLISHMENT CODE OF PROVISION FOR INSPECTION BY AN EMPLOYEE OF HIS SERVICE SHEET

**101. Seth Sukhdev:** Will the Honourable Member for Railways be pleased to state:

- (a) whether Government are aware that the Supplementary Rules to the Fundamental rules contain a provision that an employee can inspect his service sheet or card, maintained by his officer;

(b) whether Government are aware that in incorporating the rules in the State Railway Establishment Code, Volume II, this provision has been deleted; if so, the reasons therefor;

(c) if the provision referred to in part (a) above is contained in any other rule, whether Government propose to lay a copy thereof on the table of the House; and

(d) if the provision of the rules has been completely deleted, whether it is proposed to be inserted now; if not, the reasons therefor?

**The Honourable Dr. John Matthai:** (a) Yes.

(b) and (c). The provision has not been incorporated in the State Railway Establishment Code but in paras. 1942 and 1943 of the State Railway General Code in which all rules regarding records of service have been consolidated. As a copy of the latter Code is in the Library of the House, Government do not propose to lay a copy of the rules on the table.

(d) Does not arise.

#### GOODS MARKERS ON N. W. RAILWAY.

**102. Seth Sukhdev:** Will the Honourable Member for Railways be pleased to state:

(a) whether it is a fact that the present scale of wages for Goods Markers on the North Western Railway is Rs. 25 fixed;

(b) what are the prospects of promotion for a non-matriculate Goods Marker; if none, the steps that are proposed to be taken to provide some channel of promotion; and

(c) whether it is a fact that the fixed scale for Goods Markers under the old (prior to 1931) scale was introduced, because such persons were eligible for promotion as Tally Clerks or Goods Clerks; if not, the reasons for fixing the scales?

**The Honourable Dr. John Matthai:** (a) Yes.

(b) None. It is not considered to be in the interests of efficiency to promote non-Matriculate goods markers to posts outside the inferior category to which they belong. As a result of Government's decisions on the Pay Commission's recommendations, however, it is likely that the pay of goods markers will be revised.

(c) Government have no information regarding the exact reasons for adopting a fixed rate of pay for goods markers under the scale of pay in force prior to 1931. As stated in my reply to part (a), however, a revision of the scale of pay of this class of employees is likely in the near future.

#### DETERMINATION OF RELATIVE SENIORITY OF MINISTERIAL STAFF

**103. Seth Govind Das:** (a) Will the Honourable Member for Railways please state whether it is a fact that the Home Department in August, 1946, issued a memorandum for determining the relative seniority of ministerial staff?

(b) Is it a fact that according to that Memorandum, seniority of officiating Assistants is to be determined by the length of continuous service in that grade subject to the condition in para. 4 thereof and that those orders will not apply to persons whose seniority *inter se* has already been fixed?

(c) Is it a fact that during the war, promotions of second and third division Clerks to the grade of Assistants were made not strictly in accordance with their seniority and sometimes senior men were not spared from a particular job in one branch, for promotion in another branch, in the interests of efficiency and administrative convenience?

(d) Is it a fact that the Railway Board Ministerial Staff Association, at their Annual General Meeting held in January 1946, passed a resolution requesting the Railway Board to review the existing procedure for determining the seniority of officiating Assistants? If so, what action has been taken on that resolution?

(e) Do Government propose to retain the same relative seniority, on promotion to the grade of Assistants, of the permanent second and third division Clerks, which they had before their promotion, irrespective of the length of their continuous officiating service as Assistants? If not, why not?

**The Honourable Dr. John Matthai:** (a) Yes.

(b) The answer to the first part is in the affirmative but the reference in the second part to—"seniority already fixed"—is to such fixation in the officiating grade and not the seniority in the lower grades.

(c) Yes, but promotion to the grade of Assistants from the grade of clerks is not made on seniority but by selection.

(d) Yes. The request has been considered but it has been decided not to alter the existing procedure of counting seniority among the officiating Assistants on the basis of length of continuous officiating which is the fairest in the circumstances of the case. This principle has recently been accepted also by the Home Department.

(e) No, for the reasons given in the reply to (d) above.

#### SUGAR EXCISE FUND

**104. Sri V. C. Vellingiri Gounder:** (a) Will the Secretary of the Department of Agriculture be pleased to state the amount of expenditure incurred every year out of the Sugar Excise Fund since it was opened?

(b) What are the objects for which amounts from the fund are disbursed?

(c) How have the various Provinces been individually benefitted by the Fund?

**Sir Pheroze Kharegat:** (a) and (c). Statements furnishing the requisite information are placed on the table.

(b) The Fund is utilised for—

- (1) the administration of the Indian Central Sugarcane Committee and the Indian Institute of Sugar Technology; and
- (2) for giving grants to the various provinces and states for financing development and research schemes.

The functions of the Committee are to undertake the improvement and development of the growing, marketing and manufacture of sugarcane and its products in India and of all matters incidental thereto. The Indian Institute of Sugar Technology imparts training to candidates of various provinces in agricultural, technological and economic research on sugarcane, gur, sugar and their by-products.

**APPENDIX I TO NOTES**  
**SUGAR EXCISE FUND**

Statement showing the allotments, payments at the close of each year.

Year	Payments made to Provinces during the year								Total payments to Provinces	
	U. P.	Bihar	Orissa	Bombay	Madras	Punjab	Bengal	Burma	During the year	Up to the end of the year
1934-35	0 5,40,000	1,51,383		15,466		21,160		15,415	7,43,424	7,43,424
1935-36	0 .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..
1936-37	4,17,300	3,14,164	10,000	7,734	.. ..	10,850	.. ..	27,835	7,87,613	15,31,037
1937-38	58,700	.. ..	10,000	12,468	44,897	.. ..	.. ..	.. ..	1,26,055	16,57,092
1938-39	.. ..	3,42,000	.. ..	9,784	.. ..	35,300	22,880	.. ..	4,07,964	20,65,056
1939-40	14,95,000	2,32,000	2,500	67,901	31,340	13,100	.. ..	.. ..	18,41,841	39,06,397
1940-41	3,22,050	3,64,153	.. ..	41,969	11,794	7,800	32,336	.. ..	7,80,102	46,86,999
1941-42	3,02,500	1,48,500	24,314	34,365	24,631	9,065	22,413	.. ..	5,65,788	52,52,787
1942-43	3,08,000	1,21,000	4,780	40,725	1,500	9,310	14,315	.. ..	5,00,130	57,52,917
1943-44	3,00,000	1,05,300	4,156	27,429	16,000	11,180	.. ..	.. ..	4,63,765	62,16,682

Statement showing the allocation from the Sugar Excise Fund after the constitution of the Indian Central Sugarcane Committee

Year	Administra- tion of I.C.S.C. and I.I.S.T.	Grants to Provinces and States								Total Grants to the Provinces and States	Grant Tot:l up to the end of the year			
		U. P.	Bihar	Orissa	Bombay	Madras	Punjab	Bengal	N.W.F.P. Hyderabad			Mysore		
1944-45	25,952	2,57,200	87,200		7,752		13,800							
1945-46	3,78,809	2,76,680	133,445	5,450	28,089	22,700	42,530	4,200	5,960	3,220				
1946-47	404,850	2,06,461	118,194	8,800	29,529	29,000	46,810	35,090	7,100	7,300				4,450
1944-45													Rs.	Rs.
1945-46													3,65,952	65,82,034
1946-47													5,17,274	70,99,904
													4,87,734	75,87,642



## SHORT NOTICE QUESTIONS AND ANSWERS

### HUGE QUANTITY OF GRAM LYING IN HISSAR DISTRICT

**Dr. Zia Uddin Ahmad:** (a) Will the Secretary of the Food Department be pleased to state whether it is a fact that about 1½ lakhs of tons of gram, lying in the district of Hissar, has been controlled?

12 NOON

(b) Are Government aware that this gram is being eaten by insects and has not been distributed among the consumers?

**Mr. K. L. Panjabi:** (a) and (b). No, Sir. The information is that the surplus stock of gram in Hissar and other South Eastern districts of the Punjab is about 20 to 30,000 tons. The stock has accumulated, despite shortage in other Punjab districts, owing to failure of the trade to move it to the deficit areas. The Government of the Punjab needed this grain for consumption within the province, and, therefore, it was not placed at the disposal of the Central Government for allocation to other areas. However, owing to recent disturbances all the gram cannot be moved to the deficit areas of the Punjab and the Punjab Government are considering declaring part of it as surplus to the requirements of the province and necessary allocations will be made by the Central Government. The gram is in as good condition as can be expected after storage for a year by the trade in the expectation of being able to export to high priced areas.

**Dr. Zia Uddin Ahmad:** Is this gram the property of the Provincial or the Central Government?

**Mr. K. L. Panjabi:** It is the property of the trade.

**Dr. Zia Uddin Ahmed:** If it is the property of the individuals, can we imagine that those individuals will allow their property to be eaten by insects?

**Mr. K. L. Panjabi:** That question should be addressed to the individuals concerned.

**Pundit Thakur Das Bhargava:** Is it not a fact that the people are anxious to export this gram from the Punjab?

**Mr. K. L. Panjabi:** The Punjab Government is now considering permitting limited exports outside the Punjab.

**Pundit Thakur Das Bhargava:** Is it not a fact that the Punjab Government are coercing the traders to sell the gram at cheap rates?

**Mr. K. L. Panjabi:** No, Sir.

**Dr. Zia Uddin Ahmad:** Does it not show that there is something wrong when 1½ lakh tons of gram, lying not very far from Delhi are not allowed to come into Delhi and be eaten by human beings?

**Mr. President:** Order, order.

**Mr. C. P. Lawson:** Will the Honourable Member please tell the House what is the maximum safe period during which the gram can be stored?

**Mr. K. L. Panjabi:** It depends on the condition of storage but gram deteriorates more rapidly than some other grains. I think about 18 months would be a good period if proper precautions are taken.

**Prof. N. G. Ranga:** I do not wish to put short notice question No. 49 because it has been partly answered by the question put by Dr. Zia Uddin. I will put short notice question No. 50.

### BAN ON EXPORT OF POTATOES TO CEYLON ✓

**Prof. N. G. Ranga:** (a) Will the Secretary of the Food Department be pleased to state if representations have been made to the Government regarding the urgency of the need for allowing Mysore potatoes to be exported to Ceylon, since the Indian market cannot absorb them in this season?

(b) Are Government aware of the fact that potato crop is a perishable one and as such, Mysore crop cannot stand the wear and tear and delay incidental to its exports to Northern India in these days of wagon shortage?

(c) Do Government propose to so amend their orders on exports as to permit Mysore potato crop to be exported immediately to Ceylon?

**Mr. K. L. Panjabi:** (a) One representation has been received asking for a permit to export 1000 tons of potatoes from Mysore to Ceylon.

(b) Potatoes are not so perishable that they cannot be moved from Mysore to the scarcity areas, particularly as a high priority has been allotted for movement of potatoes.

(c) Information regarding the potatoes declared surplus by Mysore has been circulated to deficit areas in this country enquiring whether they want these potatoes. If they are not required for our internal requirements Government will consider issue of an export permit to Ceylon.

**Prof. N. G. Ranga:** Is it a fact that the Bombay and Bengal Governments have already informed the Government that they are not in need of this potato?

**Mr. K. L. Panjabi:** No, Sir. Bombay Government has enquired at what price potatoes are available.

**Prof. N. G. Ranga:** What are the Governments which have so far said that they do not want the potato crop adjusted?

**Mr. K. L. Panjabi:** We received a reply from the Bengal Government saying that they do not require the potatoes and we have not had any negative replies from the other Governments.

#### ELECTION TO THE STANDING COMMITTEE ON ROADS

**Mr. President:** I have to inform the Assembly that the following eight non-official members have been elected to serve on the Standing Committee for Roads for the financial year 1947-48:—

(1) Chaudhury Sri Chand, (2) Mr. Hafiz M. Ghazanfarulla, (3) Mr. M. A. F. Hirtzel, (4) Sri V. C. Vellingiri Gounder, (5) Mr. Sasanka Sekhar Sanyal, (6) Mr. Hafiz Mohammad Abdullah, (7) Mr. Ramayan Prasad, and (8) Raizada Hans Raj.

#### ELECTION TO THE STANDING COMMITTEE FOR FOOD DEPARTMENT

**Mr. President:** I have further to inform the Assembly that upto 12 Noon on Monday, the 24th March, 1947, the time fixed for receiving nominations for the Standing Committee for the Department of Food, eleven nominations were received. Subsequently one member withdrew his 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) Sri Bhagirathi Mahapatra, (2) Prof. N. G. Ranga, (3) Shri Mohan Lal Saksena, (4) Lala Deshbandhu Gupta, (5) Rao Bahadur N. Siva Raj, (6) Pandit Govind Malaviya, (7) Mr. E. L. C. Gwilt, (8) Maulvi Shah Abdul Hamid, (9) Mr. Mohammad Rahmat-Ullah, and (10) Makhdum Al-Haj Syed Sher Shah Jeelani.

#### ELECTION TO THE STANDING COMMITTEE FOR INDUSTRIES AND SUPPLIES DEPARTMENT

**Mr. M. P. Pai** (Government of India: Nominated Official): 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 Industries and Supplies is concerned, during 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 Industries and Supplies is concerned, during the financial year 1947-48.”

The motion was adopted.

ELECTION TO THE STANDING COMMITTEE FOR EDUCATION  
DEPARTMENT

آنریبل مولانا ابوالکلام آزاد—اس اسمبلی کو چاہئے کہ ایسے طریقے سے جو آنریبل پریسیڈنٹ اس غرض سے تہہذاریں کہ دس نون آئیڈیل ممبروں کے چناؤ کی کارروائی انجام دے جو ایک اسٹیبلڈنگ کمیٹی میں کام کرینگے یہ کمیٹی اس غرض سے ہرگزی کہ ۴۷—۴۸ میں ڈپارٹمنٹ آف ایجوکیشن کے لئے انڈرائزی کمیٹی کا کام دے

**The Honourable Maulana Abul Kalam Azad** (Member for Education): Sir, I 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 a Standing Committee to advise on subjects dealt with in the Department of Education, during 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 a Standing Committee to advise on subjects dealt with in the Department of Education, during the financial year 1947-48.”  
The motion was adopted.

ELECTION TO COUNCIL OF INDIAN INSTITUTE OF SCIENCE,  
BANGALORE.

آنریبل مولانا ابوالکلام آزاد—اس اسمبلی کو چاہئے کہ ایسے طریقے سے جو آنریبل پریسیڈنٹ اس غرض سے تہہذاریں ایک ممبر کے چننے کی کارروائی انجام دے جو انڈین انسٹی ٹیوٹ آف سائنس بنگلور کی کونسل میں اس ہاؤس کی نمائندگی کرے یہ چناؤ ۴۷—۴۹ تک کے زمانے کے لئے ہوگا—انسٹی ٹیوٹ آف سائنس کی جالداں اور فنڈ کے انتظام کے لئے جو اسدیم منظور کیا گئی تھی اور جو گزٹ آف انڈیا میں پچھلے ڈپارٹمنٹ آف ایجوکیشن ہلڈہ ایڈڈ لیڈرز کے نوٹی فیکیشن ذریعہ ایف—۵۳ کے ساتھ ۲ دسمبر ۱۹۳۷ء میں چھپی تھی اسکے ماتحت یہ کارروائی کی جا رہی ہے

**The Honourable Maulana Abul Kalam Azad** (Member of Education): Sir, I move:

“That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, a member to represent this House on the Council of the Indian Institute of Science, Bangalore, for the period 1947-49 (both years inclusive) in pursuance of the provisions of clause 11 (Secondly) of the Scheme for the Administration and Management of the properties and Funds of the Institute, which was published in the *Gazette of India* with the Notification of the late Department of Education, Health and Lands No. F. 53-1/37, dated the 2nd December, 1937 as subsequently amended.”

**Mr. President:** Motion moved:

“That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, a member to represent this House on the Council of the Indian Institute of Science, Bangalore, for the period 1947-49 (both years inclusive) in pursuance of the provisions of clause 11 (Secondly) of the Scheme for the Administration and Management of the properties and Funds of the Institute, which was published in the *Gazette of India* with the Notification of the late Department of Education, Health and Lands No. F. 53-1/37, dated the 2nd December, 1937 as subsequently amended.”

**Prof. N. G. Ranga** (Guntur cum Nellore: Non-Muhammadan Rural): I wish to suggest that the notification should be so altered as to make it possible for this House to elect at least two, if not more, members of this House to that very important Institute of Science at Bangalore.

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

## ELECTION TO THE STANDING COMMITTEE FOR AGRICULTURE DEPARTMENT

"That this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, a member to represent this House on the Council of the Indian Institute of Science, Bangalore, for the period 1947-49 (both years inclusive) in pursuance of the provisions of clause 11 (Secondly) of the Scheme for the Administration and Management of the properties and Funds of the Institute, which was published in the *Gazette of India* with the Notification of the late Department of Education, Health and Lands No F. 53-1/37, dated the 2nd December, 1937 as subsequently amended."

The motion was adopted.

**Sir Pheroze Kharegat** (Government of India: Nominated Official): Sir, I 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 dealt with in the Department of Agriculture 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 dealt with in the Department of Agriculture for the financial year 1947-48."

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 for nomination	Date for election
1. Standing Committee for the Department of Industries and Supplies.	28th March, 1947 .	3rd April, 1947.
2. Standing Committee for the Department of Education.	28th March, 1947 .	3rd April, 1947.
3. Council of the Indian Institute of Science, Bangalore.	31st March, 1947 .	7th April, 1947.
4. Standing Committee for the Department of Agriculture.	31st March, 1947 .	7th April, 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—*contd.*

**Mr. Geoffrey W. Tyson** (Bengal: European): Sir, before the House rose last evening I had two or three minutes at my disposal in the course of which I pointed out that the real head and front of the Finance Member's attack on the taxpayer was to be found in the Finance Bill and not in the other tax measures, notably the Business Profits Tax and the Capital Gains Tax, which have aroused so much interest and heated controversy during the last fortnight. I also stated that I was confirmed in that impression by reason of the imperceptible manner in which the Finance Member had listened to those criticisms, and the care and endurance which he was giving to consideration of such problems as fish, fruits and food which have been raised during the course of the debate on the Finance Bill. To my mind, important as those things are, they are much less relevant to the future economy of this country than the proposals which Mr. Liaquat Ali Khan has incorporated in the current Finance Bill which is now before the House. I venture to believe that in the next six, ten or twelve months time the detailed provisions of the Finance Bill will be causing the Finance Member and his officers and advisers to rub their hands with satisfaction at the money which is coming into the exchequer, and causing taxpayers of any substance to be wringing their fingers in embarrassment and searching their pockets wondering where their further commitments are to come from.

[Mr. Geoffrey W. Tyson.]

Quite properly, when he introduced the budget on the 28th February, the Honourable the Finance Member set before himself and before this House certain targets. I think I am right in saying that the central target was what he called the attainment of social justice. I think also the attainment of social justice, so far as this budget is concerned, hinges upon the application of what we may call distributive justice. Yesterday my Honourable friend, Prof. Ranga, with whom I do not often find myself in agreement, criticised this aspect of the Finance Member's proposals saying that his conception and his definition of distributive justice was negative and in no sense involved a positive redistribution of wealth. I think that is a criticism with which one can agree, whether one is ideologically in the same camp, the Socialist camp, as Prof. Ranga is, or whether one is an adherent of and a believer in the capitalist system. I would go further than my friend Prof. Ranga. I would say that the budget as a whole, and the Finance Bill in particular, is frankly designed to attain distributive justice, but so far as I can see it is going to be a distribution of wealth on an ever-diminishing scale.

In the general debate on the Budget, my Honourable friend, Mr. Gadgil from Bombay, made a very pertinent and wise remark. He said it is easy enough to cut an apple into six parts, but the mere fact of cutting it up does not provide you with a new apple. I think that the analogy has some considerable relevance to the taxation proposals which are embodied in the present Finance Bill. What Mr. Gadgil said on that occasion was wise and I think it is a necessary piece of common sense which the House ought to bear in mind. No, one, not even on these Benches, quarrels with the conception of distributive justice. Certainly I do not, and its general acceptance is I think one of the signs that mankind is moving to a higher plane of relations between one man and another. But, Sir, it seems to me the merest and most obvious commonsense that whether we seek to obtain distributive justice by practical capitalist means or by theoretical socialist measures, we should also seek to ensure that there is at the same time a steadily enlarging fund of common wealth and common riches, upon which the community can draw in satisfaction of the ideals which it has set before itself. This test, I suggest, is in its own way just as important as the principle of distributive justice itself, and I feel sure that my Honourable friend the Finance Member will agree that that is so.

But in considering the Finance Bill that is now before the House I think it is necessary to ask ourselves: how does that Bill stand if we apply the test of an enlarging fund of common wealth and riches, how does this 1947 Finance Bill stand if we apply that test to the details of its clauses? I submit that judged by this test, the Finance Bill, and the other Bills which the House will be debating in the course of the next few days, fail to give anything like proper recognition to the position of production, which is just as important in the scheme of things, in the economic scheme of things, as the conception of distributive justice.

I would say that is even more important when we remembered that before wealth can be distributed it has got to be produced. When he proclaimed his ideas I submit that the Finance Member should logically and as a realist—the realist that he reveals himself to be in so many practical ways—also have proclaimed some idea of the conception of justice for the producer. We may search in detail all the clauses of the Finance Bill in vain for any recognition of the principle of justice for the producer. Indeed to my mind there are good grounds for feeling that the Bill will go far to discourage more production by large industrial units and producers and will certainly curtail, if not abolish, many of the new ventures upon which industrialists and others were about to embark in this country. It will also arrest for a long time to

come schemes of expansion to which thought and time has already been given, and in some cases a certain amount of money appropriated. My Honourable friend Sir Cowasjee Jehangir, speaking on the first day of this debate, quoted an instance of a company where the underwriters had already been left with a large part of their commitments and, although he may not have said so, my recollection is that the promoters had decided to abandon the venture finally as a result of the taxation proposals which are now before this House. I suggest that things should not be allowed to happen like that. That affair is not just pure political pique. It is evidence and a symptom that the economic consequences of some of the tax proposals we are now considering are very serious and grave indeed. There is an idea that the rich of all communities in this country can be taxed *ad lib*, and I would venture, if I may, to quote to the House a few words from one of the greatest financial administrators of our day and generation. I refer to the late Lord Stamp. Writing in his book on "Wealth and Taxable Capacity" under the heading "Limits of Taxable Capacity."

**Mr. Muhammad Nauman** (Patna and Chota Nagpur *cum* Orissa: Muhammad): In what year was it written."

**Mr. Geoffrey W. Tyson**: In 1929.

**Mr. Muhammad Nauman**: Then there is no use quoting it at the present time.

**Mr. Geoffrey W. Tyson**: On this matter Lord Stamp said:—

"It leaves some people cold if you refer to the fact that a certain wealthy employer has to pay away half of his income in income-tax and super-tax—£20,000 reduced to £10,000. They say: 'Don't talk to us of what we take, see what he's got left. Most poor devils have to be content on a mere fraction of it.' [As Mr. Philip Snowden frequently says in effect in his books: 'I always look at what we leave him' (meaning the assessee).] "But taxation is not merely a stationary or static problem, the cutting up of an existing cake—it is a moving and dynamic problem. We have to ask not only how little we can leave him with, but also, how much reduction will he stand before he slackens in work and abstinence? How long will he come up smiling to be taxed in this way?"

Well, Sir, you must have noticed that there were not many smiling faces on the evening of February the 28th, and I have not seen many smiling faces since. I have seen no smiles returning to the face of my Honourable friend Mr. Vadilal Lallubhai with whom I have been in regular contact in the last fortnight. It may be that the Finance Member does not care whether we show smiling faces or not. But what we have to consider is whether, on the broadest possible view, the taxation measures before us now are really going to give the Finance Member what he wants in a way that will not damage trade and industry to an extent that is irreparable; no one likes taxation, no one asks for more of it. But it has been proved that wise taxation will encourage the producer and will stimulate an expanding economy. It has been proved possible in India before. When the Business Profits Tax and the Capital Gains Tax come before the House I shall have more to say on this aspect of the matter. But I do remember—I think it was in 1944—that Sir Ramaswami Mudaliar accorded to the coal industry a depreciation allowance in connection with the Excess Profits Tax—a special depreciation allowance I think of 50 per cent. on the written down value of certain items like plant, machinery and so on. The result was that Indian coal production during the remaining critical war years was stepped up to a point that exceeded expectations. What is more, and it is a remarkable fact, in a phase of declining coal production throughout the world, when in some countries it has declined disastrously, the curve of Indian coal production has steadily risen and is still rising. Now, Sir, I suggest that that is a circumstance which the House would do well to bear in mind when it is asked to endorse taxation measures of the kind that are before us now. I suggest, Sir, that it is a circumstance which points a moral.

[Mr. Geoffrey W. Tyson]

I turn now more specifically to the provisions of the Bill. I would ask the Honourable the Finance Member whether he really seriously thinks that the lowering of income levels at which the maximum rates of super-tax are attracted—a lowering in the case of unearned income from 3½ lakhs to 1 lakh and 20 thousands, and in the case of earned income from 5 lakhs to a lakh and a half—will have no effect on trade and industry. I would ask the Honourable the Finance Member and the House whether it is really thought that penal taxation of this kind will have no effect upon the productive forces of the country, or no effect upon the investment surplus available to create trade and employment, and no effect upon individual initiative which in the present circumstances is our only guarantee of an expanding economy. I would plead earnestly with the Finance Member to reconsider the rates which he is now proposing to impose for super-tax. I would ask him, in the goodness of his heart, at least to draw a distinction between the working capitalist and the non-working capitalist, between the man who does not use his money to produce and the man who uses his money for strictly productive purposes. My Honourable friend may answer that he has already differentiated between these two classes, that he has already drawn a distinction, that the varying rates for earned and unearned incomes meet the circumstances of the cases. But I, Sir, would ask him whether he cannot devise a distinction between these two categories of capital which is more purposeful, more positive and more forward-looking. I would suggest that, if he will give the matter his thought, even now this objective can be obtained in the Finance Bill which is before the House. I would ask him to examine whether the effect of the new scale of super-tax on earned income will not be to dry up the springs of investment and with it to curtail production and in turn, inevitably, to bring down the level of employment for the common man. For I contend that the chief interest of the common man whose cause Mr. Liaquat Ali Khan so eloquently pleaded in his Budget speech, lies in the assurance of profitable, regular and continuing employment.

Only yesterday the Finance Member came to us and announced in this House in connection with the Capital Gains Tax his willingness to consider the exemption of what was called personal effects. I for one welcome that modification, just as I welcome the modification which he has indicated, his agreeableness to lower the rates of incidence on the business profits tax and of the ironing out of the standard rate of dividend. But to my mind it is far more important that provision should be made to keep the channels of investment flowing on the lines which I have suggested and to distinguish between what I have called the resources, the savings and the activities of the working and the non-working capitalist. In connection with the Capital Gains Tax, when we come to it in this House, I shall press in due course for a provision that a company which sells its assets at a profit for reinvestment in its own legitimate business should be exempted from tax. I put that instance on all fours with personal and household effects. But that is a matter for the future.

In the meantime I would ask the Honourable the Finance Member and his advisers to think long and hard as to whether by realising the relatively small sum of 2½ crores—I think that is the figure of the new slabs of super-tax—they are not in fact dealing a blow which will permanently damage the productive forces of India's economy which it is the Finance Member's sincere desire to stimulate and to encourage. My friend Sir Cowasjee Jehangir in his speech on this Bill the other day used the word 'blackmail'. I do not like the word. I have not the slightest intention of accusing the Finance Member, either now or hereafter, of blackmailing business. But I will say this. The cumulative effect of the provisions of the Finance Bill 1947, the Capital Gains Tax and the Business Profits tax as such has been to bludgeon industry

to its knees. I believe in 12 months time the Finance Member will come to realise that a just measure of compromise now—and he has already gained in reputation and stature by meeting the legislature on its original proposals in regard to the other two Bills—will repay the exchequer and repay the country at large in increased and increasing prosperity.

**Dr. Zia Uddin Ahmad** (United Provinces, Southern Divisions, Muhammadan Rural): The Honourable the Finance Member clearly enunciated the principles on which his financial policy was based. These principles were described on pages 24 and 25 of his speech and I shall read only a few sentences from there: He said: Economy and the elimination of unnecessary, wasteful or extravagant expenditure is my objective rather than pure retrenchment. He said further 'that control on the stock market and on the Commodity and Bullion exchanges was very necessary'. Then he said 'I regard speculation of this kind as a social evil indistinguishable from gambling' and then later on he said:

"We have here on the one hand a class of multi-millionaires rolling in wealth (My friend Mr. Abdulla said that wealth was rolling over them) and holding the economy of the country in their grip by exploiting for their own profit."

Then he said.

"The conditions created by the last war served to accentuate these disparities. This meant the concentration of wealth in fewer and fewer hands and, inevitably, the use of that wealth for the purpose of tightening the stranglehold of big money over the economic life of the country as a whole by the acquisition of businesses, companies, public utilities and the press. A set of conditions in which the few are able to wield such vast power over the many can hardly be regarded as anything but a negation of the principles of social justice."

Now, may I ask Mr. Tyson who has just spoken whether it is proper that a few men should control the entire economic life of the country. They own the entire press. They really control public opinion and they make the people dance and make them do as they like. Now, the principles which the Finance Member enunciated were endorsed by the speeches of Honourable Members of the Assembly and everybody supported the budget proposals of the Honourable Member.

As regards the taxation proposals the Honourable Member said that there was a deficit of 48.46 crores which will be further enhanced to 56.95 crores by the withdrawal of the salt tax amounting to 9.25 crores, and by raising the Income-tax level amounting to 2.25 crores. He suggested that this gap might be met by three main sources—6½ crores in income tax, 4 crores export duty on tea and 30 crores on B. P. T., leaving a deficit of 16.96 crores. With the recommendations of the Pay Commission, coming in, there will be a deficit of about 15 crores. Total deficit will thus be nearly 32 crores. These proposals were referred to a Select Committee and we expected that they will try to find out ways and means by which this 32 crores could be met. To our surprise instead of helping the Assembly to find out the ways and means they thought that their duty was only to cut down the income and thus raise the quantum of the deficits. If we accept the recommendations of the Select Committee, the income from Business Profit tax will be reduced to Rs. 20 crores and deficit will be increased to 42 crores. The Compromise made by the Honourable Finance Member will further diminish the income by about 5 crores and our deficit will be 46 crores. I have before me the speech of my friend Sardar Mangal Singh, which he delivered on 3rd March. I read it twice with great care this morning. He has also signed the minority report. I want that he may please explain to the House how he reconciles the two views. My friend referred to the rumours in the Punjab about which I do not care. Sardar Mangal Singh will be doing justice to the House if he explained why he changed his opinion without even attending the meeting whose proceedings he signed by receiving papers through a messenger who was sent to him to obtain his signature. I think, an explanation is needed and as a matter of courtesy to



[Dr. Zia Uddin Ahmad.]  
the members of the House I think he should explain the reasons why he changed his opinion.

Now, as regards the minority reports. I have great respect for all my friends but accidentally the opinions expressed by them were the opinions expressed by the various Chambers of Commerce. I have got the whole file with me which I have carefully gone into and I have got the resolutions which were sent by the Bengal Chamber of Commerce and the Bombay Chamber of Commerce and also by the Federation of Chambers here. We find that their opinion is practically supported by the opinion of the minority report. This report, as it has emerged from the Select Committee, has diminished the income from 30 crores to 20 crores. They have thus raised the deficit by another 10 crores. Then, there was a compromise between the Members of the Cabinet, which has further reduced the income by about 4 crores. So, the deficit has now gone up to about 46 crores and nobody has suggested how we are going to meet this deficit. My Honourable friend Sir Cowasjee Jehangir suggested that it ought to be met by borrowing. This is not a sound finance. While describing his dream, he also mentioned the revelation which he had about Dr. John Matthai. Dr. John Matthai did not administer any threat in his speech, which I have read, but he certainly gave a note of warning and I join with him in giving this note of warning to the multi-millionaires. If they monopolise the entire economic structure and do social injustice then the country will not allow them to do so. It may be done either constitutionally, as my Honourable friend Dr. John Matthai suggested, or it may be done by revolution by the pressure of the socialists and the labourers which I have suggested several times on the floor of this House. I will give you a little later the profits which these multi-millionaires are now making. Anyway, the suggestion that has been made that we should meet the deficit by means of a loan is not a sound financial policy because thereby we increase the interest and place increased burden on future generations. If any such proposal comes from the Finance Member, you may take it for granted that it will not receive the assent of the country. And what does this country consist of? It consists of 8 multi-millionaires who have always been the target of every Finance Member. They own all the press and they can carry on any propaganda in the papers. They can also influence even the Members of the Government. As I have said before, these multi-millionaires are not in the pocket of the Government, but the Government is in the pocket of these multi-millionaires. They can also influence the Members of the House. Therefore, it is exceedingly difficult to levy any tax not only this year but also in future years and they will press meeting deficits by means of loans or by inflation year after year. This position cannot be accepted. I am really very sorry that the Finance Member has agreed to this compromise in order to have unanimity in the Government. I admit that it is a very good object and I am also in favour of compromises. At the same time, the burden will certainly fall on him next year. Such a compromise by which you avoid the liabilities of this year to a future year is not a sound financial policy. You are really showing the responsibility from the present Interim Government to some other Government which may follow. When you are here, you should take the full responsibility because, after all, you are responsible to the people of the country, and not to your colleagues.

My next difficulty is that the millionaires have now realised their power by success in their propaganda. According to the famous story *Hazrat Israil ne ab ghar dekh liya hai*. I am not sorry so much about what has happened. I am sorry for what will follow. They are sure to start another propaganda tomorrow. The *National Call* has already given a lead to the next propaganda by the article which appeared in it the day before yesterday. It said that

now they have succeeded in their attempt on this business tax, let us make another attempt on the Bill in which the Finance Member is trying to find out those who are guilty of evasion of income tax. There is an attack already and motives have been attributed to the Honourable the Finance Member that he has brought forward this Bill in the interest of the Muslim League. How on earth the Muslim League comes into the picture, I cannot conceive even by stretch of imagination. *National Call* must have been familiar with the evasion of income tax. The Finance Member must be familiar with Sakseria who died leaving 30 crores behind him and he did not pay half a penny in income-tax. If a person could live 30 crores without paying income-tax, then is it or is it not a good case for the Honourable the Finance Member to take suitable steps for avoiding the evasion. The other day my friend Professor Ranga said that the Finance Member and his staff do not know how much liability will be there and how much income will be obtained by the proposals. May I tell him in reply that there is one unknown item X which the Finance Member or his staff cannot find out. If Professor Ranga can help him, then the Finance Member will give the exact figures. And that unknown figure is, how much income-tax has been evaded? In order to find out this unknown quantity, the Honourable the Finance Member has appointed a Committee against which propaganda has already been started by the capitalists. I hope the Honourable the Finance Member will not succumb to this propaganda as he has succumbed to the previous propaganda by which he has brought down his income from 30 crores to 16 crores.

Sir, I have examined in detail the effect of the Business Profit tax. I find propaganda has not much force. I have got the calculations of all these things here in my hand. The dividends will remain as they are, but the amount of the reserve which they had been setting aside will slightly be affected but not to the extent which is given out by propagandists. The time at my disposal will not permit me to give all the figures, gathered from the *Finance and the Capital*. The amount of loss is very nominal. The shareholder, whom they call a small man, will remain unaffected and the amount of his dividend will remain the same. But there will be a certain fall in the amount they set aside in reserve. This is a point on which I have always spoken against my friend the Railway Member. When the country wants money for the development of our industries and we have to supply about 75 crores to the provinces in order that they may develop their industries, and help in growing more food, then it is time that we should examine that no industry, including the railways, should put an unnecessarily large amount in the reserve.

On the same issue I pressed the Honourable Railway Member that he ought not to put large sums of money in reserves at the present moment but to give more money to general revenues. I now press the capitalists that they should not put unnecessarily large amount in Reserve. I pressed the Railway Member that his reserve should be 10 per cent. of the capital at charge. I have got here a table of 40 companies taken from the capital which show the amount of reserve they have accumulated. I take the case of a company whose subscribed capital is 28 lakhs. Its reserve is Rs. 1,95,00,000. The value of 100 Rs. share is now Rs. 1,650. I should like to ask my capitalist friends how a hundred rupee share could increase 16½ times. Whereas in the case of Government business, a share of 100 Rs. remains 100. A hundred rupee share becomes Rs. 1,650 by exploitation of consumers, by exploitation of shareholders, by exploitation of income-tax officers and by exploitation of everybody whom they come across. The blood sucker Managing Agents do not even leave their own wives and children without exploitation. This is the manner in which their reserves have been built up and share value increased 16½ times.

**Sir Cowasjee Jehangir:** For how many years has that company been in existence whose shares have appreciated to Rs. 1,650?

**Mr. President:** Does the Honourable Member propose to go through the whole list of companies?

**Dr. Ziauddin Ahmad:** No, Sir. I only gave the House the instance of one company whose shares have appreciated by 16½ times. Within the short space of 20 minutes allotted to me for my speech, I cannot deal with all the companies. I am not going through the whole list of 40 companies. Some of them are still more flourishing. These companies have been exploiting labour all the time. The capitalist has been fattening himself at the cost of labour and consumer and Income-tax officers. I give a timely warning that if the capitalists do not change their methods and if they do not enlist the labour, as business partners, then I am afraid labour will follow their own methods.

Now, Sir, I come to controls. I do not like controls in any shape or form. I said last time and I repeat it again that control and corruption are synonymous terms.

*Control aur corruption asal men dono ek hain  
alam→control men chain se koi soe keon?*

Please abolish these controls altogether then we will live in peace. This applies with greater emphasis to food. I see today food being wasted because people in charge of food control do not know how to control food. My friend Mr. Sanyal suggested the other day that a scientist ought to be put in charge of food. But scientists are not practical men to control food. They can advise, but not control. Leave this question of purchase and distribution of food to trade who have the experience of centuries.

Then one word as regards civil supplies. I am not satisfied at the way in which the Civil supplies department have been dealing with American disposals. They are not doing justice to India's interest in the matter of disposal of American surpluses. It is not correct that they should raise the price level in our country for the benefit of Americans. The Finance Member tried indirectly to lower the price index, but he was not allowed to do so. His proposals did not receive the assent of his colleagues. The result is that prices have no tendency to fall, they are still soaring up. Our price index is the highest in the world. What is the economic effect. Employees will demand dearness allowance, increase of salaries and other facilities. Discontent is prevailing elsewhere. You have created a situation in the country which would lead to strikes, stoppage of work, and all round discontent. Inefficiency is increasing in labour day by day. Labour is demanding more and more wages in order to make both ends meet. At the same time they are doing less work compared with what they used to do before. Uneasiness has increased among labour in all the factories. If you do not promptly look into the question of price level, if you continue to decrease the purchasing power of the rupee still further, you will come to grief very soon because discontent all over the country would lead to revolution. I give you timely warning. The position is exceedingly alarming. I notice a lot of excitement among the student population, there is a lot of discontent among teachers and discontent everywhere because people cannot make both ends meet. Unless you lower the price level, it is impossible to do social justice in this country. If the Finance Member is anxious to do social justice, then he and his colleagues ought to concentrate their minds on one problem, that is lower the price level and take only those steps which help to increase the purchasing power of rupee. Industries will not progress by high prices and by artificial increase in the income of the people. They can only progress if they sell cheap in competition with world market. I am sorry to notice time and again that the steps which the

Government are taking are not tending to lower the price level, but they increase the price level. It is not social justice. The political problems are nothing compared to the magnitude of the economic problems that are facing the country now. When people are assailed by hunger, then revolution is sure to overtake this country. It is time that Government paid some attention to the question of lowering price level, otherwise we will come to grief.

**Mr. Madandhari Singh** (Bihar and Orissa. Landholders): [The Honourable Member spoke in Hindustani. For Hindustani text see Appendix to the Debates for the 26th March 1947. English translation given below.—*Ed. of D.*]

Sir, I congratulate the Finance Minister for he is the first Indian who has been raised to this high rank. On going through the speech of the 1 P. M. Finance Minister I found that the salt tax has been abolished. It is the greatest achievement for Mahatama Gandhi and Congress. The decision to abolish this tax has come after a long time of waiting. Mr. Attlee announced on the 20th February 1947 that the British would transfer power to Indians by June 1948. This is another achievement for the Congress through the policy of non-violence. This is probably the first such event in the history of the world. My own creed is that we cannot defend ourselves by *Ahimsa*. If, therefore, we are going to get *swaraj* we shall have to keep our defence up to the mark and this will require the organization of all the three services that is, Army, Navy & Air Force. We shall have to provide our Army with the modern equipment and military training. Our youth shall also have to be trained in modern warfare. I suggest that military training should be made compulsory and every man should receive it so that we may defend our country. This transition period is full of dangers. It is but meet for every Indian in such time to give up communal differences. We must receive freedom from the British peacefully and save our country from bloodshed as far as we can. We must all bear in mind that at present, to our misfortune, the situation in our country is much deteriorated. I appeal to the leaders of both the parties to save our country from it. We must live together unitedly and make such arrangements as will ensure peace.

By reading the budget speech I understood that our Finance Minister desires and I may say that I am also at one with him in this respect that we shall have to maintain the status of stability of the budget during the interim period and for the future. We shall have to set up a committee to effect retrenchment in the services. We shall have to give to this committee the right of dismissing officers drawing large salaries. In most of the departments officers are paid large salaries which is not proper. There are many superfluous posts which must be abolished. Sind and Madras have no Commissioners. There the government is carried on without these dignatories. Why should it not be done in other provinces? Thus there are many superfluous posts. I suggest that all such posts should be abolished or, at least, reduced so that our budget may become a balanced budget. Always budgets are balanced by reducing the items of excessive expenditure.

Now, I want to say a few words about the income tax. Last year I said in my budget speech to the Finance Minister and I repeat it again this year that Bihar has not been apportioned its share of income tax as it ought to be. The reason is that there are 107 companies who are registered outside the province. Many of their directors are registered outside the province. So the income tax of companies that make their incomes in Bihar goes to others. Bihar does not get the proper share. I request the Finance Minister to try and get the proper share from income tax for Bihar. I should suggest another very important thing. A bridge should be constructed on the Ganges near Patna. This is most important. The entire people of Bihar are of opinion that this bridge should be built at Patna. I have always been pleading for

[Mr. Madandhari Singh.]

a broadcasting station at Patna and this has not been done up to this time. This may please be established at an early date. Patna must at once have the air-service so that travel by air may be easy for the people.

Regarding food I want to say that as Bihar is a deficit province it should be provided with food materials. There the cloth situation is worse. Black market is rampant. This evil must go. It has reached a point that things can be had easily in the black market while in the open market it is difficult to get them. Efforts must be made to have every thing for sale in the open market so that poor people may be a little better off. As regards the taxation proposals I do not want to take much of your time. I will only say this much that the terms of the compromise may be acted upon. If there is any thing to be cleared in it, it should be discussed and decided upon now and here. Taxation is always bitter and is not liked by anybody. It is hated by people and they are opposed to it. But we cannot do without it. Taxation is necessary to balance the income and expenditure. I support the compromise agreed upon between the League and the Congress. I cannot resist saying one thing: it is very easy to make the rich poor. A person can be reduced to poverty in one day. Efforts, however must be made to make poor people rich. A rich man can be made poor in a day. Many a time *goondas* rob, and set fire to the property and such actions reduce the rich people to poverty. It is, however, difficult to make a poor man rich. The popular Government must take from the rich and give it to the poor and thus unitedly we must fight our way ahead and lead India from progress to progress.

**Shri Mohan Lal Saksena** (Lucknow Division: Non Muhammadan Rural):  
Sir, I may tell you frankly that I am not an economist or a financial expert nor have I acquired an intimate knowledge of public finance as the Honourable Member is supposed to have done during the short time he has been in office. If I rise to make a few observations on the budget proposals I do so in order to give the House the reactions of a public worker, the reactions of one who has given a substantial portion of his life to activities directed to the welfare of the teeming millions of India, the starving, naked and toiling masses for whom the Honourable Finance Member seems to have developed a new love and whose well-being, according to his own speech, has been the guiding factor in framing these proposals. Sir, I rise to give the reactions of one who has as little in common with big business as with the Pakistan ideology of the Honourable the Finance Member. I rise, Sir, to give the reactions of one whose only capital in this world is the rich experience gathered during the last 27 years while working as an humble soldier for a mighty cause, namely, the political and economic emancipation of India under the unique leadership of that great man Mahatma Gandhi. Sir, it is a capital which defies the ingenuity of the tax-gatherer and—if I may say so—the more it is taxed the more it is enriched.

So much for the subjective make up of my observations. Coming to the Budget proposals, I find that they produced two different kinds of reactions. On the one hand in the business world they caused more consternation than the presence of the proverbial bull in a China shop, and on the other in a section of the press they were proclaimed as a socialist budget, as a poor man's budget. As regards the former, reaction, I have nothing to say because I know they are quite vocal and strong to take care of themselves and as for myself. I do not mind a few of them or even all of them being smashed provided that the well being of the whole country and its masses is ensured. As regards the socialist, or the poor man's character of the budget, I may say, Sir, that we on these Benches lag behind no one in this House or outside in supporting a socialist budget, but I may also tell you at the same time that we won't be carried away by high-sounding words or catch-phrases or, for the matter of that, by scriptural quotations. We have been deceived very often and for long and

we cannot take things on their face value. We won't be deceived by the label before examining its contents.

So, as regards the socialist character of this Budget I went through the proposals as they are. I looked in vain for the provision similar to those of Beveridge Scheme, for the provision of conveniences as they call from cradle to grave. What provision has been made for children, what steps are being taken to provide creches for the children whose mothers go to work in the factories, what provision has been made for supplying milk to the infants or to suckling mothers, what provision has been made for providing even free and primary compulsory education, and what provision has been made to decrease unemployment or to provide more work for the unemployed. I know that at least last year the Honourable the Finance Member made a show of making some provision for increasing avenues of employment. He had said that money that would be invested in building industry would be exempted from income-tax, and thereby he had led us to believe that a number of persons will be absorbed in those industries. We find there are no schemes to give encouragement to this kind of employment. I may go a step further and ask what has been done to provide for the handloom weavers in whose welfare the Honourable the Finance Member must naturally be very much interested? Nothing. As my Honourable friend, Prof. Ranga, pointed out yesterday, even the small sum of 5 lakhs that used to be provided in the Budget does not find a place. It may be said that these are cottage industries. I know, but this is just the time when during the next few years we can develop cottage industries as we want to develop them. The Honourable Member might say that it is a provincial subject, but I am one of those who believe that the Central Government has got a responsibility to these Provincial Governments and it should give a lead. Moreover they have got their own Centrally Administered Areas which to my mind should work as laboratories for administrative and other experiments. Why start the cottage industries in the Central Administered Areas? There are so many other things which could be provided for and they have not been.

**Mr. President:** Order, order. The Honourable Member may go to the next point after the recess, but before the House adjourns for Lunch, I might inform the Honourable Members that, for the convenience of a large number of Members who wish to speak, it has been agreed to by the Parties that the question hour be suspended tomorrow, and that the House will sit up to 5-30 today and tomorrow. That gives the House two hours more.

I have further to request that, in view of the large number of names on the lists that I have received, every speaker will be so good as to see that he does not exceed the time limit. I found yesterday that in spite of the agreement, there was not very strict adherence to the time limit, and there were speakers who took about 27 minutes or so. Of course the time so taken is debited to the account of that particular Party, but every individual speaker feels a bit disappointed if he does not get a chance, and it is not possible to give attention to both ways.

The Honourable Member may resume his speech at 2-30.

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.

**Shri Mohan Lal Saksena:** Mr. President, when the House adjourned I was just telling the House that I have considered the Budget and I find that it is not socialist. The only point that may be said in favour of the Budget is that there are going to impose a tax which is considered to take all our money from the rich. And especially this capital gains tax as it is called, we know it is not a socialist measure. We are told that it is in force only in America, and America is not a socialist country. So because that tax measure finds a

[Shri Mohan Lal Saksena.]

place in the budget proposals we must not be led to believe that it is a socialist measure. On the other hand, you know that the Estate Duty Bill has already been introduced in the House and is considered as one of the socialist measures and naturally if our friend, the Finance Member was socialist-minded, he should have tried to enforce that instead of introducing a Bill which has formed the subject of controversy all these weeks.

Now I want to show to the House that it is not even the poor man's budget as was made out by Hafiz Muhammad Abdullah. He said everyone in the street welcomed it as a poor man's budget. I do not know where he got that impression from. But from the Budget itself I can show that it is . . . .

**Mr. Muhammad Nauman:** Because of the relief of salt tax!

**Shri Mohan Lal Saksena:** I am grateful to the Honourable the Finance Member that the salt tax has been abolished and it has been abolished because he did not succumb to the influence and the persuasion of Dr. Zia Uddin. When the Interim Government was installed, news came out in the press that one of the first things that will be done will be the abolition of the salt tax and when the Muslim League came in, I moved a resolution for the abolition of the salt tax. There was another resolution standing in the name of Dr. Zia Uddin that it should not be abolished, and not only that, questions were also pressed from those benches suggesting that this tax should not be abolished, and therefore I am grateful to the Honourable the Finance Member that he was not influenced by the members of his Party to leave the salt tax alone. What do we find? The Honourable the Finance Member has told us that the poor man has got relief in the shape of Rs. 20 crores of food subsidy. I think the other day Prof Ranga showed that it is not a subsidy to the poor. It is as much a subsidy to the Honourable the Finance Member as to his orderly because they are getting rations at the same rates. Not only that, we know there were questions in this House regarding the money that was wasted. How two representatives of this very Government were bidding against each other in Argentine, and so much money was waste. As a matter of fact, this money—Rs. 17 crores.—which was spent last year, most of it could have been saved if they had not been bidding against each other. Not only that. . . . .

**The Honourable Mr. Liaquat Ali Khan (Finance Member):** That was before the Finance Member came into the Government.

**Shri Mohan Lal Saksena:** My submission is that because you have provided this Rs. 20 crores for food subsidy that does not mean it will go to relieve the poor man. That is my contention. If you had subsidized, for instance, the cultivator, then that would have been something. On the other hand I just say that there is the poor man's betel-nut. You could have very easily abolished the duty on that. That would have cost you about Rs. 1 crore. But on the other hand you could have imposed a duty on wines and spirits and that would have brought you Rs. 2 crores. So, not only on the one hand you would have helped the poor man, on the other hand you would have taxed something which according to the *Qoranic* injunction you should have tried to, if not put a complete stop to, at least diminish it. But that was not done. Similarly, as for tobacco, we all know that the poor man is being taxed for uncured tobacco. You could have imposed a duty on imported tobacco and cigarettes. Dr. Zia Uddin has pointed out that we in the Select Committee had made suggestions by which we wanted to increase the deficit. But we made no such suggestions. I do not want to reveal what happened in the Select Committee. We on these benches, who form the Government party, and who are prepared to support the Government, do not want to take any such irresponsible attitude. We are always prepared to support the Government, but we want not only that they should tax the people, but we want

to know how that money is spent. And so I may repeat once again that while on these benches we are prepared to support the Government in implementing the social objective which my friend, the Honourable the Finance Member gave out in his budget speech, we also want to make sure that effect is being given to that—what is being taken from the rich is being given to the poor. But what do we find? We find that there is an expenditure to the tune of Rs. 327 crores. I say this will go to about Rs. 350 crores because under Defence, although the provision is for Rs. 188·76 crores, we know because of the lend-lease material which has to be disposed of and from the stores which Defence has to get, there will be expenditure on defence stores to the tune of Rs. 20 crores. That means that it would go to more than 20 crores. So that comes to about 340 crores. If the average income of an Indian is about Rs. 100 or a little more and the population of British India is about 28 crores, it would mean that we are spending more than 10 per cent. of the average income of India. How much of it will you be paying back. You might be spending it on the army. It is one thing to spend money on fortifying a city and another to provide houses for those who are without shelter. What is being done to provide people with work? How much is spent on productive expenditure? You will find that the proportion of money to be spent on productive items is much less than the amount spent on other things. Therefore my submission is that it is not a poor man's budget. I may repeat once again that so far as we are concerned we lag behind no one either inside or outside the House in supporting a genuine socialist or poor man's budget. We are not going to be carried away by mere catch phrases or high-sounding words, no matter from which quarter they may come.

I might also say that it is not even a Congress Budget. *Dawn* has published that there was consultation between Pandit Nehru, Dr. John Matthai and Mr. Liaquat Ali Khan on the 19th. I do not know what is the authority for this statement.

**The Honourable Mr. Liaquat Ali Khan:** It was published not only in the *Dawn* but in the *Hindustan Times* also.

**Shri Mohan Lal Saksena:** The exact date has been given by the *Dawn* and therefore I am referring to that paper. I do not know what is the authority for the statement. I will be glad to know that this was the result of cabinet consultation. I will be relieved and happy to know that the Honourable Member is not functioning in compartments but as a joint Cabinet.

So far as the Congress is concerned, even at Karachi it had laid down that the military expenditure must be halved. The expenditure was then to the tune of 60 or 70 crores. We know that there is no reduction in military expenditure this time. We also find that the disparity between the salaries of the lowest member of the Honourable Member's Department or for that matter of any other department and its head remains as great as before. It is not a Congress budget. It is a budget which suffers from the defects of a departmental budget. I am sure if all Honourable Members of the Cabinet had given their full consideration to the Budget they would have been able to effect more saving than we find in the budget. I know that the Honourable the Finance Member has proposed the appointment of an Economy Committee and I hope the committee will be appointed. What I would respectfully suggest to the Finance Member and other Members of the Government is that they must accept straightaway a 5 or 7 per cent. cut in each of their departments. If they do that I am sure the departments will be compelled to work out the economies. I may point out that economy and efficiency are not inimical either in peace or war. On the other hand, I would submit that efficiency suffers without economy. If there is one superfluous man who has not a full day's work in a department, his presence detrimentally reacts on the efficiency of the others. I had a talk with one of the Members and I told him that his



[Shri Mohan Lal Saksena.]

department was a war department and therefore he must do some retrenchment. He at once said "No, no. There will be a hue and cry. How can we have retrenchment just now." I would not mind if you give them a pension but that they should sit idle without work in a government department, when there is so much work in the country to be done, is what I cannot subscribe to. These men may be put to some other useful work instead of being kept on in their departments without any work. My submission is that out of the 327 crores if you accepted a cut of 5 or 7 per cent. you will be effecting a saving without any loss of efficiency and at the same time that money can be utilised in other what are known as nation-building activities.

When we went into Select Committee, or for that matter even outside the Select Committee, we were prepared to make our suggestions to the Honourable the Finance Member to meet the requirements of the budget. But he would not listen to us. He would stick to his own proposals. He had come out with a remedy and I must respectfully submit, with due deference to him that he followed the technique of a quack. The quack comes forward with a remedy, gives it a very good name, gets a few testimonials and advertises his stuff. He makes his pile and bolts off to another place before people come to realise the true worth of what the man has sold. My Honourable friend says that it is a socialistic budget and the object of the taxation proposals is to tax the rich who have made money in the black market and other unfair means, then the Honourable Member gets a few testimonials. Then it is given out that some of the members of the Cabinet had consultations with him. After all even last year Sir Archibald Rowlands had promised an expert enquiry committee and you will remember, Sir, that he said that this enquiry was overdue, because the last enquiry was held about 20 years ago. He said then:

"Widespread desire has been expressed for the appointment of a committee to examine and report on the present tax structure and taxation incidence with special reference to their effect on trade and industry, employment, standard of living, savings and capital formation."

Then he said that this Committee will be appointed very soon. You know, Sir that in this House we had raised this question by means of interpellations and the Honourable Finance Member said that because of the uncertainties of the situation this committee could not be appointed. If it could not be appointed at least he could have invited the representatives of the various sections in this House to a round table conference, and discussed their suggestions, so that he would have known the direction in which the minds of the various sections in this House were working. He need not have given out his mind. So far as the capital gains tax is concerned we suggested that it should be confined in its operation to begin with to certain specific assets, such as shares, sale of concerns, etc. As to the rest there should be an enquiry. We do not claim to possess any expert knowledge. But the Honourable Member would have nothing of the kind. Nobody is afraid of experts more than a quack. My Honourable friend is very much afraid of them, I know. The late Pandit Motilal Nehru used to say that he would rather die at the hands of a competent and expert doctor than be saved by a quack. I would not go to that extreme. But I would say that India has come to such a position that we cannot afford to take any risks. We have been bled so long and so profusely, that even one wrong step would result in the death of millions of our countrymen. Then the Honourable Member says that the tax is only for one year. "The profits are already there and I can tax them. It will be for the Finance Member who comes next year to see how he can make the two ends meet." This is a statement which makes me all the more suspicious and careful. The Honourable Member is thinking of migrating to his homeland or dreamland of *Pakistan* after one year. I want him to have some policy which

would have continuity. It should not be a hand to mouth policy or a year to year policy. Sir Archibald Rowlands removed the E.P.T. last year. Because he was going away it was not his concern as to what happened. This year the Finance Member himself has admitted that the tax was removed a year too soon. After all the appointment of this committee may take two months. You will not lose anything. The transactions are there and are known. They can be taxed. If the effect is not going to be what it is represented it would be, you will have your tax realised. I am sorry the Honourable Member would not agree to that. A compromise has been arrived at and so far as we are concerned we will just carry out the compromise but I want to make it known to all concerned, not only I but all my friends here, that so far as we are concerned we were not actuated by any motive except that the industries of this country should not be disturbed. Moreover the financial structure should not be shaken. I have got a few letters. One letter is from Bombay. It says.]

"Is the Honourable Mr. Liaquat Ali Khan prepared to make himself decapitalised for social justice simultaneously with our utter decapitalisation immediately causable by his wanton proposal of 25 per cent. B.P.T.

There is another letter.

**The Honourable Mr. Liaquat Ali Khan:** Who is this gentleman?

**Shri Mohan Lal Saksena:** Ram Lal Jotilal Ram from Bambay.

**Haji Abdus Sattar Haji Ishaq Seth** (West Coast and Nilgris: Muhamma-dan): I will be able to produce a number of such letters.

**Mr. President:** Let there be no conversation between Members.

**Shri Mohan Lal Saksena:** I am not going to suggest that this is quite correct. What we have suggested in the face of all this is let there be an enquiry. We have offered our suggestions also. Why does not Government undertake the sale of gold and silver? We said you are exporting 300 million yards of cloth and paying sums in the shape of subsidy in purchasing foodstuff from other countries. After all these persons are making money. Let Government take it in its own hands and charge the price that is charged to the countries. The profit I am told would be about 4 crores. It was not that we did not want alternative proposals. On the other hand we said 'Bring any reasonable proposal. If we are satisfied that it is not going prejudicially to affect the economy of the country it will satisfy us.' We said that out of this expenditure there should be economy, that there should be reduction, and a substantial part of that reduction should be spent on nation-building activities. We have said all this and I hope the House will support us.

**Sjt. N. V. Gadgi** (Bombay Central Division. Non-Muhammadian Rural): Mr. President, I have heard many speeches these three days and I was very sorry to note that in some of them motives have been imputed to one or the other party. My approach to this question was indicated partly in my speech when I spoke on the general discussion stage. I then stated that it was not a case of straightaway rejection but it was a case for amendment, and after seeing, hearing, reading, digesting whatever has happened, whatever has been written and whatever has been spoken in the course of the last three weeks I am confirmed in the same view. To tax and be popular is as impossible as to love and be married. Ordinarily the lot of the Finance Member is not very happy. But the lot of a Finance Member who has to deal with the budgetary position soon after a big war is over is all the more difficult. Instead of dagg-ering him with criticism, fair or otherwise, it should have been the duty of every member in this House to help him in tiding over the difficulty and also laying down certain principles of approach to the system of taxation for the new State that is to be born. Keeping that in mind I propose, Mr. President, to offer a few remarks.

[Sjt. N. V. Gadgil.]

I repeat with a full sense of responsibility that the principles underlying the two taxation Bills are just, and on the score of justice and utility they can be defended. I have defended them and I am prepared to argue that point with anyone if not here outside in the lobby. There seems to be an idea in the House, with some members at any rate, that tax is an encroachment on private property and it is a field in which all cunning, all slyness, all ingenuity should be applied. My approach towards tax is different. My submission is that the creation of wealth is never done by an individual alone or in isolation. It is the society, its needs, its institution, its activities that give value to the product. In fact Society Co-operates with the individual producer and assigns to product its value. In fact the state is a partner and therefore the state is entitled to its share while the man is alive and certainly entitled to a share when the man is dead. If it is assumed that the creation of wealth is something in which the society has a considerable part, our approach immediately undergoes a definite change. After all a modern state must accept the responsibility of maintaining its citizen. The right to employment is a right and a fundamental right. I have heard with great regret everybody asking for retrenchment and reduction of expenditure. In final analysis expenditure means expenditure on men because we do not budget for commodities. We budget for men. If my friends who have been insistent on retrenchment were to understand what is happening in the country they will think ten times before going full steam ahead with their schemes of retrenchment. Already troubles have started. People who have made money are all right and are happy. But when unemployment is on the increase and when neither the state nor private enterprise makes any provision for them, you are not budgeting for prosperity, you are budgeting for revolution. If that contingency is kept in mind I am sure there will be limitation on the enthusiasm among some of those who have been trying since last year to get retrenchment effected in the Government. When I say this I do not want to say or I do not want to be understood to mean that there should be men without any work. But if it comes to this I will repeat what Lord Beveridge said that it is much better to dig holes and fill them with the help of the men than keep them idle. In the long run it will pay the state more. But things have not come to that pass. My submission is that if this responsibility is accepted—and it must be accepted—then you must find out money, you must find out finance and to that I now turn my attention.

Sir, I stated a few minutes ago that in the creation of wealth society has a share. I want to pursue the matter further and I want to see to what extent it can take the share. Is there any scientific principle with the help of which I can divide and distribute the share of the state and the share of the individual? I take the individual first and I find that I must keep the individual in a fair state of efficiency. I must see that he has an incentive throughout his life, that he remains cheerful, that he does his job well and truly. I can find out his cost in money terms by the help of data and statistics available and on lines which have been followed in other countries. But beyond that, whatever is left with him is surplus to which according to me he is not entitled. That is one source of income.

As regards industry I apply the same principle *mutatis mutandis*. Whatever is required to run the industry with efficiency, whatever is required by way of current capital and future capital should be provided for. But when all that is provided for, whatever is left is surplus to which neither the industry, and certainly not the industrialist, is entitled. When I hear so much argument—and sometimes it is advanced with sentiment—that industries must advance, industries must advance, then I actually think out the whole thing and I find that ultimately it means that the industrialist must advance. Sir,

you know that I am a member of the Central Pay Commission. The scientists were examined by us and they all said that something must be done for the advancement of science. I heard it so often in the course of two hours that I grew cynical and began to think that the advancement of Science really meant the advancement of the scientists. I make a difference between industry and industrialist. Industry is a concerned of the nation. I do not think the State should have any great concern for the industrialist, at least not greater than any ordinary citizen. They cannot rank higher than that but I must see that, when I attach the surplus, the industry does not suffer and I gave the example of an apple and I said that if you cut it and make it into two halves, you do not create another apple. My whole intention in saying it was that I kept my mind open. I must be convinced that by the budgetary proposals which the Finance Member made production should not suffer but should increase. We are living in a transitional stage, economically, politically and constitutionally. I am by nature conservative in action, very liberal in speech but so far as ideology is concerned, I will not yield even to Prof. Ranga but I try to keep a balance between my opinions and my action. When therefore people accuse me or my party of being slaves of capitalists or enemies of capitalists, I square one with the other and I try to see that industry which is my concern, my nation's concern, ought not to suffer, because if industry suffers employment will go down and ultimately we may be faced with a problem that I want to avoid. My submission therefore is this that the surplus, which is really that portion which a man or an industry gets over and above what it deserves is a subject matter of tax. How much it should be in actual terms will largely depend upon the exigencies of the particular circumstances of the State. Further an argument was advanced not by one but by many that—you have so much deficit. We give you another alternative. Take this and let us be done with it. That limits the theory of taxation to the needs of the State. I do not share that view. I stand for high taxation subject to the limitations that I have just enunciated. I say, Sir, that taxation cannot be limited to the needs of the State but a new moral and a new economic basis must be evolved for the needs of a modern State which our country is going to be and that moral and economic basis is the identification of this surplus with the income which is the expression of the aid given by the State in the creation of the same. That is my formula and I want to bring that formula to the pointed notice of my friend Mr. Tyson who was good enough to pay me some compliments which are very rare in these days. Just as he quoted Stamp, I want to quote Mr. Hobson who has written a very good book 'Taxation in the New State'. If he accepts my general idea that a man is not entitled to more than what is necessary to keep him in a reasonable state of efficiency and an industry is not entitled to save more than what is necessary to keep it in a state of reasonable efficiency plus whatever is necessary to keep it going and expanding, then whatever is left is the expression of the income which the industry and the individual have earned as a result of the aid they have accepted or they have got from the State. That is the new moral and economic basis of taxations. It may be that at a particular stage, as I said, you may demand the whole portion. At any stage you may take less and I heard the Honourable the Finance Member in replying to the general debate said that he would not be bullied by the capitalist but if he were convinced by his case, he would certainly be prepared to modify his proposal. I therefore interpret the acceptance of this particular compromise formula not as an indication of weakness on his part, not an indication of wickedness or sponsoring of vested or sectional interests on the part of any one section of the House. I feel that it is very difficult to ascertain the exact implications of a new tax. It is precarious in its incidence and in its yield and Mr. President, you know that when he was faced with a deficit he had to run to America. Columbus made the discovery of America and he brought some prosperity to the old and some prosperity to

[Sjt. N. V. Gadgil.]

the new world. By going to America and discovering this tax he had brought prosperity to some and calamity for the others. However what I want to make out is that on the grounds of justice and utility I cannot agree that the two proposals of taxation are bad or they do not come up to the modern scientific conception of taxes.

Now, today it is impossible exactly to know what will be the effect of these taxation proposals on industry. Therefore it is good that he has moved cautiously. The central problem of any tax system is to devise a tax system which will secure as much as possible of surplus gain without disturbing the energy or incentive of the businessmen who operate industry or diminishing unduly the flow of new capital required for enlargement and improvement. In the course of the last 20 days and more I have met a number of people, experts and quacks, as was suggested by Mr. Mohanlal Saksena, quasi quacks, laymen and businessmen and none of them has been able to enlighten me as to the exact effect these taxes will have on industry and on the flow of new capital. If this is the position, then it is a case of moving slowly, moving with understanding with all the sections in this country and that is exactly what the Finance Member has done. I congratulate him on that ground alone if not on anything else.

Now, in this country, in the course of the last six years there are many people who have made fortunes on the misfortunes of some of us and it is no sin, in fact, it is a positive duty on the part of the State to tax and tackle this war wealth and to get as much out of them as is reasonably possible. During the last six years many old industries have prospered. Many have found their feet. Many new industries have come into existence and there was a general expectation in the industrial world of doing something great. There were high hopes. I want to know to what extent that hope and that confidence have suffered as a result of this. If it has suffered so much as to cause long term effects, surely I would regret it and in due course of time if I happen to write memoirs I will condemn the Finance Member in no uncertain terms. I have condemned in one of my books 'Six Years in the Central Assembly' his predecessors, but today I am not convinced because there are no facts to guide and effects are still uncertain and invisible. Now, my submission is that this is a sort of trailer for the future investors to know the shape of things to come. Do they not owe a duty to the country? Must they always insist on 9 per cent. or 10 per cent. or 6 per cent. After all how much rate a man requires of profit to give him sufficiency of incentive? I am reminded of the story written by Tolstoy—how much land a man requires? The king, I do not know whether he was a Hindu king or a Muhammadan king or a Christian king, said: "Take as much land as you like and when you say that you have now finished with it, that land will be yours." He started early in the morning and went on right into the night and then collapsed and he then found that he required land 6 feet by 3 feet. I want to know how much a man requires for living for saving and investing. As an economist I can certainly say that the rate of interest is determined by the unwillingness of those who want to save and the same rate goes both to the willing and the unwilling. There are men who would like to be the President of the Assembly on half the pay or twice the pay but the rate is determined by a consideration of both. Similarly, there are many members who would like to be here to do the work in an honorary capacity and there are also members like me who would like to have a little more because I have a large family. But the ultimate rate is determined by the various forces. Life is a continuous process and things do not remain stationary, and finance is therefore dynamic and not stationary. Finance is dynamic because finance is the economic expression of the activities of the human mind. We must think ahead. We cannot be guided by precedents that may be available in the British Isles or America or anywhere

else. We must take the genius of the people, our past history and our social organisation into consideration and then come to some conclusion. If we do not do that, we must gradually go down. Today the foundation of our industrial system is private capital with profit as the sole regulator, and we have found that it is not a sure basis for order in the society. Every day there is a strike and millions of hours of work are lost and thousands of people participate in it. We have found that this cannot be the basis of our future society. Then, what shall we replace it with? This is a question which should have been discussed in these three or four weeks and we could then have laid down appropriate principles of finance for our future State.

What I want to submit is that the life-blood of capitalism is interest and I will give the whole idea in a nutshell. You must not try *jhatka* methods as seem to have been tried by the Honourable the Finance Member; this *halal* which he now proposes is also no good; you must try euthenesia, the word used by Mr. Keynes, the great economist, which means pleasant, painless and gradual death. How can that be achieved? When I said that the life-blood of capitalism is interest, it means that the life-blood of capitalism is profit which includes an element of interest. I am not going fully into the economic theory. It is sufficient for the purpose of the discussion to say that capitalism lives on these things. So, we must arrange our finance, our money market, our bank rate and the general life in such a manner that gradually they will not find it worth their while to save and ultimately the rate will come down from 4 to 3 and from 3 to 2 and from 2 to 1 and from 1 to zero. Then, that happy state will be achieved. Capital then will be secreted in the ordered arrangement of annual production. Basis of the whole system will have undergone a change. That is the way to work it up. It is not a revolutionary way. I plead guilty if that is the charge, but this is the surest and the most effective way and it is perfectly consistent with our ideals and our outlook.

Now, what I want to say in the end is this. Let us not try to impute motives one to another. Let us not criticise this, that or the other or insist on the reduction of the military budget here and there. I just want to ask one question. Has anybody taken into account what would be the factors that ought to determine our military expenditure? How many of us have really before their eyes those who are our possible enemies? What will be the line of defence? What will be the composition of our defence system? What will be the material? What will be the scientific front if ever a war comes? We are living in the atomic age and it is no good speaking of *lathis* when bombs are dropped from the air. It is no good giving *lathi* educations in the schools. These are factors which are naturally expected to be given sufficient attention and ought to have been the subject-matter of discussion when the budget was under discussion. To my great regret, I find people still thinking of the old world ideas, still thinking of the Government which is no more and which has gone unwept, unhonoured and unsung and still repeating the same slogans. That is no credit to our understanding of the problem. I, therefore, very respectfully urge on the consideration of this House the necessity to open a new chapter. Whether India is going to have one State or two States or half a dozen States, does not matter, but the principles of finance governing each new State cannot be different one from the other. If we can evolve certain model rules and adopt certain good principles by which the rich will be properly sized and the poor will feel that his life is worth living, I am sure not only India will be one State—because in one State there may remain many nations—but India will lead all the Asiatic countries. I thank you very much, Sir, for giving me few minutes more.

**Shrimati Ammu Swaminadhan:** (Madras City: Non-Muhammadan Urban):  
Mr. President, Sir, several of the speakers before me have brought forward the merits and demerits of the budget presented to us by our new Finance Member.

[Shrimati Ammu Swaminadhan.]

There is just one sentence which he made in his speech when he presented the budget which I was happy to hear, and that was that he would contribute to the best of his ability "to the improvement of the lot of the common man." That is one sentence that, I think, has made not only the Members of this House happy but I am sure there must be an India-wide satisfaction. I am not going to speak on figures or facts, as I know very little about finance and still less about figures, and I am not an economist either. But I must submit that on the expenditure side, I am feeling rather disappointed at the suggestions given by the Finance Member. He wants to tax so that there may be an increase in the revenue of the Government of India. But I feel that that alone is not going to help the poor man of our country. What we need today are plans and schemes on a big scale—not counting so much the expense—and also on a short term policy. We have today what is known as the Sargent scheme on education and Bhore scheme on health. But they are still remaining more or less as schemes. We want the Government of India to take up utility and nation-building schemes, so that the poor man may have real relief given to him. The two most important things in a nation which go to make the people of that country good citizens and also make them realise the responsibilities that are going to be placed on their shoulders before long, these two most important things must not be forgotten and must be given full consideration by the Government of India and they are health and education. The appalling illiteracy in India is well known not only to us in India but to the world at large. The house is aware that the Inter Asian Relations Conference is in session in Delhi now. On the opening day of the conference when I heard about the percentage of literacy in other parts of Asia, I was very painfully surprised to learn how much behind other Asiatic countries, India was, in the matter of literacy. This state of affairs cannot go on especially under the present Government, Members of which are representatives of the people of India. We have now no excuse to say that it is a foreign Government in power and that they do not care for the welfare of the country. We have our own Government and it is up to them to see that what we have been agitating for so long, what we have been asking for so long materialises and must see that all our agitation does not come to nothing, or that our cry is a cry in the wilderness. The Government must see that effect is given to the demands of the people before long. One thing that pained me much to see in the budget is the expenditure on defence. Is it necessary even today to spend so much money on defence which takes up more than 50 per cent. of our revenues. We need defence of a different kind in this country and it has been a great need for many years. We want a defence department for training people, not to kill each other or for training to kill other human beings. We want a defence department that is going to fight disease. That is the most urgent need in this country today. We suffer from malaria, from small pox, and from untold number of other diseases, and people die year after year without getting any medical aid or even without knowing what they are dying of. We have to fight that enemy, namely, disease, more than any other enemy from outside. I want the Honourable the Finance Member to remember that he should create a department which would defend the people of India against this dangerous enemy. This is a long felt want in this country and it has been neglected so long and so little money has been spent on improving the health of the country and the result is we are a nation of sick people. If we go to a village what do we find? People suffering from dysentery, diarrhoea, small pox, chicken pox and various other diseases. Possibly for miles around there is not one single medical person to attend to their illness. This appalling state of affairs must end soon and the health of the people should be improved.

The next thing which demands the attention of the Government is the wiping out of illiteracy in the country. Most of our ills are due to illiteracy.

People are so ignorant that they do not know how to cope with all the problems they are faced with. You go anywhere, you see people absolutely helpless, not knowing what to do because they cannot either read or write or understand what is going on in this world or around them. The scheme that has been put forward by the Government of India, called the Sargent scheme has put down 40 years for the spread of literacy in India. Surely this is too long a period. If the Government wills it, it need not take such a long time as 40 years for removal of illiteracy from this country. Take Russia. Take Japan. Both these countries dispelled illiteracy from their countries in much shorter time than what India aims at. India has already got certain well established educational institutions. More attention has to be given to the villages of this country and see what they are suffering from and what are the problems that face the villagers. So many of them are not able to get even one square meal a day. Then when we talk about reducing the incidence of taxation, we always think of the industrialists and other monied people who live in cities. That is not enough. We have also to consider the poor villagers. We have to think not so much about meeting the deficit or of allowing the budget to be balanced. We must think most carefully of items of expenditure and how best it can benefit the people. That is what I feel we have to consider more urgently than lots of other things that are in the budget for this year. I felt happy when the Honourable the Finance Member spoke about the "poverty stricken masses" in India and that he would see that as much relief is given to them as possible. I hope he really means that. I hope he will not bring forward the excuse of want of money.

Now while on this question of funds, I feel that a good deal of retrenchment can be carried out, first of all in the Defence Department. I do not think it necessary to spend 180 crores over the Defence Department now that the war has been over for the past two years. I feel that the Government of India departments which employ hundreds of staff might easily reduce the staff now that the war is over and there is not so much work to cope with. The work must have become much less than what it was before. It is very necessary for Government to think of retrenchment very seriously. I know it will bring about the problem of unemployment much more acutely to the forefront. But we cannot help it. This always happens in every country after a war. It happens not only in India, it happens everywhere else. It is absolutely necessary to see that we save as much money as possible so that relief can be given to the really needy and that is the villagers. With money thus saved, it will be possible to carry out many of the welfare schemes that had been only talked about so long and not carried out for want of funds.

With regard to villages, there is one suggestion I would like to submit. That is, greater attention should be paid to the agriculturist. I come from a village in Malabar and I know the difficulties of the agriculturists especially in these hard times. First of all the agriculturists have to depend entirely on the weather. One year there is excess of rain, another year there is drought, and in either case the agriculturists suffer. This goes on from year to year. They get very little out of the labour they put in on their fields. They get very little food out of the soil. So immediate relief should be given to the villagers. What is urgently needed is a large number of irrigation schemes. I may be told that irrigation is a provincial subject and that the Central Government have nothing to do with it. But my submission is that provincial governments run the administration under the direction of the Central Government and it is the Central Government that should give directions to all provincial governments which they would carry out. Besides, the provincial governments might also be in need of funds which they might require as loan from the Central Government. It is no good to have all schemes only on paper. I am sure that there will be a large number of files lying in different offices of the Government of India relating to various schemes. There is no use in allowing them to remain only in the file stage and letting them rot



[Shrimati Amma Swaminadhan.]

and finally be thrown into the waste paper basket. That is not what we want. We do not want so many paper schemes. We want the Government to implement these schemes and to put their ideas into concrete shape and thus improve the agricultural wealth of the country. Similarly they can tackle the health problem and the educational problem. Unless the Government tackle these two most important problems boldly and with imagination, the country will not flourish and even achieving of independence which we are on the threshold of doing will not do much good to us unless we are a nation of healthy people, and unless all the people can read and write. Sir, we are asked to take the responsibility of governing this country from next year. June, 1948 is the time that is fixed for foreign rule to end. But how are we going to take that responsibility if nearly 90 per cent. of our people remain illiterate? I know the statistics show a literacy percentage of 13 or 14, but really speaking it is 90 per cent. that is illiterate; because, by being able just to sign one's name they cannot be called literate, and we know that they are not really so because they cannot read, or understand what they read. So I would respectfully suggest to the Finance Member and his colleagues that these two problems must be taken up whether there is money or not. Money can be raised by loans and the Government of India can surely float any amount of loans they like if they want to do these things for the welfare of the people. Some call this budget a poor man's budget; let us see whether it is really so and how far the poor man really benefits by it. By merely reading these things he is not going to benefit in any way; schemes made for him inside the Government of India Secretariat will not benefit him in any way. But Government should really take up these two things,—to make the people's health better and stop the terrible mortality that prevails, infant mortality, child birth mortality as well as mortality from other causes. Unfortunately very little is known as to what people are suffering from, and when they die the death is recorded as "Death from other sources." That shows the appalling condition of the health departments. They are not able to cope with the work that they have to do because it is so enormous. Sir, I am not criticising the budget with regard to its figures or with regard to the taxes which may be right or may be wrong. But I only want the Government to remember that we and the people of India are looking to them and not to the figures in the budget. We want them to see that they do something for the poor people of this country who have had so little help all these years. They look up to the present Government to give them a real human helping hand and to give them facilities which are the birthright of every human being in any country but which unfortunately in this country they have not got all these years.

**Mr. Muhammad Nauman:** Sir, I do not propose to comment at any length on the budgetary proposals. My Honourable friend Mr. Tyson said this morning that the Finance Member has generously agreed to concede a certain point of view and brought back smile to faces which were gloomy on the 28th February last. Everyone knows that the press has got great powers and a press controlled by capitalists can create any amount of commotion or agitation to press the point of view of their owners; and propaganda was carried wonderfully well in the name of the common man of India. A new philosophy, however, was introduced for the support of the capitalists that is support was canvassed for making the rich richer or at least keeping them rich for all times. My Honourable friend Mr. Gadgil made a very good speech just now and perhaps made the industrialists open their eyes by saying that "although we are always for industry we cannot be for industrialists." What is required by these capitalists is not advance of industry but advance of industrialists. We are always prepared to safeguard industry but the question here is the safeguarding of the managing agent, the promoters who are the industrialists.

Mr. Gadgil well said that interest is the life blood of the capitalist and a point had to be reached where it is to be zero, this should be the aim of the Government which is to be realised at an early stage or at a later stage. I do not agree with the philosophy of the Bombay Plan as regards *per capita* wealth: The *per capita* wealth may look high on paper and by the individual wealth being distributed on paper it may appear that the distribution has been made although materially compositions of individual holdings remains the same as before. I do not want to amplify this point, but I was really surprised at the speech of my Honourable friend Mr. Saksena, who appears to have been briefed by the capitalists but was trying in vain to appear innocent of the implications of this advocacy as his own conscience was not feeling satisfied. He tried to impress on the House that the budget was not prepared with that care which would convince him as to the accuracy of the figures. Budget proposals figures can in no country be absolutely accurate. It always pays some men to say that the figures are an under-estimate or an over-estimate. Results prove that they are nearly accurate. It has been done with as much accuracy as any human agency can do it in the circumstances. Of course about the capital gains tax it is impossible for anybody to make a correct forecast because this tax has not existed in this country and we cannot as yet understand the incidence of this taxation in actual practice. But with regard to revision of slabs, and business profits tax, etc., I do not agree that the figure is an under-estimate at all.

Now, Sir, I congratulate the Finance Member on having conceded a point which a certain section was advocating for reasons best known to themselves. He took the matter to the Select Committee. There also we were able to give good relief through amendments but we could not satisfy the greed of capitalist on all the points which a certain section insisted and which the Finance Member has now thought it fit to agree.

I will not deal with the budget any more but I will refer to contributions which can be paid from the centre to the provinces and specially to Bihar. I will not relate the tales of misery of the Muslims of Bihar and the tragedy that took place there because it will serve no useful purpose. But I would like the Finance Member to examine whether it is not possible for him to give them compensation for their losses from the central funds. I will in this connection refer to the insurance fund that the Government of India had built during war time when many places in this country were in danger of being bombed. At that time Insurance Fund was built up for that particular purpose and to the best of my knowledge a very small proportion of that was spent because bombing on a big scale could not be done by the enemy country. If the Honourable Member would look into that question, it may be possible to do justice to the people aggrieved at this period by communal warfare. This part of the Bihar province has been declared as 'disturbed area', but probably it will not be very easy for the province, with the scanty finances that Bihar has, to give adequate compensation for the losses which the Muslims in Bihar have sustained, unless the Government of India came to their rescue and help. I want to draw the attention of the Honourable Member to this particular aspect and in view of the fact that there is communal commotion in this country—it is unfortunate but the fact remains that it is there—I would ask the Honourable Minister to see whether it is possible to start the same system of compulsory insurance as we had during war time. I hope and trust that the Honourable Member will give his best thought to this question, because I doubt very much if the provincial resources are at all able to meet these obligations even if they so desire. It is the duty of this Government to pay compensation for the damages and losses which have been inflicted on certain section of people. I do not wish to say anything further on this question because it would not perhaps be advisable to discuss the whole formula of Insurance rate etc. just now. I only wanted to bring this particular

[Mr. Muhanmad Nauman.]

matter to the attention of the Honourable the Finance Member and request him for thorough investigation. With these words, I support this Finance Bill.

**Mr. Vadilal Lallubhai** (Ahmedabad Millowners' Association: Indian Commerce): I am glad that there has been a compromise among the parties, but, Sir, at the same time I am unhappy to find that this compromise will not help the country because it has only taken care of one side of the problem and has not tackled the other. The idea behind these negotiations was that the Finance Member may be enabled to get finances, and at the same time the industrialization of this country may also be helped. Today I will try to put before the Honourable the Finance Member the other aspect of the case in order that he may see whether these taxation proposals will help the industrialization of this country or whether they will adversely affect the industrialization. I am here trying to evaluate the situation in that spirit, and I hope my Honourable friend also would consider the same in that very spirit.

The Finance Member has naturally to pilot the finances of this country in a way that will help in raising the standard of living of the people. If his proposals would do that, certainly he is right. But if I am able to convince him that it will not be so, I hope he will reconsider the matter in certain respects.

If you remember, Sir, I supported in my first speech the capital gains tax. I feel that it is a just tax and it ought to be levied, but we have got to view these proposals in their cumulative effect. The question is whether sufficient incentive will be left with the industrialists to start new industries, to modernize the present ones, to expand them, and so on. Many aspects of the case have been considered already. According to me one of the most important aspects is that the incentive should be kept up so that new industries may grow. I find, Sir, that the taxation proposals as they are, are much higher than the taxation in the United Kingdom from where we have been borrowing our taxation system up to this time. If he compares the two taxation proposals, I am sure the Honourable Member will agree with me. If you look at the slab in the Finance Bill, the highest slab is reached at 1,20,000 on unearned income, and 1,50,000 on earned income, while the same kind of slab in the United Kingdom gives a latitude up to 20,000 pounds. In England the Business Profits Tax is only 5 per cent., while we have a heavier kind of tax here. The Capital Gains Tax is not there. It may be said that although the Capital Gains Tax is not there, there is Estate Duty in England. I would prefer, Sir, to tax the living rather than the dead. We have come across the difficult situation created because of the Estate Duty. If the father dies when there is prosperity, and in a few months time if there is depression, the son suffers due to no fault of his. That is why I would prefer to tax the living, rather than to tax the dead. If we consider the slab after 1,20,000, you tax the man 15½ annas in the rupee. Out of this 1,20,000 the present taxation would take away 76,000 leaving Rs. 44,000 with the man. If he earns one lakh more, it would leave him less than 3,000. And mind you this is not on his investment, but on his earnings. Now, Sir, do you think that a man will have any incentive to work if he knows that he will be given 3,000 out of his one lakh of earning. It means he must be content with industrialization to the extent he is earning 1,20,000 which will leave him 44,000. If he does any further industrialization he will be doing only for 3,000. So he will be putting a premium on his honesty and nothing else. I would, therefore, request the Honourable the Finance Member to consider this aspect of the question and see whether by his recent proposals he will not be putting a premium on dishonesty and tax evasion.

**The Honourable Mr. Liaquat Ali Khan:** That is already there.

**Mr. Vadilal Lallubhai:** Yes, but the tax evasion which is there will multiply

many times and I have no doubt about it and the honest man will be thrown out of business. Are his intentions to see that the honest man does not thrive, the honest industry does not go up? I would like him to consider that point of view. There was up till now a lacuna in the tax. One of the most important was the capital gain. There were capital gains to the industrialist, to capitalists, and I for one supported, and I still support that the capital gain tax is a good one; and that lacuna is now stopped and so for the honest man he has got to stop further industrialization. I will be told that the majority of the shareholders in industry are middle-class men. I agree. But I would like to tell the House as to whether it is the shareholder who starts new industries or the industrialist. The definite reply would be that it is the industrialist who does it. That is why I would request the Honourable the Finance Member to consider well—to compare the U.K. and the U.S. taxation systems and I would remind him of the words of Sir Archibald Rowlands last year when he was confronted with a query that he was making rich richer. He said: Can taxation go further than 15½ annas in the rupee? That is what he said last year. The other side of the question would be the business profits tax, which also I would like him to consider. He feels that the borrowed capital should not be a part of business and should not be considered under the taxation proposal. I would like him to be reminded whether there is any country in the world, whether it be the U.S.A. or the United Kingdom, where business can be run without borrowing. Are the banks a useless appendage, the main function of which is to borrow and lend and lend to businessmen and industrialists? Are they useless appendages to society? If that is not so he must consider capital, whether borrowed or subscribed, as capital. I know his difficulty. He would confront me with a position that in the past in the E.P.T. regulations this borrowed capital clause was much abused. I agree. That is correct. But the taxation proposals were made in such a fashion that it was neither the fault of the industrialist or business man. It was the fault of his department which did not devise the tax in the right way. I know of factories and industries, having 50 and 60 lakhs in current accounts which were not considered investments and which was borrowed capital. That is why if that abuse is to be stopped, there are ways and means to stop that I would suggest him one, if he would care and that is, if you deduct from the borrowings, the investments and also the cash in hand of the bank, his problem would be solved. I being in business and industry I know and I can definitely say that the abuse can be stopped easily that way and there should be no abuse on account of capital computation. I would ask his financial pundits in his department, who are very clever people, to confront me after the suggestion whether still this clause of borrowing will be abused. It cannot be. I would ask him to consider these two points with a view to finding out whether the industrialisation of this country would be furthered or retarded. After the budget of Sir Archibald Rowlands some kind of confidence had come into the industrial field as a result of which in the postwar period there were various schemes floated, many new industries are coming about. I would desire that he considers his proposals in that spirit and I would wish that the present Finance Member goes down to history as one who helped the industrialisation of this country in the postwar period so as to help raising the standard of living in this country.

**Mr. Ananda Mohan Poddar** (Bengal Mahajan Sabha: Indian Commerce): First of all I offer my grateful thanks to you for the privilege you have kindly allowed me to speak from my seat. Sir, I must congratulate the Honourable Members of the Interim Government for the temporary agreement they have reached in respect of the two Bills. This is a good gesture and we can now hope that in the future there will be more agreements and they will work in a spirit of goodwill and co-operation for the welfare of the country as members of cabinet responsible to this House.

[Mr. Ananda Mohan Poddar]

Sir, In respect of the proposals of the Finance Bill, I would first of all take the advantage of saying something about the unnecessary public expenditure. It has been a great surprise to me that while people of the country have been asked to pay more and more to the coffers of the Government on account of the sins of omission and commission of the Governments—past, present and future there should be no tangible attempts made or effective measures taken to curtail our unnecessary public expenditure. After all we must cut the coat according to the cloth.

Sir, There has been a Committee appointed to biggest ways and means of accomplishing economy in the vaguest and casual manner; and the curtailment of expenditure but what is more even that committee have been told not to touch the question in a serious way. They have been practically asked to touch the question of retrenchment in a gingerly manner. It is not possible to bring about any substantial retrenchment with such pussillanimous attempts and under such obscure circumstances. I would like to say that if the Honourable the Finance Member makes an honest and serious attempt he could certainly curtail the heavy unnecessary expenditure. But I want to impress on him that morally and legally he cannot make any demands for further taxation without making an honest attempt for proper curtailment of expenditures. This is absolutely necessary.

Sir, I would next touch on the question of subventions, which our Finance Member proposes to grant to the provinces and I would ask him to give careful consideration before he takes up the matter of distribution and immediately find out a definite policy, a definite policy in the allotment of all these subventions.

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

Crores of rupees are to be allotted to Bengal and Sind and I as a rate-payer from Bengal certainly have a right to express my view point and ventilate the grievances of my constituents who contribute to the public exchequer of this Government. The Central Government is allotting considerable amount of funds for Bengal and Sind; but are they taking care that these funds are properly utilised?

Sir, Unfortunately all these months we see before our own eyes that communalism of rabid type is rampant in Bengal and Sind. My point is  
 4 P.M. that the Central Government should not allocate any fund to Bengal and Sind without a definite policy on the part of the Central Government and knowing well how these funds are going to be utilised by the provincial governments concerned. It is an open secret that the provincial governments of these two provinces Bengal and Sind are unscrupulously determined to put down one community and encourage the other and to inflict serious handicaps on one community in all spheres of life—educational, social and industrial. When this is going on in every field of administration in Bengal and Sind must I raise my voice of protest against any allotment towards those provinces without enunciating a policy so that these funds are utilised for specific purposes of effecting real constructive prosperity of the people of Bengal and Sind.

Sir I would like to point out to the Honourable the Finance Member and other Honourable Members of this House that it was rather peculiar that the Finance Member every time in his speech was uttering the word sub-continent. He has been very careful in using the word 'sub-continent' and never has he used the word 'country' or 'India' in his speech. He has deliberately mentioned the word 'sub-continent' in his speeches and has cleverly tried to avoid the word 'India' Sir, that would make one feel, try however much be might, that the Finance Member finds it rather difficult to view things in their broader perspectives and in the truly national interests of the country. I will be happy to know that I am in correct in my reading of the mind of the Honourable the Finance

Member but I would appeal to him to give up his bias and get over his inhibitions and deal with the country as a whole and not talk of "sub-continent." I do not want him to call India as mother India but I would certainly take exception to the word sub-continent, because we are not administered at present as a sub-continent but as a whole country, India. I would request him to consider every thing in the broader perspective of the whole of India without narrowing his outlook, under the garb of sub-continent. Sir, I would lastly appeal to him to get over his inhibitions and to take upon himself the sacred duties of the Finance Member of this country as a whole and try to do justice to all without any discrimination in favour of any part of the country or its people.

**Mohammad Amir Ahmad** (Lucknow and Fyzabad Divisions: Muhammadan Rural): [The Honourable Member spoke in Hindustani. For Hindustani text see Appendix to the Debates for the 26th March, 1947. English translation given below.—*Ed. of D.*].

Sir, I had a mind to speak in English but for want of sufficient knowledge of that language and of the presense of so many learned men in the House I decided not to expose my weakness in English by speaking in that language. I will, therefore, speak in Urdu and my endeavours will be to speak in pure Lucknow Urdu so that everybody may understand but still if they do not understand, it will not be my fault.

In connection with the budget strange stories are being circulated about in Delhi and strange squibs are being let off in India. Some say that the budget is socialistic; some say that he opposed it because it does not cherish socialistic ideals; some say that E. P. T. taxes have been brought back. In short, there is a babel of opinion current about it. If the budget does not cherish social ideals; if it does not promise help to the poor at the cost of the wealthy then why do the rich have heartache. Sometimes it happens that a clumsy player who does not know how to play resorts to cheating his opponent hoping to win by that way. The opposition to the budget is just like this. Since it is difficult to deliver a frontal attack; efforts are being made to attack it from sides. These well-wishers of the Government were in the habit of opposing the previous Government; but soon their habits changed and now they are accustomed to support the Government. They have reduced the tax from 25 per cent. to 16½ per cent. and abatement to 6 per cent. and yet this bitter pill cannot be swallowed by them. The reason is that a certain community considers money a great power and the individuals representing the various sections of that community in this House are of the same view and desire to multiply it. Their desire for money has increased to the point that they would give their lives but they would not part with their money. There is a proverb in Persian—

*Gur jam talbi muzaiqa neest.*

*Zar mi talbi sukhan dar cenja ast*

(If life is required I have no objection. But if you want money, there comes the question!)

There is a proverb in Hindi:

*Chamri jai to jai magar damri na jai.*

(Skin us if you please but don't ask for a farthing):

The representatives in this House who claim to represent those indigent people, those hungry human skeletons should feel ashamed that although they boast of representing them in this House to the outside world they show no sympathy for them inside it—nay rather they betray them here.

**Diwan Chaman Lall** (West Punjab: Non-Muhammadan): Sir, on a point of order I would like to know whether the use of that particular expression which the Honourable Member has used is parliamentary? You are fully aware of the fact that to cry 'Shame' on the floor of the House is not parliamentary or to charge anybody with dishonesty or with treacherous conduct is not parliamentary. Practically I have noticed that my Honourable friend the Raja belongs to that very indigent class about which he is talking.

**Mr. Deputy President:** It is not parliamentary to attack or say anything against any member or make reflections on their honesty or integrity.

**Muhammad Amir Ahmed:** Sir, if I have used some improper words in my speech, I may be forgiven because I am not so experienced as other members in the House are and I may be allowed to withdraw them. I never meant to censure anybody. I meant that if we have come here to represent those poor people we should render them their dues. I ask what have we done to raise our voice against capitalism and zamindari. We should try our level best to end both these evils. They (Zamindari and Capitalism) do not let a nation flourish. Then, there is the slavish mentality which keeps these evils going. In short, we should end these evils, the sooner the better.

All the speakers have said that the taxes levied in the budget were not according to the principles of taxation. Is it essential for the Government that it should do nothing that has not been done before? Should we continue to be slaves to old customs? The need of the time is that whatever new economic order is formed it should be formed keeping in view the special conditions of India.

To be brief I am sad to see these conditions. It is also said that the budget does no good to the poor. So far as the good of the poor is concerned it will be a God-send if the bill is passed after due amendments. Had, this Bill been a real boon and this budget a socialist budget I wonder how great would have been the opposition against it. Had this Bill been a social law there would have been a hundred—nay a thousand times more confusion outside the House than there is now.

I offer congratulations to our sincere worker, the Honourable the Finance Member by whose efforts the old methods have been discarded and the Finance Bill has been framed on new principles. This is the beginning of the social order and when so much noise has been raised in the beginning I wonder what opposition will be offered when social order is actually established in India! If this state is to continue no new thing will be brought to India. If ever a new thing is brought it will not be the order of the British nor the order of America but the social order of Russia—an order in which every person will be allowed to educate himself or herself and learn the ways of earning his or her living. I am not against personal property I am for it to the limit one can control it. I am not for irreligion because I am a Moslem and I believe that no religion in the world possesses such law as Islam possesses which equally distribute the wealth in the world. Make as many laws as you please; let your offices issue as many orders as they desire, it will be in vain. Your laws have force outside the four walls of the house. There must, therefore, be some moral training which may prevent people inside the house from committing crimes. May he be a Hindu or a Moslem, a Sikh or a Christian the guide to goodness inside the house can be religion alone and nothing else. You may call it moral principles in which they have been trained. The laws of the Government go only up to the four walls of the house, they cannot enter in it. The need is, therefore, that while making all these bills and arrangements we must make a scheme through the Education Department for the training of the present generation and the generations to come—a scheme which may serve as a beacon of light leading them to a life of refinement. If this is not done even your best laws, your peerless speeches and your unique proposals will all be in vain. If they were not broken openly, as we have often seen some disliked laws broken, they will be privately contravened. I, therefore, suggest that some sort of moral training should be given. This country is on the threshold of independence which has been promised. Our freedom is going to be bestowed upon us (which we could not take with our own efforts). Before June 1948, therefore, a number of affairs must be so arranged that if the country is not yet prepared to take the freedom and government it should at least show that it has started to walk on the path to progress. It is a pity that in India schools especially moral training schools

are not enough for the need. The immediate work that should be done is the reform of already existing schools. Unless this is done we cannot solve our problems. Pass any number of laws as long as reform does not start with the education of the youth, as long as Indians do not believe in the oneness of God, as long as they do not believe that He is ever present everywhere and looks to us wherever we may be, and we do not live peacefully inside our own houses, with our neighbours and with every human being and do not help each other all our laws, all our money will be useless.

The expenditure of the Defence Department is excessive; it should be reduced. If you desire to keep the standing Army permanently and if you want to arm India, it will not do to arm a few people. Nay, give military training to each and every one and when required call up from the trained people as many as you need. Unless this proposal is passed with a new vision and a new view-point the future of India will remain dark even after the independence. Freedom of conscience is needed more than the freedom of the country. Unless, therefore, the freedom of conscience is not realized we can do nothing and our fate will remain undecided.

**Rai Bahadur Devendra Mohan Bhattacharyya** (Nominated Non-Official): Sir, permit me to say at the very outset that with the introduction of the National Government at the Centre we thought that a new era of happier and healthier living would be introduced in the country. But, to be frank, Sir, we have been sadly disappointed and we do not expect to have anything of the kind in near future in view of the circumstances prevailing at the moment.

Sir, the old story of bribery and corruption, the sad tale of scarcity of foodgrains and the non-availability of cloth and other essential necessities of life are still pouring in from all parts of the country. Black marketeers and profiteers are still riding strong in the land we live in.

To quote one instance, Sir, I may be permitted to say that I had been to Calcutta in January last to purchase one Austin car. I was told by the Austin Distributors Ltd., that all Austin cars due to arrive in Calcutta up to the end of 1948 had already been booked. I was then coming out of the show room when a youngman came to me and told me that he could supply me with one Austin car if I agreed to pay one thousand Rupees more than the scheduled price. Even in Delhi, Sir, the capital city of British India, black marketeers are selling rice at Re. 1 per seer and sugar at Rs. 2 per seer and one can get as much as he likes provided he agrees to pay the enhanced rates.

Sir, we, the people of Bengal, have suffered terribly in 1943 from famine of foodgrains and we are now suffering terribly from the famine of cloth. The quota fixed for each person in Bengal is not given in time and the result has been that the people have to go without cloth for some months of the year. I think, Sir, this is due to corruption in the distribution machinery set up by the Government and this has probably given rise to black marketeers who are flourishing so well in our country. The present system of food rationing and cloth rationing are simply scandalous and are responsible for nepotism and corruption that have crept into the administration. In times of shortage, Sir control is good but I would humbly submit that there is no justification for controls if the Government cannot manage the controls properly and to the satisfaction of those for whom the controls are meant.

Sir, it is the primary duty of the Government to provide its people with food and cloth and we are being told for some years past that India is not self-sufficient so far as her food and cloth supply is concerned. In spite of that the present budget, which has been framed by the people's representatives has not disclosed any definite proposal for the early solution of food and cloth problems. Not a word has been said in the Budget speech as to how to make the "Grow More



[Rai Bahadur Devendra Mohan Bhattacharyya]

Food Campaign" more successful or how to produce more cloth from cotton mills.

The Honourable the Finance Member has expressed his great anxiety to do as much for the poor as possible and in his budget speech he has been pleased to admit that the cost of living has to be reduced if the lot of the common man is to be improved. But, Sir, I find nothing in the financial proposals which may really lead to the improvement of the common man's lot. The abolition of the salt duty has given some relief to the common man no doubt, but that is a very small relief and there are some other articles which should be equally tax-free. Tobacco and betelnuts are innocent luxuries of the common man in times of leisure and they are still being taxed as in previous years.

If the Honourable the Finance Member wants to give some real relief to the common man I would request him to do away with taxes on tobacco, betelnuts and matches which are daily necessities of the common man in the country.

Sir, if the Honourable the Finance Member is really anxious for the common man, I would most earnestly suggest that provision should also be made for opening Government subsidised shops in every village or one in a group of villages for supplying cloth and foodgrains at cheaper rates to the common man having an income below a certain level.

Sir, I may submit further that some relief, although small, has been provided in the budget for the poor but no relief worth the name has been provided for the middle class people. The hardships and privations of the middle class people have not at all been taken into consideration. The minimum taxable income has been slightly increased but that is not sufficient relief to a middle class man in these days of costly living. The cost of education of children is a very heavy item of expenditure in a middle class family. It will therefore be very fair and just if the minimum taxable annual income be raised to Rs. 3,000 and necessary deductions are allowed towards maintenance of wife and children as is done in the United Kingdom and other civilised countries of the world. Sir, lands, forests and houses in rural areas were requisitioned by the Government during war for war purposes and the people did not object to it, as all works relating to war should have first priority. At the time of requisition the people were assured that compensation would be paid at rates which would satisfy all concerned but you will be sorry to hear, Sir that attempts are now being made to pay as little as possible. I know one landlord in Bengal whose forests measuring about 300 acres were requisitioned for construction of air fields. Trees were cut down and uprooted, thus making the growth of forest in future impossible. The Land Acquisition Officer at the time prepared the schedule of compensation to be paid to him and he came to know that his compensation money would be about three lakhs of rupees. The war having been over, the gentleman was informed by a new Land Acquisition Officer that his total compensation money would come up to about a lakh and quarter only, but very recently he has been informed by the same Land Acquisition Officer that the Lands, Hiring and Disposals officers of Calcutta have reduced his compensation to about Rs. 38,000 only. This difference in rates for payment of compensation money cannot be justified on any ground. This is probably due to the fact that the officers of the Lands, Hiring and Disposal service are thoroughly unacquainted with the land tenures in India or with the Indian system of land valuation. I therefore suggest to the Honourable the Finance Member that Indian officers having knowledge of the system of land tenure prevailing in India should be taken in Lands, Hiring and Disposals service so that full justice is meted out to those rural people whose lands, forests or houses had been requisitioned for war purposes.

Sir, I would like to bring one thing more to your notice from my experience in Bengal. The Provincial Government of Bengal has initiated the Agricultural Income Tax on income derived from forests and the Indian Income Tax Depart-

ment has recently discovered that the income from forests is liable to taxation under the Indian Income Tax Act and the result is that this income is being subjected to double taxation once by the Provincial Governments of Bengal and again by the Central Government.

I may submit, Sir, that if forests are subjected to high rates of taxation of the Indian Income Tax Department, it would spell disaster for their future growth leading to their ultimate extinction and this will surely affect our country's rainfall and will be a contributing factor in causing drought and thereby loss of agricultural produce. If the Government of the land feels keen on the preservation of forests in the general well being of the country, I think it should come to the rescue of forest owners by treating income derived from forests as purely agricultural and not to make this income liable to taxation under the Indian Income Tax Act.

Sir, I would refer to one thing more and then I will finish. There are many rich people in the country, owners of both earned and unearned incomes, who are very generous and who make large donations from time to time which lead to the growth and foundation of many useful institutions, in this country. To bring relief to this section of taxpayers may I request the Honourable the Finance Member to see if he can find his way to place the amount of income donated for *bona fide* charitable purpose beyond the purview of the Indian Income Tax Act. I believe, Sir, this concession, if agreed to, will encourage the richer people of the country to donate more in future for institutions which depend largely on public charity. With these words, Sir, I support the Finance Bill.

**Mr. Krishna Chandra Sharma** (Meerut Division: Non-Muhammadan Rural): Sir, the general principles and the social policy underlying the budget are eminently sound. There is no more Static equilibrium of debit and credit; of expenditure and revenue. It smacks of that economic dynamism of social purposes which is the need of the day. It constitutes a striking departure both in objectives and methods from the traditional objectives and methods of the earlier Governments. It is not based on merely financial considerations. It is rightly called a budget for the common man. The additions made to and the deductions effected from the existing taxes go a great deal to prove the fact that the authors have attempted to aim at a truly national budget. The misfortune of this great land had been that the bureaucrats who used to make the budget had little knowledge and still less sympathy for the under-dog. The common man was, therefore, ignored by the men in authority and exploited by the big business and capitalist. It was often said that the Finance Member used to be in the pocket of the Bombay millionaires. He dared not touch them and therefore could do little for the poor. The present budget reveals a different story.

چوہدری سری چند :—جناب صدر مہری یہ گزارش ہے کہ مسٹر شرما اگر پندرہ منٹ تک نہ بولنا چاہیں تو اُن کا باقی ٹائم مجھے بولنے کے لئے دیدیا جائے۔

**Chaudhri Sri Chand** (Nominated: Non-Official): Sir, if Mr. Sharma does not intend to speak for fifteen minutes, what remain of his time may be given to me.

**Mr. Deputy President:** This is not a point of order. The time taken by Mr. Sharma will be deducted from the time of the Congress Party. He is speaking on behalf of the Congress Party.

**Mr. Krishna Chandra Sharma:** The wealth in our country has consolidated in a fewer and fewer hands. In recent years people have grown rich overnight. The disparity between the rich and the poor was never so great as it exists today. This in itself is bad enough, but the recent development in the social values in India is threatening. The few who have grown wealthy at the cost of people want to acquire and monopolies the power, political or economic, and put it to the anti-social use. In the feudal times the much hated few could rule but

[Mr. Krishna Chandra Sharma]

those few possessed the masculine virtues of character and courage, dare and dash, a sense of honour and destiny. The man was willing to sacrifice, willing to lead and had the capacity to lead and the people used to share in his victory and glory. But here is a modern substitute in these democratic times of the modern age who exploits labour, cheats people, amasses wealth, controls the resources and poisons the popular mind. He not only controls the body as was the case in the feudal times, but he poisons the very spring of life, that is, the mind. He will control the press, the newspapers and the broadcasts, which would, by a subtle process, ensure him the rule over the people. This is the phenomenon in India which anybody, who has commonsense enough to have a peep in the future, cannot look at with equanimity. It is against this method that we must put up a fight. It is not because, as my Honourable friend the Baronet from Bombay said the other day, the Finance Member was envious of the rich or vindictive but because the rich is going to play his part in anti-social activities. It has given power in the hands of those who judging from any viewpoint are not deserving of wielding that power. It is the curse of the modern age that money can buy anything and the money can do anything. It is in this background that Bernard Shaw has described it in the following terms :

"The conflict is not between royalty and democracy. It is between both and plutocracy which having destroyed the royal power by Frank force under democratic pretences, has bought and swallowed democracy. Money talks, money prints, money broadcasts, money reigns; and kings and labour leaders alike have to register its decree and even by a staggering paradox, to finance its enterprises and guarantee its profits. Ministers who are socialists to the back bone are as helpless in the grips of Breakages Ltd., as its acknowledged henchmen from the moment when they attain to what is with an intentional irony called power (meaning the drudgery of carrying on for the plutocrats, they no longer dare even talk of nationalizing any industry however, socially vital, that has a farthing of profit for plutocracy still left in it, or that can be made to yield a farthing for it by subsidies."

This is bad enough. The contrast between the vast multitudes who eke out some sort of miserable existence and the inordinately rich few has grown to such a striking extent that it has become intolerable.

Sir, it is gratifying to know that the Finance Member has promised to bring down the inflationary tendencies and to ensure and maintain employment and this has found a sympathetic echo in the heart of every well-meaning man and woman. There are proposals which benefit the poor and tax the rich. The salt tax has been done away with. Though it does not give much material relief to the common man, it has its psychological value. It is the first tangible symbol of our political status. It will go a long way to assure the common man that the Government thinks in terms of his sentiments. This step of Government may go a long way to meet the cherished desire of the common man, though not financially at least sentimentally. It might not be a sound financial proposition to abolish the salt tax. But this abolition has its own value and it will go a long way to create confidence in people's minds.

Then, Sir, the raising of the taxable limit of incomes from Rs. 2,000 to Rs. 2,500 will give relief to hundreds of middle class families. Then the common man also benefits from the subsidies given for food and grants for housing schemes and also from contribution to provinces. Now, Sir, money has been found by taxing the rich and the higher classes. The super-tax starts earlier. The business tax 16½ per cent. has been introduced and then there is capital gains tax. Then there is the export duty on tea which will fall on the consumer, but it is not likely to affect the common man so much. There is so much controversy about Business Profits Tax. It has been said that the Business Profits Tax is a vindictive measure and it owes its origin to the envy and jealousy of the rich rather than to any sympathy for the poor. There is a great misunderstanding about the capital. Riches do not come down from Heaven, they have to be produced by human labour. If A has got riches it is through human endeavour; or if B has amassed wealth it is at the cost of people. It is said, if profit

motive is not allowed to play its full part in an industry then that industry would perish and it would not thrive. I submit that capital in the modern sense is a dynamic force. It cannot remain idle. It will not do to cry for profits and profit motives too much. In a country like India you cannot have now much profit. Examine the budget of an agriculturist or a labourer. Take the case of grass cutter woman. She goes five or six miles away from Delhi into the jungle, she cuts grass and brings and sells it in the city. The conveyance charges are much more than human labour wages and yet poor woman has to sell the grass and make a living. It always happens that she is left with a deficit. Take the case of any agriculturist family, father, wife and five or six children. They all work hard. But if you examine their budget, it will always be in deficit. Everywhere in India all are working on a deficit budget basis and they must necessarily have a profit motive or a profit incentive for industry. It means that they do not understand the function of capital in modern conditions of society. Capital cannot remain idle. It must move. It is a dynamic force. You cannot remain idle in your house keeping crores of money buried under ground. This is an impossible state of affairs. In case there is money in your pocket, it ought not to be allowed to remain idle. You must take out that money and make it yield more goods. You cannot simply keep it buried underground. Then as regards expansion of industries, what is it they have done? No doubt they have given some employment. But it is all slave labour. What is the condition of labour in industries now? They have not taken any steps to improve the condition of labour. In what way the industrialist has improved the quality of the product? A lot of literature has been supplied to the members of the legislature on this subject of production. One great argument against over-taxation of industry is that there would be little money for charities. It is again ignoring the function of a modern State. You have your own Government administering the country, it is not a foreign government. It is your own people government in power. Cannot you give money to this government and at least see how things are managed by an Indian Finance Member, or an Indian Education Member? You need not open schools in your own way and allow underfed teachers to run the school. You cannot be allowed to do bad jobs in bad ways. The industry must pay a part of profit to the state and the latter must serve the people in a right way. It is not open to anybody to have his own ways of doing things in this modern world. You must place the money in the hands of the State which is of course manned by your own representatives but at the same time you can force the State to do things in the right way for the people.

Before I sit down, I wish to say one word about this capital tax. I am very doubtful about its effect. This has been taken from American pattern. It has created a lot of difficulties in that country. In France it has been restricted to taxation upon securities, in Germany it is confined only to speculative transactions. The great authority on taxation, Prof. Seligman taking all aspects into consideration advises Government to do without this. I am doubtful about its efficacy. I doubt whether it would be helpful to achieve the object for which it has been introduced. With these words, I resume my seat.

**Mr. P. K. Salve** (Nagpur Division: Non-Muhammadan): Sir, I have read and studied this budget with some concern. I am not satisfied with the budget. I consider it a half hearted measure. They are telling us this is a poor man's budget the common man's budget without knowing who that common man is, without knowing who that poor man is, without knowing what are the measures necessary to bring about a change in the conditions of that poor man, of that common man. I submit, Sir, that it is necessary for us to examine whether in this budget we have been able to design or provide anything for improving the condition and standard of living of these people. The picture before me of a poor man or a common man—it may not be a scientific picture—is a man who has a family. The unmarried man does not find a place in this picture because

[Mr. P. K. Salve]

he does not need much. But let us take a married man with half a dozen children; that man has got to look after their food, their clothing and their education; and if there is any surplus income left he has to give them some sort of fine-art education like music and dancing. If that man has not got money to provide even for his house-rent, or after paying the house rent has nothing left for their food or their education, that is the poor man whose case has to be considered. Have we considered his case at all? I find that in this budget there is no provision for these wants and deficiencies that we find among this class of people. One hundred and fifty years of British rule have granted to us 90 per cent. of illiteracy as against 20 per cent. in Japan, 40 per cent. in the Philippines; and only the other day the representative who came from Kazakistan said that while in 1918 there was 98 per cent. of illiteracy in Russia, today after only a quarter of a century there is no illiteracy at all and every one is literate. This state of things has to be taken along with another factor. The British Government have granted to us a life-span of 26 years, as against 60 years in England and 68 years in the United States. It has also granted to us an annual income of Rs. 48, while in Japan it is three times that sum, in England it is ten times that sum and in the United States it is 23 times that sum. The national expenditure on education here is 10 annas *per capita*, in England it is Rs. 20 and in the United States it is about Rs. 60. The question now is how the new future Government of India is going to act and how soon. Are we going to be in the same condition in which we were kept by the British Government or are we looking for new things? Are we expecting changes that will change the life of the poor people of this country? I am afraid, Sir, that we have not sufficiently granted the money necessary for meeting all these things. I do not hold a brief for the industrialists. What I do say is that this is a half-hearted measure in this sense that the Honourable Finance Member should have taken courage in both hands and collected three or four thousand crores from the people of India in order to bring about all these changes. We have been expecting these changes. You may say that the poor man should wait; you may as well ask the harvest to wait and the monsoon to wait. How long is he going to wait? But in order to get that money you have got to inspire confidence in the people. At present that confidence is wanting. The capitalist is shouting in anger against this budget; the poor man is not at all pleased with this budget because he says it is not going to give him the ordinary luxuries or the ordinary necessities of life. They are both dissatisfied; and so the Interim Government has to inspire confidence among the people, and that confidence has not been inspired as yet. We understand that it works in blocs and conflicting blocs, and therefore the country as a whole is looking on them with suspicion. How are things going to shape? Is India going to become new or is it going to be shattered to pieces by our communal troubles and disturbances? I would request the Interim Government to take the wealthy people into confidence. I am one of those who hold that the wealthy people hold their money in trust for the people of India, for the poor of India, and they have no business to keep such large balances in their banks. I am surprised that in this House several people who have large properties and large bank balances become socialists overnight and speak for the poor man not knowing what they are saying. As a matter of fact it has become the fashion these days to speak of the poor man. A man who has lived in luxury, a man who has been a Raja or a Nawab, a man who has held titles, a man who has had plenty of property, a man who runs a Rolls-Royce, gets up and says he is for the poor man. That sort of hypocrisy will not do. Let us be honest to ourselves and let us be honest to the country; let us do what we really say. Example is better than precept. I would say that although a Quranic injunction has been cited by the Finance Member, I can cite my own Scripture the Bible which says: "Take no heed for the morrow; care not for the morrow what ye shall eat or what ye shall drink or what raiment ye shall put on." That is the injunction; the injunction is, no bank balances, no properties kept on for years

together within your control to the detriment of other people. So far as these Shastric injunctions, therefore, are concerned, so far as the Quran Sharif or the Bible is concerned, the injunctions are really very useful and beneficial, but who follows them? They are more observed in the breach than in compliance. Therefore I would say that the necessity today is to make India a new India and the sooner you make it the better. I would give a warning to the members of the Interim Government that they had better look sharp in this matter. Things are getting out of hand and they must see that India changes and becomes new. Let us not get into the old rut. I can say many things about retrenchment and many things as to how money can be saved. But that is not the point; the point is that if there were a deficit budget I would not mind it. Let it be a deficit of three thousand or five thousand crores; I would not mind in the least. But what I say is that you should take all the money that you need in order to minimise the disparity between the wealthy and the poverty-stricken. If you try to remove this disparity only by a few inches or by a few feet when the disparity is miles and miles between them that is not going to help. Therefore I say you should inspire confidence in the people by your behaviour and by your leadership, by your preaching and your propaganda. There has been plenty of hatred preached and plenty of hateful propaganda in the country. So many people are losing their lives and so much property is being destroyed. I would therefore humbly suggest that this Interim Government should come together

and apply their concerted action. Let them not split up on small matters; let them not think of dividing the country into two parts; let there be one United India and let them have a long term plan and get all the wealthy people to surrender their money—ill gotten or otherwise. Let them give that money to the State, and I am sure that with that money we shall be able to do much better than this Budget.

**Chaudhri Sri Chand:** [The Honourable Member spoke in Hindustani. For Hindustani text see Appendix to the Debates for the 26th March, 1947. English translation given below.—*Ed. of D.*].

Sir, Many members have congratulated Mr. Liaquat Ali Khan on the compromise regarding the Finance Bill. The day the Bill was introduced I was afraid and believed that it would never be passed in the form in which it has been presented inasmuch as I knew that this was an assembly of *Nawabs*, the House of *Amirs*, it could not pass any Bill which was in favour of the poor and against the rich. Within the next few days it was heard that the crisis had come and that the Bill would be discussed. Those people by threats or by entreaties, by hook or by crook got the Bill in the shape they wanted. I said at the time of the general discussion that the bill was conspicuous in proposing no new tax for the poor. If you do everything for the rich, if you spend money for the wealthy, at least do this favour to the poor that you do not burden them with taxes. I requested Mr. Liaquat Ali Khan to abolish the tax on tobacco as it was a tax on the poor. Cultivators already pay *lagan*, *abiana* which is charged even when water is taken from one's own well. It is, therefore, not legal to levy tax on the cultivators for tobacco. A hue and cry was raised on the Bill in favour of the rich. A sub-committee was set up to discuss the point but the sub-committee did not discuss tax on tobacco because it concerned the poor and had no interest for them. Thirty crores of rupees was reduced to 12 crores and 25 per cent. was reduced to 16½ per cent. but the tax on tobacco remained untouched. I once more appeal to the Finance Member that as it was a tax on the poor nobody recommended for its abolition to him. The representatives here although they are representatives of the poor but they are not poor, there are representatives of the labourers but they are not labourers themselves; there are representatives of the agriculturists but they are not agriculturist; they therefore cannot remember the people whom they represent nor do they want to bring all the grievances of the poor to the notice of the House.

[Chaudhri Sri Chand]

There is a scheme to acquire cultivable lands of 14 villages in the neighbourhood of Delhi and construct an Agricultural College there. The residents of those villages submitted a petition before the Honourable the Food Member and tried to wait upon him several times but most probably the Honourable Member was very busy and could not see them. I asked a question in this connection on the 21st March and received a reply stating that there was a scheme that 3,000 acres of land will be acquired on the Rohtak Road for the proposed Agricultural College. I suggested that on the road to Ambala there is a village by name Alipore. The Government owns a plot of 80 acres there. Adjacent to these 80 acres there are two or three villages belonging to one or two other persons. If the land of the one or of both the persons be acquired it will be enough for the purpose. If that was impracticable, the land on the Muttra Road left over from the lands of 125 or 127 villages which were taken over in 1912 for building New Delhi could be utilised. The reply to this suggestion was given by the Government saying that as there were only 80 acres of Government land on Alipore Road; it was not sufficient for the purpose. I had pointed out that there were many thousands of acres of land owned only by two persons who were residents of Rohtak district. They own entire villages. If that land was acquired it would serve the purpose. But, those persons are rich, they are *raises* and the Government do not consider it proper to acquire their land, that is why the Government do not condescend to give a reply to my above suggestion. Regarding the land on Muttra Road the reply was that New Delhi was extending and there is no better side for this extension except the Muttra road side. I wonder newspapers plead the cause of the poor, speaker fight from the platforms for the poor and here, too, nothing else but the *car* of the poor is discussed and yet they are very anxious to extend New Delhi. I am informed that Government is giving land to 50 persons where 50 bungalows will be erected and every bungalow will have an area of 10 acres. It is on this site that the huts of the poor are being removed. They are destroying them to make room for the bungalows of the rich. They are reserving Muttra road land for the houses of the rich. I draw your attention to the fact that you destroyed once 127 villages and then 4 villages for the site of Pusa College. If you search even one family out of those many families that lived there you will not succeed. The reason is that when a cultivator has no land nobody contracts relationship with him. A farmer without land cannot have relations with landed farmers.

You have already destroyed once 127 villages and then 4 villages but allow me to inform you that this time it will not be an easy task for the Government. Government had started a new plan. They are trying to purchase the lands adjacent to the land they have already purchased. It seems that the wealthy have imbibed the idea of making the poor rich in this way. But I can tell you that now the villagers have grown to be so self-respecting that they will never accept such riches. We did mention this dispute up to the present time because there were other matters before us. These people sitting on their easy chairs in the offices without any thought or discomfort determine the destiny of 19 villages. To them the removal of 19 or 15 villages is just like snapping the fingers. They don't understand that to what great trouble and inconvenience the people who have been asked to vacate their homes have been driven. They don't feel that they have been asked to vacate homes where their ancestors lived. I say it is better that there should be no college rather than to seize their lands. We don't want such a college. It has been said on behalf of the Government that the owners of the lands will be profited. They will suffer no loss. We do not want to be rich. We are happy in our huts rather than reaping large profits by getting our shares from the Government. There the officers drawing 4 to 5 thousand rupees will reside. We well know of our status as their neighbours. I, therefore, request with all the emphasis at my command that this land may not be acquired. I inform you that if this land was acquired every villager has vowed that he would rather die than vacate his land.

I have another matter to place before you. Lengthy discussions have been held here to do away with the distinction between martial and non-martial races. There are numerous people who were in the Army in ranks which did not carry much pay. Now a number of high ranks is going to fall vacant. The rich have their greedy eyes on them. They want to sit on our heads by occupying the places to be vacated by the outgoing British officers. It is my appeal and my proposal to you that these ranks should be given to the persons from communities according to the proportion of sepoys of the respective communities in the forces. If persons from the non-martial races who recruit as sepoys were given high officers' rank, the martial races will never tolerate it. The Government wants to recruit in place of the British officers rich people whose ancestors have never seen the war. I don't say that there are no brave persons in them. I cannot become a good shopkeeper or a good accountant because they are not my professions nor were the professions of my elders; but I do assert that a *bania* can never be a brave man. Can you become brave by learning by heart a few pieces from the English or by passing B. A. and M. A. from the college. Only those can be brave who have done acts of bravery. My friends and my relations tell me that during the war some people were so coward as to go to the hospital and pretend illness and then slunk away home leaving the rest of the unit in the heat of the battle. The martial races will never tolerate the removal of the distinction between the martial and the non-martial races merely to recruit officers from the latter. Officers' ranks should be given to those of the people who are veterans of war and not to those who have read a few Shakespearean dramas in the college.

Sir, is it just that the people whose ancestors and whose families have always been fighting wars be deprived of officers' ranks merely because they have not passed the M. A.? Prizes are given to the sepoys but the officers' posts will be given to the rich. I assert that Martial Races will never suffer it that they should serve as sepoys and the officers should be recruited from the non-martial races.

Another complaint that I want to place before you is that all the offices in Delhi are filled up with townspeople. Out of about 50,000 of them not more than 50 individuals are villagers. The townspeople are so crowding the offices that they don't allow the villagers to come near them. I appeal to you that when our population is about 80 per cent. we should at least be given 50 per cent. of the posts. This is not partiality in favour of the villagers. Whenever a villager comes to an office he is not allowed to get in it. If he goes with an application to interview some officer he is told that there is no vacancy in the office.

The greatest complaint that I have is against the Radio Department. This Department in order to make fun of the villagers have engaged townspeople. They make villagers' programmes with the purpose of making fun of the villagers. There is nothing in them for the villagers. The songs have been stopped as a result of the decision by the villagers. To make programmes for villagers, people from the villages should be employed and not the people who act as villagers. For village songs, villagers should be called. The villagers' programme in radio is meant to make fun of the villagers. It is better that it should be stopped. If you want to draw out a programme for the villagers, make it after consulting them as to what they want to be broadcast and what not. Thus, sitting in the Radio jokes are hurled upon the villagers and songs which are said to be of villagers show nothing but the stupidity of the villagers. It is therefore my request that if you want to make a programme for the villagers consult them and then make it.

**Mr. Ali Asghar Khan** (Assam): Muhammadan: I call it a Historic budget because it is prepared for the first time by an Indian Finance Member. The tax is raised as well as the tea duty. It will bring income to the Government. On the other hand he has lifted the salt duty. This is in consideration for the poorer



[Mr. Ali Asghar Khan]

class of people. But there are many other taxes which affect the poor directly, such as tobacco, betelnut, and kerosene. If these taxes are reduced it will help the poor more. Only then can the poor be interested in it. Taxes are essential in a modern country where expenses are great and expenditure is high. Income from such taxes should be utilised for opening roads, opening new industries, etc., in the country, and also for the improvement of the standard of living. But we find that there is a top-heavy administration. The Honourable the Finance Member should reduce also the fat pay of the ministerial staff and ministers.

Another point is that all people should have a right under a good Government to live prosperously and be happy. Taxation should be moderate and in that way the business will also increase the income of the Government. Government is the guardian of the people, and should be liberal and look to the interests of every section equally. When I say, Sir, that the Government should be liberal, I mean that industrialists and capitalists also should be liberal. Nobody should try to take all that they earn and it should be distributed among the labourers and among the rest of the public. What our leaders should do is to leave party politics and direct their energies to the betterment of society which alone can make the country happy and great. The Honourable the Finance Member has no doubt done right to increase taxation but it should be moderate, so as to allow industrial improvements in the country, because without industrialisation a country cannot become great. At the same time he should give relief to the cultivators and the poorer sections of society. If Government encourage industry and business, then there will be more industries and by that the lower scales of taxation can have sufficient income to the Government. It is not right that taxation should be directed to any particular section of the people. Let not our country become like the Fascist or Communistic countries. Our taxation should be moderate. On the other hand I find that they are leading towards communist countries in their policies. In regard to taxation I would advise them to go slowly and moderately. Government should always bear in mind that if they make the people rich, they will prove an asset to the country. If Government want to take all by taxation, then why not give the industrialist or any other section of society a certain portion of their profit, say 12 to 25 per cent. excluding expenditure on their capital and take all the rest?

I find that the Honourable Finance Member has not said anything about the betterment of the people of the country. He has not mentioned what he intends to do towards the improvement of hospitals, roads, agriculture, etc. The condition of our cattle is very bad. There are so many deaths every year due to T. B. but nothing has been done to fight this disease. Among the people dangerous disease like leprosy are spreading gradually in the country and attempts should be made to stamp out this dangerous disease. But Government and the leaders seem to have no time for all this: they are too busy fighting among themselves. I saw in the papers and also heard in the lobby that there has been a split among the Cabinet members. At the time of the previous Government many of the supporters of the present Government were stalwart champions of the poor as against the capitalist. At this moment when there is taxation on the capitalist I am surprised to find those same people backing out from supporting the Finance Member and their attitude is contrary to what it had been before.

As soon as the Honourable Pandit Nehru sat in his *gaddi* he made a statement to abolish the *samindari* system. Perhaps he did it to show that they are doing so much for the people of the country, that they were trying to help the cultivators by abolishing the zamindari system. As soon as he shouted here all the provinces echoed "It will be abolished as soon as possible." I do not know what is their reason for directing their attention against certain communities. All *samindars* are not bad. A good zamindar is better than those who claim to work for the people. He has a closer touch with the people than others.

As regards the tea duty, Assam produces at least one third of all Indian tea and since the duty has been raised to four annas, the Government of India will get several crores of rupees. Tea and petroleum are the main industries of Assam. But out of both these duties Assam is not getting anything, whereas Bengal is getting half of their jute duty. I hope the Finance Member will do something in this matter, because Assam is a backward province and requires central assistance to improve her condition.

Another point I would like to mention. I heard that the Muslim League has passed a resolution and sent it to Mr. Liaquat Ali Khan and Pandit Nehru requesting them to go to Assam to reach a compromise as regards the Line system. I do not know that they have received the resolution. Personally I think it would be much better that they both go there and settle the matter amicably, because if they go there the matter can be settled instead of having more killings in that place.

I agree with my friend Mr. Nauman regarding compulsory insurance for losses sustained in communal riots. As this is assuming a large proportion, it is necessary that the Central Government should come forward and meet the loss or damages sustained by aggrieved persons.

Sir, with these words I support the Finance Bill.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 27th March, 1947.